

The Laitram Open Door Policy and Employee Dispute Resolution Program

Effective Date: April 1, 2002

LAITRAM, L.L.C. • LAITRAM MACHINERY, INC. • INTRALOX, L.L.C. • LAPEYRE STAIR, INC.
LAITRAM MACHINE SHOP, L.L.C. • INDUSTRIAL MICROWAVE SYSTEMS, L.L.C.

Dear Fellow Employee:

One of the cornerstones of the Laitram Business Philosophy is for all employees to treat each other with respect, honesty and fairness. To this end, Laitram, L.L.C. and its subsidiary companies have and will continue to support open, forthright and honest communication between employees and their supervisors. This commitment is especially important when it comes to addressing employee concerns, problems or disputes.

Laitram is committed to providing a work environment that allows every employee to be productive and successful. With this commitment, we hope that you will never have a dispute relating to your employment with Laitram. However, we recognize that disputes may occur and resolving them in an expeditious and fair manner is important to all involved.

Toward this objective, we have developed The Laitram Open Door Policy and Employee Dispute Resolution Program. The foundation of this program is our existing and successful Open Door Policy that encourages employees to present their concerns, problems or disputes to management. We believe the continued use of the Open Door Policy allows employees and supervisors to resolve almost any dispute without the need for third party intervention.

Unfortunately, there may be times when a dispute cannot be resolved internally for any number of reasons. When this occurs, certain disputes will be resolved through Non-Binding Mediation or Final Binding Arbitration. These particular procedures and the entire Laitram Open Door Policy and Employee Dispute Resolution Program are explained in more detail in the following pages.

We believe this program will facilitate dispute resolution in a simple, fair, timely and economical way.

Sincerely,

James M. Lapeyre, Jr.
President
Laitram, L.L.C.

TABLE OF CONTENTS

A Quick Overview.....	4
Who Is Covered?.....	4
What Disputes Are Covered?	4
How Does The Process Work?.....	6
Step 1: Open Door Policy	6
<i>Discrimination, Harassment And Retaliation Disputes</i>	6
<i>Retaliation Prohibited</i>	6
Step 2: Voluntary Non-Binding Mediation.....	7
<i>What Is Non-Binding Mediation?</i>	7
<i>How Does The Mediation Process Begin?</i>	7
Step 3: Final Binding Arbitration.....	7
<i>What Is Final Binding Arbitration?</i>	7
<i>How Does The Arbitration Process Begin?</i>	8
Is There A Time Limit To Submit Or File A Dispute Under The EDRP?.....	8
What Rules And Procedures Govern Mediations And Arbitrations?.....	8
Who Decides If A Dispute Can Be Submitted To Mediation?	8
Can An Employee Be Represented By An Attorney?.....	9
Who Pays For The Mediation And Arbitration?.....	9
Mediation	9
Arbitration.....	9
What Type Of Remedies Can An Arbitrator Order?.....	10
Can An Employee Discuss The Mediation Or Arbitration With Others?.....	10
Other Important Information	10
At-Will Employment:	10
Filing Charges With Government Agencies:	11
Applicable Law/Severability/Conflict With Law:	11
Conflict With Other Laitram Policies / Procedures:	11
Amendment/Termination Of The EDRP:	11

A Quick Overview

The Laitram Open Door Policy and Employee Dispute Resolution Program utilizes a 3-step process for resolving employee problems, issues, concerns, claims and disputes (hereinafter collectively “dispute(s)”):

- (1) Open Door Policy (Internal Review);
- (2) Voluntary Non-Binding Mediation; and
- (3) Final Binding Arbitration.

Consistent with our philosophy and culture, employees and their supervisors will address and resolve disputes through open communication and our internal review process. Unless excluded, disputes that cannot be resolved in-house, for whatever reason, shall be resolved by Voluntary Non-Binding Mediation or Final Binding Arbitration.

All mediation and arbitration proceedings will be conducted by the American Arbitration Association (AAA), an objective neutral third party administrator. AAA is a public service, non-profit organization that offers a wide range of dispute resolution services to private individuals, businesses, associations and various levels of government. The mediation and arbitration processes, including the involvement of AAA, are discussed later.

Who Is Covered?

