

1 AUTO-TURN MANUFACTURING, INC.

EMPLOYEE HANDBOOK

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**AUTO-TURN MANUFACTURING, INC.
EMPLOYEE HANDBOOK**

PURPOSE OF HANDBOOK

This Handbook describes rules, regulations and policies governing your employment at Auto-Turn Manufacturing, Inc. ("Auto-Turn" or the "Company"). The Handbook is intended to assist you in understanding what is expected of you and what you may expect of Auto-Turn. Please read this Handbook carefully.

In the event you do not fully understand anything in this manual or have other questions, please immediately ask the General Manager for further explanation

EMPLOYMENT AT WILL

YOUR EMPLOYMENT BY AUTO-TURN IS AT WILL. THIS MEANS YOUR EMPLOYMENT MAY BE TERMINATED WITH OR WITHOUT CAUSE AT ANY TIME BY EITHER YOU OR AUTO-TURN. NOTHING CONTAINED IN THIS HANDBOOK OR STATEMENTS BY ANY PERSON WILL ALTER THIS EMPLOYMENT RELATIONSHIP. THE RULES, REGULATIONS AND POLICIES DESCRIBED IN THIS HANDBOOK ARE GUIDELINES TO BE USED DURING EMPLOYMENT AND ARE NOT INTENDED TO BE CONTRACTUAL CONDITIONS OF EMPLOYMENT, NOR IS THE LANGUAGE INTENDED TO CREATE A CONTRACT BETWEEN AUTO-TURN AND ITS EMPLOYEES. AUTO-TURN RESERVES THE RIGHT AND HAS THE SOLE DISCRETION TO CHANGE, ALTER, SUPPLEMENT OR AMEND ANY OF THESE RULES, REGULATIONS OR POLICIES IN THIS HANDBOOK AT ANY TIME WITHOUT ADVANCE NOTICE.

ATTENDANCE, PUNCTUALITY AND TIME RECORDS

All employees are expected to be at work at the time scheduled for their attendance and be at their work stations at the scheduled time for work to begin. When employees anticipate that they will be late or absent, they are required to telephone their immediate supervisor to report the circumstances, advising how late they may be or how many days they may be absent. Employees are to notify their supervisor at least 30 minutes prior to the time your shift would normally begin when they will be absent from work or unable to report for work on time. The supervisor will note on the employee's time sheet whether the lateness or absence is excused or unexcused and whether to pay or not pay. Failure to request advance approval or to timely report absence or lateness will result in the absence being recorded as unexcused and subject to discipline.

Upon returning to work from an unexcused absence, an employee must report to his supervisor and disclose the reason for the absence. The supervisor may request a copy of support documents, i.e. doctor's certificate, to substantiate the absence. If the reason is not acceptable, the employee may be subject to discipline including, but not limited to, verbal or written reprimand, or termination of employment.

Absence is the failure to report for work or to remain at work as scheduled. It includes late arrivals and early departures as well as absence for an entire day.

An employee who fails to call in for three successive days to report an absence shall be considered to have voluntarily terminated employment from Auto-Turn.

Employees who are to use the time data collection system are responsible for the accuracy of their time records. Employees must log in when starting the workday and log out at the end of the workday. Employees are also to log out for their lunch break and anytime they leave the Auto-Turn property, unless leaving for business purposes as part of their job duties. Tampering with another employee's time records, including logging another employee in or out, is prohibited and may result in immediate termination.

BULLETIN BOARDS

Auto-Turn uses bulletin boards to communicate important business information such as safety rules, statutory and legal notices, company policies, and management memos. Each employee has the responsibility to read the information that is posted. Employees may not post material on bulletin boards without the approval of the Manager.

CONFIDENTIAL AND BUSINESS INFORMATION AND TRADE SECRET

It shall be the policy of Auto-Turn to develop procedures for the control, protection and disclosure of all confidential and business information and trade secrets (collectively referred to as confidential information). All current and former employees of Auto-Turn are prohibited from disclosing or using confidential information for any purpose including competing with Auto-Turn, both during their employment, and after their employment relationship at Auto-Turn has ceased.

Confidential information includes, but is not limited to, all financial books, records, instruments and documents; purchase orders; purchase information and inventory; client lists; software programs and codes; reports; pending proposals; marketing strategies and research; technological data; and any other instruments, records or documents relating to or pertaining to Auto-Turn, which was received, reviewed, developed or became known to the employee during their employment at Auto-Turn.

Employees are prohibited from using in the course of their employment at Auto-Turn any information from the employee's former employer, which was considered confidential by or trade secrets of such employer.

The failure to comply with this policy by an employee may result in immediate termination and legal action to prevent the disclosure or use of the confidential information. Access to confidential information is restricted and any employee attempting to access such information for which he or she is not authorized, may be subject to disciplinary action up to and including immediate termination.

DISTRIBUTION OF HANDBILLS, SOLICITATIONS, AND COLLECTIONS

Unauthorized distribution of handbills, solicitations, and collections on the premises by non-employees is prohibited at all times. Employees are required to report conditions that appear to violate this policy as soon as possible violations are observed.

The distribution of handbills, solicitations, and collections by employees to other employees are subject to the prior approval of the General Manager. Approved distributions, solicitations, and collections may occur only on an employee's own time, may involve only those employees who are also on their own time, and may occur only in specified areas.

The solicitation and collection of money for special occasions (such as wedding or new baby) experienced by employees are appropriate and will generally be approved by the General Manager.

DRUG AND ALCOHOL FREE WORKPLACE

To help ensure a safe, healthy and productive drug free work environment for the employees of Auto-Turn, to protect its property and assets, and to assure efficient operations, Auto-Turn has adopted a Policy on drugs and alcohol.

It is Auto-Turn's policy to maintain and provide a drug and alcohol-free working environment that is both safe for our employees and customers and conducive to efficient and productive work standards. This policy restricts certain items and substances from being brought on to or being present on Auto-Turn property, including its parking areas and its vehicles and prohibits Auto-Turn employees and all others from reporting to work, working or being present on Auto-Turn property, *whether or not on duty*, from being under the influence of drugs or other substances.

Employees should consult and are required to comply with the Drug and Alcohol Free Workplace and Testing Policy.

EMPLOYEE CLASSIFICATION

At the time you are hired, you are classified as full-time, part-time or temporary. You are also told whether you qualify for overtime pay (non-exempt). Unless otherwise specified, the benefits described in this handbook apply only to full-time employees. However, all rules, regulations and policies described in this handbook apply to all employees. Part-time employees are employees who generally work less than a forty (40) hour week. Temporary employees are employees who are hired for a specific project or purpose scheduled to last less than six (6) months. If you are a part-time or temporary employee, you are not eligible for benefits described in this handbook except to the extent required by state and federal laws.

EMPLOYMENT OUTSIDE THE COMPANY

It shall be a condition of employment that any employee of Auto-Turn advise their supervisor or Manager in writing of any outside employment for which the employee receives compensation on either a salary or fee basis. The

notification shall include a brief description of the work performed and the approximate number of hours per week devoted to it. Nothing in this requirement shall be construed to prohibit such employment, unless it interferes with the employee's performance of his or her job duties and responsibilities, including scheduling demands, with Auto-Turn, or if the nature of the outside employment is deemed to have a negative impact on Auto-Turn or creates a conflict of interest.

If Auto-Turn determines that an employee's outside employment interferes with performance or the ability to meet the requirements of Auto-Turn, as may be modified from time to time, or the outside employment is deemed to have a negative impact or creates a conflict of interest, the employee may be asked to terminate the outside employment if he or she wishes to remain employed at Auto-Turn.

EQUAL EMPLOYMENT

Auto-Turn is an Equal Opportunity Employer. Equal employment opportunity is not only good business, it's the law and applies to all areas of employment, including recruitment, selection, hiring, training, transfer, promotion, termination, compensation, and benefits.

Auto-Turn will recruit, hire, train, and promote into all job levels the most qualified applicants without regard to race, color, religion, sex, age, national origin, or veteran status, disability or any other condition protected by state or federal law. Furthermore, Auto-Turn will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship.

ETHICS AND CONFLICTS OF INTERESTS

Employees are expected to use good judgment, adhere to high ethical standards and avoid situations that create an actual or perceived conflict between their personal interests and those of Auto-Turn. Auto-Turn requires that the transactions employees participate in are ethical and within the law, both in letter and in spirit. Employees are expected to not engaged in, directly or indirectly on or off the job, any conduct which is disruptive, competitive, or damaging to Auto-Turn.

Auto-Turn recognizes that different organizations have different codes of ethics. However, just because a certain action may be acceptable by others outside of Auto-Turn as "standard practice," that is by no means sufficient reason to assume that such practice is acceptable at Auto-Turn. There is no way to develop a comprehensive, detailed set of rules to cover every business situation, therefore this policy is intended to outline some basic guidelines to be followed. Whenever employees are in doubt, they should consult with their manager.

