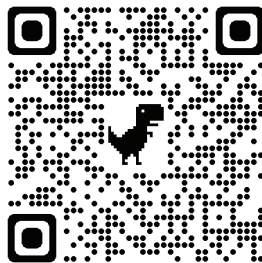




KALAMAZOO SPORTSWEAR & REGALIA, LLC EMPLOYEE HANDBOOK

This handbook and other valuable employee information
can be found on our company website:

www.ksr-llc.info



This handbook will be updated periodically as the federal, state, and local labor laws require. The handbook is not meant to be the definitive source for all Human Resource related information, and it is recommended that employees independently validate said information with federal and state governing authorities, as well as seek outside legal counsel when required.

All questions should be addressed to Management.
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1. Introduction

1.1 Handbook Disclaimer

The contents of this handbook serve only as guidelines and supersede any prior handbook. Neither this handbook, nor any other policy or practice, creates an employment contract, or an implied or express promise of continued employment with Kalamazoo Sportswear & Regalia, LLC (Hereinafter referred to as KSR, LLC). Employment with KSR, LLC is "AT-WILL." This means employees of KSR, LLC may terminate the employment relationship at any time, for any reason, with or without cause or advance notice. As an at-will employee, it is not guaranteed, in any manner, that you will be employed with KSR, LLC for any set period of time.

This handbook may provide a summary of employee health benefits, however actual coverage will be determined by the express terms of the benefit plan documents. If there are any conflicts between the handbook or summaries provided and the plan documents, the plan documents will control. KSR, LLC reserves the right to amend, interpret, modify or terminate any of its employee benefits programs without prior notice to the extent allowed by law.

KSR, LLC also has the right, with or without notice, in an individual case or generally, to change any of the policies in this handbook, or any of its guidelines, policies, practices, working conditions or benefits at any time. No one is authorized to provide an employee with an employment contract or special arrangement concerning terms or conditions of employment unless the contract or arrangement is in writing and signed by the owners and the employee.

1.1 Welcome Message

Dear Valued Employee,

Welcome to KSR, LLC! We are pleased with your decision to join our team.

KSR, LLC is committed to providing superior quality and unparalleled service in all aspects of our business. We believe each employee contributes to the success and growth of our company. This employee handbook contains general information on our policies, practices and benefits. Please read it carefully. If you have questions regarding the handbook, please discuss them with Management.

Welcome aboard! We look forward to working with you!

Sincerely,

Kalamazoo Sportswear and Regalia, LLC

1.3 Changes In Policy

This Handbook supersedes all previous employee handbooks and memos that may have been issued from time to time on subjects covered in the Handbook.

Since our business and our organization are subject to change, we reserve the right to interpret, change, suspend, cancel, or dispute with or without notice all or any part of our policies, procedures, and benefits at any time. We will notify all employees of these changes. Changes will be effective on the dates determined by KSR, LLC, and after those dates, all superseded policies will be null.

2. General Employment

2.1 At-Will Employment

Employment with KSR, LLC is "at-will." This means employees are free to resign at any time, with or without cause, and KSR, LLC may terminate the employment relationship at any time, with or without cause or advance notice. As an at-will employee, it is not guaranteed, in any manner, that you will be employed with KSR, LLC for any set period of time.

The policies set forth in this employee handbook are the policies that are in effect at the time of publication. They may be amended, modified, or terminated at any time by KSR, LLC, except for the policy of at-will employment, which may be modified only by a signed, written agreement between the owners and the employee at issue. Nothing in this handbook may be construed as creating a promise of future benefits or a binding contract between KSR, LLC and any of its employees.

2.2 Immigration Law Compliance

KSR, LLC is committed to employing only United States citizens and aliens who are authorized to work in the United States.

In compliance with the Immigration Reform and Control Act of 1986, as amended, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with KSR, LLC within the past three years, or if their previous I-9 is no longer retained or valid.

KSR, LLC may participate in the federal government's electronic employment verification system, known as "E-Verify." Pursuant to E-Verify, KSR, LLC provides the Social Security Administration, and if necessary, the Department of Homeland Security with information from each new employee's Form I-9 to confirm work authorization.

2.3-4 Equal Employment Opportunity

KSR, LLC is an Equal Opportunity Employer. Employment opportunities at KSR, LLC are based upon one's qualifications and capabilities to perform the essential functions of a particular job. All employment opportunities are provided without regard to race, religion, sex, pregnancy, childbirth or related medical conditions, national origin, age, veteran status, disability, genetic information, or any other characteristic protected by law.

This Equal Employment Opportunity policy governs all aspects of employment, including, but not limited to, recruitment, hiring, selection, job assignment, promotions, transfers, compensation, discipline, termination, layoff, access to benefits and training, and all other conditions and privileges of employment.

KSR, LLC will provide reasonable accommodations as necessary and where required by law so long as the accommodation does not pose an undue hardship on the business. KSR, LLC will also accommodate sincerely held religious beliefs of its employees to the extent the accommodation does not pose an undue hardship on the business. If you would like to request an accommodation, or have any questions about your rights and responsibilities, contact Management. This policy is not intended to afford employees with any greater protections than those which exist under federal, state or local law.

