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(1.0) Opening Letter

Welcome to Stratton Hats!

Dear Potential Employee:

You and Stratton Hats have made an important decision: The Company has decided you can contribute to our success, and you've decided that Stratton Hats is the organization where you can pursue your career productively and enjoyably.

We believe we've each made the right decision, one that will result in a profitable relationship. The minute you start working here, you become an integral part of Stratton Hats and its future. Every job in our company is important, and you will be utilized in any position deemed necessary by Management to play a key role in the continued success and growth of our company.

As you will quickly discover, our success is based on delivering high quality products and providing unsurpassed customer service. How do we do it? By working very hard, thinking about our customers' needs, and doing whatever it takes. We do it by treating each other and customers with respect. We do it by acting as a team.

Due to the fact that the majority of our Business is conducted with government agencies, we are obligated to employ only workers legally authorized by the United States Government. All new potential employees must have a valid and current Social Security Number and a valid Green Card or some other authorization issued by the U.S. Government to work for Stratton Hats, Inc.

Should you have any questions concerning this handbook, your employment or benefits, please feel free to discuss them with your supervisor or Management.

Again, welcome!

Stratton Hats Management

(2.0) Introduction & Description of Company

For over half a century, the Stratton family has crafted high quality headwear. From early beginnings as a civilian hat manufacturer, Today Stratton Hats is the USA's largest supplier of uniform hats. Our headwear is worn by the vast majority of U.S. law enforcement personnel including city, county and state police as well as the National Park Service & The Department of Defense.

A commitment to service, prompt delivery, custom sizing and 'like new' renovating has created loyal and long-standing customers. Product quality is guaranteed through tight control over all stages of the handcrafted manufacturing process.

Each hat is produced from the finest quality braids and genuine furs available, which are shipped to Stratton Hats wholly-owned subsidiary, the Winchester Hat Corporation in Tennessee. This plant produces the high grade fur felt and straw bodies (hoods as they are sometimes referred to) which are then sent to Stratton Hats in Bellwood Illinois for forming and finishing. The result is headwear unsurpassed in durability and style, assuring years of highly respected appearance. Stratton Hats uniform hats add authority and dignity to any uniform.

With the ever increasing occurrence of skin cancer, Stratton Hats, with their opaque, sun-shielding brims, have proven effective in the protection of harmful UV rays and the fight against skin disease.

Why are our uniform hats the finest in the world? Ask any officer who wears one!

(3.0) Confidentiality Agreement

Information that pertains to Stratton Hats business, including all nonpublic information concerning the Company, its vendors and suppliers, is strictly confidential and must not be given to people who are not employed by Stratton Hats. It is an employees' responsibility to help protect confidential information. Confidential information includes but it not limited to: trade secrets, customer lists and company financial information. Employees should take the following precautionary measures:

- 1 Discuss work matters only with other Stratton Hats employees who have a specific business reason to know or have access to such information.
- 2 Do not discuss work matters in public places.
- 3 Monitor and supervise visitors to Stratton Hats to insure that they do not have access to company information.
- 4 Destroy hard copies of documents containing confidential information that is not filed or archived.
- 5 Secure confidential information in desk drawers and cabinets at the end of every business day.

Employee cooperation is particularly important because of our obligation to protect the security of our clients' and our own confidential information. Employees should use sound judgment and good common sense, but if at any time they are uncertain as to whether they can properly divulge information or answer questions, they should consult Management.

(4.0) Conflict of Interest

Employees must avoid any interest, influence or relationship which might conflict or appear to conflict with the best interests of Stratton Hats. They must avoid any situation in which their loyalty may be divided and promptly disclose any situation where an actual or potential conflict may exist. Examples of potential conflict situations include:

- 1 Having a financial interest in any business transaction with Stratton Hats
- 2 Owning or having a significant financial interest in, or other relationship with, a Stratton Hats competitor, customer or supplier
- 3 Accepting gifts, entertainment or other benefit of more than a nominal value from a Stratton Hats competitor, customer or supplier.

Anyone with a conflict of interest must disclose it to management and remove themselves from negotiations, deliberations or votes involving the conflict. Employees may, however, state their position and answer questions when their knowledge may be of assistance to Stratton Hats.

(5.0) Anti-Discrimination & Harassment

(5.1) Americans with Disabilities Act

It is Stratton Hats policy that we will not discriminate against qualified individuals with disabilities with regard to any aspect of their employment. Stratton Hats is committed to complying with the American with Disabilities Act of 1990 and its related Section 504 of the Rehabilitation Act of 1973. Stratton Hats recognizes that some individuals with disabilities may require accommodations at work. If an employee is currently disabled or becomes disabled during their employment, they should contact their supervisor to discuss reasonable accommodations that may enable them to perform the essential functions of their job.

(5.2) Equal Opportunity Policy

Stratton Hats provides equal opportunity in all of our employment practices to all qualified employees and applicants without regard to race, color, religion, gender, national origin, age, disability, marital status, military status or any other category protected by federal, state and local laws. This policy applies to all aspects of the employment relationship, including recruitment, hiring, compensation, promotion, transfer, disciplinary action, layoff, return from layoff, training and social, and recreational programs. All such employment decisions will be made without unlawfully discriminating on any prohibited basis.