Conflicts of interests or unethical behavior may take many forms including, but not limited to, the acceptance of gifts or compensation from competitors, vendors, potential vendors, or customers of Auto-Turn. Gifts may only be accepted if they have a nominal retail value, but employees are not to accept any form of compensation. Employees are prohibited from engaging in financial participation, outside employment or any other business undertaking that is competitive with, or prejudicial to, the best interests of Auto-Turn. Employees may not use proprietary and/or confidential information for personal gain or to Auto-Turn's detriment, nor may they use Auto-Turn's assets or labor for personal use.

If an employee or someone with whom the employee has a close personal relationship has a financial or employment relationship with a competitor, vendor, potential vendor, or customer of Auto-Turn, the employee must disclose this fact in writing to Human Resources. Auto-Turn will determine what course of action must be taken to resolve any conflict it believes may exist, up to and including requesting the employee to tender his/her resignation. Auto-Turn has sole discretion to determine whether such a conflict of interest exists.

Employees are encouraged to seek assistance from the General Manager with any legal or ethical concerns. However, Auto-Turn realizes this may not always be possible. As a result, employees may contact Human Resources to report anything that they feel they cannot discuss with their manager.

FINAL PAY AND RIGHT OF OFFSET

If you resign or are terminated, your final pay, whether by check or direct deposit will be available to you on the next regularly scheduled payday (unless other arrangements have been made). All Company property must be returned to your Supervisor or the General Manager at the time your final check is released to you. To the extent allowed by law, (i) any amounts owing, including for tool purchases, to the Company or the monetary value of any unreturned Company property, including Company tools and uniforms will be deducted from the employee's final paycheck; and (ii) any employee who has engaged in misconduct (i.e. intentional or deliberate conduct that causes injury, damage or loss to the Company) will have offset from any final check and/or payment of accrued but unused vacation, the monetary amount of any injury, damage or loss as determined by the Company. To the extent the final paycheck is not enough to satisfy the amounts owed to the Company by you, you agree to immediately pay such amount or forfeit all tools equal in value to the amount owed to the Company.

FIRE, DISASTER AND OTHER EMERGENCIES

The importance of fire and other calamities' prevention cannot be too strongly emphasized. Your Supervisor or the General Manager will inform you of your duties in the event of a fire or other emergency. You should immediately report any fire hazard to your Supervisor or the General Manager. In case of emergencies, your Supervisor or the General Manager will give correct procedures to be followed as to safe evacuation, or areas appropriate for safety of Employees, members and guests.

HARASSMENT AND DISCRIMINATION

Auto-Turn is committed to maintaining a work environment that is free from intimidation and harassment, that fosters mutual employee respect and promotes harmonious productive working relationships. Every employee of Auto-Turn is responsible for assuring that the work place is free from all forms of harassment and discrimination. Auto-Turn prohibits and will not tolerate discrimination or harassment of any employee due to age, race, sex, religion, color, national origin, disability, or on any other basis that would be in violation of any applicable federal, state, or local law.

Harassment, as defined for this policy, consists of verbal, visual or physical conduct that belittles, demeans or shows hostility or aversion toward an individual for reasons including, but not limited to his/her gender, race, religion, color, national origin, age, sexual preference or disability, or that of his/her relatives, friends, or associates, and that:

- has the purpose or effect of creating an intimidating, hostile, or offensive work environment;
- has the purpose or effect of unreasonably interfering with an individual's work performance; or
- otherwise adversely affects an individual's employment opportunities.

Sexual Harassment, as defined for this policy, consists of unwelcome sexual comments, advances, request for sexual favors, and other visual, verbal or physical conduct of a sexual nature when:

- submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- such conduct has the purpose or effect of creating an intimidating, hostile, or offensive work environment.

Prohibited acts of sexual harassment can take a variety of forms ranging from subtle pressure for sexual activity or contact to physical contact. At times the offender may be unaware that his or her conduct is offensive or harassing to others. Examples of conduct which could be considered sexual harassment include:

- persistent or repeated unwelcome flirting, pressure for dates, sexual comments, or touching;

- sexually suggestive jokes or gestures directed toward another or sexually oriented or degrading comments about another;
- preferential treatment of an employee or a promise of preferential treatment to an employee in exchange for dates or sexual conduct, or the denial or threat of denial of employment benefits or advancements for refusal to consent to sexual advances;
- the open display of sexually oriented pictures, posters, or other material offensive to others; and
- retaliation against an individual for reporting or complaining about sexually harassing conduct.

All employees are encouraged to express displeasure at any conduct which might be sexually harassing, to tell the individual engaging in the conduct that it is unwelcome, and to report the conduct as described in this policy.

Occasionally, talking with a supervisor or another employee about the harassment is not sufficient for reporting a complaint of harassment. If you feel you are being harassed, you should immediately inform the person harassing you that his or her behavior is unwelcome and must stop. You should always promptly report the matter to the General Manager. Although, delayed reporting of a complaint could hinder the Company's ability to effectively investigate the complaint, it will not in and of itself preclude the Company from investigating the matter and taking appropriate action.

If the person you feel is harassing you is General Manager, you should contact the Chief Executive Officer of Auto-Turn, immediately.

Auto-Turn has no requirement for the form or content of a harassment complaint. Although the complaint may be verbal, a written statement may be required as part of the investigation to be conducted by Auto-Turn. Allegations of harassment and discrimination are taken very seriously. You have a duty to fully comply with the investigation. You should provide as much information as possible regarding the offending incident or conduct, including what happened or is continuing to happen, the person or persons causing the harassment, and the time(s) and place(s) that the incident(s) or conduct occurred. If available, the names of witnesses should be provided, but you should not hesitate to report harassment merely because witnesses are not available or cannot be identified.

All complaints will be investigated promptly. The complaint will be investigated in as confidential of a manner as possible, but confidentiality cannot be promised. If an investigation confirms that harassment in violation of this policy has occurred, Auto-Turn will take appropriate corrective action as determined by it in its sole discretion. The corrective action may include discipline up to and including termination. The extent and type of corrective action taken may depend in part upon the length and conditions of employment of the particular employee and the nature of the offense. There will be no retaliation by Auto-Turn against any employee who makes a good-faith report, even if, after investigation, it appears that there has been no violation. However, false reports are another form of harassment and should not be made.

If either party directly involved in a harassment or discrimination investigation is dissatisfied with the outcome or resolution, that individual has the right to appeal the decision by submitting his or her written comments in a timely manner to the General Manager of Auto-Turn.

HOLIDAYS

It is the policy of Auto-Turn to designate and observe certain days each year as holidays. Eligible employees will be given a day off with pay for each holiday observed.

The holidays observed are as follows:

New Year's Day
Memorial Day
Independence Day (July 4th)
Labor Day
Thanksgiving Day
Day after Thanksgiving Day
Christmas Eve
Christmas Day
New Year's Eve
One floating holiday as determined by the Company

Temporary employees, part-time employees, and employees on leaves of absence or on lay-off are not eligible to receive holiday pay. Full-time employees, for both day and night shifts, are eligible to receive their regular hourly rate of pay for eight (8) hours (no overtime wages will be paid) for each observed holiday.

To receive holiday pay, an eligible employee must be at work, or on an authorized absence, on the work days immediately preceding and immediately following the day on which the holiday is observed. If an employee is absent on one or both of these days because of an illness or injury, the Company reserves the right to verify the reason for the absence before approving holiday pay.

A holiday that occurs on a Saturday or Sunday may be observed on either the preceding Friday or following Monday as determined by Auto-Turn.

If a holiday occurs during an employee's vacation period, the employee will be given an additional day of paid vacation, which may be taken at the beginning or end of the employee's vacation period, subject to the prior approval of the employee's supervisor.

Auto-Turn recognizes that some employees may wish to observe, as periods of worship or commemoration, certain days which are not included in Auto-Turn's holiday schedule. Employees who would like to take a day off for such reasons may be permitted to do so if the employee's absence from work will not result in an undue hardship in the operation of Auto-Turn's business and if prior approval has been obtained from the employee's supervisor. Employees may use their paid vacation on such occasions, or they may take such time off as an unpaid, excused absence.

INJURY OR ILLNESS ON THE JOB

Any employee reporting an on-the-job injury or illness will receive immediate and appropriate medical treatment. All applicable federal, state, and local laws or regulations pertaining to occupational injuries or illnesses will be followed and complied with at all times.

It is the responsibility of all employees to report immediately to their supervisor all on-the-job injuries or illnesses regardless of how insignificant or minor the injury or illness may appear at the time.

When employees sustain an injury or illness that requires outside medical treatment, the employees may also be subject to completing a screening for the presence of drugs and/or alcohol in their system, provided state law permits these tests. When employees are involved in an accident that results in significant property damage, the employees may be subject to completing a screening for the presence of drugs and/or alcohol in their system, provided state law permits these tests. Any employee who refuses screening for the presence of drugs and/or alcohol will be subject to immediate termination.