All employees and job applicants (hereinafter collectively “employee(s)”) of Laitram, L.L.C. or its US subsidiary companies including, but not limited to, Intralox, L.L.C., Lapeyre Stair, Inc., Laitram Machinery, Inc., Laitram Machine Shop, L.L.C., and Industrial Microwave Systems, L.L.C. (hereinafter collectively “Laitram”) are covered by The Laitram Open Door

Policy and Employee Dispute Resolution Program (EDRP).¹ *By applying for employment with Laitram, accepting an offer of employment with Laitram, or continuing employment with Laitram on or after the Effective Date of the EDRP, every employee agrees, as a condition of their employment or being considered for employment, to be bound by the provisions of the EDRP.* Likewise, Laitram agrees to be bound by the EDRP.

This mutual agreement means that both Laitram and the employee are bound to use the EDRP as the sole means of resolving disputes unless a dispute is specifically excluded from the EDRP. Accordingly, neither Laitram nor an employee may sue the other in a court of law for any dispute covered by the EDRP.

The EDRP shall apply to and bind Laitram and each employee and their respective heirs, successors, beneficiaries and assigns. Unless a dispute is specifically excluded from the EDRP, the EDRP shall apply to all disputes regardless of when the events on which the dispute is based occurred. This includes disputes based on events occurring before the Effective Date of the EDRP, unless such dispute has been asserted in the appropriate judicial forum prior to the Effective Date of the EDRP.

What Disputes Are Covered?

Open Door Policy – Laitram believes in open communication between supervisors and employees that addresses employee disputes. **All** employment disputes will be handled through our Open Door Policy. A dispute not resolved through the Open Door

¹ As of July 1, 2004, The Laitram Open Door Policy and Dispute Resolution Program was amended to apply to all employees, regardless of hire date.

Policy process can be submitted for resolution through the EDRP unless the dispute is specifically excluded from the EDRP as discussed below.

EDRP - Laitram recognizes that there may be occasions when an employee is not satisfied with the Open Door Policy process and how the dispute was resolved. If this occurs, the employee can request that the dispute be submitted to Non-Binding Mediation or the employee can proceed directly to Final Binding Arbitration. By way of illustration and example only, disputes subject to the mediation and arbitration processes of the EDRP include, but are not limited to, the following:

1. Disputes relating to an employee's recruitment, hiring, employment or termination/separation from Laitram.
2. Discrimination or harassment disputes based on age, race, gender/sex, religion, national origin, veterans status, citizenship, disability, pregnancy, marital status or other characteristic protected by law.
3. Retaliation / Reprisal claims for a legally protected activity, including whistleblowing.
4. Disputes relating to state or federal Family and Medical Leave Acts.
5. Disputes relating to workplace accommodation due to physical or mental disabilities.
6. Tort claims, intentional torts, negligence, defamation, invasion of privacy, infliction of emotional distress, etc.
7. Disputes arising or relating in any way to the EDRP, including disputes

regarding the scope, applicability and/or validity of the EDRP or any provision thereof.

The EDRP shall apply to all disputes that are asserted against Laitram and/or against any present or former employee, officer, director, owner, member, agent, stockholder, insurer, affiliate, subsidiary, parent or any other entity owned or controlled by Laitram. The EDRP shall also apply regardless of whether the dispute is asserted by an employee as an individual or part of a group or class of employees.

The following disputes are specifically excluded from the mediation and arbitration processes of the EDRP:

1. Disputes involving benefits under a company benefit plan covered by the Employment Retirement Income Security Act of 1974 (ERISA), including, but not limited to, the Cash Balance and Pension Plan, the Incentive Savings Plan (401(k)), the long-term disability plan, group term insurance, and group health plans, which are subject to the dispute/claim procedures described in each separate plan. Any other disputes arising under ERISA are also excluded.
2. Disputes involving benefits under Laitram's Short Term Disability Plan.
3. Workers' Compensation Claims, except claims for retaliatory discharge.
4. Unemployment Compensation Benefit Claims.
5. Disputes related to an alleged breach of an employee's non-competition, non-solicitation, fiduciary or confidentiality

obligations.

6. Disputes involving patents, trademarks, trade secrets, or intellectual property.
7. Disputes of a non-legal nature, including, but not limited to, personal disagreements, performance evaluations, bonus/incentive decisions, pay/wage rates, disciplinary action (other than terminations/separations), or promotion/demotion decisions.
8. Disputes of a non-legal nature that involve disagreements and/or issues with the establishment, content, application or amendment of personnel or employment policies or procedures.

How Does The Process Work?

Step 1: Open Door Policy

Laitram strongly believes in an Open Door Policy and wants its employees to bring any disputes to our immediate attention. With open and honest communication between the individuals closest to the dispute, issues are often resolved quickly and fairly. This is in the best interest of both the employee and Laitram.

