



# Employee Handbook

2019

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## Employee Welcome Letter

On behalf of your colleagues, I welcome you and wish you every success here. We believe that each employee contributes directly to our growth and success, and we hope you will take pride in being a member of our team.

This handbook outlines the policies, programs, and benefits available to eligible employees. It was also developed to describe some of the expectations we have of our employees. The employee handbook will answer many questions about employment with our company, so I suggest that you familiarize yourself with the contents of the employee handbook as soon as possible.

We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

Sincerely,

Scott Samway  
CFO

Nebraskaland Tire, Inc.  
Kansasland Tire Co., Inc. of Hays, Kansas  
Coloradoland Tire  
Guyman Tire and Auto Service  
PanHandle Tire and Service

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## **Fundamental Principles**

We believe our customers, employees, suppliers, and communities are entitled to share in the economic good created by our concerted effort in marketing products and services of recognized value. To this end:

FOR OUR CUSTOMERS, WE WILL STRIVE TO:

- Distribute products and services of high quality and true value;
- Work consistently and diligently to increase our knowledge of our customers and their requirements;
- Give the best possible service to our customers in prompt response to their needs;
- Price our goods to provide a reasonable profit; and
- Conduct business with our customers consistently, with honesty and integrity and without discrimination.

FOR OUR EMPLOYEES, WE WILL STRIVE TO:

- Recognize the intrinsic value of each employee as an individual;
- Provide working conditions and an environment that will maintain the safety and dignity of the individual;
- Treat our employees and applicants for employment without discrimination as to race, color, religion, gender, national origin, age, veteran status, or handicap/disability;
- Provide training opportunities that permit employees to develop their abilities to perform their jobs in an efficient and more meaningful manner;
- Provide each employee with the opportunity for career growth and advancement within the organization based upon individual ability and performance;
- Recognize the value of employees who thoroughly understand their job responsibilities, so that individual initiative and thought will be encouraged in the accomplishment of their tasks; and
- Provide opportunities commensurate with the company's goals and standards.

FOR OUR COMMUNITIES, WE WILL STRIVE TO:

- Promote the general community welfare by contributions of money and manpower;
- Encourage our employees to assume their civic responsibilities; and
- Be a good neighbor by being mindful of the company's ecological responsibilities.

## **EMPLOYMENT**

### **101 Nature of Employment**

This handbook is intended to provide you with a general understanding of the personnel policies of Nebraskaland Tire, Inc., Kansasland Tire Co., Inc. of Hays, Kansas and Coloradoland Tire, Guymon Tire and Auto Service and PanHandle Tire and Service (collectively referred to hereinafter as “the company” for purposes of this handbook) to answer many common questions. You are encouraged to review all the policies in the handbook and become familiar with them.

However, this handbook cannot anticipate every situation or answer every question about employment. This handbook is also not an employment contract and is not intended to create contractual obligations of any kind. Since employment at our company is based on mutual consent and is at will, either you or the company have the right to end the employment relationship at any time, with or without cause or advance notice.

In order to retain necessary flexibility in the administration of policies and procedures, we reserve the right to change, revise, or eliminate any of the policies and/or benefits described in this handbook, except for the policy of employment-at-will. The only recognized deviations from the policies in this handbook must be authorized and signed by the CFO.

### **102 Employee Relations**

We believe that the work conditions, wages, and benefits we offer to employees are competitive with those offered by other employers in this area and in this industry. If you have concerns about work conditions or compensation, you are strongly encouraged to voice these concerns openly and directly to your immediate supervisor.

Our experience has shown that when employees deal openly and directly with management, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that our company amply demonstrates its commitment to employees by responding effectively to employee concerns.

### **103 Equal Employment Opportunity**

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at our company will be based on merit, qualifications, and abilities. The company does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.

We will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy covers all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

If you have a question or concern about any type of discrimination in the workplace, you are encouraged to bring the issue to the attention of your supervisor, the CFO or Human Resources. At our company be assured that you can raise concerns and make reports without fear of reprisal. Further, anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

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## **104 Business Ethics and Conduct**

The successful business operations and reputation of our company are built upon the principles of fair dealing and ethical conduct. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

Our continued success is dependent upon our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to our company and their customers to act in ways that will merit the continued trust and confidence of the public. As an organization, we will comply with all applicable laws and regulations and we expect our directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, you should find that using good judgment, based on high ethical principles, will guide you to act appropriately. If you are unsure about the proper course of action, you should discuss the matter openly with your supervisor. If necessary, you may also contact the CFO for advice and consultation.