INSURANCE

Group health insurance, including dental insurance and an optical reimbursement plan, partially paid by the Company is available for all eligible full time employees and eligible dependants. Employees must apply for coverage or provide proof of health insurance coverage from another insurance company. Waiting period for new hired employees is 1 month from the date of fulltime employment. The effective date of coverage will be the day after the 1-month waiting period (or coinciding with the first of the month if the original date of hire was the first). Booklets providing details of the plan are available from the General Manager.

MAINTENANCE OF WORK AREAS

It is the policy of Auto-Turn that work areas are to be kept clean and orderly at all times.

All employees are responsible for maintaining their work areas in a clean and orderly fashion at all times. To fulfill this responsibility, each employee should, at a minimum, do the following:

- Prior to the end of the work day, clean and organize all tools and equipment and properly secure any items, papers, or information of value; and
- Place coats, boots, umbrellas, and other items of clothing in designated areas so that work stations are not unnecessarily cluttered.

Supervisors are responsible for making sure that their employees maintain their work areas in accordance with the requirements of this policy. Each supervisor should:

- Make sure that aisles, floors, and walls are free of debris and other unnecessary items and that all end-of-the-shift tasks have been performed;
- Monitor the facilities and equipment and issue maintenance requests where appropriate;
- Arrange for the removal of any items from the work place that are not needed for the flow of business or the comfort and enhancement of employees;
- Report to the Manager any existing or potential workplace hazards; and
- Ensure that all trash, waste, and scrap are properly disposed.

NON-FRATERNIZATION

While the Company encourages friendly relationships between members of management and non-management employees, it recognizes that involvement in a romantic relationship may compromise or create a perception that compromises a member of management's ability to perform his or her job. Any involvement of a romantic nature between a manager or supervisor and anyone he or she supervises, either directly or indirectly, is prohibited. Violation of this policy may lead to disciplinary action up to, and including, termination of the management individual involved in the relationship.

OPEN COMMUNICATION

At Auto-Turn, communication is at the heart of good employee relations. Employees should share their concerns, seek information, provide input, and resolve work-related issues by discussing them with their supervisors until they are fully resolved. It may not be possible to achieve the results an employee wants, but the supervisor needs to attempt to explain in each case why a certain course of action is preferred. If an issue cannot be resolved at this level, the employee is welcome to discuss the issue with the Human Resources Manager, General Manager, or Chief Executive Officer.

Regardless of the situation, employees should be able to openly discuss any work-related problems and concerns without fear of retaliation. Managers and supervisors are expected to listen to employee concerns, encourage their input, and seek resolution to the issues and concerns. Often this will require setting a meeting in the near future. Managers and supervisors are to set these meetings as quickly as possible, and employees are expected to understand that issues and concerns may not always be addressed at the moment they arise. Discussing these issues and concerns with management will likely help to find an acceptable solution for nearly every situation.

If an employee has a concern about harassment or discrimination, Auto-Turn has set up special procedures to report and address those issues. The proper reporting procedures are set forth in the Harassment and Discrimination policy.

OVERTIME

All overtime must be approved in advance by your supervisor and noted on the time reporting system. Holidays, personal leave and other personal absences will not be counted as working hours when computing overtime pay. Overtime compensation will be one and one-half (1 ½) times the Employee's regular pay rate and will not include any special form of compensation or bonuses.

PAY PERIODS

Employees are paid on a weekly basis every Friday. Day shift employees will receive their paycheck on Friday. Night shift employees will receive their paycheck on Thursday night after 8:00 pm. When such payday falls on a holiday or a non-business day, payday will be the preceding business day. If any error occurs on your paycheck, notify the General Manager. The error will be corrected as soon as possible. In the event the employee's paycheck is to be received by someone other than the employee, Auto-Turn must have signed written instructions from the employee and Auto-Turn will require the person picking up the paycheck to provide a picture identification card.

PERSONAL APPEARANCE

The professional image of Auto-Turn is maintained, in part, by the image that our employees present to customers, vendors, and other visitors.

Employees working in office areas should dress conservatively and professionally. Skirts and dresses should not be any shorter than three (3) inches above the knee. Blue jeans and tee shirts are acceptable office dress unless otherwise determined by the General Manager, however dress standards still require a neat, clean appearance. Employees meeting with customers should wear appropriate business attire.

Employees working in manufacturing, maintenance, and warehouse areas may wear blue jeans and T-shirts. Shorts may be worn, unless otherwise determined by the General Manager. Steel-toed shoes, and other safety equipment is to be worn at all times by employees working in the manufacturing, maintenance, and warehouse areas. Long hair must be tied back to ensure employees' personal safety. Loose clothing or dangling jewelry that poses a safety hazard to employees is also prohibited.

Employees should avoid wearing halter tops, strapless tops, spaghetti straps, tank tops, cropped tops, sleeve-less shirts, shirts with alcohol or tobacco logos or offensive wording on them, clothing that shows undergarments (sheer), torn clothing, or clothing with holes in it. All clothing must be clean, neat, and fit properly.

For all employees, professional appearance also means that Auto-Turn expects you to maintain good hygiene and grooming while working. Facial hair is permitted as long as it is neat and well trimmed. Earrings are acceptable; however, excessive numbers of earrings and other body piercing jewelry may not be worn during work hours. All tattoos offensive in nature, as determined in the sole discretion of the General Manager, must be covered at all times during work hours.

Clothing must not constitute a safety hazard. All employees should practice common sense rules of neatness, good taste, and comfort. Provocative clothing is prohibited. Auto-Turn reserves the right to determine appropriate dress at all times and in all circumstances and may send employees home to change clothes should it be determined their dress is not appropriate. Employees will not be compensated for this time away from work.

PERSONAL CONDUCT

Auto-Turn expects all employees to observe certain standards of behavior while at work. Employees' conduct is to be ethical and respectful, and not offensive to other employees, customers or visitors.

The standards employees are expected to follow include, but are not limited to:

- Completing all documents and records fully and accurately, including without limitation, job application, medical report, production report, time records, expense account report, absentee report, shipping and receiving records;
- Reporting to work on time when scheduled to begin and being at the proper work station, ready to work at the assigned starting time;
- Notifying your supervisor at least 30 minutes prior to the time your shift would normally begin when you will be absent from work or unable to report for work on time;
- Complying with all safety rules and performing duties and operating equipment with care to protect the safety of the employee, co-workers, and the public;
- Wearing clothing appropriate for the work being performed;
- Carrying out assigned duties in accordance with established quality standards and following reasonable instructions or requests from supervisors and/or management;
- Not posting any literature, handbills, petitions, posters, or other materials on the premises without the prior approval of the Manager;
- Refraining from soliciting funds or selling any item, commodity, or service without the prior approval of the Manager;
- Maintaining a clean and safe work area;
- Treating all customers, visitors, and fellow employees in a courteous and respectful manner;
- Using Company property or that of another employee in an appropriate manner;

- Obtaining authorization to remove Company property or another employee's property from its location;
- Refraining from misuse, theft, or destruction of Company time and/or property or another employee's property;
- Remaining in your work area, on the job, and awake during working hours;
- Refraining from the use of foul or offensive language or conduct that is offensive or undesirable;
- Not engaging in horseplay, pranks or practical jokes;
- Not gambling on Company property or during work hours;
- Not using personal cell phones during work hours, except to make calls when necessary for personal necessity or emergencies;
- Properly wearing all safety equipment, ear protection, safety shoes and eye protection and following all Company safety rules and policies.

Failure to observe the above standards may result in disciplinary action up to, and including, termination.

PERSONAL INFORMATION CHANGES

You are to notify Human Resources immediately if any changes occur in your:

- Legal name;
- Address;
- Telephone number;
- Emergency contact information;
- Number of dependents for tax purposes;
- Dependents covered by medical insurance;
- Beneficiary for life insurance and other employee benefit plans.

PERSONAL VISITORS

Like personal phone calls, limit personal visitors to necessity. Excessive personal visitors are unacceptable. All visitors must check-in through the front office. Generally visitors are not allowed in the shop areas.

PERSONNEL RECORDS

A permanent personnel file is maintained for each Employee. All information relating to present and former Employees and applicants is considered confidential data and is the exclusive property of Auto-Turn.

RETIREMENT PLAN

The Company offers a 401k retirement plan to employees after one year of employment at the Company. The Company currently contributes 50 cents for each one dollar contributed by the employee up to a maximum of 3% of the employee's salary. A copy of the booklet fully explaining the plan is available from Human Resources upon request.

SAFETY

Auto-Turn recognizes the need for a safe workplace. It is the responsibility of all employees to observe Company safety procedures at all times. All Company employees have the express affirmative duty to report any violations of safety procedures immediately upon the occurrence of any such violation to their Supervisor or the General Manager.

All employees will observe safe practices, abide by mechanical safeguards and use personal protective equipment. It is each employee's responsibility to follow all safety regulations and promote a safe working environment for themselves and their fellow workers.

