

EQUAL EMPLOYMENT OPPORTUNITY & NON-DISCRIMINATION POLICY

Klem is committed to a policy of equal employment opportunity for all applicants and employees. Under this policy, applicants and employees shall be treated fairly and equally and employment decisions shall comply with all applicable state and federal employment discrimination laws. In this regard, all employment decisions will be made without regard to race, color, gender, sex, religion, national origin, age, disability, veteran's status, or (in the case of U.S. citizens or intending citizens) citizenship ("prohibited factors"). In addition, Klem will not tolerate any discriminatory employment practice or procedure by anyone, including coworkers, supervisors, managers, executives, customers and/or vendors. This policy applies to all employment practices and procedures including, but not limited to, recruiting, hiring, compensation, training, promotions, termination and all other terms and conditions of employment. Any employee who believes that they have witnessed or been subjected to discrimination has a duty to report the matter to Klem in accordance with this policy.

DEFINITION OF DISCRIMINATORY CONDUCT

Discriminatory conduct is generally defined as conduct which shows disrespect, hostility or aversion to an employee because of an employee's race, color, gender, sex, religion, national origin, age, disability, veteran's status or citizenship. Discriminatory conduct involves verbal, visual or physical conduct relating to a prohibited factor which makes an employee feel uncomfortable in the workplace and which interferes with an employee's ability to work.

For more detailed information concerning what type of conduct constitutes sexual harassment and what an employee should do if they either witness or are subjected to sexual harassment, see the Klem policy statement on sexual harassment.

COMPUTER AND VOICE-MAIL SYSTEM

Employees may not use the computer system or voice mail system to create, send or receive any information, which could be defined as discriminatory conduct.



REPORTING DISCRIMINATORY CONDUCT

Any employee who believes that they have either witnessed or been subjected to discriminatory conduct shall immediately report the discriminatory conduct to Klem. Employees have a duty to report discriminatory conduct to Klem in order to protect themselves, their colleagues and Klem.

In order to ensure that a report of discriminatory conduct is properly recorded, an employee who believes that they have either witnessed or been subjected to discriminatory conduct must report the discriminatory conduct to their supervisor or a member of the Executive Committee.

Employees who believe they have either witnessed or been subjected to sexual harassment should report the discriminatory conduct in accordance with the Klem Sexual Harassment policy.

All reports of discriminatory conduct shall be investigated. To the extent feasible, the investigation will be conducted in a confidential manner in order to protect the rights of all parties involved. Klem will not tolerate any retaliation against an employee who makes a good faith report of discrimination. If the investigation reveals that the report has merit, corrective action, including disciplinary action, will be taken to remedy the situation. However, it is also important to understand that accusing an employee of discriminatory conduct is a serious matter. Consequently, Klem reserves the right to discipline any employee who intentionally makes a false report of discriminatory conduct. False reports have the potential of causing harm to innocent parties and waste Klem time and resources.

DISABLED EMPLOYEES

Any employee who wishes to discuss his or her needs as a disabled employee should contact their supervisor. Klem will provide a reasonable accommodation to an individual with a disability who is otherwise qualified and able to perform the essential functions of the job without threatening the safety and well being of themselves or others. Each situation will be considered on an individual basis.

CHILD LABOR

Klem does not engage in or support the use of child labor. (Child is defined as a person under 15 years of age, unless a higher age is stipulated by local law.) Workers under the age of 18 may be employed but in areas subject to mandatory education laws, they may work only outside of school hours. Total school, work, and transportation time for such workers may not exceed a combined total of 10 hours per day, and in no case shall such workers work more than 8 hours a day; and, they may not work during night hours. Klem shall not expose children or young workers to any situations in or outside of the workplace, that are hazardous or unsafe to their physical and mental health.

FORCED LABOR

Klem does not use or support the use any form of forced or compulsory labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise. Neither Klem nor any entity supplying labor to Klem shall withhold any part of any personnel's salary, benefits, property, or documents in order to force such personnel to continue working for Klem. Personnel shall have the right to leave the workplace premises after completing the standard workday, and be free to terminate their employment provided that they give reasonable notice to their employer.