It is the responsibility of every employee to comply with our policy of business ethics and conduct. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including termination of employment.

## **105 Hiring of Relatives**

Although we do not have a policy prohibiting the employment of relatives of current employees and individuals involved in a dating relationship, we are committed to monitoring these situations if a relationship exists in the same area. In case of actual or potential problems, we will take prompt action. This may include reassignment or, if necessary, termination of employment for one or both of the individuals involved.

For purposes of this policy, a relative is defined as any person who is related to you by blood or marriage, or whose relationship with you is similar to that of a relative. This policy applies to all employees regardless of their gender or sexual orientation.

Employees who are relatives or who are in a close personal relationship should refrain from public workplace displays of affection and excessive personal conversations.

## **106 Employee Medical Examinations**

To help us make sure that you are able to perform your duties, the company may require medical examinations of some employees, dependent on position requirements.

After we make an offer to an applicant entering a designated job, a health professional of our choice will perform a medical examination at our expense. The offer of employment and assignment to duties are contingent upon satisfactorily completing the exam.

Current employees may be required to take medical examinations to determine their fitness for work. If an exam is needed, it will be scheduled at a reasonable time and interval and at our expense.

We consider information about medical conditions or history to be highly confidential and keep it separate from other personnel information. Access to this information is limited only to persons who have a legitimate need to

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know.

## **107 Immigration Law Compliance**

The company is committed to employing only those who are legally authorized to work in the United States. We also do not unlawfully discriminate on the basis of citizenship or national origin.

In order for us to comply with the Immigration Reform and Control Act of 1986, all new employees, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and provide documentation that establishes their identity and eligibility for employment. You must prove employment eligibility within three (3) days of your hire date in order to maintain your employment status. Former employees who are subsequently rehired must also complete an I-9 and provide appropriate documentation if 1) they have not completed an I-9 with the company within the past six months, or 2) their previous I-9 is no longer valid or was not retained.

If you have questions or want more information on immigration law issues, you are encouraged to contact Human Resources. At our company you can raise questions or complaints about immigration law compliance without fear of reprisal.

## **108 Conflicts of Interest**

The company has guidelines to avoid real or potential conflicts of interest. It is your duty as an employee of the company to adhere to the following guidelines about conflicts of interest. If this is not clear to you or if you have questions about conflicts of interest, contact Human Resources.

Whenever you conduct business with another company, you must work within the guidelines set up and controlled by the executive management of the company. Business dealings with other companies should not result in unusual gains for those companies. "Unusual gains" means bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls that will benefit the other company or an employee at that company. The company's executive management must first approve any company promotional plan that could be interpreted to result in unusual gains for another company. In addition, the company requires employees to obtain executive approval before offering unusually liberal incentives to potential customers in order to gain business.

What is a conflict of interest? An actual or potential conflict of interest is when you are in a position to influence a decision or have business dealings on behalf of the company that might result in a personal gain for you or for one of your relatives. For conflicts of interest, a relative is any person who is related to you by blood or marriage, or whose relationship with you is similar to being a relative even though they are not related by blood or marriage.

We do not automatically assume that there is a conflict of interest if you have a relationship with another company. However, if you have any influence on transactions involving purchases, contracts, or leases, you must tell an officer of the company as soon as possible. By telling us that there is the possibility of an actual or potential conflict of interest, we can set up safeguards to protect everyone involved.

The possibility for personal gain is not limited to situations where you or your relative has a significant ownership in a firm with which the company does business. Personal gains can also result from situations where you or your relative receives a kickback, bribe, substantial gift, or special consideration as a result of a transaction or business dealing involving our company.



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## **110 Outside Employment**

You may hold an outside job as long as you can satisfactorily perform your job and the job does not interfere with our scheduling demands.

