



**SUNSHINE HOMES, INC.**  
**EMPLOYEE HANDBOOK**

**AUGUST 2021**  
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**INTRODUCTION**

**WELCOME**

It’s a pleasure to welcome you to Sunshine Homes. This Handbook is written to help you with basic information about the Company and includes brief statements regarding Company programs, policies and procedures. Important changes and updates to Company policies or additions to the handbook will be posted on plant bulletin boards.

When you become a member of our organization, you become a very important part of an enterprise in which teamwork is a basic part of our philosophy. In view of this team philosophy, you are encouraged to take an active role in the day-to-day activities

surrounding your job. We recognize that your ideas, suggestions, and criticisms, too, will contribute to the overall success of the Company.

This handbook provides a summary of the Company’s policies, procedures, and regulations. Illustrations of the types of behavior that will not be tolerated are not intended to be all-inclusive. If you have any questions regarding the contents of this Handbook, please feel free to contact your supervisor or the Personnel Department.

## **I. GENERAL EMPLOYMENT POLICIES**

### **A. Getting Started**

For the first 180 days of your employment, you will be going through a “getting acquainted” period. Our screening and interview process is designed to select the best available applicants. Your supervisor will give you the help and counsel you will need as you become familiar with your department and the requirements of your job. Don’t be afraid to ask your supervisor questions about your job or what is expected of you. The first few months of your employment will be very important to the development of your career with Sunshine Homes. Poor work ethic, absenteeism, bad attitudes, unsatisfactory work or performance, or violation of

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Company rules may result in disciplinary action, including termination.

### **B. Employment At Will**

It is the policy of the Company that all employees are employed “at will.” This means that employees may resign from the Company at any time, with or without reason, and may be terminated by the Company at any time, with or without reason, and with or without notice or cause.

This Handbook is not a contract and does not guarantee your employment for any specific duration. Although we hope that your

employment relationship with us will be long term, either you or Sunshine Homes may end this relationship at any time, with or without notice or cause. No supervisor, managers or representative of Sunshine Homes, other than its President, has the authority to enter into any agreement with you for employment for any specified period of time or to make any promises or commitments contrary to this policy. Further, no employment agreement is enforceable unless it is in writing and signed by Sunshine Homes' President.

Completion of the initial 180-day "getting acquainted" period does not change an employee's status as an employee at will or in any way restrict the Company's right to terminate such an employee or change the employee's terms or conditions of employment.

Statements of specific grounds for termination or the procedures for discipline set forth in this Handbook are not intended to restrict the Company's right to terminate at will with or without notice or cause.

## **C. Equal Employment Opportunity and Anti Harassment Policy**

### **1. General Statement of Policy**

Sunshine Homes is an equal opportunity employer. We prohibit discrimination and harassment on the basis of race, color, religion,

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sex, national origin, age, disability, veteran status, or any other basis prohibited by law. Retaliation against any employee for making a good faith claim or report of discrimination or harassment is also prohibited. This policy applies to recruiting, hiring, promotions, compensation, benefits, training, facilities, assignments, discipline, working conditions, and all other terms and conditions of employment.

### **2. Workplace Harassment is Prohibited**

Sunshine Homes prohibits harassment of our employees on the basis of any personal characteristic outlined above. We prohibit all forms of harassment of employees, whether committed by supervisors, co-employees, customers, suppliers, members of the public, or other persons present in the workplace.

Prohibited harassment may be spoken, written, or physical. While it is not possible to specify every possible way in which this policy against harassment might be violated, some examples of prohibited behavior include: improper comments perpetuating racial or gender stereotypes; explicit sexual propositions; sexual innuendo; racially or sexually oriented “kidding” or “teasing;” “practical jokes;” jokes about gender-specific traits or stereotypes; foul, obscene, or vulgar language or gestures; displays of foul, obscene or sexually suggestive printed or visual material; unwelcome advances of a romantic or sexual nature; explicit or implicit promises of favorable employment decisions in exchange for sexual favors; threats of negative employment decisions; unwelcome physical contact such as patting, pinching or brushing against another’s body; staring or ogling; display of patently offensive graphic material or physical objects; or abusive words or conduct of any kind, whether or not of a sexual nature, that is undertaken because of the target person’s race or sex. Similar conduct creating a hostile work environment on the basis of religion, national origin, age, disability, or other prohibited basis is also strictly prohibited.

We maintain a “zero tolerance” policy against workplace harassment. We prohibit all degrees of harassment, including

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conduct that may not be severe, pervasive, or repetitive enough to constitute a violation of applicable laws. “I was only joking or kidding” will not be accepted as an excuse.

This policy applies to all supervisors and managers as well as employees. No supervisor or manager has any authority to require employees to submit to any form of harassment. Conditioning

employment, promotions, raises, or any other terms and conditions of employment on sexual activities or favors is strictly forbidden. If any manager or supervisor should ever make such an attempt, you should report it immediately as outlined below.

### **3. Retaliation is Prohibited**

Sunshine Homes also prohibits retaliation against any employee who, in good faith, makes any report or complaint of any violation of this policy, opposes conduct that violates this policy, or who participates in an investigation truthfully and in good faith. This policy against retaliation prohibits clearly retaliatory employment actions such as termination, demotion, and suspension, as well as more subtle forms of retaliation, such as harassing or ostracizing employees, unfairly denying training opportunities, or unfairly assigning undesirable job duties.

### **4. How to Report Violations of this Policy**

Any employee who suspects that a violation of this policy has occurred, or who in any way feels uncomfortable with the actions of supervisors, employees, officials, or outsiders, is encouraged to inform Human Resources immediately. If you feel uncomfortable talking with the designated individual for any other reason, please contact the General Manager. Supervisors and managers are not just encouraged, but are required to report any actual or suspected violations of this policy.

