

Signetics

EMPLOYEE HANDBOOK



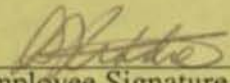
PHILIPS

HANDBOOK ACKNOWLEDGEMENT

I have received a copy of the Signetics Employee Handbook (Rev. 9/88) which outlines the benefits, policies, and employee's responsibilities at Signetics. I will read this handbook, ask for more information if I need it, and comply with the policies, requirements, and procedures it describes.

The information in this handbook is subject to change as situations warrant. I understand that changes in company policies may supersede, modify or eliminate the policies summarized in this booklet. Changes in policy may be communicated to me by my supervisor or through official notices or bulletin boards. I accept responsibility for keeping informed of these changes.

I will inform my supervisor of any changes in personal data such as phone number, address, marital status, etc. I also accept responsibility for contacting my Division H.R. Manager if there are questions or concerns that need further explanation.


Employee Signature

0261
Badge Number

1/16/89
Date

LIDDIE DONALD
Print Last Name, First Name

THANK YOU -- EMPLOYEE RELATIONS

White copy: CHRIS Center

Yellow copy: Employee

PREFACE

This handbook has been designed to provide you with information relevant to your employment with Signetics. It is in no sense a "contract"; but is rather in the nature of a set of guidelines. Signetics reserves the right to modify, suspend, or withdraw any provision of this handbook, or the entire handbook, at any time, without notice.

The existence of this handbook shall not be construed as modifying the "at-will" employment relationship you have with Signetics; you may resign at any time without expressing a reason and, likewise, Signetics may terminate your employment at any time.

Welcome to Signetics!

- Human Resource Managers
- Equal Employment Opportunity
- Employee Referrals
- Job Opportunity System
- Outside Employment
- Employment of Relatives
- Immigration
- Remaining Union Free

WELCOME TO SIGNETICS

You have been carefully chosen to be one of our employees. We want the time you spend on the job to be as interesting, productive, and pleasant as possible. This handbook has been written to provide you and your family more information about Signetics. We think that the more you understand about the company, the more fulfilling your job will be.

This booklet contains sections on general information, benefits, compensation, and company rules. Please read this information and keep it as a handy reference.

From time-to-time, new sections may be sent out to keep you informed of changes to policies, benefits, or rules. The company may change or alter programs/policies covered in these sections at any time and without prior notice.

Good luck in your work. Remember, when you succeed, so do we.

FOR YOUR CONVENIENCE . . . HUMAN RESOURCES

A Human Resource Manager is assigned to each division and operating unit. This person has a full range of skills from problem solving to providing general information about pay, benefits, and the like. If you have a question that your supervisor can't answer or you need guidance with a problem, feel free to contact this individual.

OUR COMMITMENT TO EQUAL EMPLOYMENT OPPORTUNITY

Signetics has long supported and maintained a policy of Equal Employment Opportunity (EEO). We are committed to taking the affirmative actions necessary to employ and promote qualified people from all segments of our society.

It is Signetics' policy to hire, train and promote without regard to race, color, religion, marital status, sex, national origin, age, non-disqualifying handicap, or status as a disabled or Vietnam-era veteran. Furthermore it is our policy to make reasonable accommodations for the employment of handicapped persons. Employees who have questions or concerns about the application of this policy should direct those questions to their Human Resource Manager or the Employee Relations Manager.

Furthermore, we want to maintain a work place that is productive and free of harassment of any kind. Employees who believe they have suffered or witnessed sexual, racial harassment or other violations of Equal Employment Opportunity are requested to discuss this matter with their Human Resource Manager or the Employee Relations Manager.

Just fill out a form--available near bulletin boards or from lobby receptionists or Human Resources--and send it to the Employment Department or to your Human Resource Manager.

Your Supervisor, the Employment Department, or your Human Resource Manager can answer your questions about this program.

OUR POLICY ON OUTSIDE EMPLOYMENT

If you accept outside employment you must be aware that as a full-time employee of Signetics you will be expected to competently meet all requirements of your Signetics job.

If you have other employment or are thinking of beginning another job, in addition to your position at Signetics, you must discuss this with your supervisor to ensure you avoid the following:

- 1. Working for a subcontractor, customer, or vendor that could place you in a position of conflict of interest.**
- 2. Working for a competitor if you have access to proprietary or confidential information.**

EMPLOYMENT OF RELATIVES

Signetics accepts and reviews applications from relatives of employees. However, the company realizes that uncomfortable situations may sometimes arise between relatives that affect both employees and the company. Our policy is that an applicant may not be hired if he or she would report directly or indirectly to a relative or to the same supervisor as a relative. Also a person may not be hired if he or she would work in a relative's chain of command and employment of relatives may be prohibited when one or both individuals has or would have access to confidential or proprietary information. (A "relative" is anyone related to an employee by adoption, blood, or marriage.) If other issues arise related to employment of relatives, they will be decided on a case-by-case basis.