We hold all employees to the same performance standards and scheduling expectations regardless if they have other jobs. In order to remain employed at our company, we will ask you to terminate an outside job if we determine that it is impacting your performance or your ability to meet our requirements, which may change over time.

You may not have an outside job that is a conflict of interest with our company. Also, you may not get paid or get anything in return from a person outside our company in exchange for something you produce or a service you provide as part of your job here.

## **112 Non-Disclosure**

It is vital to the interests and success of the company that employees protect confidential business information and trade secrets. Confidential information includes, but is not limited to, the following examples: compensation data, computer processes, computer programs and codes, customer lists, customer preferences, financial information, labor relations strategies, marketing strategies, pending projects and proposals, proprietary production processes, research and development strategies, scientific data, scientific formulae, scientific prototypes, technological data, and technological prototypes.

If you are exposed to confidential information, we may request that you sign a non-disclosure agreement as a condition of your employment. Because we consider security breaches very serious, if you improperly use or disclose trade secrets or confidential business information, you will be subject to disciplinary action, up to and including termination of employment and legal action, even if you do not actually benefit from the disclosed information.

## **114 Disability Accommodation**

The company is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities.

All employment practices and activities are conducted on a non-discriminatory basis. Our hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position.

Reasonable accommodation is available to an employee with a disability if the disability affects the performance of job functions. We make all employment decisions based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as job assignments, classifications, organizational structures, position descriptions, lines of progression, and seniority lists.

The company is also committed to not discriminating against any qualified employee or applicant because the person is related to or associated with a person with a disability. The company will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

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This policy is neither exhaustive nor exclusive. The company is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

## **EMPLOYMENT STATUS & RECORDS**

### **201 Employment Categories**

Understanding the definitions of the employment classifications at our company is important because your classification is one of the factors that determine your employment status and benefit eligibility.

Depending on your position, you are designated as either NONEXEMPT or EXEMPT from federal and state wage and hour laws. NONEXEMPT employees are entitled to overtime pay under the specific provisions of federal and state laws. EXEMPT employees are excluded from specific provisions of federal and state wage and hour laws. Your EXEMPT or NONEXEMPT classification may be changed only with written notification by management.

In addition to the EXEMPT and NONEXEMPT categories, you also belong to one of the following employment categories:

**REGULAR FULL-TIME** employees are employees who are not in an introductory status and who are regularly scheduled to work 30 hours or more per week. Generally, regular full-time employees are eligible for all benefit programs, subject to the terms, conditions, and limitations of each company benefit program.

**PART-TIME** employees are employees who are not in an introductory status and who are regularly scheduled to work less than 30 hours per week. While part-time employees receive all legally mandated benefits, they are ineligible for the other company benefit programs.

**INTRODUCTORY** employees are employees whose performance is being evaluated to determine whether further employment in a specific position or with the company is appropriate. Employees who satisfactorily complete the introductory period will be notified of their new employment classification.

**SEASONAL** employees are employees who are hired into a position for which the customary annual employment is six (6) months or less or hired as interim replacements, to seasonally supplement the work force or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond the initially stated period does not in any way imply a change in employment status. Seasonal employees retain that status unless and until they are notified of a change. While seasonal employees receive all legally mandated benefits, they are ineligible for all other company benefit programs.

### **202 Access to Personnel Files**

At our company, we maintain a personnel file on each employee. Personnel files are the property of the company. Because this information is highly confidential and we respect your privacy, only persons with a legitimate business reason will be allowed access to personnel files. If you wish to see your personnel file, contact Human Resources. Requests to review personnel files will be handled per applicable state law.

### **204 Personnel Data Changes**

To help us keep records and benefit program information accurate, employees are responsible for notifying the company of any changes to their personal information. The information we need includes your mailing address, telephone numbers, your marital status, changes to your dependents' information, who to contact in case of an emergency, educational accomplishments, and other possibly relevant information.

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Many of these changes can be made electronically on the Employee Portal website at <https://employee.syndeohro.com>. Alternatively, you may contact your supervisor or Human Resources to complete a paper form.

## **205 Introductory Period**

We want you to be successful at your job. We have found that having an introductory period can be very helpful to new employees. The introductory period provides you with the opportunity to demonstrate that you can perform your job at a satisfactory level of performance and to determine if the new job meets your expectations. We use this period to evaluate your capabilities, work habits, and overall performance.