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### **5. We Will Investigate and Remedy Violations of this Policy**

Sunshine Homes will conduct a thorough and fair investigation of claimed violations of this policy and will recommend appropriate corrective measures as warranted by the outcome of the investigation. All employees are required to cooperate fully and



truthfully in the investigation. Any employee who does not cooperate truthfully in the investigation may be subject to discipline, including termination of employment.

## **6. Consequences for Violating this Policy**

We sincerely hope that no employees ever violate this policy, but we will respond appropriately if it happens. Violation of this policy may lead to disciplinary action up to and including dismissal from employment, as may be appropriate in the circumstances.

### **D. Open Door Policy**

From time to time, you may have concerns or questions concerning issues in the workplace. It is the intent of the Company to address such issues and find a fair solution. First and foremost, your immediate supervisor is your most important link to the daily activities and decisions that concern you. Your supervisor will place your concerns at a high priority so that issues raised may be resolved quickly.

If you are not satisfied with the response of your supervisor, you should feel free to discuss your concerns with another member of management. We will seek to deal with such concerns in a fair and consistent manner.

### **E. Personnel Records**

It is important that accurate personnel records be maintained. All new Sunshine Homes employees are required by state and/or federal regulations to sign various personnel cards, to complete necessary employment forms, and to have either a Social Security

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number or an individual tax ID number (ITIN). Our policy is to terminate employees who have not resolved identification problems with the Social Security Administration.

Personnel files are for Company use. Access to these files is

not allowed to anyone except those responsible for maintaining or managing them.

During your career with Sunshine Homes, be sure to notify the Personnel Department regarding changes in your name, address, telephone number, dependents, or beneficiaries so that your records can be kept current. It is extremely important that the Company have a telephone number where you can be reached. Remember to call your supervisor when you are absent so you will be aware of work schedules. If we do not have your telephone number, we cannot notify you of changes or developments at work.

**F. No Solicitation/No Distribution Policy**

1. Solicitation and distribution of literature by non employees on Company property is prohibited.
2. Solicitation by employees is prohibited when the person soliciting or the person being solicited is on working time.
3. Working time is the time employees are expected to be working and does not include rest, meal or other authorized breaks.
4. Distribution of literature by employees on Company property in nonworking areas during working time, as defined in paragraph 3, is prohibited.
5. Distribution of literature by employees on Company property in working areas is prohibited.

**G. Driving and Parking**

Everyone is expected to observe safe and courteous driving practices when entering or leaving Company parking areas.

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Speeding, reckless driving, or improper parking is not allowed. The speed limit on Company property is 10 mph. Keep your car locked. The Company is not responsible for damage to, or theft from, your car. If an accident should occur on Company property, report it to the Production Manager or to the management person in charge of

the shift.

## **H. Access to Company Property**

To prevent unnecessary accidents and interruption of employees, and in the interests of maintaining our production schedules, off-duty employees are not permitted to remain in the plant building or to return to the building unless they have received permission. To minimize vandalism and theft, only authorized employees are permitted access to our parking lots and the other areas of the plant premises and only during their working time.

## **I. Phone Calls**

To prevent unnecessary interruptions of the production schedule, production personnel may receive phone calls only in emergency situations.

## **J. Material Passes**

To remove anything except personal clothing, lunch boxes, or briefcases from Company property, you must have a material pass signed by an authorized person. You should see your supervisor if you want to remove things such as tools, tool boxes, scrap material, etc. He/she will help you get a signed material pass or proper invoice.

Lunch boxes, tool boxes, lockers, or any other containers or parcels on Company property may be inspected at any time. Employees removing items with a material pass must present the material pass when leaving Company property.

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## **K. Tools**

The Company will issue you the hand tools necessary for you to perform your job. In the event you lose or misplace part or all of

your tools, the Company will issue you replacement tools, but will deduct the cost of such replacement tools from your paycheck. In the event of your termination of employment, you must return all issued tools to the tool room clerk. The cost of any tool that is not returned will be deducted from your paycheck.

**L. Unauthorized Relationship Policy**

No employee in a supervisory position can have a romantic or sexual relationship with an employee under their supervision or, if married, with any other employee not his or her spouse. Violation of this policy results in termination of the supervisory employee.

**M. Outside Employment - “Moonlighting”**

At Sunshine Homes, we aim to provide full-time employment to our employees at a good rate of pay. In return, we expect 100% of your time and effort. Except during a period of layoff, full-time employees are prohibited from holding outside employment or “moonlighting” without written permission from management.

**II. WAGES AND HOURS OF WORK**

**A. Workweek**

The pay period for all employees starts Saturday at midnight and ends the next Saturday at midnight. Paychecks are distributed each Friday. If the company implements more than one work shift, notice will be given to all employees concerning workweek and shift schedules.

**B. Time Clock Procedures**

Employees must clock in and out for themselves and never intentionally clock in or out for another employee. If you

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accidentally clock in or out for another employee and realize your mistake, you must immediately notify your supervisor. If you forget to clock in or out, notify your supervisor as soon as the error has been discovered. Clocking in or out for another employee, or any

other form of falsifying time records, is a serious violation of Company policy subject to discipline, including immediate discharge.

### **C. “Off-The Clock” Work is Prohibited**

It is a violation of Company policy for employees to work without compensation, or for a supervisor to ask an employee to work without compensation. Off-the-clock work, which includes working before or after your scheduled hours or during a lunch break, is strictly prohibited. Any supervisor who requests or demands that an employee work off-the-clock will be subject to discipline. If your supervisor requests that you work off-the-clock, or you believe that you have not been compensated for all hours worked or for all overtime hours worked, you should report it to Human Resources immediately.