(5.3) Policy Prohibiting Harassment and Discrimination

Stratton Hats strives to maintain an environment free from discrimination and harassment, where employees treat each other with respect, dignity and courtesy.

This policy applies to all phases of employment, including but not limited to recruiting, testing, hiring, promoting, demoting, transferring, laying off, terminating, paying, granting benefits and training.

(5.4) Prohibited Behavior

Stratton Hats does not and will not tolerate any type of harassment of our employees, applicants for employment, or our customers. Discriminatory conduct or conduct characterized as harassment as defined below is prohibited.

The term harassment includes, but is not limited to, slurs, jokes, and other verbal or physical conduct relating to a person's gender, ethnicity, race, color, creed, religion, sexual orientation, national origin, age, disability, marital status, military status or any other protected classification that unreasonably interferes with a person's work performance or creates an intimidating, hostile work environment.

Sexually harassing behavior in particular includes unwelcome conduct such as: sexual advances, requests for sexual favors, offensive touching, or other verbal or physical conduct of a sexual nature. Such conduct may constitute sexual harassment when it:

- 1 is made an explicit or implicit condition of employment
- 2 is used as the basis for employment decisions
- 3 unreasonably interferes with an individual's work performance, or
- 5 creates an intimidating, hostile or offensive working environment.

The types of conduct covered by this policy include: demands or subtle pressure for sexual favors accompanied by a promise of favorable job treatment or a threat concerning employment. Specifically, it includes sexual behavior such as:

- 1 repeated sexual flirtations, advances or propositions
- 2 continued and repeated verbal abuse of a sexual nature,
- 3 sexually related comments and joking, graphic or
- 4 degrading comments about an employee's appearance
- 5 or displaying sexually suggestive objects or pictures
- 6 including cartoons and vulgar email messages, and
- 7 any uninvited physical contact or touching, such as patting, pinching or repeated brushing against another person's body.

Such conduct may constitute sexual harassment regardless of whether the conduct is between members of management, between management and staff employees, between staff employees, or directed at employees by non employees conducting business with the Company, regardless of gender or sexual orientation.

(5.5) Harassment by Non employees

Stratton Hats will also endeavor to protect employees, to the extent possible, from reported harassment by non employees in the workplace, including customers, clients and suppliers.

(5.6) Complaint Procedure and Investigation

Any employee who wishes to report a possible incident of sexual harassment or other unlawful harassment or discrimination should promptly report the matter to their supervisor. If that person is not available, or an employee believes it would be inappropriate to contact that person, they should contact HR/Management.

Stratton Hats will conduct a prompt investigation as confidentially as possible under the circumstances. Employees who raise concerns and make reports in good faith can do so without fear of reprisal; at the same time employees have an obligation to cooperate with Stratton Hats in enforcing this policy and investigating and remedying complaints.

Any employee who becomes aware of possible sexual harassment or other illegal discrimination against others should promptly advise their supervisor. If that person is not available, or they believe it would be inappropriate to contact that person, they should contact HR/Management.

Anyone found to have engaged in such wrongful behavior will be subject to appropriate discipline, which may include termination.

(5.7) Retaliation

Any employee who files a complaint of sexual harassment or other discrimination in good faith will not be adversely affected in terms and conditions of employment and will not be retaliated against or discharged because of the complaint.

In addition, we will not tolerate retaliation against any employee who, in good faith, cooperates in the investigation of a complaint. Anyone who engages in such retaliatory behavior will be subject to appropriate discipline, up to and including termination.

(6.0) Employment at Will

Unless expressly proscribed by statute or contract, employment is “at will.” All Stratton Hats employees are at will, which means they may be terminated at any time and for any reason, with or without advance notice. Employees are also free to quit at any time. Any employment relationship other than at will must be set out in writing and signed by Management.

(7.0) Compensation & Work Schedule

(7.1) Attendance & Punctuality

Every employee is expected to attend work regularly and report to work on time. Any non-salaried employee who punches in after the standard starting time will have their paid lunch (30 minutes) withdrawn from their time card. Any tardiness of 5 minutes or more will result in the loss of that quarter of an hour on their time card.

If an employee is unable to report to work on time for any reason they should telephone a supervisor as far in advance as possible. If an employee does not call in an absence in advance, it will be considered unexcused. Unsatisfactory attendance, including reporting late or quitting early, may be cause for disciplinary action, up to and including discharge. Any employee who does not show up to work for 3 consecutive days without contacting Stratton Hats will be considered as having resigned. The termination date will be the day of the first no call / no show.

(7.2) Breaks

Employees are also entitled to a 35 minute paid break for meals (lunch) during each work period. This provision was voted on by the employees in order to shorten the work day. In the future it may be reviewed and voted on to return to a 15 minute break in the morning and afternoon with a non-paid 30 minute lunch period ending the work day at 3:30 instead of 3:00.