The introductory period for all new and rehired employees is the first 90 calendar days after the date of hire. If there is a significant period of absence during the introductory period, the period will automatically be extended by the length of the absence. Either during the introductory period or at the end of the period, we may extend the introductory period if we determine there was not adequate time to evaluate performance.

When the introductory period is satisfactorily completed, employees enter the "regular" employment classification.

## **209 Performance Evaluation**

We encourage you and your supervisor to discuss job performance and goals on an informal, day-to-day basis. In addition, you and your supervisor will have annual performance evaluations to discuss your work and goals, to identify and correct weaknesses, and to encourage and recognize your strengths.

## **210 Job Descriptions**

The company makes every effort to create and maintain accurate job descriptions for all positions within the organization. Each description includes sections for job information; a job summary (giving a general overview of the job's purpose); essential duties and responsibilities; supervisory responsibilities; qualifications (including education and/or experience, language skills, mathematical skills, reasoning ability, and any certification required); physical demands; and work environment.

We use the job descriptions to help new employees understand their job duties and to set standards for employee performance evaluations. Job descriptions are also used to identify the requirements of each position, establish hiring criteria, and establish a basis for making reasonable accommodations for individuals with disabilities.

Human Resources will prepare job descriptions when new positions are created. Existing job descriptions are also reviewed and revised in order to ensure that they are up to date. Job descriptions may also be rewritten periodically to reflect any changes in the position's duties and responsibilities. You can also be helpful by making sure that your job description accurately reflects the work you do.

We would like you to remember that job descriptions do not necessarily cover every task or duty that you might be assigned, and that additional responsibilities may be assigned as necessary. You can contact Human Resources if you have any questions or concerns about your job description.

## EMPLOYMENT BENEFIT PROGRAMS

### 301 Employee Benefits

The company provides a wide range of benefit programs to eligible employees. Certain legally required programs cover all employees in the manner required by the laws.

Your eligibility for each benefit program depends on a variety of factors, including your employee classification and number of hours worked. To better understand exactly which benefit programs you are eligible for, talk to your supervisor. You will find details about many of these programs in the benefit handbook. In some cases, a policy may also refer you to other sources, such as the Summary Plan Document for that benefit.

### 303 Paid Time Off (PTO) Benefits

The company offers paid time off (PTO) to regular full-time employees immediately upon hire for rest, relaxation, and personal pursuits. PTO hours accrue per pay period and the amount of PTO you receive increases with the length of your employment as shown in the following schedule:

<b>Years of Employment</b>	<b>Hours Accrued Per Pay Period</b>	<b>Annual PTO</b>
Immediately upon hire	1.85	48 Hours
Years 2 – 5	3.38	88 Hours
Years 6 or more	4.92	128 Hours

The length of eligible service is calculated on the basis of an "anniversary year." An "anniversary year" is defined as the 12-month period that begins when you start earning PTO time. (Military leave has no effect on the anniversary year calculation.) See the leave of absence policies in this handbook for more information. Once you enter an eligible employment classification, you begin to earn PTO according to the schedule in this policy.

You may use PTO in minimum increments of one hour. To schedule PTO, you should first request advance approval from your supervisor. Each request will be reviewed based on a number of factors, including our business needs and staffing requirements. No more than one week of PTO can be used at one time without prior approval from your supervisor.

PTO is paid at your base pay rate at the time you take the time off. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials. In the event that you do not use your available PTO by the end of the anniversary year, you may roll over a maximum of 120 hours of PTO. Any unused time greater than 120 hours will be forfeited.

Financial compensation is provided in lieu of time-off only for credited hours up to 40 hours (for those employees with a minimum of 80 hours earned) and is paid at the rate of pay in effect at the time payment is requested.

If your employment terminates, you will be paid for any unused PTO that has been earned through your last day of work.

### 305 Holidays

The company gives holiday time off to all employees on the following holidays:

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- New Year's Day (January 1)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Thanksgiving (fourth Thursday in November)
- Christmas (December 25)

The company provides holiday time off with pay to regular full-time employees after completion of their 90-day introductory period. If you are eligible for paid holidays, your holiday pay will be calculated on your straight-time pay rate as of that holiday multiplied by the number of hours you would normally have worked on that day. To be eligible for paid holidays, employees must work their regularly scheduled days immediately preceding and immediately following the holiday.

