

## **Family Employment Policy**

We (the owners of \_\_\_\_\_) see our business(es) providing challenging and rewarding employment opportunities for family members<sup>1</sup> who have a strong desire to work in the business; support our values and work ethic; and possess the competencies, character, and commitment required for the position. There is no obligation or expectation that family members work in our business(es). We support and encourage family members to do the work they really want to do, that is personally satisfying to them, and allows them to be the best that they can be.

1. Hiring of Family Members. Except as noted below, a family member will only be hired to fill the needs identified by the business, like any other individual is hired. If a family member is a viable candidate for a position and has skills equal or greater than other candidates, the family member will be hired to fill the position.

(a) Part-time/Seasonal. Our business(es) will hire any family member 25 or younger for seasonal, part-time, or summer employment if the individual has a desire to work in the business, follows policies relating to the position, and acts consistent with the values expected of family members. If a family member is younger than 18, the business will work with a family member to find a position in a schedule that allows family members to also engage in reasonable extracurricular activities with advanced notice.

(b) Full-time. Our business(es) will hire a family member for a full-time position if the business has any openings and the family member has a desire to work in the business, follows policies relating to the position, acts consistent with the values expected of family members, and performs the responsibilities consistently. Our business(es) will not have an obligation to hire family members simply to provide them a job or compensation, but management is able to create a position if it sees an opportunity or our values and the circumstances warrant creating a position as management determines in its discretion.

(c) Early Exposure. We will encourage family members to try working in one of our business(es) starting at as young of an age as possible. This exposes young family members to the business so they and the companies can gauge their interests and abilities. This also helps the next generation learn about our business(es) and how to work. If a young family member finds the business suitable to his or her interests, we will encourage him or her to pursue working in the business as a career.

2. Learning of Positions. Family members will be informed of positions that are available in a business if they notify management. Family members will have an equal right to apply for a position.

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<sup>1</sup> By family members, we mean \_\_\_\_\_ and their descendants.

3. Compensation. Family employees will be compensated based on their job responsibilities; their skills, abilities, education, experiences and potential; how well they perform their responsibilities; and, based on their positions, other standards and qualifications as is provided nonfamily employees holding similar positions. Key management positions, held by family and nonfamily, pay higher than market rates for similar positions. Non-management family employees working full time receive a premium of 15% over nonfamily employees.

3. Expectations of Family Members.

(a) Values. We expect all family members desiring to work in our business(es) to:

- (i) Perform their responsibilities consistently.
- (ii) Work hard.
- (iii) Be honest.
- (iv) Be fair.
- (v) Show compassion.
- (vi) Be a dependable team player.
- (vii) Support others.
- (viii) Be willing to be held accountable.
- (ix) Be willing to work harder to earn the respect of nonfamily employees and to combat perceived jealousy or perhaps contempt.
- (x) Be aware they are setting an example because nonfamily employees look to family members to see if they are following the rules, performing the job, upholding the values, etc.

(b) Preparation. Family members working in management will be expected to have a secondary degree equivalent to an associate degree or higher from an institution accredited by an Agency recognized by the U.S. Dept. of Education.

(c) Accountability. A family member will not expect to be treated more or less special than other employees except as is specifically outlined in our Family Employment Policy. Family members will not be handed a position, but will be expected to earn it. Management can expect that family members will hold themselves to a higher standard than nonfamily employees.

(d) Evaluation of Development Plan. Family members are expected to do a yearly self-assessment and review of their development plan.

(e) Performance Reviews of Family Members. Family members will not talk about the job performance of another family member with others within the family except as is outlined in our Family Employment Policy.

(e) No Guarantee of Employment. Being a family member or owner of one or more of our business(es) does not guarantee the family member or owner lifetime employment.

4. Expectations of our Business(es).

(a) Values. We expect management and other employees of our business(es) to:

(i) Treat family employees fairly (for example, in terms of opportunities, compensation, and evaluations).

(ii) Provide family employees with clear and written responsibilities and expectations.

(iii) Hold family employees accountable.

(iv) Provide reasonable support and resources to help a family member succeed.

(b) Support. Family members working in the business(es) have challenges that nonfamily members do not face. Examples include nonfamily employees holding family members to a higher standard and expecting family members to make decisions that are outside of their authority because they are owners or family. Family employees may have a harder time fitting in with co-workers. To help family employees manage these challenges, management will:

(i) Provide family employees with the feedback, guidance, and coaching to help them understand the challenges of working in the business as a family member and how to effectively deal with these challenges.

(ii) Provide family employees with regular job evaluations and performance reviews.

(iii) Make resources available so every family member is able to develop and implement a personal development plan.

(iv) Develop a mentor program for family employees.

(c) Accountability. Management will hold family employees to the same standard as nonfamily employees with respect to evaluating a family member's performance.

(d) Evaluations of Family Members. Family employees will be given regular job evaluations and performance reviews by their supervisor and others who are typically involved in evaluating an employee in the position held by the family member. The president of a business will be evaluated by the board.

(i) If a family employee is disappointed with their position, supervision, compensation or treatment on the job, he or she needs to address

these items as a nonfamily employee would, going through the chain of command, consistent with our values and expectations.

(ii) If the normal channels do not adequately address the matter for the family employee, the family employee is expected to bring his or her situation to the family owners for input and guidance and management or other family employees in a supervisory role can also refer the matter to the family owners for attention.

(iii) We understand that a nonfamily manager might be concerned about evaluating a family member. We could see a nonfamily manager being worried about negative repercussions or backlash when evaluating a family member, even being fearful of losing his or her job if they are honest with their assessment and it is not well received. We want management to give honest and fair performance reviews to family employees even if the evaluation is critical or is expected to not be received well by the family member. A manager can seek assistance from other family members in management on how to proceed.

(iv) We expect that negative evaluations and performance reviews of a family member will include the following steps:

- Make sure that the responsibilities and expectations are clear and understood by the family employee
- Constructive and objective feedback is provided to the family employee about what is not working and needs improvement
- The family employee will be given a reasonable opportunity to make appropriate corrections and improvement
- If performance is not corrected or improved, the family employee can be moved to another position or terminated from employment. This decision requires the input from the family employee's immediate supervisor and the president. If the family employee is the president, this decision requires the consent of the board.
- The family member can be re-instated or re-hired upon an acceptable showing of rehabilitation or correction of the deficiency leading to the termination or job reassignment.

(v) We expect management to keep the performance reviews of all employees, and particularly family employees, confidential, even from other family owners or employees.

5. Spouses. Spouses of a family member can work in the business(es) if he or she meets the same requirements of a family member and the other guidelines in this section are satisfied. Neither a family member nor spouse will directly supervise the other. Management

will make sure there is a well thought out plan, including clear roles and responsibilities; lines of authority; and appropriate evaluations, accountability, and feedback loops.