(7.3) General Pay Information

Certain deductions will be made in accordance with federal and state laws.

In addition, the Company makes available certain voluntary deductions as part of the Company's benefits program. If an employee elects supplemental coverage under one of the Company's benefits plans, which requires employee contributions, the employee's share of the cost will be deducted from his or her check each pay period. If the employee is not receiving a payroll check due to illness, injury, or leave of absence, he or she will be required to pay the monthly cost directly to the Company.

(7.4) Overtime

Because of the nature of work, employees may be asked to work overtime on weekends or holidays or additional hours during the regular workday and are expected to comply with such requests. Overtime compensation is paid to all nonexempt employees at one and one-half times their straight time rate for all hours worked in excess of 40 hours per week. If an employee is nonexempt, they must receive authorization from their manager before working overtime.

After an employee has worked overtime, they must enter it on a time-sheet by the day after it is accrued. Overtime pay is based on actual hours worked. Time taken for lunch or dinner is not included as time worked for purposes of computing overtime. Time off on holidays, sick leave, vacation leave, personal leave, training seminars or any leave of absence will not be factored in as hours worked when calculating overtime.

(7.5) Pay Schedule

Employees will be paid on Thursday. If the regular payday falls on a holiday, payday will be the last regular workday before the holiday. The pay week starts at the beginning of an employee's shift on Monday and includes all work they perform up to the close of business on Sunday. A few additional facts about pay:

- 1 Employees will be paid their first week's wages at the end of the second workweek.
- 2 Any overtime earnings will be paid one week following the actual hours worked.
- 3 Employees can receive vacation pay in advance if they are taking five consecutive days, and that check will be distributed on the last payday preceding vacation. To be paid in advance they must notify their supervisor one week before their vacation begins so that a check can be prepared.
- 4 If a paycheck is lost or stolen, notify Management immediately.

(7.6) Performance Reviews and Salary Increases

Wage reviews are conducted three to six months for each employee, and salary increases are based on those reviews, as well as our profitability. However, an employee receiving a performance appraisal will not necessarily receive a salary increase.

(7.7) Time Records

All non-exempt employees must keep accurate time records by punching a time clock when entering or leaving the building, including arriving late after lunch periods. **Tampering with, falsifying or altering time cards or punching another employee's time card will result in disciplinary action, up to and including discharge.** Failing to record work time may also result in disciplinary action.

(7.8) Work Hours

Stratton Hats follows a work schedule of 40 hours per week. The normal workweek is Monday through Friday from 7:00AM(Factory floor)/8:00AM(Office) to 3:00PM/4:00PM. Management may establish alternative hours.

(8.0) Conduct Standards

(8.1) Company Equipment and Vehicles

When using Stratton Hats property, including computer equipment or hardware, exercise care, perform required maintenance and follow all operating instructions, safety standards and guidelines.

Notify a supervisor if any equipment or machines appear to be damaged, defective or in need of repair. This prompt reporting could prevent the equipment's deterioration and could also help prevent injury to the employee operating the machine or others. Should an employee have questions about the maintenance and care of any workplace equipment, they should ask their supervisor.

If an employee uses or operates equipment improperly, carelessly, negligently or unsafely, they may be disciplined or even discharged. In addition, they may be held financially responsible for any loss to Stratton Hats because of such mistreatment.

(8.2) Company Property

Employees are expected to keep their work area neat and clean and use normal care in handling company property. They should report any broken or damaged equipment to their manager at once so that proper repairs can be made. Employees may not use any company property for personal purposes or remove any company property from the premises without prior written permission from Management.

(8.3) Conduct Standards & Discipline

Stratton Hats expects every employee to adhere to the highest standards of job performance and of personal conduct, including individual involvement with company personnel and outside business contacts. The Company reserves the right to discipline or discharge any employee for violating any company policy, practice or rule of conduct.

The following list is intended to give notice of our expectations and standards however, it does not include every type of unacceptable behavior that can or will result in disciplinary action. Be aware that Stratton Hats retains the discretion to determine the nature and extent of any discipline based upon the circumstances of each individual case. Employees may be disciplined or terminated for poor job performance, including, but not limited to the following:

- unsatisfactory quality or quantity of work
- repeated unexcused absences or lateness
- failing to follow instructions or Company procedures, or
- failing to follow established safety regulations.

Employees may also be disciplined or terminated for misconduct, including, but not limited to the following:

- falsifying an employment application or any other company records or documents
- failing to record working time accurately or recording a co-worker's time-sheet
- insubordination or other refusal to perform
- using vulgar, profane or obscene language, including any communication or action that violates our policy against harassment and other unlawful forms of discrimination
- disorderly conduct, fighting or other acts of violence
- misusing, destroying or stealing company property or another person's property

- possessing, entering with or using weapons on company property
- possessing, selling, using or reporting to work with alcohol, controlled substances or illegal drugs present in the employee's system, on company property or on company time
- violating conflict of interest rules
- disclosing or using confidential or proprietary information without authorization
- violating the Company's computer or software use policies, and
- being convicted of a crime that indicates unfitness for a job or presents a threat to the Company or its employees in any way.