If an employee is on a paid leave of absence due to PTO when a holiday occurs, the employee will receive holiday pay.

If eligible nonexempt employees work on a recognized holiday, the employees will receive holiday pay plus wages at their straight-time rate for the hours worked on the holiday. Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

## **306 Workers' Compensation Insurance**

The company provides a comprehensive workers' compensation insurance program to our employees. The workers' compensation program covers injuries or illnesses sustained in the course of employment that require medical, surgical, or hospital treatment. Subject to the applicable legal requirements, this program provides benefits after a short waiting period or, in the event of hospitalization, immediately.

It is critical that you inform your supervisor immediately about any work-related injury or illness, regardless of how minor it might appear at the time. Immediate reporting ensures that, if eligible, you will qualify for workers' compensation benefits as quickly as possible and also lets us investigate the matter promptly.

## **308 Time Off to Vote**

We encourage you to fulfill your civic responsibilities and vote in elections. If it is impossible for you to vote before work or after work, we will give you up to two hours' time off to vote during working hours. Requests for time off to vote will be handled in accordance with state law.

If you need time off to vote, see your supervisor for the time off at least two days before the Election Day.

## **311 Jury Duty**

We encourage you to fulfill your civic responsibilities by serving jury duty when required.

You may request jury duty leave for the length of absence. Time off for jury leave will be handled in accordance with state law.

If you receive a jury duty summons, show it to your supervisor as soon as possible so that arrangements can be made to accommodate your possible absence from work. You are expected to report for work whenever the court schedule permits.

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Either you or the company may request you be excused from jury duty if necessary. We may request that you be relieved from serving on jury duty if we believe that your absence would cause serious operational difficulties for the company.

Subject to terms, conditions, and limitations of the applicable plans, the company will continue to provide health insurance benefits for the full period of unpaid jury duty leave. PTO and holiday benefits will continue to accrue during unpaid jury duty leave.

## **313 Compliance Notices**

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under our health plan when a "qualifying event" occurs that would normally result in the loss of eligibility. "Qualifying events" include resignation, termination of employment, or death of an employee; a reduction in an employee's hours; employee's leave of absence; employee's divorce or legal separation; and when a dependent child no longer meets the eligibility requirements as a dependent.

Under COBRA, the employee or beneficiary pays the full cost of coverage at the company, group rates plus an administration fee. When you become eligible for health insurance, we will also give you a written notice describing the rights granted under COBRA. Because the COBRA notice contains important information about your rights and your obligations, please read it carefully.

### **COBRA Notification**

On April 7, 1986, a Federal law was enacted (Public Law 99-272, Title X) requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law. (Both you and your spouse should take the time to read this notice carefully.)

You have a right to choose this continuation coverage if you lose your coverage under the Plan because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part).

If you are the spouse of an employee with coverage under the Plan, you have the right to choose continuation coverage for yourself if you lose group health coverage for any the following five reasons:

1. The death of your spouse
2. A termination of your spouse's employment (for reasons other than gross misconduct) or reduction in your spouse's hours of employment
3. Divorce or legal separation from your spouse
4. Your spouse becomes entitled to Medicare
5. Reduction in the hours worked by your spouse

In the case of a dependent child of an employee with coverage under the Plan, he or she has the right to continuation coverage if group health coverage is lost for any of the following five reasons:

1. The death of the employee
2. A termination of the child's parent's (employee's) employment (for reasons other than gross misconduct) or reduction in the child's parent's (employee's) hours of employment
3. The employee's divorce or legal separation

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4. The employee becomes entitled to Medicare
5. The dependent ceases to be a “dependent child” under the group health coverage

Under the law, the employee or a family member has the responsibility to inform the employer of a divorce, legal separation, or a child losing dependent status under the group health coverage within 60 days of the date of the event. The employer has the responsibility to inform the Plan Administrator of the employee’s death, termination of employment or reduction in hours, or Medicare entitlement.

