



Office Employee Handbook

Section 6 Performance Appraisal & Pay

Performance Appraisal

It is Tempco's aim to reward individual performance based upon objective criteria such as quality and quantity of work, general behavior and cooperation, attendance, punctuality, safety and the fulfillment of your job responsibilities.

Our goal is to see that you are kept advised of how well you are fulfilling these requirements. This communication begins on your first day and is continuous throughout your career with the Company. Discussions between you and your supervisor are based on the premise that people do good work when they know clearly what is expected of them and how they are performing. When employees are doing an exceptional job, they deserve recognition for it. When they are not doing part of their job, they generally cannot be expected to do better unless they are told about it.

Our normal schedule for performance appraisals is:

1. Annually, based on 12 months of continuous employment or 12 months from the date of the last salary adjustment
2. At time of promotion

The performance appraisal schedule is not a guarantee of employment for any specified period of time nor does it automatically guarantee any increase in wages. In the event of a personal, military, or medical leave of absence of 4 weeks or more, the individual's performance appraisal schedule is delayed by an equivalent time period.

Payroll Information

Immediately upon accepting employment, you will be given federal and state tax forms, along with insurance forms if you are otherwise eligible for insurance benefits. These forms need to be completed and then, together with the employment application form, information regarding starting pay, starting date and other pay or benefit information, are forwarded to the payroll department.

Paydays

You have the option to receive your paycheck via direct deposit. This option provides you the fastest and most efficient method to get your paycheck into your checking or savings account. All employees are paid on a weekly basis each Friday. Your paycheck covers the preceding workweek.

If you do not elect direct deposit, you may ask to have your check mailed to your home address if you are absent or not scheduled to work on the day checks are distributed or you may obtain your check from the Human Resources Department at a later time.

Performance Appraisal & Pay

Wages

It is Tempco's policy to accurately compensate employees and to do so in compliance with all applicable state and federal laws. Tempco will not discriminate in its pay practices on the basis of sex or on the basis of any other protected category where employees are performing substantially similar work on jobs requiring substantially similar skill, effort and responsibility. Tempco will also not discriminate in its pay practices based on race or on any other classification protected by law.

Deductions from Your Pay

As required by law, Tempco makes deductions from your pay as follows:

- **Social Security and Medicare (FICA)**— We match your Social Security and Medicare contributions to the government dollar for dollar to help pay for these future benefits.
- **Federal Income Tax** — Your deductions are according to your salary level and the number of your exemptions. You need to complete and file a W4 form with the Human Resources Department to determine the actual amount withheld from your pay.
- **State Income Tax** — Your deductions are according to the guidelines described above under Federal Income Tax.
- **Wage Garnishments** — Tempco is required by law to comply with wage garnishment orders such as back taxes and child support. The law also provides for an administrative fee to be charged when a garnishment occurs.

You must authorize voluntary deductions from your paycheck. Such payroll deductions include, but are not limited to, your share of the premium cost of Company provided insurances and wage assignments.

If you think any a payroll deduction was made in error, please contact your supervisor or see the Human Resources Department.

Review your Pay Stub

Tempco makes every effort to ensure that employees are paid correctly. Occasionally, however, inadvertent mistakes can happen. When mistakes do happen and are called to our attention, we promptly will make any correction that is necessary. Please review your pay stub when you receive it to make sure it is correct. If you believe a mistake has occurred or if you have any question, please use the reporting procedure outlined below in the "To Report Errors in Pay" section found further in this Section 6.

Payroll Status

Any changes relating to payroll will generally become effective on Mondays. All such changes must be processed in conformance with Company policy and approved by the Human Resources Department before they become effective. In order for changes to become effective during the current pay period, a completed change of status form must be received by the Human Resources Department no later than Noon on Tuesday of the same pay period.

Working Overtime

Situations can occur, such as unusual workloads, unexpected employee absences, or emergency situations where you may be required to work extra hours.

All overtime work must have prior approval by the department manager. If you are required to work overtime, you will be notified in advance by your immediate supervisor.

Employee Classification

Employees are identified for wage payment purposes as either Exempt or Non-Exempt according to Federal and State laws. Exempt employees are excluded from overtime pay requirements. Non-exempt employees will receive overtime pay at the rate of time-and-one-half their regular hourly rate, for all hours worked in excess of forty (40) hours per week.

Exempt Employees

If you are classified as an exempt salaried employee, you will receive a salary which is intended to compensate you for all hours that you may work for the Company. Your salary will be established at the time of hire or when you become classified as an exempt employee. While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform.

You will receive your full salary for any workweek in which work is performed. However, under federal law, your salary is subject to certain deductions. For example, absent contrary state law requirements, your salary can be reduced for the following reasons in a workweek in which work was performed:

- Full-day absences for non-health related personal reasons;
- Full-day absences for sickness or disability pursuant to Tempco's sick leave plan;
- To offset compensation received as a witness fee, juror fee, or military pay;
- Full day disciplinary suspensions for infractions of safety rules of major significance (including those that could cause serious harm to others);
- Disciplinary suspension for one or more full days for significant infractions of major workplace conduct rules set forth in written policies;
- Days not worked during first and last week of work; and
- Absences under the federal Family and Medical Leave Act (either full or partial day absences).