IMMIGRATION ASSISTANCE

Signetics complies with laws and regulations regarding the employment of aliens. These laws and regulations require nonresident aliens to obtain the appropriate US visa status prior to being employed at Signetics. Contact your Human Resource Manager or Signetics' Immigration Services Administrator if you have questions about visa status.

REMAINING UNION FREE

During our history, Signetics has operated without a union. We want to maintain this union-free status. Over the years, management has established an environment where third-party assistance is not needed. Signetics has a friendly, helpful atmosphere where employees and supervisors at all levels solve problems, discuss issues, and establish and achieve mutual goals and objectives. This interaction is healthy and very important. Ample evidence exists showing that unions impede these activities.

Signetics is anxious to maintain technological leadership in an industry experiencing daily and weekly technical advances. To do this, flexibility, creativity, and freedom to make quick, innovative decisions is crucial. We do not believe that a union can help us achieve these objectives. We will strive to maintain a people-oriented environment where employees do not feel the need for or value of third-party interference.

Rules and Responsibilities

- Talking Things Over
 - Complaint Resolution Procedure
- Proprietary Agreements
- No-Smoking/Smoking Guidelines
- Attendance and Punctuality
- Corrective Action
- Business Fluctuations
- Leaving The Company

RULES AND RESPONSIBILITIES

This section describes some of your responsibilities as an employee at Signetics and informs you of some general rules and corrective action procedures. Please read this section carefully and clarify any questions you might have with either your supervisor or your Human Resource Manager.

TALKING THINGS OVER IS OUR POLICY

Signetics has an open door policy and encourages employees to talk things over with their management or Human Resources representative. Additionally, it is the policy of Signetics to provide prompt resolution of concerns, problems or complaints which may arise during the course of employment. To assist in the resolution of such matters, employees may choose to use either the Informal or (if applicable) Formal Complaint Resolution Procedure.

Informal Complaint Procedure

Employees should initially discuss the concern, problem or complaint with their immediate supervisor. Supervisors will make every effort to resolve the issue at this level. If an issue is unresolved, employees may request to meet with the next level manager or with Human Resources. This process may continue up to and including the respective Unit Manager or Plant Manager.

Formal Complaint Resolution

The Formal Complaint Procedure may only be used when the employee believes that an express policy of Signetics has been violated to his or her disadvantage. Complaints relating to management's right to establish or change business and personnel policies, practices, rules or regulations are not subject to the Formal Complaint Procedure.

The Formal Complaint Procedure allows for three separate reviews. After each review a determination will be issued to all parties involved. The employee may file an appeal to the determination after both the first and second review. This appeal will move the complaint to the next level of review. The third review is final and binding on all parties. The following indicates the designated respondent at each review level of the Formal Complaint Procedure.

1st Level Review

Employee Relations Manager for Sunnyvale employees.

- OR -

Plant Human Resource Manager for Albq, Orem, & Sacto employees.

2nd Level Review

Unit Manager for Sunnyvale employees.

- OR -

Plant Manager for Albq, Orem, & Sacto employees.

3rd Level Review

Staff Vice President or Group Human Resource Manager

To Initiate a Formal Complaint

Employees must submit the complaint in writing to their Human Resource Manager within 30 days of the event upon which the complaint is based.

In addition to the employee's name, division, supervisor's name, date and description of the circumstances, the complaint must include a statement of the proposed remedy or correction desired.

EMPLOYEE PROPRIETARY AGREEMENTS

When you joined the company, you were required to sign an agreement concerning inventions, trade secrets, conflict of interest and confidential information and an agreement regarding data and software security. By signing these documents you agree not to discuss, either inside or outside of the company, or use any confidential information or data, except as required in the normal course of business. These agreements remain in effect even after you leave the company.

If you have questions about these documents, discuss them with your supervisor or Human Resource Manager.

NO-SMOKING/SMOKING GUIDELINES

It is Signetics' policy to accommodate employees who request a smoke-free immediate work area. An immediate work area means either an enclosed office or the area immediately around the desk, chair, work table, file or other equipment used primarily by the employee.

Employees may post a "No Smoking" sign in their immediate work area. Signs are available from Human Resources.