To ensure that an employee's dispute is thoroughly addressed, the following steps for reporting the dispute **shall** be followed by the employee:

- A. Discuss the issue with your immediate supervisor. If your supervisor is the basis of the complaint and you are not comfortable discussing the issue with him or her, begin at Step B below.
- B. If you are not satisfied with your supervisor's answer or response (or if your supervisor is the basis of the dispute), you may appeal **in writing** to

the next level of management (your supervisor's superior).

- C. If you are still not satisfied, you may appeal **in writing** to the next level(s) of management until you reach your Division's General Manager.
- D. A final appeal may be made **in writing** to Jay Lapeyre.
- E. If the dispute is not resolved to your satisfaction and it is not excluded from the EDRP, you can submit the dispute to Non-Binding Mediation or proceed directly to Final Binding Arbitration.

Discrimination, Harassment And Retaliation Disputes

As provided by Laitram's Policy Prohibiting Workplace and Sexual Harassment, Discrimination and Retaliation, employees shall immediately report such disputes, **in writing**, directly to their Division General Manager, the Human Resources Manager or Jay Lapeyre. The employee should not follow Steps A and B under the Open Door Policy process for disputes involving discrimination, harassment, or retaliation. If the dispute is not resolved to the employee's satisfaction, the employee can submit the dispute to Non-Binding Mediation or proceed directly to Final Binding Arbitration.

Retaliation Prohibited

As a matter of Laitram policy and practice, Laitram and its employees are forbidden to retaliate in any manner against employees who utilize the EDRP. Retaliation by Laitram employees may be grounds for disciplinary action, including termination.

Step 2: Voluntary Non-Binding Mediation

Non-Binding Mediation is optional and voluntary. If an employee has completed the Open Door Policy process and is not satisfied with how his or her dispute was resolved, the employee can submit the dispute to Non-Binding Mediation. The employee, however, may elect to bypass Non-Binding Mediation and proceed directly to Final Binding Arbitration.

What Is Non-Binding Mediation?

Non-Binding Mediation involves an attempt by the parties to resolve their dispute with the aid of a neutral third party not employed by Laitram. The mediator's role is advisory. While the mediator may question the parties and offer suggestions, the resolution of the dispute rests with the employee and Laitram. Non-Binding Mediation is a process that seeks to find common ground between the parties for a voluntary resolution of disputes.

The mediator may meet with the parties jointly or separately in order to facilitate a resolution. While there is some variation among the methods of different mediators, most mediations begin with a joint meeting of both parties and the mediator. The mediator normally gives each party an opportunity to explain the dispute, including the reasons that support each party's position. The joint session may be followed by private, confidential meetings between the mediator and each party.

How Does The Mediation Process Begin?

The mediation process begins with the employee submitting a Request for Mediation Form to the Human Resources Department. If the employee has completed all required steps of the Open Door Policy process, the Human Resources Department will forward the request to AAA to schedule

the mediation. An employee's request for mediation shall not be processed until a Request for Mediation Form has been submitted to the Human Resources Department and the employee has completed the Open Door Policy process. Request for Mediation Forms are available from the Human Resources Department and on the Laitram Intranet.

Step 3: Final Binding Arbitration

What Is Final Binding Arbitration?

Arbitration is a dispute resolution process in which the employee and Laitram present their respective positions concerning the dispute to an impartial third party arbitrator. **Arbitration differs from mediation in that the arbitrator decides the merits of the dispute and issues a written decision. That decision is final and binding on both the employee and Laitram.**

Although there is no jury present, an Arbitration Hearing does resemble a court proceeding in certain ways. Both Laitram and the employee have the opportunity to be represented by an attorney, to make opening statements, to present the testimony of witnesses, to introduce exhibits, to cross-examine the other party's witnesses, and to make closing statements.

Unless applicable law provides otherwise, the Arbitrator's Decision is not subject to review or appeal, except as provided by the Federal Arbitration Act, 9 U.S.C. § 1, et. seq., or if the Federal Arbitration Act does not apply, by the applicable State Arbitration Statute.

How Does The Arbitration Process Begin?

The arbitration process begins with the employee submitting a Request for Arbitration Form to the Human Resources Department along with a filing fee of \$100.00. If the employee has completed all required steps of the Open Door Policy process, the Human Resources Department will forward the request to AAA to schedule the arbitration. An employee's request for arbitration shall not be processed until a Request for Arbitration Form and the \$100.00 filing fee have been submitted to the Human Resources Department, and the employee has completed the Open Door Policy process. Request for Arbitration Forms are available from the Human Resources Department and on the Laitram Intranet.