KSR, LLC strongly urges the reporting of all instances of discrimination and harassment and prohibits retaliation against any individual who reports discrimination, harassment or participates in an investigation of such report. KSR, LLC will take appropriate disciplinary action, up to and including immediate termination, against any employee who violates this policy.

2.5 Employee Grievances

It is the policy of KSR, LLC to maintain a harmonious workplace environment. KSR, LLC encourages its employees to express concerns about work-related issues, including workplace communication, interpersonal conflict, and other working conditions.

Employees are encouraged to raise concerns with their Managers, with a verbal or written grievance.

After receiving a grievance, KSR, LLC may hold a meeting with the employee, the immediate Manager, and any other individuals who may assist in the investigation or resolution of the issue. All discussions related to the grievance will be limited to those involved with, and who can assist with, resolving the issue.

Complaints involving alleged discriminatory practices shall be processed in accordance with KSR, LLC's Sexual and other Unlawful Harassment Policy.

KSR, LLC assures that all employees filing a grievance or complaint can do so without fear of retaliation or reprisal.

2.6 Internal Communication

Effective and ongoing communication within KSR, LLC is essential. As such, KSR, LLC maintains systems through which important information can be shared among employees and management.

Bulletin boards are posted in designated areas of the workplace to display important information and announcements. In addition, KSR, LLC uses the Internet and email to facilitate communication and share access to documents. For information on appropriate email and Internet usage, employees may refer to the Computer, Email, and Internet Usage policy. To avoid confusion, employees should not post or remove any material from the bulletin boards without permission.

All employees are responsible for checking internal communications on a frequent and regular basis. Employees should consult their Manager with any questions or concerns on information disseminated.

2.7 Outside Employment

Employees may hold outside jobs as long as the employee meets the performance standards of their position with KSR, LLC.

Unless an alternative work schedule has been approved by KSR, LLC, employees will be subject to the KSR, LLC's scheduling demands, regardless of any existing outside work assignments; this includes availability for overtime when necessary.

KSR, LLC's property, office space, equipment, materials, trade secrets, and any other confidential information may not be used for any purposes relating to outside employment.

2.8 Anti-Retaliation & Whistleblower Policy

This policy is designed to protect employees and address KSR, LLC's commitment to integrity and ethical behavior. In accordance with anti-retaliation and whistleblower protection regulations, KSR, LLC will not tolerate any retaliation against an employee who:

- Makes a good faith complaint, or threatens to make a complaint, regarding the suspected KSR, LLC or employee violations of the law, including discriminatory or other unfair employment practices.
- Makes a good faith complaint, or threatens to make a good faith complaint, regarding accounting, internal accounting controls, or auditing matters that may lead to incorrect, or misrepresentations in financial accounting.
- Makes a good faith report, or threatens to make a good faith report, of a violation that endangers the health or safety of an employee, patient, client or customer, environment or the general public
- Objects to, or refuses to participate in, any activity, policy or practice, which the employee reasonably believes is a violation of the law.
- Provides information to assist in an investigation regarding violations of the law.
- Files, testifies, participates or assists in a proceeding, action or hearing in relation to alleged violation of the law.

Retaliation is defined as any adverse employment action against an employee, including, but not limited to, refusal to hire, failure to promote, demotion, suspension, harassment, denial of training opportunities, termination, or discrimination in any manner in the terms and conditions of employment.

Anyone found to have engaged in retaliation or in violation of law, policy or practice will be subject to discipline, up to and including termination of employment. Employees who knowingly make a false report of a violation will be subject to disciplinary action, up to and including termination.

Employees who wish to report a violation should contact their Manager directly. Employees should also review their state and local requirements for any additional reporting guidelines.

KSR, LLC will promptly and thoroughly investigate and, if necessary, address any reported violation.

Employees who have any questions or concerns regarding this policy and related reporting requirements should contact their Manager, or any state or local agency responsible for investigating alleged violations.

3. Employment Status & Recordkeeping

3.1 Employment Classifications

For purposes of salary administration and eligibility for overtime payments and employee benefits, KSR, LLC classifies employees as either exempt or non-exempt. Non-exempt employees are entitled to overtime pay in accordance with federal and state overtime provisions. Exempt employees are exempt from federal and state overtime laws and, but for a few narrow exceptions, are generally paid a fixed amount of pay for each workweek in which work is performed.

If you change positions during your employment with KSR, LLC or if your job responsibilities change, you will be informed by your Manager of any change in your exempt status.

In addition to your designation of either exempt or non-exempt, you also belong to one of the following employment categories:

Full-Time:

Full-time employees are regularly scheduled to work greater or equal to 30 hours per week. Generally, regular full-time employees are eligible for benefits subject to the terms, conditions, and limitations of each benefit program.

Part-Time:

Part-time employees are regularly scheduled to work less than 30 hours per week.

Temporary:

Temporary employees include those hired for a limited time to assist in a specific function or in the completion of a specific project. Temporary employees generally are not entitled to KSR, LLC benefits but are eligible for statutory benefits to the extent required by law. Employment beyond any initially stated period does not in any way imply a change in employment status or classification. Temporary employees retain temporary status unless and until they are notified, by KSR, LLC Management, of a change.