### **D. Overtime**

From time to time, production scheduling may require your work shift or department to work overtime. The Company will notify you as soon as possible concerning any scheduled overtime. When this happens, we may need you and your particular skills to handle the extra work, and you are expected to be available to work overtime. Overtime pay for non-exempt employees will be calculated at 1.5 times your regular pay rate for all hours you work in excess of 40 hours in one workweek.

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### **E. Lunch and Break Periods**

A lunch period of thirty minutes is provided each day. Employees may eat lunch in the break room or other appropriate

area or may leave Company property for lunch. Two ten-minute breaks are provided daily: one in the morning, and one in the afternoon. Employees must stay in the plant area during break. Employees must clock out for 30-minute lunch periods, but should not clock out for shorter morning and afternoon breaks.

## **F. Paycheck Deductions**

The law requires that we make certain deductions from your paycheck for income and social security taxes. Additionally, you may authorize other deductions such as group health insurance or retirement plan contributions. Your paycheck stub will show all deductions. If you have any questions concerning a deduction, please discuss it with your supervisor or the Payroll Department.

## **G. Salary Basis Compensation for Exempt Employees**

The Fair Labor Standards Act (“FLSA”) is a federal law which requires that most employees be paid at least the federal minimum wage for all hours worked and overtime pay at time and one-half the regular rate of pay for all hours worked over 40 hours in a given workweek.

However, some Sunshine Homes employees, because of their job duties and compensation, are “exempt” from the FLSA’s overtime provisions. Exempt employees must be paid on a “salary basis” at not less than \$455 per week.

### **1. Sunshine Homes’ Policy**

It is Sunshine Homes’ policy to comply with all state and federal laws, including the FLSA’s “salary basis” requirement for exempt employees. Therefore, we prohibit all Company managers from making any deductions from the salaries of exempt employees,

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except as allowed by the salary basis rules. We want employees to be aware of this policy and that the Company does not allow deductions that are inconsistent with payment on a salary basis.

## **2. Salary Basis Requirement**

Being paid on a “salary basis” simply means that an employee regularly receives a fixed amount of compensation each pay period, regardless of the quality or amount of his or her work. Subject to certain exceptions, some of which are summarized below, an exempt employee will receive his or her full salary for any workweek in which the employee performs any work, regardless of the number of days or hours worked.

## **3. When An Exempt Employee May Experience A Pay Deduction**

Notwithstanding the general rule of salary payment, in certain situations Sunshine may make deductions from a salaried employee’s pay. Some of these situations include: when an exempt employee is absent from work for one or more full days for personal reasons other than sickness or disability; for absences of one or more full days due to sickness or disability in accordance with Sunshine’s time off policies; to offset amounts employees receive as jury or witness fees, or for military pay; for unpaid disciplinary suspensions of one or more full days for violations of Company policies set forth in this Handbook; or for safety rule violations. Deductions will be made in increments of one or more full work day(s).

## **4. What To Do If A Disallowed Deduction Occurs**

If you are an exempt employee and believe that a disallowed deduction has been made from your salary, you should immediately report this information to Human Resources.

All questions of disallowed deductions will be promptly investigated. If it is determined that a disallowed deduction has occurred, you will be promptly reimbursed.

You may question a salary deduction without fear of reprisal. It is a violation of Sunshine Homes' business principles and policies for any manager to take any action against an employee for questioning a salary deduction under this policy, or for asserting any other right protected by federal law.

### **III. ATTENDANCE, LEAVE, AND TIME OFF**

#### **A. Attendance**

Due to the nature of the manufacturing process, Sunshine Homes cannot tolerate excessive absenteeism or tardiness.

1. If you are absent or late, you must call your supervisor before the start of your shift. You should call 256-356-4427, ext. 251 and be prepared to provide the following information: name, department, reason for the absence, and the expected length of absence.

2. All absences from work are considered unexcused. The only absences which can be excused, when proper documentation is submitted to your immediate supervisor no later than the first day of return to work following the absence, are:

a. Approved leaves of absence (including FMLA leave, as discussed below)

b. Absences due to work-related injuries

c. Funeral leaves

d. Military leaves

e. Jury Duty leaves

f. Court appearances leaves

g. Hospital admissions (not emergency room treatment)

h. Absences due to illness as substantiated by a physician or other health care professional.



Employees will be subject to discipline for unexcused absences and/or tardies as follows. Employees who have three or more unexcused absences and/or tardies in any six month period will be subject to a one day suspension. Employees who have four or more unexcused absences and/or tardies in any six month period will be subject to termination of employment.

### **B. Time Off for Jury Duty**

If you receive a notice for jury duty, you should report the fact to your supervisor as soon as possible so that necessary arrangements can be made. You will be paid your normal pay rate for time served as a juror (maximum forty hours per week less any fees received from the court for jury duty, and maximum of one week). You must bring a receipt to the Payroll Department for time served on the jury to receive jury pay. You are expected to report back to work as soon as you are released from jury duty.

### **C. Time Off to Vote**

We encourage civic participation, and we support our employees' right to vote. We encourage employees to vote in elections before or after work hours, if possible. If your working hours make it impossible for you to vote before or after work, you will be allowed one hour of excused time off in order to vote. Please coordinate with your supervisor to minimize disruption to plant operations. Hourly employees must clock out to vote.

### **D. Military Leave**

A military leave of absence will be granted to any employee who serves a period of active duty ("AD"), active duty for training ("ADT"), active duty for special work ("ADSW"), annual training ("AT"), or inactive duty training ("IDT").