(9.0) Dress Policy

Stratton Hats overall goal in regards to the dress code is respect. Showing respect to fellow co-workers, customers, vendors and business associates we deal with everyday. Examples of disrespectful clothing includes, but is not limited to:

- Aggressive political/social messages
- Foul language
- Obscene imagery

Clothing must also be free of obvious signs of dirt, stains, rips, fraying or noticeable odor. Clothing must cover an appropriate amount of the body at all times. No level of undressing is permissible.

(9.1) Office

Appropriate office attire is required. Suppliers and customers visit our office and we wish to put forth an image that will make us all proud to be Stratton Hats employees. Be guided by common sense and good taste. Specific standards may be required.

(9.2) Factory Floor

Employees on the factory floor must wear attire appropriate for a factory setting. This would exclude baggy or poor-fitting clothing, clothing made from extremely flammable materials, or any open-toed shoes. For further information regarding proper work wear refer to OSHA standards, specifically, "Guidelines for the Enforcement of the Apparel Standard"

(10.0) Drug and Alcohol Policy

Stratton Hats strives to maintain a workplace free of drugs and alcohol and to discourage drug and alcohol abuse by its employees. Misuse of alcohol or drugs by employees can impair the ability of employees to perform their duties, create an unsafe work environment, as well as adversely affect our customers' confidence in our company.

(10.1) Alcohol

Employees are prohibited from using or being under the influence of alcohol while performing company business for Stratton Hats, while operating a motor vehicle in the course of business or for any job-related purpose, or while on company premises.

(10.2) Illegal Drugs

Stratton Hats complies with federal regulation “48 CFR 52.223-6 – Drug-Free Workplace” Full details can be found at this URL: <https://www.law.cornell.edu/cfr/text/48/52.223-6> . Due to our federal contract it is Stratton Hats policy to refer to federal law above state law in regards the legality of controlled substances.

Stratton Hats employees are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance. If an employee is convicted of a crime under a criminal drug statute, that employee must notify Stratton Hats in writing no more than 5 days after conviction. This policy does not prohibit the proper use of medication under the direction of a physician; however, misuse of such medications is prohibited.

(10.3) Disciplinary Action

Employees who violate this policy may be disciplined or terminated, even for a first offense, depending on the circumstance. Violations include refusal to consent to and comply with testing and search procedures as described in the following section.

Employees who come forward with or are found through testing to be in violation of section 10.2 may have the opportunity to enter into a rehabilitation program and upon completion of said program would resume normal work duties.

(10.4) Searches

Stratton Hats may conduct searches for illegal drugs or alcohol on company facilities or worksites without prior notice to employees. Such searches may be conducted at any time. Employees are expected to cooperate fully. Searches of employees and their personal property may be conducted when there is reasonable suspicion to believe that the employee has violated this policy or when circumstances or workplace conditions justify such a search.

Personal property may include, but is not limited to, purses, boxes, briefcases, as well as any Stratton Hats property that is provided for employees’ personal use, such as desks, lockers, and files.

An employee’s consent to a search is required as a condition of employment and the employee’s refusal to consent may result in disciplinary action, including termination.

(10.5) Drug Testing

Stratton Hats may require a blood test, urinalysis, hair test or other drug or alcohol screening of employees suspected of using or being under the influence of drugs or alcohol or where other circumstances or workplace conditions justify such testing. Any workplace injury will require a drug test be performed by any employee who may have contributed to the injury. The refusal to

consent to testing may result in disciplinary action, including termination.

(11.0) Ethical and Legal Business Practices

Stratton Hats expects the highest standard of ethical conduct and fair dealing from each employee, supervisor, manager, and all others associated with the company. Our reputation is a valuable asset, and we must continually earn the trust, confidence and respect of our suppliers, our staff, our customers and our community.

This policy provides general guidance on the ethical principles that we all must follow, but no guideline can anticipate all situations. Employees should also be guided by basic honesty and good judgment, and be sensitive to others' perceptions and interpretations. If an employee has any questions about this policy, they should consult their supervisor or manager. Exceptions to this policy may be made only by Management.

Employees are expected to promptly disclose to the Management anything that may violate this policy. Management will not tolerate retaliation or retribution against anyone who brings violations to management's attention.

(11.1) Complying With Laws and Regulations

All of Stratton Hats activities are to be conducted in compliance with the letter and spirit of all laws and regulations. Employees are charged with the responsibility of understanding the applicable laws, recognizing potential dangers and knowing when to seek legal advice.

(11.2) Giving and Receiving Gifts

Employees may not give or receive money or any gift to or from a supplier, government official or other organization. Exceptions may be made for gifts that are customary and lawful, are of nominal value and are authorized in advance. Employees may accept meals and refreshments if they are infrequent, are of nominal value and are in connection with business discussions. If an employee does receive a gift or other benefit of more than nominal value, they should report it promptly to a member of management. It will be returned or donated to a suitable charity.