3.2 Personnel Data Changes

It is the responsibility of each employee to promptly notify their Manager of any changes in personnel data. Such changes may affect your eligibility for benefits, the amount you pay for benefit premiums, and your receipt of important company information.

If any of the following has changed or will change in the coming future, contact your Manager as soon as possible:

- Legal name
- Mailing address
- Telephone number(s)
- Change of beneficiary
- Exemptions on your tax forms
- Emergency contact(s)
- Training certificates
- Professional licenses

3.3 Privacy Policy

KSR, LLC is dedicated to protecting the personal security and privacy of all employees and customers. In the ordinary course of its business, and for legitimate business reasons, KSR, LLC may collect and store personal information about its employees and customers, including all or any part of an employee's or customer's social security number ("SSN"), in hard copy or digital storage. For purposes of this policy, "SSN" means more than four sequential digits of an employee's or customer's social security number.

KSR, LLC takes measures to prevent the unauthorized disclosure of an SSN, including without limitation:

- Ensuring the confidentiality of SSNs
- Prohibiting unlawful or unauthorized disclosure of SSNs
- Limiting the number of people with access to SSNs, and the circumstances under which SSNs may be accessed
- Ensuring the proper disposal of documents (hard copy or digital) that contain SSNs
- Disciplining, up to and including termination, any employee who violates this policy.

KSR, LLC, and all employees who may have access to SSNs, will maintain the security and confidentiality of every document containing the SSN. This means, at a minimum, that KSR, LLC will securely maintain documents containing SSNs and that any access to digital files containing all or any part of an SSN will be password protected.

Furthermore, no employee shall display or disclose an SSN without the express written consent of the individual to whom the SSN is assigned. KSR, LLC will not mail any document containing an SSN that is visible on, or from, the outside of the mailed article. Nor will KSR, LLC use the SSN as an identifying number for its employees, or visibly print it on identification tags, badges, passes, cards or licenses. KSR, LLC will not require employees to use or transmit their SSN over the Internet, or any KSR, LLC intranet, computer system or network unless the connection is secure, or the transmission is encrypted.

KSR, LLC restricts access to any document displaying an SSN to those with a legitimate business need to access those documents. Access to these documents by anyone other than those individuals with a legitimate business need must be specifically authorized, in writing by the Owner, or by the individual to whom the SSN is assigned. Documents containing an SSN will be disposed of in accordance with KSR, LLC's document retention policy and procedures in such a manner so that they cannot be read or reconstructed in order to preserve the confidential nature of such documents.

Nothing in this policy is intended to modify an employee's right to access their own personnel file, as permitted by applicable law. Nor does this policy prohibit the use of an SSN where the use is authorized by state or federal statute, rule, regulation, court order, or pursuant to legal discovery or process.

Violations of this policy will result in disciplinary action up to and including termination of employment. Violators may also be subject to civil and criminal penalties authorized by applicable state or federal law.

3.4 Expense Reimbursement

KSR, LLC reimburses employees for necessary expenditures and reasonable costs incurred in the course of doing their jobs. Expenses incurred by an employee must be approved in advance by the Manager.

Some expenses that may warrant reimbursement include, but are not limited, to the following: mileage costs, air or ground transportation costs, lodging, meals for the purpose of carrying out company business, and any other reimbursable expenses as required by law. Employees are expected to make a reasonable effort to limit business expenses to economical options.

To be reimbursed, employees must submit expense reports to the Manager for approval. The report must be accompanied by receipts or other documentation substantiating the expenses.

3.5 Termination of Employment

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Common circumstances under which employment is terminated include the following:

- **Resignation/Retirement** - Voluntary employment termination initiated by an employee.
- **Termination** - Involuntary employment termination initiated by KSR, LLC. In most cases, KSR, LLC will use progressive disciplinary actions before dismissing an employee. However, certain actions warrant immediate termination.
- **Layoff** - Involuntary employment termination initiated by KSR, LLC for non-disciplinary reasons.

Employees who intend to terminate employment with KSR, LLC shall provide KSR, LLC with at least two weeks of written notice. Such notice is intended to allow the KSR, LLC time to adjust to the employee's departure without placing an undue burden on those employees who may be required to fill in before a replacement can be found.

Since employment with KSR, LLC is based on mutual consent, both the employee and KSR, LLC have the right to terminate employment at-will, with or without cause, at any time.

In the case of employee termination, the employee will receive their accrued pay in accordance with all federal, state and local laws.

Any and all vacation and sick time accrued to the date of termination notice will be forfeited.

Any employee who terminates employment with KSR, LLC shall return all files, records, keys, and any other materials that are the property of KSR, LLC.

Some benefits may be continued at the employee's expense, if the employee elects to do so, such as healthcare coverage.

The employee will be notified of the benefits that may be continued and of the terms, conditions, and limitations of such continuation.

4. Working Conditions & Hours

4.1 Company Hours

KSR, LLC, Inc is open for retail business from 10am-5pm Mon-Fri. This excludes holidays recognized by KSR, LLC.

Production schedules vary by department, seasonal needs and weather conditions. Managers will advise employees of their scheduled shift, including starting and ending times.