Smoking is prohibited for all employees in auditoriums, classrooms, conference rooms, all lobbies, non-smoking section of cafeterias, elevators, hallways, health services, restrooms, and stairwells.

Employees who believe that this does not provide them an adequately smoke-free environment in the immediate work area must attempt to resolve the matter with their supervisors.

Employees may obtain copies of this policy from their Human Resource Manager.

ATTENDANCE AND PUNCTUALITY

Each area's smooth and efficient operation depends on employees being on the job every day, ready to work on time. Employees are expected to maintain the attendance standards established by their department.

Telephone your supervisor by the start of the shift any time you are going to be absent or late. Failure to report your absences or absenteeism and tardiness may lead to corrective action up to and including termination.

CORRECTIVE ACTION

Signetics has a flexible set of steps that may be used for correcting problems involving performance and some acts of misconduct. This Corrective Action Procedure usually consists of a verbal warning and a written warning. For some problems, a probationary period may also be used. If the problem recurs or other problems develop, a step may be eliminated or termination may be initiated. Signetics reserves the right to vary from this system whenever the situation warrants such action. Any violation may result in immediate termination. A list of violations which ordinarily result in immediate termination is also included in this section.

Take time to learn these rules. If you need advice or disagree with the corrective action taken, contact your supervisor, or your Human Resource Manager. You may also use the Complaint Resolution Procedure if you think an action is unfair. Your Supervisor or Human Resource Manager can provide you with a copy of the Complaint Resolution Procedure.

Corrective action may be used for, but is not limited to, the following problems or violations:

Performance Deficiencies

- * Making repeated errors or failing to complete assigned work.
- * Failing to do work of acceptable quality and/or quantity.
- * Receiving an overall "Ineffective Performance" rating on a Performance or RMO Review.
- * Acting in a manner that interferes with or disrupts the morale, teamwork or the work environment. This includes co-employee harassment of any sort.

Absenteeism/Tardiness that exceeds departmental standards, such as:

- * Failing to notify the supervisor of an absence or late arrival.
- * Leaving the work site without prior notification of or approval from the supervisor.
- * Failing to return from breaks, lunch, errands, etc. in a timely manner.
- * Sleeping or loafing on the job.

Violating Safety or Security Rules that do not ordinarily carry the risk of property loss, damage or bodily harm, such as:

- * Entering restricted areas or other work areas without the supervisor's permission.
- * Failing to display the company badge or present proper identification upon request of any security or management representative.
- * Enabling or allowing another person to enter company premises for purposes that are not business related.

Solicitation - Distribution

- * Soliciting another employee for any reason while either employee is on work time. Work time does not include an employee's own time, such as meal periods scheduled breaks, time before or after shifts, and personal clean-up time.
- * Distributing or posting non-company literature or other written materials in work areas at any time.
- * Posting non-company information on bulletin boards or other company property.

Smoking in designated no-smoking areas.

**THE FOLLOWING IS A LIST OF VIOLATIONS WHICH ORDINARILY
RESULT IN IMMEDIATE TERMINATION.**

Theft of or causing damage to, company or another person's property, including equipment, work in progress, finished goods, buildings and fixtures, or automobiles.

A dereliction of duty that leads to a substantial monetary loss to the company.

Violating safety and security rules that ordinarily carry a risk of property loss, damage, or bodily harm, such as:

- * Engaging in horseplay or mischievous activity.
- * Bringing lighted materials into or smoking in restricted areas.
- * Bringing cameras onto company premises without the Security Manager's written permission.
- * Refusing to allow a Security representative to search your belongings, including your vehicle, or your person, or company premises.
- * Possessing, selling, using or being under the influence of alcoholic beverages or drugs while on company property.
- * Removing company products, property, or materials from their designated locations without appropriate documentation from the responsible supervisor.
- * Failing to follow departmental or company safety practices.
- * Bringing weapons, such as firearms, knives, or explosives, onto company property.

Insubordination:

- * Failing to comply with work requests.
- * Undermining the authority of the supervisor or his or her designee.

Discriminating against any person on the basis of any factor protected by law. This also prohibits sexual and racial harassment in any form, including verbal, physical, or visual harassment.

Fighting, using threatening gestures or language, or disrupting the work environment.

Misusing or failing to carry out supervisory responsibility.

Committing or being charged with acts that are fraudulent, dishonest, illegal, or otherwise socially unacceptable.

Violating employee proprietary agreements.

Failing to reimburse overpayments, clear expense reports, or repay debts owed to the company or the Employee Services Center.