The following are examples of safety violations:

1. Operating a Company motor vehicle in an unsafe manner or failing to wear a seat belt;
2. Operating Company machinery or equipment, including forklifts, without first being certified by the Company;
3. Operating Company machinery or equipment without proper safety precautions, such as goggles, guards, etc.;
4. Engaging in horse play, which includes any action that in any way interferes with or disturbs the normal operations of the Company, or any action that is unsafe or dangerous;
5. Failing to report potential safety hazards to management;
6. Failing to report work-related accidents;
7. Use of drugs or alcohol during work-related activities;

This list of safety violations is not intended to cover all acts which might lead to disciplinary action. Other acts or infractions which, in the view of management, represent safety violations will also lead to disciplinary action.

SHORT-TERM ABSENCES–NONPAID

It is the policy of the Company to permit full-time employees to be absent from work on a short-term basis under certain circumstances, including sickness or injury.

An authorized short-term absence may include any of the following (the phrase “immediate family” includes the employee’s spouse, brother, sister, father, mother, children, and step-children):

- Sickness or injury resulting in temporary disability of the employee or a member of his immediate family;
- Death, funeral, or estate settlement in the employee’s immediate family (maximum of 3 days);
- Marriage of the employee or a member of his immediate family (maximum of 1 day);
- Birth of a child to or adoption by the employee and/or the employee’s spouse;
- Personal business which cannot be conducted outside of normal working hours;
- Voting in local, state, or national elections;
- Approved voluntary participation in community projects.

In addition, the Company provides military leave of absence as required by law.

In order for short-term absences to be considered authorized employees must obtain approval for the absence from their supervisor. Employees should give their supervisor as much advance notice of an absence as possible. Unauthorized absences and absences in excess of that allowed under this policy, except for an approved leave of absence, will be considered abuses of this policy and are grounds for disciplinary action. New employees must wait 90 days to be eligible for this accrual.

Employees returning from a short-term absence must report to their supervisor, give an explanation for the absence, and if required a written certification that they are fit to return to work. The supervisor should record the

employee's absence and return to work, forward a copy of the record to the Personnel Department, and verify that the employee is able to work. When appropriate, the supervisor should counsel the employee on the importance of good attendance and warn that excessive absences, regardless of cause, will lead to discipline, up to and including termination.

Absences resulting from jury duty will not be charged against an employee's short-term absences.

Employees are prohibited from falsifying the reason for an absence. The Company may require an employee to submit to a medical examination or provide a doctor's statement to verify a claimed sickness or injury. If this examination or statement should establish that the employee is not actually suffering from an illness or injury, the employee will be subject to disciplinary action, up to and including termination, and absence compensation will be stopped immediately.

Authorized days off for short-term absences will not be considered as working time for calculating weekly overtime compensation.

SMOKING AND TOBACCO

Smoking and tobacco chewing is prohibited inside the office facilities. This applies to employees, customers, vendors, and visitors. Employees will be permitted to smoke in the shop, except in areas that are otherwise prohibited. The prohibited areas in the shop will be designated by the General Manager and may be changed from time to time.

Smokers have an obligation to keep the smoking areas litter-free. Smoke breaks are to be approved by the employee's supervisor and must be scheduled so not to disrupt the completion of work.

Employees that violate the smoking policy may be subject to disciplinary action up to and including termination.

USE AND MONITORING OF TELECOMMUNICATION AND TECHNOLOGY SYSTEMS

All telecommunication and technology systems, including but limited to computers, computer files, telephones, fax machines, the e-mail and voice-mail systems, and software (the "systems") furnished to employees are Auto-Turn's property intended for business use. All communications over and activity conducted on the systems are property of Auto-Turn. Employees should not use a password, access a file, or retrieve any stored communication without authorization. All telecommunication and technology systems, including emails sent and received, may be accessed and monitored by Auto-Turn to ensure compliance with this policy and that the systems are being used for business use only. The use of passwords or other restrictions on access is intended to prevent unauthorized access by others, and does not create an expectation of privacy for any employees using the systems.

Auto-Turn prohibits the use of the systems in any way that is disruptive, offensive to others, or harmful to morale. The display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other prohibited uses includes, but are not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others. The systems are not to be used to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters.

Auto-Turn 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 owner, Auto-Turn does not have the right to reproduce such software for use on more than one computer. Employees may only use software on local area networks or on multiple machines according to the software license agreement. Employees are prohibited from loading any personal software or programs onto Auto-Turn's systems. Auto-Turn prohibits the illegal duplication of software and its related documentation.

Internet access to the World Wide Web is provided by Auto-Turn to assist employees in performing their job duties and to obtain work-related data and technology. The following guidelines have been established to help ensure responsible and productive Internet usage. All Internet usage is limited to job-related activities. Use of Auto-Turn's systems for personal Internet access is not permitted. All Internet data that is composed, transmitted, or received via our computer communications systems is considered to be part of the business records of Auto-Turn. Employees should always ensure that the business information contained in Internet e-mail messages and other transmissions is accurate, appropriate, ethical, and lawful.

The equipment, services, and technology provided to access the Internet remain at all times the property of Auto-Turn. As such, Auto-Turn reserves the right to monitor Internet traffic, and retrieve and read any data composed, sent, or received through our online connections and stored in our computer systems, including emails sent and received. Data that is composed, transmitted, accessed, or received via the Internet must not contain content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, defamatory or disruptive to any employee or other person. Examples of unacceptable content may include, but are not limited to, sexual comments or images, racial slurs, gender-specific comments, or any other comments or images that could reasonably offend someone on the basis of race, age, sex, religious or political beliefs, national origin, disability, sexual orientation, or any other characteristic protected by law.

The unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material on the Internet is expressly prohibited. Employees are also responsible for ensuring that the person sending any material over the Internet has the appropriate distribution rights. Internet users should take the necessary anti-virus precautions before downloading or copying any file from the Internet. All downloaded files are to be checked for viruses; all compressed files are to be checked before and after decompression.

Use of the Company's systems for incidental personal Internet access and e-mail is permitted provided it does not interfere with the performance of Auto-Turn's systems or the user's responsibilities to Auto-Turn, and does not otherwise violate this Policy. Personal telephone calls shall be restricted to those necessary and shall be kept as short as possible. Abuse of the Internet access provided by Auto-Turn or the failure of an employee to comply with this policy may result in disciplinary action, up to and including termination of employment. Employees may also be held personally liable for any violations of this policy. Employees should notify their immediate supervisor, or Human Resources or any member of management upon learning of violations of this policy. The following are, some but not all, examples of activities that are prohibited and may result in disciplinary action, up to and including termination of employment:

- Sending or posting discriminatory, harassing, or threatening messages or images
- Using the Company's time and resources for personal gain
- Stealing, using, or disclosing someone else's code or password without authorization
- Copying, pirating, or downloading software and electronic files without permission
- Sending or posting confidential material, trade secrets, or proprietary information outside of the organization
- Violating copyright law
- Failing to observe licensing agreements
- Engaging in unauthorized transactions that may incur a cost to the organization or initiate unwanted Internet services and transmissions
- Sending or posting messages or material that could damage the organization's image or reputation
- Participating in the viewing or exchange of pornography or obscene materials
- Sending or posting messages that defame or slander other individuals or companies
- Attempting to break into the computer system of another organization or person
- Refusing to cooperate with a security investigation
- Sending or posting chain letters, solicitations, or advertisements not related to business purposes or activities
- Using the Internet for political causes or activities, religious activities, or any sort of gambling
- Jeopardizing the security of the organization's electronic communications systems
- Sending or posting messages that disparage another organization's products or services
- Passing off personal views as representing those of the organization

- Sending anonymous e-mail messages
- Engaging in any other illegal activities

USE OF TELEPHONES AND CELL PHONES

Personal use of telephones for long distance and toll calls is not permitted. Limit personal local calls to necessity. Excessive personal calls are unacceptable. During work time, employees should limit the use of their personal cell phones. Employees should set personal cell phones on the silent ring mode during work hours to avoid disturbing those working around them.

Employees should never use any type of photographic feature on their cell phones to take pictures on company premises, while conducting company business, or at company-sponsored functions without receiving written permission from management to do so.

VACATIONS

Auto-Turn grants annual vacations with pay to full-time employees in accordance with the guidelines below. The amount of your paid vacation is determine each year on the anniversary date of beginning employment at the Company. It is up to the discretion of the General Manager of Auto-Turn whether an employee may take vacation days before their accrual in any given year.

<u>Service Period</u>	<u>Paid Vacation</u>
First 12 month period	None
2nd Year	40 hours
3rd-7th Year	80 hours per year
8th-15th Year	120 hours per year
16th Year and after	160 hour per year

During each year, employees must work at least ninety percent (90%) of their normally scheduled time each month, not including time off for paid short-term absence days, vacations, or holidays, in order to receive the full amount of paid vacation for the following year. Employees who feel there is a discrepancy in the calculation of their vacation pay or eligibility may request a review of that calculation by the personnel department. Vacation pay for full-time employee will consist of the employee’s regular hourly rate of pay for the vacation period.