The standard workweek is 40 hours. Business needs may necessitate a variation in your starting and ending times as well as in the total hours you may be scheduled to work each day and each week.

4.2 Emergency Closing

At times, emergencies such as severe weather, fires, or power failures can disrupt company operations. In extreme cases, these circumstances may require the closing of a work facility. The decision to close or delay regular operations will be made by KSR, LLC management. When a decision is made to close the office, employees will receive official notification from their Manager.

4.3 Workplace Safety

KSR, LLC is committed to providing a clean, safe, and healthful work environment for its employees. Maintaining a safe work environment, however, requires the continuous cooperation of all employees. KSR, LLC and all employees must comply with all occupational safety and health standards and regulations established by the Occupational Safety and Health Act and state and local regulations. In addition, all employees are expected to obey safety rules and exercise caution and common sense in all work activities.

Complaint and Reporting Procedure:

Employees should immediately report any unsafe conditions to their Manager without fear of reprisal. In the case of an accident that results in injury, regardless of how seemingly insignificant the injury may appear, employees must notify their Manager.

Employees who violate safety standards, cause hazardous or dangerous situations or fail to report or, where appropriate, remedy such situations may be subject to disciplinary action, up to and including termination of employment.

Retaliation Prohibited:

KSR, LLC expressly prohibits retaliation against anyone who reports unsafe working conditions or work-related accidents, injuries or illnesses. Any form of retaliation will be subject to disciplinary action, up to and including termination of employment.

4.4 Security

The purpose of KSR, LLC's security policy is to protect KSR, LLC's assets and to maintain a safe working environment for all employees.

Facility Access:

No regular KSR, LLC employee will be allowed entry into the building to gain access to KSR, LLC facilities without a Manager or Management consent. If issued a key, the employee is responsible for its safekeeping. All lost or stolen keys must be reported to your Manager as soon as possible.

Upon separation from KSR, LLC and at any other time upon KSR, LLC's request, all keys must be returned to your Manager.

Closing Procedures:

The last employee, or a designated employee, who leaves the office at the end of the business day assumes the responsibility to ensure that: all doors are securely locked; the alarm system is armed; automatic thermostat settings are working properly; and all appliances and lights are turned off with the exception of the lights normally left on for security purposes.

Employees are not permitted on company property after hours without prior authorization from Management.

4.5 Meal & Break Periods

In accordance with state and local laws, non-exempt employees will be provided with meal and break periods. Break periods of less than 20 minutes will be paid. Break periods lasting longer than 20 minutes will be unpaid. While on the break periods, employees must stay on company property and return to work on time.

Two paid 15-minute breaks are permitted each day once you have at least 2 continuous hours, and have at least 4 hours in your total workday. An hour unpaid lunch break is permitted daily once you have worked at least 4 hours continuous hours and have at least 6 hours in your total workday. If you choose to stay on the

clock while eating lunch, you must be working at your workstation while eating.

KSR, LLC will schedule meal and break periods in order to accommodate KSR, LLC operating requirements.

4.6 Break Time for Nursing Mothers

KSR, LLC accommodates employees who wish to express breast milk during the workday by providing reasonable break times to do so. KSR, LLC will provide a designated room, other than a bathroom, that is shielded from view, free from intrusion from coworkers and the public and is in compliance with all other applicable laws for this purpose.

Employees who use regularly scheduled rest breaks to express breast milk will be paid for the break time. If the lactation break does not run concurrently with the employee's regularly scheduled compensated break, the lactation break time will be unpaid.

5. Employee Benefits

5.1 Military Leave

KSR, LLC grants employees unpaid time off for service, training and other obligations in the uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and any other applicable state law.

All employees requesting time off for military service must provide advance notice to their immediate Manager unless military necessity prevents such notice, or it is otherwise impracticable. Continuation of health insurance benefits is available during military leave subject to the terms and conditions of the group health plan and applicable law.

Employees are eligible for reemployment for up to five years from the date their military leave began. The period an individual has to apply for reemployment or report back to work after military service is based on time spent on military duty and on applicable law. For reinstatement guidelines, contact Management.

Employees who qualify for reemployment will return to work at a pay level and status equal to that which they would have attained had they not taken military leave. They will be treated as though they were continuously employed for purposes of determining benefits based on length of service.

KSR, LLC complies with all rights and protections under all applicable state laws granting time off for service, training and other obligations in the uniformed services. This includes, but is not limited to, benefits entitlement and continuation, notice and recertification requirements, and reemployment application requirements.

5.2-3 Jury Duty - Jury Duty Leave (Michigan)

KSR, LLC encourages employees to fulfill their civic responsibilities when called upon to serve as a juror. Employees must provide their immediate Manager with a copy of their jury summons as soon as possible so that the Manager may make arrangements to accommodate their absence. Either KSR, LLC or the employee may request an excuse from jury duty if it is determined that the employee's absence would create serious operational difficulties.

Employees summoned for jury duty will not be required to work any number of hours that, when added to the number of hours served on that day, would exceed the number of hours the employee would have normally worked on that day. Jury duty leave is unpaid; however, employees may opt to use accrued paid time off for this purpose.