(11.3) Employee Privacy and Other Confidential Information

Stratton Hats collects only personal information about employees that relates to their employment. Only people with a business-related need to know are given access to this information, and Management must authorize any release of the information to others. Personal information, other than that required to verify employment or to satisfy legitimate investigatory or legal requirements, will be released outside the company only with employee approval.

If an employee has access to any confidential information, including private employee information, they are responsible for acting with integrity. Unauthorized disclosure or inappropriate use of confidential information will not be tolerated.

(11.4) Accounting and Financial Reports

Stratton Hats financial statements and all books and records on which they are based must accurately reflect the Company's transactions. All disbursements and receipts must be properly authorized and recorded. Employees must record and report financial information accurately. Reimbursable business expenses must be reasonable, accurately reported and supported by receipts.

Those responsible for handling or disbursing funds must assure that all transactions are executed as authorized and recorded to permit financial statements in accord with Generally Accepted Accounting Principles.

(11.5) Account and Customer Information

Employees are prohibited from distributing account, client, and/or customer information to anyone, in any form, except the named account holder, client or customer unless they have written approval by the customer.

(11.6) Compliance

Employees who fail to comply with this Ethics policy will be disciplined, which may include a demand for reimbursement of any losses or damages, termination of employment and referral for criminal prosecution. Action appropriate to the circumstances will also be taken against supervisors or others who fail to report a violation or withhold relevant information concerning a violation of this policy.

(12.0) Grievances

Employees are encouraged to bring concerns, problems and grievances to HR/Management's attention. Employees are also obligated to report any wrongdoing of which they become aware to their supervisor. If that person is not available, or an employee believes it would be inappropriate to contact that person, they should contact HR/Management.

(13.0) Progressive Discipline

Stratton Hats retains the discretion to discipline its employees. Oral and written warnings and progressive discipline up to and including discharge may be administered as appropriate under the circumstances. Please note that Stratton Hats reserves the right to terminate any employee whose conduct merits immediate dismissal without resorting to any aspect of the progressive discipline process.

(14.0) Smoking Policy

Smoking is prohibited inside Stratton Hats facilities. All employees, clients and other visitors are expected to comply with this policy, and employees who violate it may be disciplined. Should

an employee have a question, complaint or dispute about smoking in the workplace, they should contact a supervisor or Management.

(15.0) Zero Tolerance for Workplace Violence

Stratton Hats has a zero-tolerance policy concerning threats, intimidation and violence of any kind in the workplace either committed by or directed to our employees. Employees who engage in such conduct will be disciplined, up to and including immediate termination of employment. Employees are not permitted to bring weapons of any kind onto company premises or to company functions. Any employee who is suspected of possessing a weapon will be subject to a search at the company's discretion. Such searches may include, but not be limited to, the employee's personal effects, desk and workspace.

If an employee feels they have been subjected to threats or threatening conduct by a coworker, vendor or customer, the employee should notify his or her supervisor or another member of management immediately. Employees will not be penalized for reporting such concerns.

(16.0) Leave

Family Medical Leave (FMLA)

Employees are eligible for family and medical leave if they have worked for Stratton Hats for at least 12 months and have put in at least 1,250 hours during the 12 month period before the leave is to begin.

(16.1) Reasons for the Leave

Employees are entitled to take up to 12 workweeks of unpaid leave:

- to attend to the birth, adoption or foster care placement of their child
- to attend to the serious health condition of their child, spouse or parent, or
- to receive care for their own serious health condition.

A serious health condition means an illness, injury, impairment, or physical or mental condition during which they are incapable of working that involves either:

- treatment requiring inpatient care in a hospital, hospice or residential care facility, or
- continuing treatment by a health care provider for a condition that lasts more than three consecutive days, or for pregnancy or prenatal care or for a chronic health condition which continues over an extended period of time, requires periodic visits to a health care provider and may involve occasional episodes of incapacity, such as serious asthma or diabetes.

It also includes a permanent or long-term condition such as Alzheimer's, a severe stroke and terminal cancer. In addition, leave may be used to cover absences due to multiple treatments for restorative surgery or for a condition which would likely make an employee incapable of working for more than three days if not treated, such as chemotherapy or radiation treatments for cancer.

(16.2) Substituting Paid Leave

Employees must substitute accrued vacation or personal leave time for family and medical leave. And if the request for leave is due to their own serious health condition, they must first exhaust all accrued sick leave time. Any accrued vacation or personal leave time will then be used. Employees total FMLA leave time, which may include paid vacation and sick time, may not exceed 12 weeks. The Company has the right to designate such leaves as running concurrently with FMLA leave.

(16.3) Types of Leave

Leave due to the birth or placement of a child in an employees' home for adoption or foster care must be taken in one continuous 12-week segment and must be taken within 12 months of the birth or placement of the child. Employees may take leave due to their own or a family member's serious health condition in:

- one continuous 12 week segment
- an intermittent schedule, such as one day off each week, or
- a reduced schedule, such as beginning two hours late, twice a week.