Military leaves of absence are without pay. Health insurance benefits will continue to be provided by the Company, under the same terms and conditions as they are provided to other employees, until the end of the 31st day after military leave begins. Coverage

may be continued thereafter by participants in the group health insurance plan under COBRA. An employee performing AT, ADT, ADSW, or IDT for a period of fewer than 31 days is required to return to work on the first regular workday after the end of the training, allowing for reasonable travel time. An employee called to AD or ADSW for 31 to 180 days must apply for reemployment within 14 days after completion of the military service. An employee who serves more than 180 days must apply for reemployment within 30 days after completion of service.

An employee returning from military service will be reemployed and accorded seniority, status, benefits, and pay as provided by federal law. Every reasonable effort will be made to restore an employee returning from military leave to the employee's previous position or to a substantially equivalent position. The employee will be treated as though he or she were continuously employed for purposes of determining benefits based on length of service.

### **E. Funeral Leave**

Two days of paid funeral leave is granted to an employee after one year of continuous service who is absent from work due to the death of the employee's grandparent, spouse, father, mother, step-parent, brother, sister, step-sibling, child, grandchildren, father-in-law, or mother-in-law. You should contact your supervisor for approval of any funeral leave. Paid funeral leave may not overlap with Holiday pay but will disqualify you for Holiday pay.

### **F. Family & Medical Leave Act (FMLA)**

It is our policy to comply with the Family and Medical Leave Act ("FMLA") with respect to our eligible employees.

#### **1. Eligibility**

You may be eligible for FMLA leave if you have worked at least 1,250 hours during the 12 months preceding the requested leave, you have a total of 12 months of service, and you have not

already exhausted available FMLA leave. You must also work at a location where the company employs at least 50 employees within a 75-mile radius in order to be eligible for FMLA.

Eligible employees may take FMLA leave based on the “rolling 12-month” method; that is, based on the 12 months immediately preceding the commencement of the leave. An employee who takes leave under the provisions of the FMLA must comply with the notice requirements under the Act as well as other company policies described herein.

## **2. Categories of FMLA Leave**

An eligible employee may take up to twelve (12) weeks of unpaid leave during a rolling 12-month period for the following reasons:

- **Birth, Adoption or Foster Care:** for incapacity due to pregnancy, prenatal medical care; to care for the employee’s child after birth; or placement for adoption or foster care.
- **Employee’s Own Serious Health Condition:** a serious health condition as defined by the FMLA.
- **Family Member’s Serious Health Condition:** to care for the employee’s son, daughter, parent, or spouse who has a serious health condition.
- **Active Duty Exigency:** qualified exigencies arising out of the fact that the employee’s spouse, child, or parent is on, or has been notified of an impending call to, active duty with the Armed Forces, whether as a regular member or a reserve member.

An eligible employee may take up to twenty-six (26) weeks of unpaid leave during a single 12-month period for the following reason:

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- **Military Caregiver Leave:** to care for a spouse, child, parent or next of kin who is a current member of the Armed Forces, whether as a regular member or a reserve member, or a recent veteran of the Armed Forces, who has a serious injury or illness incurred or aggravated during active duty.

During the single 12-month period during which leave is granted for Military Caregiver Leave, an employee shall only be entitled to a combined total of twenty-six (26) weeks of leave for both that Military Caregiver leave and FMLA leave taken during that period for any other reason.

### **3. Intermittent Or Reduced Schedule Leave**

In certain circumstances, you may take FMLA leave intermittently (e.g. in blocks of time) or by reducing your work schedule. In certain circumstances involving foreseeable or scheduled intermittent leave, we may temporarily assign you to an alternative position with equivalent pay rate and benefits that better accommodates your approved intermittent or reduced leave schedule. When the need for intermittent or reduced schedule leave is foreseeable based on a planned medical treatment, you must make a reasonable effort to schedule the treatment so as not to unreasonably disrupt our operations.

### **4. Procedures for Requesting FMLA Leave**

To request leave, you should notify Human Resources and obtain a “Request for Leave” form. This form should be completed and returned. An employee utilizing FMLA leave must give written notification and must provide the anticipated timing, duration, and reason for the leave. When the need for Active Duty Exigency is foreseeable, you must provide your supervisor/manager with such advance notice as is reasonable and practicable. When the need for all other types of FMLA leave is foreseeable, you must provide your supervisor/manager with at least 30 days’ notice of the need for FMLA leave. When this is not

practicable due to medical reasons or other warranted conditions,

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notice should be verbally provided within two business days of when you become aware of the need. When the need for leave is foreseeable based on a planned medical treatment, you must make a reasonable effort to schedule the treatment so as not to unreasonably disrupt our operations. If you do not give proper notice for foreseeable FMLA leave, we may delay leave until at least thirty (30) days after notice is provided.

## **5. Certification**

We may require employees to provide certification and/or recertification of the need for FMLA leave. Such certifications may be required prior to FMLA leave approval or while on FMLA leave as allowed by law. Failure to furnish appropriate certification within 15 days of request, unless not practicable under the circumstances, may result in leave denial.

## **6. Benefits while on FMLA Leave**

Health benefits will remain in effect while you are on leave as long as you pay your applicable premium or contributions. We will notify you of how to make premium payments upon approval of FMLA leave. Your coverage may be cancelled if you fail to pay your premium or contributions; however, coverage will be reinstated upon your return from leave.

Other benefits will remain in effect as they did prior to the leave as long as the appropriate premiums are paid. We will notify you of how to make payments upon approval of FMLA leave.