5.4 Workers' Compensation

Employees who are injured on the job at KSR, LLC are eligible for Workers' Compensation benefits. Such benefits are provided at no cost to employees and cover any injury or illness sustained in the course of employment that requires medical treatment.

Lost time or medical expenses incurred as a result of an accident or injury which occurred while an employee was on the job will be compensated for in accordance with workers' compensation laws. This protection is paid for in full by KSR, LLC. No premium is charged for this coverage and no individual enrollment is required. KSR, LLC will provide medical care and a portion of lost wages through our insurance carrier.

All job-related accidents or illnesses must be reported to an employee's Manager immediately upon occurrence.

6. Employee Conduct

6.1 Standards of Conduct

The work rules and standards of conduct for KSR, LLC are important, and KSR, LLC regards them seriously. All employees are urged to become familiar with these rules and standards. In addition, employees are expected to follow the rules and standards faithfully in doing their own jobs and conducting KSR, LLC business. Please note that any employee who deviates from these rules and standards will be subject to corrective action, up to and including termination of employment (see Section 6.2, Disciplinary Action). While not intended to list all the forms of behavior that are considered unacceptable in the workplace, the following are examples of rule infractions or misconduct that may result in disciplinary action, including termination of employment.

- Rude Behavior with Customers
- Theft or inappropriate removal or possession of property
- Falsification of timekeeping records (see 7.2, Timekeeping)
- Working under the influence of alcohol or illegal drugs (see 6.5, Substance Abuse)
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of company or customer-owned property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Smoking on KSR, LLC property, less than fifty feet from the entrance to the building.
- Sexual or other unlawful/ unwelcome harassment (see 6.6 Harassment/Sexual Harassment)
- Excessive absenteeism or any absence without notice (see 7.1 Attendance/Punctuality and 7.2 Absence without Notice)
- Unauthorized use of telephones, or other company-owned equipment (see 6.7, Telephone Use)
- Using company equipment for purposes other than business (i.e. playing games on computers or personal Internet usage)
- Unauthorized disclosure of business "secrets" or confidential information

- Violation of personnel policies
- Unsatisfactory performance or conduct
- **Negative gossip against other employees. KSR, LLC strives to create a culture that builds each other up. KSR, LLC recognizes that all employees have strengths and weaknesses. A team thrives on differences to be rounded. We recognize these differences may result in personality conflicts. If the atmosphere becomes negative, we encourage employees to go to the employee they are having issues with to see if a solution can be obtained. If that does not produce the desired results, the employees are expected to come to the Manager and work out a solution.**

6.2 Disciplinary Action

Disciplinary action at KSR, LLC is intended to fairly and impartially correct behavior and performance problems early on and to prevent reoccurrence.

Disciplinary action may involve any of the following: verbal warning, written warning, suspension with or without pay, and termination of employment, depending on the severity of the problem and the frequency of occurrence. KSR, LLC reserves the right to administer disciplinary action at its discretion and based upon the circumstances.

KSR, LLC recognizes that certain types of employee behavior are serious enough to justify termination of employment, without observing other disciplinary action first.

These violations include but are not limited to:

- Workplace violence
- Harassment
- Theft of any kind
- Insubordinate behavior
- Vandalism or destruction of company property
- Presence on company property during non-business hours
- Use of company equipment and/or company vehicles without prior authorization
- Indiscretion regarding personal work history, skills, or training
- Divulging KSR, LLC business practices or any other confidential information
- Any misrepresentation of KSR, LLC to a customer, a prospective customer, the general public, or an employee

6.3 Confidentiality

KSR, LLC takes the protection of Confidential Information very seriously. “Confidential Information” includes, but is not limited to, computer processes, computer programs and codes, customer lists, customer preferences, customers’ personal information, company financial data, marketing strategies, proprietary production processes, research and development strategies, pricing information, business and marketing plans, vendor information, software, databases, and information concerning the creation, acquisition or disposition of products and services.

Confidential Information also includes the KSR, LLC intellectual property and information that is not otherwise public. Intellectual property includes, but is not limited to, trade secrets, ideas, discoveries, writings, trademarks, and inventions developed through the course of your employment with KSR, LLC and as a direct result of your job responsibilities with KSR, LLC. Wages and other conditions of employment are not considered to be Confidential Information.

To protect such information, employees may not disclose any confidential or non-public proprietary information about KSR, LLC to any unauthorized individual. If you receive a request for Confidential Information, you should immediately refer the request to your Manager.

The unauthorized disclosure of Confidential Information belonging to KSR, LLC, and not otherwise available to persons or companies outside of KSR, LLC, may result in disciplinary action, up to and including termination of employment. If you leave KSR, LLC, you may not disclose or misuse any Confidential Information.

This policy is not intended to restrict an employee's right to discuss or act together to improve, wages, benefits and working conditions with co-workers or in any way restrict employees' rights under the National Labor Relations Act.

6.4 Workplace Violence

KSR, LLC strictly prohibits workplace violence, including any act of intimidation, threat, harassment, physical violence, verbal abuse, aggression or coercion against a coworker, vendor, customer, or visitor.