Employees should request vacation from their supervisor at least 60 days in advance. The General Manager of Auto-Turn reserves the right to designate when some or all vacations can be taken. Employees may not receive pay in lieu of vacation time. Paid vacations normally must be taken in the vacation year in which it accrues, except that an employee may carry over six (6) months into the next vacation year up to forty (40) hours of unused paid vacation. Employees will not be paid for any unused vacation, except as required by law.

Employees whose employment is terminated for any reason other than cause or resignation without proper notice, or who are laid off for more than thirty days, will be compensated for any unused vacation accrued at the time of termination or lay off. If an employee dies, payment for accrued and unused vacation will be paid in a lump sum to the employee’s estate.

If a paid holiday falls within an employee’s vacation period, an additional eight (8) hours vacation will be granted. These additional vacation hours may be taken at the beginning or end of the employee’s vacation period or at another time during the vacation year, so long as the supervisor’s prior approval is obtained. No allowance will be made for sickness or other compensable type of absence occurring during a scheduled vacation.

VIOLENCE IN THE WORKPLACE

The safety and security of all employees is of primary importance at Auto-Turn. Threats, threatening and abusive behavior, or acts of violence against employees, visitors, customers, or other individuals by anyone on Company property will not be tolerated. Violations of this policy will lead to corrective action up to, and including, termination and/or referral to appropriate law enforcement agencies for arrest and prosecution. Auto-Turn reserves the right to take any necessary legal action to protect its employees.

Any person who makes threats, exhibits threatening behavior, or engages in violent acts on Company property shall be removed from the premises as quickly as safety permits and shall remain off Company property pending the outcome of an investigation. Following the investigation, Auto-Turn will initiate an immediate and appropriate response. This response may include, but is not limited to, suspension or termination of employment, and/or criminal prosecution of the person or persons involved.

All suspicious individuals or activities should also be reported as soon as possible to a supervisor. Do not place yourself in peril. If you see or hear a commotion or disturbance near your work station, do not try to intercede or see what is happening. All employees are responsible for notifying management of any threats that they witness or receive or that they are told another person witnessed or received. Even without a specific threat, all employees should report any behavior they have witnessed that they regard potentially threatening or violent or which could endanger the health or safety of an employee when the behavior has been carried out on Company property or is connected to Company employment or Company business.

WEAPONS

Despite some laws that allow people to carry firearms in public, Auto-Turn prohibits anyone from possessing or carrying weapons of any kind on Company property, in Company vehicles unless on a Company outing with Auto-Turn employees or customers. This includes:

- any form of weapon or explosive;
- all firearms; and
- all illegal knives or knives with blades that are more than six (6) inches in length.

If an employee is unsure whether an item is covered by this policy, please contact the General Manager. Employees are responsible for making sure that any item they possess is not prohibited by this policy.

While Auto-Turn has a policy prohibiting weapons, nothing in this policy shall be construed as creating any duty or obligation on the part of the organization to take any actions beyond those required of an employer by existing law.

**AUTO-TURN MANUFACTURING, INC.
EMPLOYEE ACKNOWLEDGMENT FORM**

I have received a copy of the Employee Handbook (“Handbook”) of Auto-Turn Manufacturing, Inc. (“Auto-Turn”). The Handbook describes important information about my employment at Auto-Turn, and I understand that it is my responsibility to read and comply with the policies contained in this Handbook and any revisions made to them. I understand that my failure to comply with any of the policies in this Handbook may result in disciplinary action, up to and including termination of employment. I understand that I should consult the General Manager regarding any questions not answered in the Handbook.

I understand Auto-Turn has the right, in its sole discretion, to amend, alter, supplement, change or revise any such rules, regulations or policies at any time without advance notice.

Since the information, policies and benefits described are necessarily subject to change, I acknowledge that revisions to the Handbook may occur. All such changes will be communicated through proper notices, and I understand that revised information may replace, modify, or eliminate existing policies.

I understand that nothing in this Handbook nor any policies of Auto-Turn are intended to create a contract of employment. I understand that my employment at Auto-Turn is at-will and may be terminated at any time with or without cause or notice by Auto-Turn or me. I further understand that the at-will nature of my employment cannot be modified, either expressly or by implication, including any statements, comment or action by any representative, supervisor or Manager of Auto-Turn, except the General Manager. Any such modification by Auto-Turn will be effective only if in writing, signed and dated by me (the employee) and by the General Manager.

EMPLOYEE SIGNATURE

DATE

EMPLOYEE’S NAME (TYPED OR PRINTED)

APPENDIX I

AUTO-TURN MANUFACTURING, INC.

FAMILY AND MEDICAL LEAVE ACT (FMLA) RIGHTS, RESPONSIBILITIES AND THE POLICIES OF AUTO-TURN

Auto-Turn will comply with the Family and Medical Leave Act of 1993 (FMLA) by providing up to 12 weeks of unpaid leave for eligible employees in any 12-month period due to:

- the birth of a child or the placement of a child for adoption or foster care;
- the need to care for your child, spouse, or parent with a serious health condition;
- your own serious health condition which makes you unable to perform the functions of your job.

In addition, eligible employees may be entitled to leave because of a “qualifying exigency” arising out of the fact that a spouse, son, daughter, or parent of the employee is on active duty, or has been notified of an impending call to active duty status, in support of a contingency operation. Under certain circumstances such leave may extend to 26 weeks in a single 12-month period to care for a covered service member who is recovering from a serious illness or injury sustained in the line of duty on active duty.

ELIGIBLE EMPLOYEES

In order to be eligible for FMLA leave, you must have (1) been employed by Auto-Turn for at least twelve (12) months; (2) worked at least 1,250 hours in the twelve month period immediately preceding the request for leave, and (3) been employed at a location where at least 50 employees are employed by Auto-Turn within a 75 mile radius.

NOTICE REQUIREMENTS

You are expected to give the Company 30 days advance notice, if practical, when applying for an FMLA leave. The notice should state the anticipated timing and duration of the leave. When the need for the leave is not foreseeable, you are expected to give notice as soon as possible, generally meaning at least verbal notice one or two business days of learning of the need to take FMLA leave, except in extraordinary circumstances. The notice should include sufficient information for Auto-Turn to understand that you are requesting leave under the FMLA.

While Auto-Turn will make every effort to provide FMLA leave for qualified employees, it is essential that proper notice be given. The failure to give proper notice may result in the denial of FMLA leave.

LEAVE EXCLUSIONS

FMLA leave will not be granted for voluntary or cosmetic treatments, such as orthodontia or acne, which are not medically necessary and are not considered serious health conditions. Minor illnesses that last only a few days and surgical procedures that do not involve hospitalization and require only a brief recovery period do not qualify under FMLA. However, complications that arise out of these procedures may develop into a “serious health condition” that would qualify the employee for an FMLA leave.

MEDICAL CERTIFICATION

Auto-Turn requires that you submit certification from a health care provider to substantiate that the leave is due to serious health condition or that of your child, spouse or parent.

You are required to furnish medical certification at the time the leave is requested or, in the case of an emergency, as soon as possible after the leave has started. You are expected to provide medical certification within 15 days of making application for an FMLA leave.

If you fail to provide a medical certification within a reasonable time, Auto-Turn has the right to deny the leave until the certification is provided. If you have taken leave on an emergency basis and fail to supply the medical certification within a reasonable time under the pertinent circumstances, continuation of leave may be denied.

Auto-Turn may request recertification at any reasonable interval. If Auto-Turn questions the validity of a medical certification, it may require you to obtain a second opinion at Company expense. If the opinions of the employee's and Auto-Turn's health care providers conflict, Auto-Turn may require you to obtain certification from a third health care provider, again at Company expense. This third opinion will be final and binding on both Auto-Turn and the employee.

DETERMINING PAID OR UNPAID LEAVE

FMLA leave is unpaid. However, Auto-Turn requires you to first use all accrued and unused paid vacation for all or part of any unpaid FMLA leave.

CONTINUATION OF BENEFITS

Employees on FMLA leave are entitled to continue health benefits. Auto-Turn's and your share of health benefits premiums will be paid in the same manner customarily used. Auto-Turn will continue to pay its share of the health plan premiums throughout the leave. You will pay according to a signed agreement, which will be executed prior to the leave. If premiums are raised or lowered while you are on leave, you will be required to pay based on the new rates.

Auto-Turn will provide a 30-day grace period after the agreed upon date for payment within which you are to make payment of the premium. If you do not make payment within the grace period, health benefits may be terminated. Any other benefits provided by Auto-Turn which you had at the time your leave began will remain in place but will not accrue during your leave.