We may proportionately reduce the benefits that are computed on the basis of hours worked during the leave period, such as vacation time and other benefits, based on the amount of time worked during the year.

You will continue to accrue seniority time while on approved FMLA leave.

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## **7. Coordination with Other Leave Plans**

FMLA leave is unpaid. FMLA leave time runs concurrently with any company-recognized holiday or authorized time off.

## **8. Returning from FLMA Leave**

As provided by the FMLA, eligible employees who return from FMLA leave will be reinstated to the same job they left, or one with substantially equivalent benefits, pay and other terms and conditions of employment to the extent required by the FMLA. If your medical condition indicates that you may be unable to perform an essential job function or presents a significant safety concern, a fitness-for-duty certification may be required and may be subject to further medical review.

Employees on FMLA leave must report to the Company every 30 days of their status and intent to return to work.

If you do not return from FMLA leave at the expiration of leave, you may lose your right to job restoration, and we may recover any employee benefit premiums that we paid on your behalf while you were on leave.

## **9. Employee Rights and Responsibilities**

For further information, please visit [www.dol.gov/whd/fmla](http://www.dol.gov/whd/fmla), and refer to the notice shown on the following page:



# EMPLOYEE RIGHTS UNDER THE FAMILY AND MEDICAL LEAVE ACT

THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

## LEAVE ENTITLEMENTS



Eligible employees who work for a covered employer can take up to 12 weeks of unpaid, job-protected leave in a 12-month period for the following reasons:

- The birth of a child or placement of a child for adoption or foster care;
- To bond with a child (leave must be taken within 1 year of the child's birth or placement);
- To care for the employee's spouse, child, or parent who has a qualifying serious health condition;
- For the employee's own qualifying serious health condition that makes the employee unable to perform the employee's job;
- For qualifying exigencies related to the foreign deployment of a military member who is the employee's spouse, child, or parent.

An eligible employee who is a covered servicemember's spouse, child, parent, or next of kin may also take up to 26 weeks of FMLA leave in a single 12-month period to care for the servicemember with a serious injury or illness.

An employee does not need to use leave in one block. When it is medically necessary or otherwise permitted, employees may take leave intermittently or on a reduced schedule.

Employees may choose, or an employer may require, use of accrued paid leave while taking FMLA leave. If an employer substitutes accrued paid leave for FMLA leave, the employee must comply with the employer's normal paid leave policies.

While employees are on FMLA leave, employees must continue health insurance coverage as if the employees were not on leave.

Upon return from FMLA leave, most employees must be restored to the same job or one nearly identical to it with equivalent pay, benefits, and other employment terms and conditions.

An employer may not interfere with an individual's FMLA rights or retaliate against someone for using or trying to use FMLA leave, opposing any practice made unlawful by the FMLA, or being involved in any proceeding under or related to the FMLA.

An employee who works for a covered employer must meet three criteria in order to be eligible for FMLA leave. The employee must:

- Have worked for the employer for at least 12 months;
- Have at least 1,250 hours of service in the 12 months before taking leave;\* and
- Work at a location where the employer has at least 50 employees within 75 miles of the employee's worksite.

\*Special "hours of service" requirements apply to airline flight crew employees.

Generally, employees must give 30-day\* advance notice of the need for FMLA leave. If it is not possible to give 30-day\* notice, an employee must notify the employer as soon as possible and, generally, follow the employer's usual procedures.

Employees do not have to share a medical diagnosis, but must provide enough information to the employer so it can determine if the leave qualifies for FMLA protection. Sufficient information could include informing an employer that the employee is, or will be unable to perform his or her job functions, that a family member cannot perform daily activities, or that hospitalization or continuing medical treatment is necessary. Employees must inform the employer if the need for leave is for a reason for which FMLA leave was previously taken or certified.

Employees can require a certification or periodic recertification supporting the need for leave. If the employer determines that the certification is incomplete, it must provide a written notice indicating what additional information is required.

Once an employer becomes aware that an employee's need for leave is for a reason that may qualify under the FMLA, the employer must notify the employee if he or she is eligible for FMLA leave and, if eligible, must also provide a notice of rights and responsibilities under the FMLA. If the employee is not eligible, the employer must provide a reason for ineligibility.

Employees must notify its employees if leave will be designated as FMLA leave, and if so, how much leave will be designated as FMLA leave.

## BENEFITS & PROTECTIONS

## ELIGIBILITY REQUIREMENTS

## REQUESTING LEAVE

## EMPLOYER RESPONSIBILITIES

## ENFORCEMENT

Employees may file a complaint with the U.S. Department of Labor, Wage and Hour Division, or may bring a private lawsuit against an employer.

The FMLA does not affect any federal or state law prohibiting discrimination or separate any state or local law or collective bargaining agreement that provides greater family or medical leave rights.

For additional information or to file a complaint:

**1-866-4-USWAGE**

(1-866-487-9243) TTY: 1-877-889-5627

**www.dol.gov/whd**

U.S. Department of Labor | Wage and Hour Division



WH420 REV 04/16



## **G. Extended Medical Leave**

Under certain conditions, Sunshine Homes allows employees to take extended unpaid leave, even if the employee does not qualify for leave under FMLA.

If you have been employed with us for at least 12 months, your attendance record is good, and you are in good standing, you may be allowed up to six months of unpaid time off due to an illness or injury that qualifies as a disability under the Short-term Disability Plan (See Plan Booklet).

If you are also eligible for leave under FMLA, then the time off provided under this policy runs concurrently with FMLA leave.

## **H. Holiday Pay**

Employees eligible for holiday pay will receive eight hours pay at their regular pay rate for the following holidays: New Year's Day, Memorial Day, Labor Day, Thanksgiving Day and the Friday following.

