SICK LEAVE AND SHORT-TERM DISABILITY FOR SALARIED EMPLOYEES
Effective 4/8/2019

Shiloh Industries believes in assisting our employees who are unable to perform their duties due to a short-term illness or a serious health condition. The following policy outlines our sick leave policy and short-term disability benefits for full-time salary exempt and non-exempt employees.

ELIGIBILITY

This policy applies to all full-time salaried exempt and non-exempt employees as of their date of hire.

SICK LEAVE

A short-term illness is defined as a health condition such as a cold, flu, stomach illness, migraine, etc. that results in an absence from work of 7 calendar days or less and does not meet the definition of a "disability" under this policy; and the absence will not be considered as a short-term disability leave.

Employees are required to immediately notify their manager and Human Resources when they are unable to come to work due to sickness or injury.

For purposes of recording time, short-term illness as defined above may be classified as a "sick day" and will be tracked by the manager and Human Resources. "Sick days" are approved at the discretion of the manager and Human Resources.

If a salaried non-exempt employee is unable to come to work due to a short-term illness of less than 7 calendar days, the leave time will be unpaid. Alternative paid time off can be substituted for these unpaid days (PTO, vacation, etc.). If a salaried exempt employee is unable to come to work due to a short-term illness of less than 7 calendar days, the employee will receive paid sick leave time for these days.

SHORT TERM DISABILITY

Salaried exempt and non-exempt employees are eligible for short-term disability benefits when they are off work for more than 7 calendar days due to an illness or immediately due to an injury if they meet the definition of "serious health condition".

"Serious health condition" is defined under this policy as an illness, injury, or physical or mental condition that involves:

- Inpatient care received in a hospital, hospice, or nursing home.
- A period of incapacity accompanied by outpatient treatment/care by a licensed practitioner.
- The condition must cause physical damage to or disturbance in the function or structure of the employee's body and if left untreated, result in the deterioration of the body's systems.

The employee must be under the regular care and supervision of a licensed practitioner during the course of the serious health condition. The practitioner must certify all claims and submit applicable medical documentation to the short-term disability provider for review and approval.

SCHEDULE OF SHORT-TERM DISABILITY BENEFITS

Employees are required to immediately notify their manager and Human Resources when they are unable to come to work due to sickness or injury.

After an eligible salaried exempt or non-exempt employee has met the 7 calendar day waiting period for illness or first day of injury eligibility, and has filed and been approved for short-term benefits, he or she will receive their base salary (which excludes bonuses and any other compensation in excess of base salary) for up to 12 weeks as of their date of disability if they are unable to work due to a serious health condition. After 12 weeks have expired and they are still unable to work due to a serious health condition, they will receive 50% of their base salary for an additional 12 weeks (for a maximum period of 6 months) during any one period of disability. Disability must be certified by a medical practitioner through our short-term disability vendor.

Short-term disability benefits will be paid only for the time period during which the employee is medically unable to perform their duties at work. Family Medical Leave Active (FMLA) will run concurrent with all short-term disability leaves if applicable. Should an employee desire to remain absent from work after the disability period, he/she should consult Human Resources. FMLA is unpaid leave and has additional eligibility requirements.

If the serious health condition, for which short-term disability benefits were payable, ends and reoccurs less than three (3) months after the end of its last occurrence, it will be considered a resumption of the previous occurrence and part of a single period of disability. The Company and short-term disability provider reserve the right to require an attending physician's statement to document the medical condition, the extent and term of disability, and the requirement for the employee to not work or work on a limited basis. Likewise, we have the right to have the employee examined, as often as reasonably necessary while a claim is pending and/or during the period that benefits are being paid, at the Company's expense. An employee's failure to agree to a medical examination will automatically terminate salary continuation benefits.

Notwithstanding the above, if the employee receives benefits under the Company's Workers Compensation policy for temporary disability relating to any time in which he or she also is eligible for sick leave or short-term disability benefits, the amount of sick leave or short-term disability benefits otherwise payable will be reduced by the amount of workers' compensation temporary disability benefits.

RETURN TO WORK

To return to work, the employee must have the licensed practitioner release the employee to perform their normal full-time duties of his or her job, with reasonable accommodation if necessary, by providing certification of fitness for duty. If such a certification is not provided, the employee's return will be delayed until it is provided from the practitioner.

TERMINATION OF BENEFITS

Short-term disability benefits will only be provided while the eligible employee is off work due to a serious health condition, up to the 180-day maximum benefit period, and not working outside of the company, whether it is self-employment or with another company.

The employee will be placed on a medical LOA during the 180-day benefit period with FMLA leave running concurrently, if applicable. Continued leave of absence and employment will be evaluated on the 181th day if the employee is unable to return to work at that time. Employees returning to work after their FMLA leave expires are not guaranteed a return to their former or equivalent job with equal pay and benefits.

Notwithstanding the foregoing, short-term disability benefits may be terminated earlier if the employee fails to meet the eligibility requirements, the employee enters the full-time military, naval or air service of any country, the employee's employment with the Company ends for any reason (including retirement or death), the employee fails to provide the necessary medical document to support their need to short-term disability benefits, or the short-term disability policy is terminated.

EXCLUSIONS AND LIMITATIONS:

The policy does not pay any disability benefits for a disability that results, directly or indirectly, from:

- Suicide, attempted suicide, or self-inflicted injury while sane or insane.
- War or any act of war, whether or not declared.
- Active participation in a riot.
- Commission of a felony.
- The revocation, restriction or non-renewal of your license, permit or certification necessary to perform the duties of your occupation unless due solely to sickness or injury otherwise covered by this policy.
- Any cosmetic surgery or surgical procedure that is not medically necessary. "Medically necessary" means the surgical procedure is: (a) prescribed by a physician as required treatment of the sickness or injury; and (b) appropriate according to conventional medical practice for the sickness or injury in the locality in which the surgery is performed. Disability benefits will not b e payable if the disability is caused by you donating an organ in a non-experimental organ transplant procedure.
- Any period of disability during which you are incarcerated in a penal or corrections institution.
- The employee incurred the condition during the course of any occupation or employment for compensation other than with the Company.

GENERAL INFORMATION

Shiloh Industries has full discretion to interpret this policy regarding eligibility, qualifying the disability and resolving claims issues. The company sets the benefits, rights and privileges under this sick leave and short-term disability policy. We pay benefits directly from our general assets, as needed. These are not accrued benefits and we reserve the right to eliminate or change this policy, in whole or in part, at any time, with respect to any or all eligible employees, without notice. The language used in this policy is not intended to create a contract between us and any one or all our employees. Any questions concerning this policy should be directed to the employee's supervisor or to Human Resources.