RECOVERING PREMIUMS

Auto-Turn may recover premiums it paid for maintaining your health benefits if you fail to return to work after the leave entitlement has expired, unless the reason you do not return to work is due to:

- The continuation, recurrence or onset of a serious health condition affecting you or your child, spouse or parent.
- A sudden change in your circumstances beyond your control during leave.

If you do not return to work within 30 calendar days after the FMLA leave expires you will be considered to have failed to "return" to work.

DETERMINING THE LEAVE YEAR (OPTIONS)

Auto-Turn will use a "rolling" method to determine the 12-month leave period. Each time you take FMLA leave, the remaining leave entitlement would be any balance of the 12 weeks which has not been used during the period of the immediately preceding 12 months.

Example: If an employee used four weeks beginning Feb. 1, 2000, four weeks beginning June 1, 2000 and four weeks beginning Dec. 1, 2000, the employee would not be entitled to any additional leave until Feb. 1, 2001. However, on Feb. 1, 2001, the employee would be entitled to four weeks of leave; on June 1, the employee would be entitled to another four weeks, etc.

LEAVE RESTRICTIONS

Your entitlement to FMLA leave for birth or placement of a child expires 12 months after the birth or placement. Unless otherwise agreed, intermittent leave is not permitted for the birth or placement of a child.

A husband and wife working for the Company are limited to a combined total of 12 workweeks during any 12-month period if leave is taken for birth of a child or placement of a child for adoption or foster care, or to care for a parent with a serious health condition.

This limitation does not apply to leave taken by either spouse to care for the other who is seriously ill and unable to work, to care for a child with a serious health condition, or for his or her own serious illness.

INTERMITTENT OR REDUCED LEAVE SCHEDULES

Under certain conditions, Auto-Turn may allow you to take intermittent leave or work on a reduced schedule. "Intermittent leave" is leave taken in separate blocks of time rather than one continuous period of time. It may range from an hour or more to several weeks. Auto-Turn may allow intermittent leave to be taken on an occasional basis for medical appointments, or leave taken several days at a time spread over a period of months.

A "reduced leave schedule" is one that reduces the usual number of hours/days per workweek or hours per workday. It could include a schedule of a three-day week, or working only mornings or afternoons, to meet your requirements. When requesting intermittent leave, you are requested to cooperate with your manager or supervisor in order to find a mutually agreeable time for the leave.

Auto-Turn does not set a limit on the size of an increment of leave for an intermittent or reduced leave schedule. This type of leave will not reduce the total amount of leave available to an employee. Only the time actually taken is charged against the employee's entitlement to 12 weeks of leave.

EMPLOYEE TRANSFER

If you select intermittent leave or a reduced work schedule, Auto-Turn has the right to transfer you to a job that is more suitable to recurring periods of leave. There are two conditions for this transfer:

- The equivalent position must have equivalent pay and benefits, but it does not have to have equivalent duties. Equivalent pay is defined as equal "hourly rate". Therefore, you may receive the same hourly wages but based upon the intermittent leave or reduced work schedule may receive less wages per pay period.
- You must be qualified to perform the job.

RESTORATION TO PRIOR POSITION

On return from FMLA leave, Auto-Turn may restore you to the position you held when the leave began, or to an equivalent position, with equivalent benefits, pay and other terms and conditions of employment. You have no right, however, to be returned to the same position. An equivalent position will involve the same or substantially similar duties and responsibilities, and will include substantially equivalent skill, effort, responsibility and authority.

You are also entitled to be returned to the same shift or equivalent schedule, and will have the same opportunity for bonuses and other non-discretionary payments.

If special qualifications are required for the position, and they have lapsed during your leave, you will be given a reasonable opportunity to fulfill the requirements after returning to work.

If your original work site has been closed or moved, and other employees were transferred to another work site, you will have the same rights for transfer as would have been available had you not taken leave.

REDUCTION-IN-FORCE

Auto-Turn will not offer any special protection to you while you are on FMLA leave at the time of a layoff. Managers will make the same decisions that they would have made if the employees had not been on FMLA leave.

KEY EMPLOYEE DESIGNATION

Auto-Turn has the right to deny restoration to “key” employees if such would cause substantial and grievous economic injury to its operations. A “key” employee is any employee who is among the highest paid 10% of all salaried and non-salaried employees.

If it is determined that you are a “key” employee, you will be informed of such prior to the commencement of the leave or as soon as possible after it has started.

COMMUNICATIONS DURING LEAVE

Auto-Turn may contact you about every 30 days while you are on FMLA leave to check on your status and your intention to return to work. Auto-Turn may request medical recertification for any of the following reasons:

1. You request a leave extension.
2. Circumstances described by the original certification have changed significantly.
3. Auto-Turn receives information that casts doubt upon the continuing validity of the certification.
4. You are unable to return to work after FMLA leave because of the continuation, recurrence or onset of a serious health condition.

If at any time you give an unequivocal notice that you will not be returning to work, Auto-Turn will request a written resignation. Auto-Turn’s obligation to maintain health benefits and to restore you to your prior position ends.

COBRA RIGHTS

FMLA does not constitute a qualifying event triggering continuation of health benefit provisions under the Consolidated Omnibus Budget Reconciliation Act (COBRA). If an employee resigns, for whatever reasons, during an FMLA leave, he or she would be eligible for COBRA coverage by paying his or her full share of health care costs, plus a 2% administrative charge. Employees who are terminated for gross misconduct will not be eligible for COBRA coverage.

RETURN TO WORK CERTIFICATION

Auto-Turn will require a fitness-for-duty certification with regard to the particular health condition that was the cause for the employee’s FMLA leave. All information obtained in a fitness-for-duty certification will be treated as a confidential medical record.

WHEN RESTORATION RIGHTS ARE DENIED

There are four reasons why you may not be restored to your former positions at the end of an FMLA leave:

1. You cannot perform the essential functions of the former position, with or without accommodation.
2. You would pose a significant risk to the safety of other employees.
3. Your position was eliminated or you were laid off because of business conditions.
4. You were identified as a “key” employee and informed of this designation before or during the FMLA leave. Your return to the former position would represent an economic hardship for the Company.

Should you have any questions about the this Policy, or your rights and responsibilities, please contact the General Manager of Auto-Turn

APPENDIX II

AUTO-TURN MANUFACTURING, INC. DRUG AND ALCOHOL FREE WORKPLACE AND TESTING POLICY

INTRODUCTION

To ensure a safe, healthy and productive drug-free environment for the employees of Auto-Turn Manufacturing Inc. (“Auto-Turn,” the “Company” or the “Employer”), to protect Company property and assets, and to assure efficient operations, the Company has adopted a Drug and Alcohol Free Workplace and Testing Policy (the “Policy”) regarding drugs and alcohol.

It is the Policy of the Company to maintain and provide a drug and alcohol free working environment that is both safe for our Employees and customers and conducive to efficient and productive work standards. This Policy restricts certain items and substances from being brought onto or being present on the Company property, including its parking areas and its vehicles, and prohibits Company Employees and all others from reporting to work, working or being present on Company property, *whether or not on duty*, while under the influence of drugs, alcohol or other substances. The Policy also provides for drug testing.

A. DRUG AND ALCOHOL FREE WORKPLACE

I. PROHIBITED ITEMS

The following shall be considered “Prohibited Items” for purposes of this Policy:

1. Illegal drugs; controlled substances; marijuana; mood or mind-altering substances, legal or illegal; “look-alike” substances; designer, counterfeit or synthetic drugs; inhalants; and any other drugs or substances which will in any way affect safety, work performance, alertness, coordination, judgment, response or the safety of others on Company property.
2. Alcoholic beverages, except as specifically authorized by Company management. **(NOTE: Moderate use of alcohol at Company approved meetings, or in an appropriate social setting, is not prohibited by this Policy.)** Consuming alcoholic beverages while driving or driving while intoxicated in any vehicle for Company business, or in a Company vehicle at any time, is prohibited. The consumption of alcohol on Company time or on Company property is prohibited.
3. Drug paraphernalia.

II. PRESCRIPTION DRUGS AND OVER-THE-COUNTER MEDICATION

Prescription drugs and over-the-counter medication may affect job performance. If the Company has reasonable suspicion that Prescription drugs and/or over-the-counter medication is affecting performance and is posing a direct threat to the health, safety, and welfare of all workers, then the Company may require the Employee to undergo drug testing. In addition to undergoing drug testing based upon reasonable suspicion, the Company may require disclosure of all the Employee’s current drugs and/or medication. If disclosure is required, the Employee is to report the information in writing to the Manager. Any such medical information will be confidentially maintained in a different file than from the Employee’s employment records.

Prescription drugs and over-the-counter medications are permitted as long as they meet the following criteria:

(a) The drugs have been prescribed by an authorized medical practitioner for current use (within the past 12 months) for the person in possession of the drugs.

(b) The drugs/medications, both prescribed and over-the-counter, are limited in amount or must be kept in their original container, must be taken in accordance with the dosage recommendations and usage cautions and generally must not affect the person's ability to perform work safely.

