



5.6.20

Good evening,

We are pleased to share some additional details about the hard work over the past month resulting in the approval and funding of a Payroll Protection Plan loan.

The Paycheck Protection Program was designed to provide a direct incentive for businesses like Haartz to keep their workers employed with full benefits, recognizing that their businesses have been immediately and unexpectedly impacted as a direct result of the COVID-19 virus. The benefit is that the loans will be forgiven if employees are kept on the payroll for eight weeks with the majority of the money used on payroll and benefits.

As a result, we have developed the following plan that is in line with the intent of the program while providing an added incentive to employees who have not been able to work remotely and for those who have had to use their sick and vacation time to supplement their pay:

- Hourly employees who are scheduled for 4-10's and 5-9's will be paid their scheduled hours including overtime and shift differential, when applicable.
- Hourly employees who are scheduled for 5-10's, 5-11's and 5-12's will be paid based on a 5-10 schedule including overtime and shift differential, when applicable. (40 regular hours and 10 overtime hours = 55 hours total)

As an added incentive, we have decided to implement a bonus program in appreciation for those employees who are coming in to the facility to work, helping us continue to develop our safety protocols and meet the demands of our customers:

- Hourly employees who are direct labor and typically use a time clock will be paid a \$100 bonus for every day that they work the scheduled shift, and a minimum of 6 hours.

More good news....

- Given the hourly payroll for week ending 5/1/20 is paid out this week, we are able to use these payroll funds as part of the loan. Therefore, we have made the decision to reverse the regular and emergency sick hours and vacation hours used last week and convert them to regular pay. This applies to hourly employees who are direct labor and typically use a time clock. You will receive the hours back in your time off balances after adjustments are made in the systems. An additional payroll was run today and will be funded on Friday, May 8<sup>th</sup>.
- We have also eliminated the pay schedule that was rolled out on Friday, May 1st which explained the pay practices for this week, and replaced it with the schedule listed above.
- Salaried employees and employees who typically use a time card and are not direct labor do not have to deduct a vacation day for this week as previously planned. Your balance will also be restored to what it was previously.

Please note that employees who are out on FMLA or E-FMLA will be paid according to those policies. If employees who are currently on E-FMLA as part of the FFCRA Cares Act would like to cancel their FMLA request, they may do so in writing. It will become effective on the date received by HR. These are protected leaves and we will treat them accordingly keeping the pay practices in line with our existing policies.

This will be the pay schedule for week ending 5/1, 5/9, 5/16 and 5/23. We will review it on an ongoing basis over the next two weeks and provide an update at that time for future weeks.

We appreciate all of your patience and the generosity of the Haartz Corporation and the Haartz family in allowing us to push through this difficult time and retain all employees. While the future remains uncertain and business conditions will certainly have to improve to allow us to continue on this path, we sincerely hope that you all recognize how valuable you all are to our business.

Regards,



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