When the employer is notified that one of these events has happened, they will in turn notify you by mail at your “last known address” that you have the right to choose continuation coverage. Under the law, you have 60 days from the later of the date you would lose coverage or the date you receive the election form to inform the Plan Administrator that you want continuation coverage.

If you choose continuation coverage, it is identical to the coverage provided under the plan to similarly situated employees or family members. The law requires that you be afforded the opportunity to maintain employment or reductions in hours. In that case, the required continuation coverage is 18 months.

The 18 months may be extended for affected individuals to 36 months from termination of employment if other events (such as a death, divorce, legal separation or Medicare entitlement) occur during that 18-month period.

In no event will continuation coverage last beyond 36 months from the date of the event that originally made a qualified beneficiary eligible to elect coverage. The 18 months may be extended to 29 months if a qualified beneficiary is determined by the Social Security Administration to be disabled (for Social Security disability purposes) at any time during the first 60 days of COBRA coverage.

This 11-month extension is available to all individuals who are qualified beneficiaries due to a termination or reduction in hours of employment. To benefit from this extension, a qualified beneficiary must notify the Plan Administrator of that determination within 60 days and before the end of the original 18-month period. The affected individual must also notify the Plan Administrator within 30 days of any final determination that the individual is no longer disabled.

A child who is born to or placed for adoption with the covered employee during a period of COBRA coverage will be eligible to become a qualified beneficiary. In accordance with the terms of the employer’s Plan and the requirements of federal law, these qualified beneficiaries can be added to COBRA coverage upon proper notification to the Employer of the birth or adoption.

However, the law also provides that continuation coverage may be cut short for any of the following reasons:

- Your employer no longer provides group health coverage to any of its employees
- The premium for continuation coverage is not paid on time
- The qualified beneficiary becomes covered under another group health plan
- The qualified beneficiary becomes entitled to Medicare
- The qualified beneficiary extends coverage for up to 29 months due to disability and the coverage is terminated for cause.

You do not have to show that you are insurable to choose continuation coverage. However, continuation coverage under COBRA is provided subject to your eligibility for coverage. The Plan Administrator reserves the right to terminate your COBRA coverage retroactively if you are determined to be ineligible. Under the law, you have to pay the entire premium for your continuation coverage. At the end of the continuation coverage period, qualified beneficiaries will be allowed to enroll in an individual conversion health plan (if one is provided) under the group



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health plan.

If you have any questions about COBRA, please contact your plan administrator. If you change marital status, or you or your spouse change address, please notify your employer.

## **HIPAA Notice**

This notice is to advise you of your rights under the Health Insurance Portability and Accountability Act, in regards to Special Enrollment Rules. This provision allows for a special enrollment period for individuals who do not enroll in the medical and/or dental plans at the first opportunity and subsequently lose other sources of coverage.

## **Open Enrollments and Qualifying Events**

If you elect not to enroll for yourself and your eligible dependents at your first opportunity to enroll, you will only be allowed to enroll during the open enrollment period or due to a qualifying event. If you have one of the following qualifying events occur, you will have the opportunity to enroll during a special enrollment period. They are as follows:

- Loss of coverage due to COBRA being exhausted
- Losing eligibility due to legal separation or divorce, death of a spouse
- Termination of spouse's employment
- Reduction in spouse's work hours
- Termination of spouse's employer contributions towards coverage
- Date of marriage, birth of a child, adoption or placement for adoption

You must notify Human Resources within 31 days of a qualifying event to enroll after your initial eligibility date.

## **Newborn's and Mother's Health Protection Act Of 1996 (NMHPA)**

Group health plans and health insurance issuers may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following vaginal delivery, or less than 96 hours for a cesarean section. However, Federal law does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 or 96 hours as applicable. Under the Federal law, plans may not require that a provider obtain authorization from the plan for prescribing a length of stay not in excess of 48 or 96 hours.

## **Mental Health Parity Act Of 1996**

This law provides for parity in the application of aggregate lifetime and annual dollar limits on mental health benefits with dollar limits on medical and surgical benefits.