Is There A Time Limit To Submit Or File A Dispute Under The EDRP?

Yes. Like a lawsuit filed in court, an employee must submit his or her Request for Arbitration Form and \$100.00 filing fee to the Human Resources Department within the time limits (Statute of Limitations) set by law for bringing suit on the dispute in court. This means that Laitram may request that the dispute be dismissed if the Request for Arbitration Form is not submitted within the appropriate legal time limits. The time limitation for submitting a request for arbitration will depend on the nature of the particular dispute. Therefore, it is important that employees consult their own legal counsel regarding this issue.

Unlike a request for arbitration, there is no time limit to utilize the Open Door Policy or Non-Binding Mediation processes. However, employees are still encouraged to bring disputes to the attention of management as soon as

possible. Laitram shall not waive its right to assert as a defense at a later time the untimeliness of the request for arbitration regardless of Laitram's prior participation in the Open Door Policy process and/or Non-Binding Mediation.

Additional information on equal employment opportunity laws in the workplace can be found on the Equal Employment Opportunity posters located in the Laitram break/lunch rooms.

What Rules And Procedures Govern Mediations And Arbitrations?

Except as modified herein, all mediations and arbitrations will be conducted under the National Rules for the Resolution of Employment Disputes of the American Arbitration Association (National Rules) in effect at the time the Request for Mediation or Arbitration Form is submitted to the Human Resources Department. The mediator or arbitrator shall have full administrative authority over the mediation and arbitration proceedings. Employees can obtain a copy of the National Rules from the Human Resources Department. Copies are also available on the Laitram Intranet or by going to AAA's website at www.ADR.org.

Who Decides If A Dispute Can Be Submitted To Mediation?

Upon receipt of a Request for Mediation Form, Laitram shall make the initial determination if the dispute is subject to Non-Binding Mediation and not excluded from the EDRP as outlined herein. If Laitram concludes that the dispute is excluded from the EDRP and the employee disagrees with this conclusion, the employee may submit a Request for Arbitration Form to have this issue decided by Final Binding Arbitration.

The employee shall be required to submit the \$100.00 filing fee with his or her Request for Arbitration Form in order to have this issue decided by Final Binding Arbitration. If the decision is in the employee's favor, the employee shall not be required to submit the \$100.00 filing fee again if Non-Binding Mediation is either unsuccessful or bypassed and the underlying dispute proceeds to Final Binding Arbitration.

If Laitram participates in Non-Binding Mediation and does not raise the issue of whether the dispute is subject to the EDRP at that time, Laitram shall not be precluded from raising this issue at the time a Request for Arbitration Form is submitted by the employee following unsuccessful Non-Binding Mediation. This issue shall be decided by the arbitrator as a preliminary matter in accordance with the National Rules.

Can An Employee Be Represented By An Attorney?

Although an employee is entitled to consult with an attorney at any time at his or her expense, an employee's attorney is not allowed to directly participate in Steps A-D of the Open Door Policy process. Employees, however, are entitled to have an attorney participate directly in the mediation and arbitration proceedings.

Who Pays For The Mediation And Arbitration?

There are several types of costs, fees and expenses associated with mediation and arbitration.

Mediation

Unless the law provides to the contrary, any administrative costs associated with requesting mediation, such as filing fees for mediation and all expenses and compensation of the mediator, will be paid by Laitram. An employee may elect to pay up to one-half of the mediator's expenses and compensation if he or she chooses.

Laitram shall pay the administrative costs of the mediation, as well as the expenses and compensation of the mediator, by making such payments directly to AAA. AAA will then pay the mediator without disclosing the source of such payments to the mediator.

Laitram and the employee will each be responsible for all fees, costs and expenses of their respective legal counsel, if any.

Arbitration

Unless the law provides to the contrary or the arbitrator orders otherwise in his/her decision, all administrative filing fees of AAA will be paid by Laitram, except that an employee shall pay a \$100.00 contribution toward administrative filing fees when a Request for Arbitration is filed.

Unless the law provides to the contrary or the arbitrator orders otherwise in his/her decision, all compensation, expenses and costs of the arbitrator, including required travel and meals, will be paid by Laitram. An employee may elect to pay one-half of the arbitrator's compensation, expenses and costs if he or she chooses.