The Company reserves the right to consult with a medical doctor to determine if a drug or medication, whether prescribed or not, produces hazardous or unsafe effects and may restrict the use of any drug or medication accordingly on Company property. The Company also reserves the right to require an Employee to undergo a fitness for duty medical examination by a physician of the Company's choosing. This may also include restricting or altering the individual's work activity or presence at the worksite.

It is not the intent of this Policy to prevent the legitimate use of prescription and over-the-counter (non-prescription) medication. However, the use of some such medications may cause impairment to an employee's motor skills or judgment. As such, it is a violation of our policy for anyone to use prescription drugs illegally. An employee who is taking prescription or over-the-counter medications is responsible for informing his/her supervisor of the medication being taken and the possible side effects as described by a physician, pharmacist, the medication container label or any other documentation provided with the medication if the prescribed medication will affect the employee's ability to perform his/her job. Supervisors are responsible for keeping this information confidential. It should be noted that the use of prescription medication and over-the-counter medication in a manner not directed or intended may constitute drug abuse and a violation of this Policy. This may include using the medication in dosages greater than prescribed or continued use of the medication after there is no longer a legitimate medical reason to do so. This policy is to prevent accidents and promote safety, as well as to aid in the assessment for reasonable accommodations.

III. PROHIBITED CONDUCT

The following shall be considered "Prohibited Conduct" for the purposes of this Policy:

1. Use, possession, sale, manufacture, distribution, sharing, dispensation, concealment, receipt, transportation, or being under the influence of any Prohibited Item, subject to the exceptions set forth above.
2. Refusal to undergo drug testing by an applicant or employee, as more fully described in the Section on Drug Testing.
3. Failure to cooperate in any investigation regarding this Policy, or providing false information or omitting information in connection with the enforcement of this Policy.

IV. POLICY ENFORCEMENT

Because of the importance of this Policy, the Company reserves the right, at all times, and when circumstances warrant, and having reasonable suspicion this Policy may have been violated, to have Company supervisors and/or authorized agents of the Company conduct searches and inspections of Employees, or other persons, and their personal property and effects, while on Company premises and property, to include, but not be limited to lunch boxes, purses, briefcases, baggage, offices, desks, clothing, and vehicles (including trunks, glove compartments, etc.) for the purpose of determining if such Employees or other persons are using, possessing, selling, manufacturing, distributing, dispensing, concealing, receiving or transporting any Prohibited Items or engaged in Prohibited Conduct.

All Employees are expected to cooperate with any investigation regarding this Policy. Failure to cooperate, providing false information or omitting information may subject any Employee to disciplinary action, up to and including termination of employment.

The Company will keep all information regarding searches, inspections, and investigations confidential within reasonable limits, as required by law.

V. CONSEQUENCES OF POLICY VIOLATION

Any Employee found to have engaged in Prohibited Conduct or who is otherwise in violation of this Policy may be removed from Company property and be subject to disciplinary action, up to and including termination of employment.

Preliminary findings of a Policy violation may require that the Employee be suspended, without pay, pending the results of a Company investigation. If said investigation clears the Employee of any Policy violation, then said Employee will be fully reinstated to his/her job and paid back pay up to 40 hours of regular pay.

The Company may take into custody any illegal, unauthorized or prohibited items or substances and may turn them over to the proper law enforcement agencies.

VI. SUBSTANCE ABUSE EVALUATIONS

Any Employee who engages in prohibited conduct shall be provided with the names, addresses, and telephone numbers of qualified substance abuse professionals. If the person desires to become re-qualified for employment, then he/she must be evaluated by a substance abuse professional and submit to any treatment the substance abuse professional prescribes. The costs of any evaluation by a substance abuse professional or the prescribed treatment shall be paid by the individual and not the Company. The Company does not guarantee or promise re-employment.

VII. OFF-THE-JOB SUBSTANCE USE AND ACTIVITY

Employees who use drugs, alcohol or chemical substances off the job run the risk of jeopardizing the safety of themselves, their families, the public, and the Company. Whenever such usage adversely affects public trust in the Company or otherwise interferes with the Company's ability to carry out its responsibilities, or increases potential liability for the Company, the Company may be forced to take disciplinary action against the offending Employee, up to and including termination of employment.

Employees who are arrested, convicted, or plead guilty or no contest because of off-the-job activities (drug or alcohol related) may be considered in violation of this Policy. Upon arrest of a crime related to or involving drugs and alcohol, the Employee has a duty to disclose the arrest. Failure to disclose the arrest may be considered in violation of this Policy. In deciding what action to take, the Company will consider the nature of the charges and other factors relative to the impact of the Employee's conviction or plea upon the conduct of the Company's business.

B. TESTING

I. TEST EVENTS

Applicants for Employment may be required to submit to Testing. Employees may be required to submit to Testing on the following occasions:

1. Random;
2. Upon reasonable suspicion of prohibited use;
3. Periodic or Scheduled
4. Post-Accident;
5. After a return to duty following a confirmed positive test or rehabilitation.

This Policy allows for pre-employment drug testing. Such testing will be required for all individuals applying for positions designated by the Company and as may be required by applicable laws and regulations. Such testing will occur after a conditional offer of employment has been made.

All testing will be conducted in accordance with applicable federal and state rules and regulations. The Company will pay the costs of the testing required under this Policy, including any confirmation test that may be required by state law. Any Employee or Applicant for Employment who requests a retest of a sample in order to challenge the results of a positive test shall pay all costs of the retest, unless the retest reverses the findings of the challenged positive test. In such case, the Company will reimburse the Employee or Applicant for Employment for the costs of the retest.

II. REFUSAL TO TEST

Refusal to submit to the drug test required by the Company may result in the withdrawal of a conditional offer of employment to an Applicant for Employment and may subject an Employee to disciplinary action, up to an including termination of employment. A "refusal to test" is defined to be conduct that would obstruct the proper administration of a test. A delay in providing a urine, breath or saliva specimen may be considered a refusal. If an Employee or Applicant for Employment cannot provide a sufficient quantity of urine or breath, he or she will be evaluated by a physician of the Company's choice. If the physician cannot find a legitimate medical explanation for the inability to provide a specimen, it will be considered a refusal to test.

III. SAMPLE COLLECTION AND TESTING

All sample collection and testing for drugs pursuant to this Policy will be conducted by a qualified testing facility in accordance with applicable laws and regulations. Confirmation of a positive drug test result will be by use of a different chemical process than was used in the initial test.

IV. TEST RESULTS

All test results and related information will be kept confidential within reasonable limits as required by applicable state and federal law. Positive confirmed test results will be reported in writing to the Employee or Applicant for Employment within five (5) working days after the Company's receipt of the results. These records and related information are the property of the Company.

An Employee or Applicant for Employment will, upon request, be permitted to inspect and copy such test results and related information maintained by the Company regarding that applicant's test. All Employees or Applicants for Employment have the right to explain, in writing, a test result in confidence within ten (10) working days of notification of a test result.

Any Employee or Applicant for Employment who, as a result of testing, is found to have detectable levels or identifiable trace quantities of a prohibited drug or substance in his or her system, regardless of when or where the drug or substance entered that person's system, without an explanation satisfactory to Company, will be considered

in violation of this Policy, and the conditional job offer may be withdrawn to an Applicant for Employment or may subject the Employee to disciplinary action, up to and including termination of employment.

V. DRUGS AND ALCOHOL TESTED

The substances tested shall be for drugs and alcohol as defined in the Standards for Workplace Drug and Alcohol Testing Act, including controlled substances approved for testing by rule by the State Commissioner of Health.

C. COORDINATION WITH OTHER LAWS AND REGULATIONS

This Policy is applicable to all Employees and Applicants for Employment. Some Employees may be subject to other laws and regulations because of the job duties those Employees perform. In the event there is any inconsistency between this Policy and other applicable laws and regulations, those laws and regulations will control.

Laws and regulations governing the matters addressed in this Policy may change from time to time. In the event of such changes, this Policy will be deemed to have been amended or modified by the Company on the effective date of the law or regulation. The Company will use its best efforts to disclose and disseminate such changes to all affected Employees and Applicants for Employment.

If any part of this Policy is held invalid by a competent authority, such part may be reformed to the maximum restrictions which are allowed by law. The remainder of the Policy will continue in full force and effect.

D. EMPLOYMENT AT WILL

Like all other Company policies, this Policy does not alter the employment at will relationship. Any Employee may terminate his or her employment at any time without cause and without notice, and the Company retains the same right.

E. DEFINITIONS

To aid in understanding and administering this Policy, the following definitions apply:

Company Property, Company Premises - used in its broadest sense includes all property, facilities, land, offices, buildings, structures, fixtures, installations, equipment, furniture, automobiles, trucks, all other vehicles, and parking areas, whether owned, leased, used or under the control of the Company, and all sites at which the Company is performing services.

Controlled Substances - chemical substances and drugs controlled under the laws of the United States of America or by appropriate state law. Anything that one can consume but cannot purchase at will.