Prohibited actions, include, but are not limited to the following examples:

- Physically injuring another person
- Threatening to injure another person
- Engaging in behavior that subjects another person to emotional distress
- Using obscene, abusive or threatening language or gestures
- Bringing an unauthorized firearm or other weapons onto company property
- Threatening to use or using a weapon while on company premises, on company-related business, or during job-related functions
- Intentionally damaging property

All threats or acts of violence should be reported immediately to your Manager or security personnel. Employees should warn their Managers or security personnel of any suspicious workplace activity that they observe or that appears problematic. Employee reports made pursuant to this policy will be investigated promptly and will be kept confidential to the maximum extent possible. KSR, LLC will not tolerate any form of retaliation against any employee for making a report under this policy.

KSR, LLC will take prompt remedial action, up to and including immediate termination, against any employee found to have engaged in threatening behavior or acts of violence.

6.5 Drug & Alcohol Use

KSR, LLC is committed to maintaining a workplace free of substance abuse. No employee or individual who performs work for KSR, LLC is allowed to consume, possess, sell, purchase, or be under the influence of alcohol or illegal drugs, as defined by federal law, on any property owned by or leased on behalf of KSR, LLC, or in any vehicle owned or leased on behalf of KSR, LLC or while on KSR, LLC business.

The use of over-the-counter drugs and legally prescribed drugs is permitted as long as they are used in the manner for which they were prescribed and provided that such use does not hinder an employee's ability to safely perform his or her job. Employees should inform their Manager if they believe their medication will impair their job performance, safety or the safety of others, or if they believe they need a reasonable accommodation when using such medication.

KSR, LLC will not tolerate employees who report for duty while impaired by the use of alcohol or drugs. All employees should report evidence of alcohol or drug abuse to their Manager immediately. In cases in which the use of alcohol or drugs creates an imminent threat to the safety of persons or property, employees are required to report the violation. Failure to do so may result in disciplinary action, up to and including termination of employment.

As a part of our effort to maintain a workplace free of substance abuse, KSR, LLC employees may be asked to submit to a medical examination and/or clinical testing for the presence of alcohol and/or drugs. Within the limits of federal, state, and local laws, KSR, LLC reserves the right to examine and test for drugs and alcohol at our discretion.

As a condition of your employment with KSR, LLC, employees must comply with this Drug & Alcohol Use Policy. Be advised that no part of the Drug & Alcohol Use Policy shall be construed to alter or amend the at-will employment relationship between KSR, LLC and its employees.

Employees found in violation of this policy may be subject to disciplinary action, up to and including termination of employment.

6.6 Sexual & Other Unlawful Harassment

KSR, LLC is committed to a work environment in which all individuals are treated with respect. KSR, LLC expressly prohibits discrimination and all forms of employee harassment based on race, color, religion, sex, pregnancy, national origin, age, disability, military or veteran status, or status in any group protected by state or local law.

Sexual harassment is a form of discrimination and is prohibited by law. For purposes of this policy sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment. Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission or rejection of the conduct is used as a basis for making employment decisions; or, (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

Sexual and unlawful harassment may include a range of behaviors and may involve individuals of the same or different gender. These behaviors include, but are not limited to:

- Unwanted sexual advances or requests for sexual favors
- Sexual or derogatory jokes, comments, or innuendo
- Unwelcome physical interaction
- Insulting or obscene comments or gestures
- Offensive email, voicemail, or text messages
- Suggestive or sexually explicit posters, calendars, photographs, graffiti, or cartoons
- Making or threatening reprisals after a negative response to sexual advances
- Visual conduct that includes leering, making sexual gestures, or displaying of sexually suggestive objects or pictures, cartoons or posters
- Verbal sexual advances or propositions
- Physical conduct that includes touching, assaulting, or impeding or blocking movements

- Abusive or malicious conduct that a reasonable person would find hostile, offensive, and unrelated to KSR, LLCs' legitimate business interests
- Any other visual, verbal, or physical conduct or behavior deemed inappropriate by KSR, LLC

Harassment on the basis of any other protected characteristic is also strictly prohibited.

Complaint Procedure:

KSR, LLC strongly encourages the reporting of all instances of discrimination, harassment, or retaliation. If you believe you have experienced or witnessed harassment or discrimination based on sex, race, national origin, disability, or another factor, promptly report the incident to Management.

Any reported allegations of harassment or discrimination will be investigated promptly, thoroughly, and impartially.

Any employee found to be engaged in any form of sexual or other unlawful harassment may be subject to disciplinary action, up to and including termination of employment.

Retaliation Prohibited:

KSR, LLC expressly prohibits retaliation against any individual who reports discrimination or harassment or assists in investigating such charges. Any form of retaliation is considered a direct violation of this policy and, like discrimination or harassment itself, will be subject to disciplinary action, up to and including termination of employment.

6.7 Telephone Usage

KSR, LLC telephones are intended for the sole use of conducting company business. Personal use of the KSR, LLC's telephones and individually owned cell phones during business hours should be kept to a minimum or for emergency purposes only. We ask that personal calls only be made or received outside of working hours, including during lunch or break time.

6.8 Personal Property

Employees should use their discretion when bringing personal property into the workplace. KSR, LLC assumes no risk for any loss or damage to personal property.