Laitram shall pay the administrative filing fees and the arbitrator's compensation, expenses and costs by making such payments directly to AAA. AAA shall then pay the arbitrator without disclosing the source of such payments.

Unless the law provides otherwise, Laitram and the employee will each be responsible for the expenses, fees and costs of any witness they may call through subpoenas or otherwise. Laitram and the employee will also be responsible for any other costs, fees or expenses associated with any witness or relating to any proof produced at the direction of the arbitrator unless the law provides to the contrary or the arbitrator directs otherwise in his/her decision.

Unless the law provides to the contrary, Laitram and the employee will be responsible for the fees and costs of their respective legal counsel, if any; however, the arbitrator has the authority to provide for the reimbursement of such attorneys' fees and costs, in whole or in part, in accordance with applicable law.

What Type Of Remedies Can An Arbitrator Order?

As provided in the National Rules, the arbitrator may grant any remedy or relief that he or she deems just and equitable under the law, including any remedy or relief that would have been available had the matter been heard in a court of competent jurisdiction.

By applying for employment, accepting an offer of employment, or by continuing employment with Laitram on or after the Effective Date of the EDRP, every employee agrees, as a condition of employment or being considered for employment, that an Arbitrator's Decision shall be a final, binding and exclusive determination of his or her dispute. Laitram shall also be bound by the Arbitrator's Decision.

Unless applicable law provides otherwise, the Arbitrator's Decision is not subject to

review or appeal, except as provided by the Federal Arbitration Act, 9 U.S.C. § 1, et. seq., or if the Federal Arbitration Act does not apply, by the applicable State Arbitration Statute.

Can An Employee Discuss The Mediation Or Arbitration With Others?

Confidential statements and information made or revealed during mediation and/or arbitration will remain confidential. Except to confer with legal counsel, or as otherwise provided under the National Rules or by law, neither the employee nor Laitram may reveal any confidential statements or information.

Neither Laitram nor the employee shall agree to publish the Arbitrator's Decision or arrange for publication of the Decision. The Decision shall have no legal effect on the disputes of employees who are not parties to the arbitration. Neither Laitram nor the employee may cite the Arbitrator's Decision as precedent in any other arbitration, or as precedent in any other administrative or court proceeding.

Other Important Information

At-Will Employment:

Other than the agreement of both Laitram and its employees to resolve certain disputes as set forth herein in accordance with the EDRP, nothing in the EDRP shall be construed to create a contract of employment, express or implied, nor does the EDRP in any way alter the at-will nature of the employment relationship between the employee and Laitram. This means that the employee may resign at any time and that Laitram may discharge the employee at any time, with or without cause, notice or prior disciplinary action.

Filing Charges With Government Agencies:

The Laitram Open Door Policy and EDRP are not intended to discourage or interfere with the legally protected rights of employees to file administrative claims or charges with government agencies. Such agencies include, but are not limited to, the Equal Employment Opportunity Commission (EEOC), the Office of Federal Contract Compliance (OFCCP) or any other federal, state or local administrative agency that is charged with protecting the rights of employees. The employee's receipt of a right to sue letter or similar determination shall not affect the obligations of the employee and Laitram to participate in Non-Binding Mediation and/or Final Binding Arbitration. Additional information on equal employment opportunity laws in the workplace can be found on the Equal Employment Opportunity posters located in the Laitram break/lunch rooms.

Applicable Law/Severability/Conflict With Law:

The Federal Arbitration Act, 9 U.S.C. § 1, et. seq., will govern arbitrations under the EDRP. If any provision of the EDRP is determined by a court to be invalid or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected by the determination, and each remaining provision shall be valid, legal and enforceable to the fullest extent permitted by law. In the event any provision is found by a court to be in conflict with a mandatory provision of applicable law, the conflicting provision shall be modified automatically to comply.

Conflict With Other Laitram Policies / Procedures:

Unless otherwise provided herein, if the EDRP conflicts with any other Laitram

policy or procedure, the terms and conditions of the EDRP shall control.

Amendment/Termination Of The EDRP:

The EDRP may be amended by Laitram by providing at least thirty (30) days written notice to its employees. No amendment shall apply to a dispute for which an employee has submitted a Request for Mediation or Arbitration Form to the Human Resources Department prior to the amendment taking effect.

The EDRP may be terminated by Laitram by providing at least sixty (60) days written notice to its employees. The termination shall not affect disputes for which an employee has submitted a Request for Mediation or Arbitration Form to the Human Resources Department prior to the date of termination.