(16.4) Notice of Leave

If an employee's need for leave is foreseeable, they must give 30 days prior notice if possible. If they do not give such notice, the leave may be delayed for up to 30 days.

If an employee's need for leave is due to a planned medical treatment, they should make every attempt to schedule the treatment so as not to unduly disrupt the work of their department. If an employee's need for leave is not foreseeable, they must request it as soon as practicable, no later than two business days after the need for leave arises.

(16.5) Medical Certification

If leave is requested due to an employee's own or a family member's serious health condition, they must provide medical certification from an appropriate healthcare provider. The medical certification must include the date on which the condition began and its probable duration. Employees may be denied leave if they do not provide satisfactory certification. Stratton Hats may also require a second opinion or third opinion regarding certification of a serious health condition, at our expense.

(16.6) Outside Employment

Employees may not work for outside employers while on family and medical leave with Stratton Hats.

(16.7) Returning to Work

If an employee's leave is due to their own medical condition, they are required to provide medical certification that they are able to resume work before returning. Both the employee and their health care provider must complete a Return to Work Medical Certification.

Upon returning to work, an employee will ordinarily be entitled to be restored to their former position or to an equivalent position with the same employment benefits and pay if possible. If they do not return to work at the end of the leave and do not notify Stratton Hats of their status, they may be terminated.

(16.8) Benefits During Leave

Taking family and medical leave will not cause an employee to lose any employment benefits accrued prior to the first day of leave. The leave period will be treated as continued service for purposes of determining vesting and eligibility to participate in any retirement plan in effect. However, employees on FMLA leave normally will not accrue any other additional benefits during the leave period, unless it is paid leave under which benefits would otherwise accrue.

Stratton Hats will maintain an employee's insurance benefits while they are on leave, although they may be required to pay their portion of the premium. However, if an employee does not return to work after the leave, they may be asked to reimburse Stratton Hats for the cost of maintaining insurance coverage during the leave. This provision will not apply in cases where an employee's inability to return is through no fault of their own—for example, at the end of leave they remain physically unable to return due to their serious health condition.

(16.9) Misrepresenting Reasons for Leave

If an employee intentionally misrepresents the reasons for requesting family and medical leave, they may be discharged.

(16.10) Parental Leave

Parents, guardians and custodial grandparents are entitled to up to 40 hours of unpaid leave per school year—but not more than 8 hours per month—to participate in the school activities of a child in grades K through 12. Employees must first use other leave benefits such as vacation and personal leave—and they must give their supervisor 7 days advance notice of the need for the leave, except in emergencies.

(16.11) Bereavement Leave

Full-time employees who have worked at Stratton Hats for at least 6 months are permitted up to 5 consecutive days pay to attend the funeral of an immediate family member, which includes a spouse, child, brother, sister, parent or grandparent. Eligible employees may be permitted 3 days pay for the death of a relative who is not an immediate member—including an aunt, uncle, nephew, niece, brother-in-law, sister-in-law or parent-in-law.

A supervisor must approve all bereavement time, and the Company may request verification of

the facts surrounding the leave and grant or deny the leave as deemed appropriate. Bereavement leave will not be paid if it occurs when the employee is on vacation or leave of absence, absent due to illness or injury, or not working due to a paid holiday.

(16.12) Jury Duty

Stratton Hats supports employees in fulfilling their civic responsibilities by serving jury duty when required and fully compensates them in accordance with Illinois and U.S. Federal laws, However, employees must inform a supervisor as soon as possible after receiving a jury summons so that arrangements can be made to accommodate the absence.

The employee will be expected to report for work during the jury service whenever the court schedule permits. Insurance benefits will ordinarily remain in effect and unchanged for the full term of the jury duty absence.

(16.13) Time Off From Work In Connection With Court Cases

Stratton Hats recognizes that an employee might be subpoenaed or otherwise required to serve as a witness in court cases or arbitration. Employees called to testify will not be paid for the time they are away from work as a result of their participation in a court case or arbitration, but may use available vacation and personal days to cover their time away from work. Absence as a result of participation in a court case or arbitration will be treated the same as absence for any other reason and employees must comply with the company's policy regarding attendance. If an employee must attend court, they must notify their manager as soon as possible. Employees will not be terminated for an absence made necessary by responding to a criminal subpoena.

(17.0) General Employment

(17.1) Employee Classifications

Employees at Stratton Hats are either full-time or part-time. The Company may on occasion hire temporary or seasonal employees, who will not generally be eligible for benefits. Part-time employees work fewer than 30 hours per week. Unless specifically stated, part-time employees are not afforded any benefits other than wages, including but not limited to benefits such as sick days, vacation days, and health insurance. All other employees are full-time.

A supervisor will verify whether an employee is a full-time or part-time employee, and also whether they are exempt or non-exempt. Exempt employees are not entitled to overtime under the Fair Labor Standards Act, while non-exempt employees can qualify for this pay.

(17.2) Employee Records

An employee's personnel file consists of the employee's employment application, withholding forms, reference checks, emergency information and any performance appraisals, benefits data or

other appropriate employment-related documents. It is the employee's responsibility to notify the Payroll Department or Human Resources of any changes in name, address, telephone number, marital status, number of dependents, military service status, beneficiaries or person to notify in case of an accident.