Additionally, employees may not possess or display any property that may be viewed as inappropriate or offensive on KSR, LLC premises.

6.9 Use of Company Property

Company property refers to anything owned by the company: physical, electronic, intellectual, or otherwise. The use of company property is for business necessity only.

When materials or equipment are assigned to an employee for business, it is the employee's responsibility to see that the equipment is used properly and cared for properly. However, at all times, equipment assigned to the employee remains the property of KSR, LLC and is subject to reassignment and/or use by KSR, LLC without prior notice or approval of the employee. This includes, but is not limited to, computer equipment and data stored thereon, voicemail, records, and employee files.

KSR, LLC has created specific guidelines regarding the use of company equipment. Below is a list of employee responsibilities and limitations with regards to company property.

Personal use of company property:

Company property is **NOT** permitted to be taken from the premises without proper written authorization from company management.

Company Tools:

All necessary tools are furnished to employees in order to assist them in their required duties. Each employee is, in turn, responsible for these tools. Tools damaged or stolen as a result of an employee's negligence will, to the extent permitted by federal, state and local law, be charged to the employee.

Care of Company Property:

Office areas should be kept neat and orderly and all equipment should be well-maintained. The theft, misappropriation, or unauthorized removal, possession, or use of company property or equipment is expressly prohibited.

Any action in contradiction to the guidelines set herein may result in disciplinary action, up to and including termination of employment.

6.10 Smoking

KSR, LLC provides a smoke-free environment for its employees, customers, and visitors. Smoking, including the use of e-cigarettes, vaporizers and marijuana, is prohibited throughout the workplace. We have adopted this policy because we have a sincere interest in the health of our employees and in maintaining pleasant working conditions.

All smoking and tobacco use must be kept 50 feet from the entrance in accordance with state law.

6.11 Visitors in the Workplace

Visitors may join unpaid lunch breaks at the downstairs break table or outside the building only.

6.12 Computer, Email & Internet Usage

Computers, email, and the internet allow KSR, LLC employees to be more productive. However, it is important that all employees use good business judgment when using KSR, LLC's **electronic communications systems (ECS)**.

Standards of Conduct and ECS

KSR, LLC strives to maintain a workplace free of discrimination and harassment. Therefore, KSR, LLC prohibits the use of KSR, LLC ECS for bullying, harassing, discriminating, or engaging in other unlawful misconduct, in violation of the KSR, LLC's policy against discrimination and harassment.

Copyright and other Intellectual Property

Respect all copyright and other intellectual property laws. For the KSR, LLC's protection as well as your own, it is critical that you show proper respect for the laws governing copyright, the fair use of copyrighted material owned by others, trademarks and other intellectual property, including the KSR, LLC's own copyrights, trademarks, and brands. Employees are also responsible for ensuring that, when sending any material over the internet, they have the appropriate distribution rights.

KSR, LLC purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, KSR, LLC does not have the right to reproduce such software for use on more than one computer. Employees may only use the software according to the software license agreement. KSR, LLC prohibits the illegal duplication of software and its related documentation.

ECS Guidelines

The following behaviors are examples of previously stated or additional actions and activities under this policy that are prohibited:

- Sending or posting discriminatory, harassing, or threatening messages or images about coworkers, Managers or KSR, LLC that violate KSR, LLC's policy against discrimination and harassment
- Stealing, using, or disclosing someone else's code or password without authorization
- Pirating or downloading KSR, LLC-owned software without permission
- Sending or posting the KSR, LLC's confidential material, trade secrets, or non-public proprietary information outside of KSR, LLC. Wages and other conditions of employment are not considered confidential material.
- Violating copyright laws and failing to observe licensing agreements
- Participating in the viewing or exchange of pornography or obscene materials
- Sending or posting messages that threaten, intimidate, coerce, or otherwise interfere with the job performance of fellow employees
- Attempting to break into the computer system of another organization or person
- Refusing to cooperate with a security investigation
- Using the Internet for gambling or any illegal activities
- Sending or posting messages that disparage another organization's products or services
- Passing off personal views as representing those of KSR, LLC

Privacy and Monitoring

Computer hardware, software, email, internet connections, and all other computer, data storage or ECS provided by KSR, LLC are the property of KSR, LLC. Employees have no right of personal privacy when using KSR, LLC's ECS. To ensure productivity of employees, compliance with this policy and with all applicable laws, including harassment and anti-discrimination laws, computer, email and internet usage may be monitored.

This policy is not intended to restrict an employee's right to discuss or act together to improve, wages, benefits and working conditions with co-workers or in any way restrict employees' rights under the National Labor Relations Act.

Violations of this policy may result in disciplinary action, up to and including termination of employment.

6.13 Company Supplies

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

6.14 Personal Appearance

The purpose of KSR, LLC's personal appearance policy is to ensure a safe and sanitary workplace for all employees. KSR, LLC strives to maintain a professional working environment that promotes efficiency, positive employee morale and promotes a professional image. During business hours or when representing KSR, LLC, employees are expected to use common sense and good judgment in order to meet the goals of this policy.

Generally, employees should wear appropriate clothing, observe high standards of personal hygiene, and dress and groom themselves according to the requirements of their positions.