To be eligible for holiday pay, an employee must be on the active payroll (not layoff or leave of absence) during the week in which the holiday falls and work the full scheduled day both before and after the holiday. No excuses will be permitted. The employee must also have a minimum of 90 days of continuous employment with the Company.

## **I. Paid Time Off**

Sunshine Homes is proud to offer paid time off (PTO) to full time eligible employees. Eligible Employees will receive 3 days (24 hours) of PTO per year at their regular pay rate (Not subject to overtime). PTO must be used when taking off from work for any reason and can only be used in increments of 4 or 8 hours.

All PTO requests are subject to your supervisor's approval and department staffing needs. We understand all absences cannot be planned for; however, PTO should be scheduled in advance whenever possible. If excessive, unapproved absences occur, disciplinary action will be taken, up to and including termination.

To be Eligible for PTO, an employee must have a minimum of 1 year continuous employment with Sunshine Homes.

Unused PTO must be taken or cashed out by December 31st of each year. Any remaining PTO will be lost.

### **I. Vacation Pay**

In recognition of service to the Company, an employee may earn vacation pay, based on the schedule below:

To qualify for vacation pay for the 2 weeks annual plant shutdown (week of July 4 and Christmas week) you must have been employed for one full year as of July 4 or December 25th, and have been actively working the 90 days prior to the vacation week.

Employees with 10 years continuous employment as of January 1st each year will be entitled to a 3rd week of vacation. The 3rd week may be taken as an extra week of vacation, a day or two at a time for a total of 5 days, or as a week's pay without any additional time off paid at the end of the year. Any days off must be scheduled and approved by your supervisor or foreman ahead of time. Vacation pay is 40 regular hours.

### **J. Layoffs and Recall**

From time to time a temporary lay-off may be imposed. If you are laid off during such action, your employment related benefits (such as holiday pay, vacation pay, and other company benefits) will be temporarily suspended. If you are called back to work within 90 days of your layoff notice, the suspension of your employment related benefits will end upon your return to work.

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Benefits under group insurance plans, retirement plans, and other similar benefits will be subject to the rules and restrictions as set forth in the plan document for each such plan. The rules under such plan document may not coincide with other company benefit plans. Participants in the group health insurance plan may extend their coverage under COBRA. Periodically each supervisor will evaluate the employees in his or her departments and rate them according to their productivity. If a layoff becomes necessary, this rating will be used in determining which employees are laid off.

If you are not called back to work within 90 days or if you fail to return to work when called back (or if you notify us that you do not intend to return if called back) your layoff status will become permanent and your employment will then be terminated.

## **IV. HEALTH, SAFETY, AND SECURITY**

### **A. General Safety Rules**

The Company is doing everything possible to make your plant a safe place to work. Machines are equipped with safety guards and you are provided safety equipment where the job requires its use.

You are asked to study the following rules and instructions and let them serve as your guide in performing your work safely:

1. Good housekeeping practices are expected in the lunch areas, working areas and restrooms. Dispose of garbage properly.
2. Running is forbidden in the plant.
3. Any form of horseplay is forbidden.
4. Smoking is prohibited in non-smoking areas.
5. Jumping from unsafe heights such as a table, bench,

platform, scaffold or home is prohibited.

6. Ladders with broken, split or otherwise defective rungs or side rails may not be used and should be reported to your supervisor or to maintenance.

7. Tools may not be left on top of stepladders or scaffolds since they are likely to fall and injure someone.

8. Chairs, boxes or other makeshift scaffolds may not be used to climb or in place of a ladder unless approved by supervisor.

9. Aluminum ladders may not be used in electrical maintenance or electrical checkout on units.

10. Pieces of wood with protruding nails must not be left on the floor.

11. Persons are required to use personal protection equipment. Safety glasses are required in all areas.

12. Sandals may not be worn in work areas.

13. No loose clothing or jewelry of any kind (except watches and wedding bands).

14. Do not remove, modify, or disable any safety guards or equipment. All safety guards must be in place before operating any machine.

15. All machines must be shut off when unattended or not in use.

16. Talking with the operator of a machine while it is running is a dangerous practice and is, therefore, prohibited.

17. Intentional misuse of any power tool or equipment is prohibited. (Example: shooting staples in the air.)

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18. Exit from doors of home only.
19. Do not exit from moving homes.
20. Be aware when homes in line are moving and stay clear.

## **B. Drug and Alcohol Free Workplace**

### **1. General Statement of Policy**

Sunshine Homes is firmly committed to the health and safety of its employees. Substance abuse by employees is a potential threat to the employees and staff. Therefore, Sunshine Homes has adopted the following policy:

1. The distribution, sale, purchase, use, or possession of intoxicants or non-prescribed controlled substances while on Sunshine Homes property or during work hours is prohibited. Reporting to work under the influence of intoxicants or non prescribed controlled substances is prohibited.

2. The distribution, sale, purchase, use, or possession of materials that are used, or intended for use, with non-prescribed controlled substances (*i.e.*, drug paraphernalia) while on Sunshine Homes property or during work hours is prohibited.

3. Reporting to or being at work with a measurable quantity of intoxicants, non-prescribed narcotics, hallucinogenic drugs, marijuana, or other non-prescribed controlled substances in blood or urine is prohibited.

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4. Consuming alcoholic beverages on the job or reporting or returning to work under the influence of alcohol is prohibited.