Misrepresentation of any fact which an employee has provided information for on their application, in their personnel file, or any other document is sufficient reason for dismissal. Personnel records are considered company property and are not available for review by employees, except under Management's discretion.

(17.3) Employment of Relatives

Stratton Hats may hire relatives of employees where there are no potential problems of supervision, safety, security, morale or potential conflict of interest. Relatives include an employee's parent, child, spouse, domestic partner, sibling, cousin, in-laws and step relationships. Employees who marry or become related will be permitted to continue to work as long as there are no substantial conflicts. Reasonable accommodations will be made when possible in the event a conflict arises.

(17.4) Introductory (Probationary) Period

The first 90 days of employment are an Introductory Period for both the potential employee and the Company. However, during and after this period, the work relationship will remain at will. This time period allows a potential employee to determine if they have made the right career decision and for Stratton Hats to determine whether their initial work performance meets Stratton Hats needs.

A manager will monitor a potential employee's work performance, attitude and attendance during this time, and be available to answer any questions or concerns the potential employee may have about their new job.

Benefits such as time off for vacation, personal days, sick days or bereavement leave do not accrue during this period, however if the potential employee and Stratton Hats both choose to move forward all the Introductory period time will be counted towards the 6 month period an employee must work before receiving these benefits. The Introductory Period may be extended at management's discretion.

(17.5) Reference/Background Checks

Stratton Hats conducts reference and background checks on all new employees. Employees who have falsified information on their employment applications will be disciplined, which could include termination. Applicants who have provided false information may be eliminated from further consideration for employment.

(17.6) Termination, Resignation and Discharge

Unless expressly proscribed by statute or contract, employment with Stratton Hats is "at will"

and may be terminated with or without cause or notice. Similarly, employees are free to resign at any time. If an employee resigns, Stratton Hats requests the courtesy of at least two weeks notice. Any employee who is discharged by Stratton Hats shall be paid wages and vacation accrued to the date of the separation.

(18.0) Safety & Emergency

(18.1) Fire Safety

Every employee is responsible for recognizing potential fire dangers and taking an active role in preventing fires. Employees are required to observe all OSHA safety requirements and regulations. Flammable materials are to be stored in covered metal containers. Employees should not block any fire doors, fire exits, fire extinguishers, windows or doorways. Review the fire escape routes posted in each work area and review Stratton Hats Emergency Action Plan.

(18.2) Safety

Stratton Hats is committed to maintaining a safe and healthy environment for all employees. Employees must report all accidents, injuries, potential safety hazards, safety suggestions and health and safety related issues immediately to a supervisor or Management. If any employee is injured, contact a supervisor or Management immediately. They should seek help from outside emergency response agencies if needed. Contact information is posted.

An employee must complete an Employee's Claim for Worker's Compensation Benefits Form if they have an injury that requires medical attention. If the injury does not require medical attention the employee must still complete a Supervisor and Employee Report of Accident Form in case medical treatment is later needed and to ensure that any existing safety hazards are corrected. They can obtain the required forms from HR/Management.

A federal law, the Occupational Safety and Health Act, requires that Stratton Hats keep records of all illnesses and serious accidents that occur on the job. OSHA also provides for employees' right to know about any health hazards which might be present on the job. In addition, the state Workers' Compensation Act also requires that an employee report any illness or injury caused by the workplace, no matter how slight. If an employee does not report an injury, they may jeopardize their right to collect workers' compensation payments as well as health benefits. Employees can get the required reporting paperwork from HR/Management.

(18.3) Security

Stratton Hats is committed to ensuring employees' security. Our premises are equipped with security alarms that are active outside working hours, a camera system covering most of the factory floor as well as both parking lots, and a fire alarm system. If an employee has a security concern or need more information about operating these systems, contact Management.

(18.4) Emergency Measures (Inclement Weather)

Management realizes that bad weather or hazardous commuting conditions may occasionally make it impossible for employees to report to work on time, however, employees are expected to make a diligent effort to report to work when conditions have improved. If an employee determines that they are unable to report to work because of the conditions, they must inform their supervisor as far in advance as possible.

If it becomes necessary to shut down the factory due to weather or other emergencies, every effort will be made to notify employees. If there is a question as to whether the office will be open, employees should call the office or, if it is outside normal business hours, their supervisor or Management.

(19.0) Corporate Communications & Technology

(19.1) Use of Company Communication Systems

Stratton Hats reserves the right to access any personal communication without prior notice. Employees should not use company systems to transmit any messages or to access any information that they would not want a third party to hear or see. Although incidental and occasional personal use of the company's systems is permitted, any such personal use will be treated the same as all other communications under this policy. **Employees are at all times prohibited from accessing or downloading information from the Internet for personal use.**

(19.2) Telephone Usage

For non-exempt employees (warehouse), all personal use of wireless devices inside of normal hours of work must be approved in advance by their Supervisor and reported via the correct Stratton Hats designated process. Failure to obtain advance approval may result in disciplinary action, up to and including termination.