Generally, employees should maintain a clean and neat appearance and should refrain from wearing revealing clothing to the workplace. Employees are urged to use their discretion when determining what is appropriate to wear to work. Employees who wear inappropriate attire to work may be sent home to change their clothing.

KSR, LLC understands that in certain situations, the KSR, LLC may need to make exceptions to this policy based on an employee's religion, disability, or other characteristic protected under federal, state or local law. In accordance with all applicable laws, the KSR, LLC will make every effort to provide reasonable accommodation as necessary, unless doing so would cause an undue hardship on KSR, LLC.

7. Timekeeping & Payroll

7.1 Attendance & Punctuality

Absenteeism and tardiness place an undue burden on other employees and on KSR, LLC. KSR, LLC expects regular attendance and punctuality from all employees. This means being in the workplace, ready to work, at your scheduled start time each day and completing your entire shift. Employees are also expected to return from meal and break periods on time.

All time off must be requested in writing, in advance, as outlined in the KSR, LLC's Paid Time Off (PTO) policy. If an employee is unexpectedly unable to report for work for any reason, he or she must directly notify the Manager as early as possible, and preferably prior to their scheduled starting time. It is not acceptable to leave a voicemail message with a Manager, except in extreme emergencies. In cases that warrant leaving a voicemail message or when an employee's direct Manager is unavailable, a follow-up call must be made later that day.

If an illness or emergency occurs during work hours, employees should notify their Manager as soon as possible.

Employees, who are going to be absent for more than one day, should contact their Manager on each day of their absence (excluding approved time off). KSR, LLC reserves the right to ask for a physician's statement in the event of long-term illness (three consecutive days), or multiple illnesses or injuries.

If an employee fails to notify their Manager after three consecutive days of absence, KSR, LLC will presume that the employee has voluntarily resigned. KSR, LLC will review any extenuating circumstances that may have prevented him or her from calling in before the employee is removed from the payroll.

Should undue or recurrent absence and tardiness become apparent, the employee will be subject to disciplinary action, up to and including termination of employment.

This policy is not intended to restrict an employee's right to discuss or act together to improve, wages, benefits and working conditions with co-workers, or in any way restrict employees' rights under the National Labor Relations Act.

Note: KSR, LLC recognizes the following Holidays: New Year's Day, MLK Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving, Veteran's Day and Christmas Day.

7.2 Timekeeping

It is KSR, LLC's policy to comply with applicable laws that require records to be maintained of the hours worked by our employees. Every employee is responsible for accurately recording time worked.

In addition to recording arrival and departure time, non-exempt employees are required to accurately record the start and end of each meal period, as well as any departure for non-work-related reasons. Any errors in time records must be immediately reported to your Manager.

Absent prior authorization, non-exempt employees are not permitted to start work until their scheduled starting time or work past their scheduled ending time.

KSR, LLC strictly prohibits non-exempt employees from working off the clock for any reason. All time spent working must be logged and accounted for; this includes time spent using electronic devices for work-related purposes.

Vacation days, sick days, holidays, and absences for jury duty, funeral leave or military training must be specifically recorded by all employees.

It is the responsibility of all employees to submit and approve their time records each week.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action up to and including termination of employment.

7.3 Paydays

KSR, LLC employees are paid on a weekly basis each Wednesday. In the event that a regularly scheduled payday falls on a holiday, employees will be paid on the day following the holiday, unless otherwise required by state law.

Employees will receive an itemized statement of wages online when KSR, LLC makes direct deposits, and given an electronic passcode to an account that records all individual payroll data.

In the event of employee termination, the employee will receive their accrued pay in accordance with applicable federal, state and local laws.

All employees are subject to an initial 90 day probationary period.

All full-time employees get holiday pay after 90 days of employment.

After 1 year of employment, all full-time employees will get 5 paid vacation days during that year. In the month of January of the following year of full-time employment, the employee will get 10 paid vacation days, which will be the maximum.

Vacation Days may not be carried over to the next year without prior consent from Management.

***PLEASE NOTE NEW SICK TIME POLICY, EFFECTIVE FEBRUARY 21, 2025:**

Under Michigan's Earned Sick Time Act (ESTA), all employees accrue one hour of sick time for every 30 hours worked. All employees begin to accrue sick time on their first day of employment. Employees may use up to 72 hours of paid sick time accrued per year.

Unused earned accrued sick time may be carried over from year to year, but annual use of sick time may not exceed 72 hours per calendar year.

Earned accrued sick time may be used by all employees, following their initial 90 day probationary period.

7.4 Payroll Deductions

KSR, LLC makes deductions from employee pay only in circumstances permitted by applicable law. This includes, but is not limited to, mandatory deductions for income tax withholding, Social Security and Medicare contributions, as well as voluntary deductions for health insurance premiums and other related contributions.

If you believe that an improper deduction has been made from your pay, raise the issue with the Manager immediately. KSR, LLC will promptly investigate. If the investigation reveals that you were subjected to an improper deduction from pay, you will be reimbursed promptly.

Please direct any questions about the policies outlined in this handbook to Management for clarification.

This handbook, along with other essential employee information can be found and downloaded online on the company website:

www.ksr-llc.info

WELCOME ABOARD!