Falsifying company records such as time cards, expense reports, work reports, etc.

Making an entry on another employee's time card or work papers without having official authorization.

Being on probation more than twice, for any reason, within a 12 month period.

Being absent for three consecutive work days, or two consecutive work days if nonstandard work week, without informing the supervisor (no-call, no-show).

Conducting personal business on company property, such as using company facilities, supplies, telephones, or equipment.

BUSINESS FLUCTUATIONS

Signetics was established in 1961 and since that time has grown into a major manufacturer of integrated circuits. Our work force has been subject to the fluctuations brought about by the ebb and flow of a dynamic industry. When layoffs (reduction-in-force) are necessary we make an effort to retain the most talented and capable employees. While length of service may influence the order in which individuals are considered for reduction in force, a combination of factors will govern the selection process. These factors include, but are not limited to; past performance and productivity, qualifications, attendance and/or punctuality, and current and prior corrective action status.

Employees who are rehired within one year after being reduced-in-force are eligible for reinstatement privileges. Such rehires may enroll in any existing or new benefit programs for which they are otherwise eligible. Their original or adjusted hire date will also be reinstated and used to determine service-related benefits, such as vacation and service awards.

WHEN YOU LEAVE THE COMPANY

The employment relationship is a mutual one that may be severed at any time by either party. Nothing in this handbook or Signetics Policies and Procedures in any way diminishes or limits the parties' right to terminate the employment relationship.

If you decide to resign, we ask that you give one pay period of notice. You must return your badge and all property belonging to Signetics. Final checks are distributed from the CHRIS Center area, unless special instructions are given.

BENEFITS

Due to the merging of our Benefits Program with the North American Philips Benefits Program, this section has been omitted.

The revised Benefits Program information will be sent to you in February, 1989.

Contact Benefits.

Our Compensation Policy

- Performance Reviews
- Merit Increases
- Automatic Deposit
- Payroll Deductions
- Work Schedules
- Shift Differentials
- Extended Work Week
- Additional Compensation

OUR COMPENSATION POLICY

It is the policy of Signetics to compensate all employees based on performance and the value their contribution has within our industry.

PERFORMANCE REVIEWS

Signetics uses a formal review system to evaluate your performance and growth annually. In addition, periodic reviews will be conducted with your supervisor to discuss your performance to job objectives. Your supervisor can tell you more about our performance review system.

MERIT INCREASES

Merit increases are based on employee and company performance, as well as the company's goal to pay competitive salaries and the companies performance. Merit increases are delivered through a process called Focal. In the Focal process, all employees are considered for merit increases at the same time.

AUTOMATIC DEPOSIT - "Sure Pay"

Signetics offers a convenient "Sure Pay" service that automatically deposits your pay into your Signetics' Credit Union account or into a bank of your choice. You may arrange for this service through the Payroll Department.

PAYROLL DEDUCTIONS

Federal and state laws require the following deductions from your pay:

- . Federal income tax withholding,
- . Social Security (FICA),
- . State income tax withholding,
- . Disability insurance premiums,
- . Garnishments as required by law.

Also you may authorize additional deductions for taxes, insurance, savings bonds, United Way contributions and credit union account.

WORK SCHEDULES

Work schedules vary within Signetics but most employees work eight hours per day, Monday through Friday, for a forty hour week. Office and administrative personnel usually work from 8:00 AM to 5:00 PM. Work hours for employees in manufacturing areas vary depending upon production requirements, however, the most common work hours are:

1st Shift (days) 7:00 am - 3:30 pm
2nd Shift (swing) 3:30 pm - Midnight
3rd Shift (grave) Midnight - 7:00 am

SHIFT DIFFERENTIALS

You are eligible for a shift differential if you are regularly scheduled to work at least 6.5 hours or more per day on a second or third shift. The differential, which varies by shift, is applied to your base pay. If you are working a standard shift the differentials are as follows:

2nd shift (swing) = 10%
3rd shift (grave) = 12%

If you work a nonstandard shift, your supervisor will tell you if a shift differential applies to your shift.

EXTENDED WORK WEEK

Employees in Salary Grades 44 through 47, with prior approval, may be paid additional compensation if they are required to work on a day(s) that is in addition to the regular schedule. This additional time is considered extended work and will be paid at the equivalent straight time rate.

ADDITIONAL COMPENSATION

Signetics offers an annual incentive program to selected employees to reward their outstanding contributions. Your supervisor can tell you if you are eligible to participate in the Key Employee Compensation Program.

Signetics

a division of North American Philips Corporation

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