5. We understand that employees are sometimes lawfully prescribed medications that can be detected by drug tests. The proper use of medication in accordance with a physician's lawfully issued prescription is not prohibited by this policy. However, any employee who reports to work while using a prescription medication that might affect his or her ability to perform his or her job duties safely is required to notify his or her supervisor, so that we and/or a physician can determine whether it is safe for the employee to continue working, either at full duty or with limitations. Any use, abuse, sale, or possession of a prescription drug other than in accordance with the doctor's prescription, is prohibited.

6. Adherence to Sunshine Homes' policy on drugs and alcohol is a condition of employment for all employees. Employees will be required to sign a consent form authorizing the required medical and laboratory testing and searches.

7. Violation of the drug and alcohol policy will result in disciplinary measures, up to and including termination.

8. This policy applies to all employees regardless of position without exception. The consent form for drug and alcohol testing and searches can be found at the front of this handbook.

## **2. Testing Procedure**

An employee may be required to undergo a drug screen under any of the following circumstances.

1. After the occurrence of any work-related accident on Sunshine Home property or during work hours;

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2. When there is a reason to believe, in the opinion of the management of Sunshine Homes, that an employee has reported to work or is on Sunshine Homes property with a measurable quantity of intoxicants, drugs, or narcotics in blood or urine;

3. On a random basis (for the illegal use of drugs only);

4. As part of any medical examination provided or required by Sunshine Homes otherwise in accordance with law.

### **3. Consequences for Positive Tests, or for Failing to Cooperate**

A positive drug test conducted and evaluated substantially in accordance with the standards adopted for drug testing by the U.S. Department of Transportation will be considered a conclusive presumption of impairment resulting from the use of illegal drugs. Following a positive blood test, the employee has the right to conduct independent testing of the same sample upon request and at the employee's expense. An employee who tests positive for drugs, refuses to submit to or cooperate with a drug test, or knowingly alters a drug test will be subject to termination and disqualification from unemployment compensation benefits. An employee who tests positive for drugs, refuses to submit to or cooperate with a drug test, or knowingly alters a drug test after sustaining a work-related injury is subject to termination and will be disqualified from worker's compensation benefits.

### **4. Discipline**

An employee who refuses to submit immediately upon request to a search of his/her person or property or to a drug screen, or who is otherwise in violation of this policy, is subject to disciplinary action up to and including termination. A positive drug test conducted and evaluated substantially in accordance with the standards adopted for drug testing by the U.S. Department of

Transportation shall be a conclusive presumption of impairment resulting from the use of illegal drugs. An employee whose follow up tests are confirmed positive for drugs or alcohol or who refuses

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to submit to or cooperate with a drug or alcohol screen after an accident as set forth in this policy may be terminated and may forfeit any rights to workers' compensation benefits and unemployment compensation benefits under applicable state laws.

## **5. Confidentiality of Information**

All test results received through this drug testing program will be treated as confidential medical records to the extent required by the Americans with Disabilities Act.

### **C. The Company's Right of Search and Inspection**

The Company reserves the right to inspect lunch pails, lockers, file drawers, desks and other personal areas at any given time, with or without advance notice. Please cooperate with us on this matter, as it may be done for your protection.

### **D. Workplace Violence and Weapons**

Because your safety is our first priority, Sunshine Homes has zero tolerance for workplace violence. Any employee who engages in violence in the workplace, or threatens violence, will be terminated immediately. We will not tolerate joking about violence. "Violence" includes physically harming another, fighting, shoving, pushing, harassing, intimidating, coercing, brandishing weapons, and threatening or talking about engaging in those activities. You should immediately report any actual or threatened act of workplace violence to your supervisor.

In appropriate circumstances, management will summon law enforcement to ensure the safety and security of all employees and property. Employees are expected to cooperate with law enforcement as requested.

We also generally prohibit the possession of weapons while on



company property or while conducting company business. There are two exceptions to this rule: First, employees are permitted to possess one folding-type pocket knife suited to working or utility purposes.

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Knives having a non-serrated sharpened edge no greater than 3-1/2” in length generally fit within this description. Second, we respect and comply with state laws allowing employees to keep legally owned firearms and ammunition in their personal vehicles while parked in Company parking lots. You must comply with all provisions of those laws in order for this exception to apply to you.

### **E. On-The-Job Accidents and Injuries/Worker’s Compensation**

In accordance with Alabama law, Sunshine Homes maintains workers’ compensation insurance that provides employees a certain level of income replacement and medical care arising from work related accidents and injuries.

Any injury, no matter how trivial, should be reported to your supervisor so that proper documentation and medical assistance may be obtained. Any injury must be reported immediately. Failure to report injuries could result in discipline, including termination. As noted elsewhere in this Handbook, you may be required to submit to a drug and/or alcohol test if you are involved in a work-related accident. No employee will be retaliated against solely for making a workers’ compensation claim.

In the event you are injured on the job, your benefits may be denied if you fail to notify the Company about the injury immediately, including obtaining authorization for medical treatment associated with such injury. The Company has the right to determine the doctor or hospital to use for treatment. Should you seek treatment that is not pre-authorized by the Company, such treatment may be denied as a covered expense by our insurance carrier and therefore become payable by you.

## **F. Housekeeping**

Having a clean, well-maintained plant in which to work is important to everyone. This can only be accomplished if all employees do their part to keep work areas, break areas, and

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restrooms neat and orderly. Unsanitary and poor housekeeping habits can result in discipline, including termination.