Stratton Hats does not allow the use of a cell phone during company time that is not company related business unless a family emergency is brought to the attention of a supervisor.

Stratton Hats telephones are to be used for business purposes in serving the interests of our customers and in the course of normal operations. On occasion, personal calls may be necessary, but we ask that you limit them to emergencies or essential personal business and keep them brief.

As with all Stratton Hats assets, our phone and voice mail system are intended only for authorized business use in the course of your assigned duties. Inappropriate use of cell phones may result in disciplinary action, up to and including termination.

Inappropriate use includes, but is not limited to:

- Unauthorized attempts to access another person's cellphone.

Use of a cell phone for entertainment purposes including but not limited to:

- Watching media, accessing social media, playing games.
- Making personal phone calls & texting while working.
- Transmission of sensitive or proprietary information to unauthorized persons.
- Transmission of obscene or harassing messages or material to any other individual.
- Any illegal or unethical activities or any activity that could adversely affect the Stratton Hats image.
- Solicitation of others for any non-business-related purpose during working time.

(19.3) Personal Mail

All mail delivered to the company is presumed to be related to company business. Mail sent to an employee at the company will be opened by the office and routed to their department. If they do not wish to have their correspondence handled in this manner, employees should choose to have it delivered somewhere else.

(20.0) Employee Benefits

(20.1) Medical Insurance

Stratton Hats offers and bears a substantial cost of the medical insurance plan for all employees. Refer to the printed information from the insurance provider for details of eligibility and coverage or contact the Human Resources Department.

(20.2) Retirement Plan

All full-time employees are eligible for the Stratton Hats retirement plan after their initial 6 months at Stratton Hats. The company will deposit a percentage of the company profits from 1 to 10% of an employee's gross pay for the year depending on the company's profitability into an investment plan, which will be administered by a third party. The employee will choose from many different investment options. Employees should ask Management about any questions they may have about the account.

Employees may take disbursements from this account, however Management will never suggest this, as the government will fine any person who makes disbursements from this account before a certain age. Employees utilizing this method are essentially paying a very large, unnecessary tax on this money.

(20.3) Holidays

Stratton Hats observes the following holidays:

New Year's Day

Memorial Day
Independence Day
Labor Day
Thanksgiving and the day after
Christmas and the day before

Employees will be paid for these holidays if they are a full-time employee who has worked past their introductory period.

Holidays that fall on a weekend will be observed either on a Friday or Monday. To avoid confusion, all holidays will be announced in advance. Due to business needs, some employees may be required to work on company holidays. An employee supervisor or manager will notify an employee if this may apply to them.

(20.4) Sick Days

Full-time employees who have completed their Introductory Period are eligible to earn sick day credits not to exceed 4 paid sick days for the employment year. Employees must use sick days by December 31, as they may not be carried over to the next calendar year-and they may not be taken as vacation. To be eligible for a sick day, an employee must call in each day to the office or their supervisor no later than 15 minutes after the usual start time for work. If an employee does not call in, the absence will be considered unexcused and they will not be paid for it. All full-time exempt employees are eligible to receive sick days at their supervisor's discretion. Stratton Hats reserves the right to request a doctor's certificate/ letter for any sick days requested. If such a certificate/letter is requested and the employee cannot produce it, the absence may be considered unexcused, and they will not be paid for it.

(20.5) Vacation

Only active, full-time employees are eligible for paid vacation. Should a Company holiday occur during an employee's vacation, they may add an additional day, either at the beginning or end of the vacation period, with their supervisor's approval. Stratton Hats reserves the right not to approve a vacation request if it will interfere with Company operations or adversely affect coverage of job and staff requirements. Whenever possible, employees' requests for vacation will be accommodated, but where scheduling conflicts arise, seniority will prevail.

(21) Acknowledgment of receipt and understanding

I acknowledge that I have received the Stratton Hats Employee Handbook and that I have read and understand the policies.

I understand that this Handbook represents only current policies and benefits, and that it does not create a contract of employment. Stratton Hats retains the right to change these policies and benefits, as it deems advisable.

Unless expressly proscribed by statute or contract, my employment is “at will.” I understand that I have the right to terminate my employment at any time, with or without cause or notice, and that the Company has the same right. I further understand that my status as an “at will” employee may not be changed except in writing and signed by the President of the Company.

I understand that the information I come into contact with during my employment is proprietary to the Company and accordingly, I agree to keep it confidential, which means I will not use it other than in the performance of my duties or disclose it to any person or entity outside the Company.

I understand that I must comply with all of the provisions of the Handbook to have access to and use Company resources. I also understand that if I do not comply with all provisions of the Handbook, my access to Company resources may be revoked, and I may be subject to disciplinary action up to and including discharge.

I further understand that I am obligated to familiarize myself with the Company’s safety, health, and emergency procedures as outlined in this Handbook or in other documents such as the Emergency Action Plan.

Signature

Date

Please Print Your Name