Your salary also may be reduced for certain types of deductions, such as: your portion of health, dental or life insurance premiums; state, federal, or local taxes, social security; or voluntary contributions to your 401(k) plan.

Non-Exempt Employees

Non-exempt employees will receive pay for each hour worked and will receive overtime pay, at the rate of time-and-one-half their regular hourly rate, for all hours worked in excess of forty (40) hours per workweek. If you are a non-exempt employee, you must properly use Tempco's TimePro® timeclocks to accurately record the total hours you work each day. Accordingly, you are prohibited from performing any work before you clock-in and you are further prohibited from performing any work after you clock-out using Tempco's TimePro® timeclocks. All hours worked must be reflected through your proper use of Tempco's TimePro® timeclocks. Your timecard record, as generated by Tempco's TimePro® timeclocks, must accurately reflect all regular and overtime hours worked, any absences, early or late arrivals, early or late departures and meal breaks. When you receive each paycheck, please verify immediately that you were paid correctly for all regular and overtime hours worked each workweek. If you believe that you were not paid correctly or if you believe that there is an error in your pay, please use the reporting procedure outlined below in the "To Report Errors in Pay" section found further in this Section 6.

(continued)

Performance Appraisal & Pay

Non-Exempt Employees (continued)

If you are a non-exempt employee, you should not work any hours outside of your scheduled workday unless your supervisor has authorized the unscheduled work in advance. Do not start work early, finish work late, work during a meal break or perform any other extra or overtime work unless you are authorized to do so, and that time is recorded through Tempco's TimePro® timeclocks. Non-Exempt employees are prohibited from performing any "off-the-clock" work. "Off-the-clock" work means work you may perform but fail to report through Tempco's TimePro® timeclock system. Any employee who fails to record any working time or hours worked will be subject to disciplinary action, up to and including termination.

All overtime work must have prior approval by your supervisor or manager. If you are required to work overtime, you will be notified in advance. Working beyond assigned hours without prior approval from your supervisor may subject you to discipline, up to and including termination.

When it is necessary to work overtime, employees who have committed to do so and fail to report to work may be charged with an unexcused absence.

Out-of-Pocket Expenses

Tempco will reimburse an employee, subject to the employee's adherence to Tempco's reimbursement policies and procedures, for all necessary expenditures or losses incurred by the employee with the employee's scope of employment and directly related to those services performed by the employee on behalf of Tempco.

Mileage expenses will be reimbursed to any employee who uses a personal vehicle for Company business, provided that authorization from the appropriate supervisor has been given to the employee in advance. This mileage reimbursement will be at the standard rate established by the accounting department, consistent with IRS regulations.

Reasonable monies spent by an employee that are directly business related will be reimbursed upon the completion of Tempco's standard expense report with management approval. You must submit proof of all expenditures whether cash or credit card.

Emergency Shutdowns

Under certain circumstances, Tempco may provide report-in pay for "hourly paid, non-exempt employees" in the event of emergency shutdowns.

If you report for work as scheduled, and for unforeseen reasons have to be sent home before the scheduled completion of your shift, you will be paid report-in pay for a minimum of two (2) hours or the actual hours worked, whichever is greater.

You may be asked to do work outside of your normal job responsibilities to qualify for report-in pay. If you refuse such work, you will not receive report-in pay.

If work is canceled prior to your reporting for work (for example, due to snow or other conditions), and you are advised of the cancellation via telephone, radio announcement or television announcement, then no compensation will be paid for that day.

Lost Paychecks

If you should lose your paycheck, report the loss to the Human Resources Department immediately. Once notification is made, a stop payment will be made on the check, and you will receive a replacement check within a reasonable length of time, assuming the original check has not cleared the bank. If the bank assesses a fee for a stop-payment order, the employee will be charged the fee.

A lost check that has been endorsed by an employee will be the responsibility of the employee and Tempco will issue no replacement check.

To Report Errors in Pay

Every precaution is taken to ensure that employees are paid correctly. If you believe there is an error in your pay, that your wages have been subject to any improper deductions, or your pay does not accurately reflect all hours that you worked (including any overtime hours) in a workweek, you should notify your supervisor immediately. Your supervisor will then contact the Human Resources Department regarding any discrepancy in pay. If a supervisor is unavailable or if you believe it would be inappropriate to contact that person (or if you have not received a prompt and fully acceptable reply within three business days), you should immediately contact Tempco's Chief Financial Officer, Paul Wickland. Every report will be fully investigated, and, if necessary, corrective action will be taken. The Company will make every attempt to adjust the error within a reasonable length of time.

In addition, Tempco will not allow any form of retaliation against individuals who report alleged violations of its payroll policies or practices, or who cooperate in the Company's investigation of such reports. Retaliation is not acceptable and will not be tolerated. Any form of retaliation in violation of this non-retaliation policy will result in disciplinary action, up to and including termination.

Authorized Check Pickup

If an employee is absent on payday and instructs someone to pick up his or her paycheck, a note signed by the employee authorizing the person must be provided before the check will be released. The person picking up the paycheck must show proper identification and complete and sign Tempco's release form in order for the check to be released. This policy protects the employee and the Company.

Salary Advances

It is the policy of Tempco not to grant salary or wage advances of any kind.