It is a fundamental policy of Klem to provide equal opportunity to all of its applicants for employment, as well as current employees and to assure there is no discrimination against any person on the basis of race, color, religion, national origin, sex, disability, age or veteran status. This obligation extends to all areas of employment including, but not limited to: recruitment and selection, job assignment, compensation and benefits, promotions and transfers, layoffs, dismissals and disciplinary action, daily working conditions, and termination. This policy is consistent with the provisions and objectives of the Civil Rights Act of 1964, with implementation accomplished in accordance with the specifics defined in the Klem Affirmative Action Program.

SAFETY AND HEALTH PROGRAM

Klem recognizes the importance of the health and well-being of every employee, customer and surrounding resident. Klem encourages and actively promotes the participation of all company personnel and surrounding residents in making the continued implementation of its Occupational Health and Safety programs successful and beneficial to all parties involved and/or affected.

The objective of implementing these programs is to achieve and maintain a record of zero safety and health related accidents and/or injuries and to devote appropriate time, effort and manpower in investigating, communicating, uncovering and correcting any conditions that exist which could possibly lead to any safety and health related accidents or injuries.

Klem will work to meet this objective through the following:

- The creation and implementation of an employee involvement program: Employee selection to be based on their interest and willingness to participate, as well as their demonstrated leadership skills.
- Regular meetings to be held with all safety committee members to communicate safety issues, concerns, and news, and to act on issues as appropriate.
- Health and Safety training sessions, and /or material distributions to be made to all company personnel as recommended by the findings of the safety committee, OSHA, or other health and safety sources. Management and committee members will conduct an annual review of progress made and/or needed in the area of health and safety. Klem encourages all personnel to make the discovery and communication of potential health and safety hazards a part of their everyday responsibilities.
- The active involvement and cooperation from upper management personnel in supporting all health and safety programs and communicating with plant personnel.
- The safety director will assign responsibilities and improvement projects to selected personnel and work closely with all employees and safety committee members in developing new programs and in making existing programs more effective and more efficient.

- The safety director along with the safety committee will create and implement a program of accountability that will promote greater individual and group awareness, and responsibility in the area of health and safety.
- Klem will commit appropriate resources to the research and development of discovery, design, and implementation of programs and/or devices to provide greater protection of all personnel and surrounding residents from any risk of injury or accidents of a health and safety nature.

Klem is committed to the health and safety of all persons directly and indirectly involved with its divisions, departments, units, property, and products. We promote the sharing of ideas and information to learn, and use in continuing to improve the conditions impacting health and safety.

Klem also recognizes that there are certain economic impacts associated with researching, developing, and implementing health and safety policies and practices. We believe that these costs return a benefit of higher earnings for all, and an immeasurable benefit of good health and well-being for everyone involved.

COMMUNITY OUTREACH AND INVOLVEMENT

Involvement in community-based initiatives and organizations is a fundamental value to Klem. We support initiatives both locally and nationally with donations and contributions each year to civic and public organizations. Locally, we show our support by participating in community events and donating to local schools and churches. Making our surrounding community a desirable place to live and work is important and Klem assists by volunteering to clean up city streets with the Adopt-A-Street program. Klem believes that our long-term success depends on our ability to develop the communities where our employees, clients, and shareholders live and work.

BUSINESS ETHICS

Klem employees will maintain the highest ethical standards in the conduct of Klem affairs. Intent of this policy is that each employee will conduct business with integrity and comply with all applicable laws in a manner that excludes considerations of personal advantage or gain. The details of this policy are outlined in our Conflict of Interest Policy in the Jasper Group Employee Handbook.

Approved this 9th day of March, 2015.

Mike Wagner
CEO and President

Jasper Group is the parent company of JSI: quality furniture for work and life, and Klem: crafted furniture for life away. Strongly rooted in the heart of the Midwest, generations of our furniture family have been proudly practicing their craft in southern Indiana since 1876.

For more information, visit klemhospitality.com.