Designer Drugs - any drug which, through alteration of the chemical structure of an illegal drug, is manufactured, sold and used, or intended to be used, to produce the desired effect of the parent drug.

Detectable Levels, Identifiable Trace Quantities - the measurable presence of an illegal or prohibited drug or substance found in the body fluids at levels of detection above the lowest cut-off levels as established by the analytical methods used by the testing laboratory.

Drug Paraphernalia - includes, but is not limited to:

1. Blenders, bowls, containers, spoons, mixing devices used or intended for use in compounding controlled substances.

2. Capsules, balloons, envelopes, jeweler's zip-lock baggies, and other containers used or intended for use of concealing or packaging small quantities of controlled substances, including scales for weighing or measuring quantities of controlled substances.

3. Hypodermic syringes, needles or other objects designed or intended for injecting controlled substances into the human body.

4. Objects used, intended for use or designed for use in ingesting, inhaling, or otherwise introducing marijuana, cocaine, hashish, hashish oil, etc., into the human body such as: pipes (metal, wooden, glass, acrylic, stone, plastic or ceramic, with or without screens), water pipes, carburetion tubes and devices, smoking and carburetion masks, roach clips or other objects used to hold smoking materials: chamber pipes, electric pipes, air-driver pipes, bongs, ice pipes and rolling papers (e.g. Zig-Zag, E-Z Wider, Job, Joker, etc.) not associated specifically with tobacco products.

Illegal Drugs - drugs which are not legally obtainable and drugs which are legally obtainable but have been obtained illegally, including but not limited to, any prescription medications which are not specifically prescribed for the particular employee.

Look-Alike Drugs - substances which may be legal to possess, such as caffeine, but which are manufactured and sold in such a manner that they have the physical appearance of a controlled substance and are represented as such.

Possession - actual or constructive care, custody, control or immediate access.

Reasonable Suspicion - a belief based on reasonable, observable, objective or logical facts sufficient to lead a prudent supervisor to suspect that the Employee or other person has been using a prohibited drug, alcohol or substance. The following are examples of such facts: discovering a cache of marijuana; receiving reliable information of drug use during working hours, or of drug dealing; unexplained increased incidents of absenteeism, physical altercations, or errors; observation of drug use, possession of drugs, or physical symptoms of being under the influence of a drug; a pattern of abnormal conduct that indicates drug abuse; erratic behavior that indicates drug abuse; arrest or conviction for a drug-related offense; identification of an Employee as the focus of a criminal investigation into illegal drug possession; use or trafficking and newly discovered evidence that the Employee has tampered with a previous drug test.

Under the Influence - being unable to perform work in a safe and productive manner, being in a physical or mental condition which creates a risk to the safety and well-being of the individual, other Employees, the public or Company property; and/or having any laboratory evidence of the presence of drugs, alcohol, prohibited or controlled substances, in excess of an identifiable trace quantity and regardless of quality, in the body.

This Policy supersedes any and all other Company drug policies.

Adopted Effective Date: _____.

**AUTO-TURN MANUFACTURING, INC.
DRUG AND ALCOHOL FREE WORKPLACE AND TESTING POLICY**

ACKNOWLEDGMENT FORM

I hereby state that I have received a copy of Auto-Turn Manufacturing, Inc. Drug and Alcohol Free Workplace and Testing Policy, dated _____, 2008. I understand it is my responsibility to read and comply with the Policy, and I agree to follow the Policy. I have been given and opportunity to ask any questions I have about the Policy.

I hereby agree to submit to a test and to furnish a sample of my urine, breath, hair and/or blood for analysis. I understand and agree that if I at any time refuse to submit to a test under Company policy, or if I otherwise fail to cooperate with the testing procedures, or if I violate the Policy I may be subject to immediate termination or the withdrawal of a conditional job offer. I further authorize and give full permission to have the Company and/or its physician send the specimen or specimens collected to a laboratory for a screening test for the presence of any Prohibited Substances under the Policy, and for the laboratory or other testing facility to release any and all documentation relating to such test to the Company and/or to any governmental entity involved in a legal proceeding or investigation connected with the test. Finally, I authorize the Company to disclose any documentation relating to such test to any governmental entity involved in a legal proceeding or investigation connected with the test.

I agree to hold harmless the Company, its managers, employees, officers, directors, shareholders and physician. I agree not sue or hold responsible such parties for any alleged harm to me that might result from such testing, including loss of employment or any other kind of adverse job action that might arise as a result of the test. I will further hold harmless the Company, its managers, employees, officers, directors, shareholders and physician for any alleged harm to me that might result from the inadvertent release or use of information or documentation relating to the test.

IN ADDITION TO RANDOM AND PERIODIC TESTING, I UNDERSTAND THAT THE COMPANY MAY REQUIRE A TEST UNDER THIS POLICY WHENEVER I AM INVOLVED IN AN ON-THE-JOB ACCIDENT OR INJURY UNDER CIRCUMSTANCES THAT SUGGEST POSSIBLE INVOLVEMENT OR INFLUENCE OF DRUGS OR ALCOHOL IN THE ACCIDENT OR INJURY EVENT.

Signature _____

Date _____

Name - Printed _____

SIGN AND RETURN TO EMPLOYER

AUTO-TURN MANUFACTURING, INC. EMPLOYEE ACKNOWLEDGMENT FORM

I have received a copy of the Employee Handbook (“Handbook”) of Auto-Turn Manufacturing, Inc. (“Auto-Turn”). The Handbook describes important information about my employment at Auto-Turn, and I understand that it is my responsibility to read and comply with the policies contained in this Handbook and any revisions made to them. I understand that my failure to comply with any of the policies in this Handbook may result in disciplinary action, up to and including termination of employment. I understand that I should consult the General Manager regarding any questions not answered in the Handbook.

I understand Auto-Turn has the right, in its sole discretion, to amend, alter, supplement, change or revise any such rules, regulations or policies at any time without advance notice.

Since the information, policies and benefits described are necessarily subject to change, I acknowledge that revisions to the Handbook may occur. All such changes will be communicated through proper notices, and I understand that revised information may replace, modify, or eliminate existing policies.

I understand that nothing in this Handbook nor any policies of Auto-Turn are intended to create a contract of employment. I understand that my employment at Auto-Turn is at-will and may be terminated at any time with or without cause or notice by Auto-Turn or me. I further understand that the at-will nature of my employment cannot be modified, either expressly or by implication, including any statements, comment or action by any representative, supervisor or Manager of Auto-Turn, except the General Manager. Any such modification by Auto-Turn will be effective only if in writing, signed and dated by me (the employee) and by the General Manager.

EMPLOYEE SIGNATURE

DATE

EMPLOYEE’S NAME (TYPED OR PRINTED)

SIGN AND RETURN TO EMPLOYER
AUTO-TURN MANUFACTURING, INC.
DRUG AND ALCOHOL FREE WORKPLACE AND TESTING POLICY

ACKNOWLEDGMENT FORM

I hereby state that I have received a copy of Auto-Turn Manufacturing, Inc. Drug and Alcohol Free Workplace and Testing Policy, dated _____, 2008. I understand it is my responsibility to read and comply with the Policy, and I agree to follow the Policy. I have been given and opportunity to ask any questions I have about the Policy.

I hereby agree to submit to a test and to furnish a sample of my urine, breath, hair and/or blood for analysis. I understand and agree that if I at any time refuse to submit to a test under Company policy, or if I otherwise fail to cooperate with the testing procedures, or if I violate the Policy I may be subject to immediate termination or the withdrawal of a conditional job offer. I further authorize and give full permission to have the Company and/or its physician send the specimen or specimens collected to a laboratory for a screening test for the presence of any Prohibited Substances under the Policy, and for the laboratory or other testing facility to release any and all documentation relating to such test to the Company and/or to any governmental entity involved in a legal proceeding or investigation connected with the test. Finally, I authorize the Company to disclose any documentation relating to such test to any governmental entity involved in a legal proceeding or investigation connected with the test.

I agree to hold harmless the Company, its managers, employees, officers, directors, shareholders and physician. I agree not sue or hold responsible such parties for any alleged harm to me that might result from such testing, including loss of employment or any other kind of adverse job action that might arise as a result of the test. I will further hold harmless the Company, its managers, employees, officers, directors, shareholders and physician for any alleged harm to me that might result from the inadvertent release or use of information or documentation relating to the test.

IN ADDITION TO RANDOM AND PERIODIC TESTING, I UNDERSTAND THAT THE COMPANY MAY REQUIRE A TEST UNDER THIS POLICY WHENEVER I AM INVOLVED IN AN ON-THE-JOB ACCIDENT OR INJURY UNDER CIRCUMSTANCES THAT SUGGEST POSSIBLE INVOLVEMENT OR INFLUENCE OF DRUGS OR ALCOHOL IN THE ACCIDENT OR INJURY EVENT.

Signature _____

Date _____

Name - Printed _____