## **V. DISCIPLINARY RULES AND REGULATIONS**

### **A. Rules of Conduct**

Work rules are necessary for the orderly and efficient operations of our manufacturing facilities. These rules are published for each employee's guidance to minimize misunderstandings which could lead to a disciplinary action. Such disciplinary action may be in the form of verbal warning, written reprimands, suspension or immediate discharge depending upon the seriousness and frequency of the violation. Listed below are some violations which could lead to disciplinary action:

1. Chronic tardiness, excessive absenteeism or unreported absences, or tardiness.
2. Leaving company premises during working hours without permission of supervisor, failing to punch time card in or out when entering or leaving plant, punching another employee's time card, or in any manner falsifying time records.
3. Insubordination or failure to follow orders of supervisor.
4. Smoking in unauthorized areas.
5. Threatening, intimidating or fighting on company premises.
6. Gambling on company property.

7. Wearing low cut clothing, front or back, tank tops, see through clothing or shorts that are more than 3" above the knee.

8. Willful, deliberate or repeated violations of plant safety rules or practices.

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9. Failure to report injuries and/or falsifying of injury reports.

10. Unsatisfactory work performance, such as careless workmanship, creating unnecessary scrap, or failure to meet quantity or quality standards.

11. Loafing or other abuse of time during assigned work hours.

12. Use of company time and materials in the performance of personal work activities.

13. Any violation of the Drug and Alcohol Free Workplace policy found in this Handbook.

14. Any violation of the Workplace Violence and Weapons policy found in this Handbook.

15. Willful damage to Company property, tools, equipment or property of others on Company premises.

16. Unauthorized removal of Company property, records or the property of other employees or vendors and suppliers on Company premises.

17. Willful falsification of employment work or payroll records.

18. Unauthorized collection, distribution or solicitation of monies, printed materials, etc., on Company property during working hours without permission from plant supervisors.

## **B. Progressive Discipline Policy**

When possible, Sunshine Homes prefers to handle employee discipline issues, through “progressive discipline.” This process in no way changes the employment-at-will as stated on page 2 of this Handbook. Generally, the following methods will be utilized to address problems in the workplace.

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**Counseling (Verbal Warning)** - At the first sign of a problem behavior - of a kind that does not result in immediate termination - your supervisor will probably counsel you about your problems and work with you to avoid further disciplinary action.

**Written Warning** - Upon the second instance of problem behavior - of a kind that does not result in immediate termination - your supervisor is likely to counsel you by stating in writing the problems and corrective action expected from you. A copy of the written warning will be placed in your personnel file. Depending on the circumstances and seriousness of the violation of Company policy, you may receive a written warning for the first such violation.

**Suspension and/or Termination** - In the event of continuing violations of Company policies, or first instances of more serious disciplinary infractions, the employee may be subject to more stringent discipline, including suspension and/or discharge.

## **VI. FRINGE BENEFIT POLICIES AND PROGRAMS**

### **A. Group Health Plan**

The Company is proud to offer its full time employees a comprehensive health insurance plan that provides various benefits. Employees become eligible following a 90-day waiting period. The details of the health plan will change from time to time. A separate booklet is provided to all participants detailing the schedule of benefits and additional provisions of the plan. Open enrollment is generally held in December of each year.

## **B. 401(k) Retirement Plan**

The Company provides a qualified retirement plan known as a 401(k) Plan. This plan is called a defined contribution retirement plan because the amount placed in the plan is predetermined. The plan is also known as a contributory plan or savings plan because the employee contributes to the plan.

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Once eligible, an employee may save money for retirement on a tax-advantaged basis. In other words, your contributions will reduce your taxable income and the earnings on your savings will not be taxed currently, but instead will be tax-deferred. A summary plan description is provided to eligible employees and the Company will hold re-enrollment meetings on a periodic basis. An employee is generally eligible after a minimum of 6 months service. Quarterly entry dates are available for enrollment following the date of eligibility. Any questions concerning the plan should be directed to the Personnel Department.

## **C. Dental Plan**

Sunshine Homes offers a dental insurance plan to all full-time employees following the 90-day waiting period fulfillment. A description of the plan can be requested upon enrollment. Open enrollment will typically be held in January of each year.

## **D. Life & Cancer Insurance**

The Company provides access to life & cancer insurance policies. Enrollments are held on a periodic basis. Employees may contact Human Resources for enrollment information.

## **X. SOCIAL MEDIA POLICY**

## **A. SOCIAL NETWORKING**

We understand that some employees, on their personal time and their own personal computers, may maintain blogs or post to social networking sites such as Facebook or Twitter, etc. To protect the interests of Sunshine Homes, Inc., our employees and our customers, we expect that employees who maintain personal blogs or contribute postings on the internet abide by the

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following guidelines. Violations of this policy can result in discipline up to and including termination of employment.

1. Company equipment is not to be used for this purpose unless permission has been granted by Management.

2. Employees may not spend any amount of their work time posting to such blogs or websites, including via personal electronic devices.

3. When blogging/ posting about your work during personal time, employees must abide at all times with all legal and ethical requirements, as well as Sunshine Homes' policies regarding non-harassment and confidentiality.

4. Be respectful of others. You may not make any discriminatory, harassing, defamatory, or slanderous comments when discussing Sunshine Homes, our employees, competitors, customers, or our vendors.

5. Recognize that Sunshine Homes may address as a disciplinary issue any language or images that you post in a blog or social media site that reflect negatively on your work ethic or your level of commitment to and compassion for our customers.

## **B. MEDIA RELATIONS**

Sunshine Homes, Inc. also realizes that employees may

become aware of comments and postings which involve Sunshine Homes and are initiated by company entities on social media. Whether the comments or postings are negative or positive, it is very important that no response is posted or communicated to the site or the entity who initiated the comment. Please forward any concerns to Management. If it is determined that a posting or comment requires a response, an official representative will be designated to respond on behalf of the Company.

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Sunshine Homes, Inc.  
100 Sunshine Avenue  
Red Bay, Alabama 35582