## **Women's Health and Cancer Rights Act Of 1998 (WHCRA)**

This law enacted in October, 1998, requires plans that provide medical and surgical benefits for mastectomies to provide coverage for the following procedures, as requested by the patient in consultation with her physician:

- Reconstruction of the breast on which the mastectomy has been performed
- Surgery and reconstruction of the other breast to produce symmetrical appearance
- Prostheses and physical complications of all stages of the mastectomy, including lymphedemas

## **316 Educational Assistance**

The company supports employees who wish to continue their education to secure increased responsibility and growth within their professional careers. In keeping with this philosophy, the company has established a

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reimbursement program for expenses incurred through approved institutions of learning. If you are a full-time, regular employee, you are eligible for participation in this program as long as the courses are job-related.

The company will reimburse for continuing education through an accredited program that either offers growth in an area related to his or her current position or might lead to promotional opportunities. This education may include college credit courses, continuing education unit courses, seminars and certification tests. Limited budget is available for continuing education which is reviewed annually and determined by the CFO. This program may not be available once the budget is exhausted for that year.

If approved for reimbursement, the employee will begin and complete the educational course. The employee will pay for the educational course out of pocket and will be reimbursed upon completion. The employee must then submit expense information and receipts within 30 days of completing the course in order to receive reimbursement. Employee must have a passing grade, or receive the certificate or license that is being paid for to qualify for reimbursement. For seminars and conferences, attendance for the full period of time is required to qualify for reimbursement.

If an employee voluntarily resigns from employment within one year of reimbursement, they will be responsible for paying back their education reimbursement expenses.

## **317 Membership in Professional and Civic Organizations**

Membership in a professional organization is valuable to our employees as well as to our organization. Upon approval, the company may pay 100% of the annual membership fee required for an employee to belong to one job-related professional organization. The company may also pay 100% of the fees required for employees to maintain one professional designation that is directly related to their jobs. Occasionally there may be a valid business reason to make an exception to this policy and pay for more than one membership or professional designation. The corporate office must approve in writing any exceptions to these limits. The company cannot pay for associate or student memberships in professional organizations.

If membership in a professional or civic organization or a professional designation is not job related but is beneficial to an employee and our organization, the employee may request that his/her dues be paid for by the company. The employee should make a written request to his/her supervisor. The employee will be advised in writing whether any, or all of the dues will be paid by the company.

## **TIMEKEEPING/PAYROLL**

### **401 Timekeeping**

Nonexempt employees are responsible for accurately recording the hours they work. This information also helps the company comply with the laws that require us to keep accurate records of "time worked" in order to correctly calculate employee pay and benefits. "Time worked" is defined as all the time nonexempt staff spends performing assigned duties.

If you are a nonexempt employee, you must accurately record the time you begin and end your work, as well as the beginning and ending time of any meal periods, split shifts, or if you leave the workplace for personal reasons.

Also, you always need to receive advance approval before working any overtime hours.

We consider attempts to falsify timekeeping records a very serious matter. Therefore, any of the following actions may result in disciplinary action, up to and including termination: altering, falsifying, tampering with time records, or recording another employee's time record.

If you are a nonexempt employee, you should not start working before your scheduled starting time. You should also not continue working after your scheduled ending time. The only time you can start earlier or work later is with prior authorization from your supervisor.

### **402 Break Time for Nursing Mothers**

As part of our family-friendly policies and benefits, the company supports nursing mothers by accommodating employees who wish to express breast milk during the workday when separated from their newborn child.

Nursing employees will be provided reasonable break times to express breast milk. The company encourages nursing mothers to use regularly-scheduled breaks during the work day to express breast milk. However, the company also permits nursing employees to take additional, unpaid breaks each work day as reasonable and necessary to express breast milk. Breaks of more than 20 minutes in length will be considered unpaid time.

Nursing employees will be provided with a private location, other than a restroom facility, where they may express breast milk. Employees should arrange this location with their supervisor.

### **403 Paydays**

All employees are paid bi-weekly on Friday. Each paycheck includes earnings for all work performed through the end of the previous payroll period.

The company is a paperless company. All earnings will be directly deposited into your bank account once you provide us with the required authorization. We also offer the option of having your pay deposited onto a pay card once you provide us with the required authorization. All check stubs and payroll-related information will be accessible online via the Employee Portal.

If a regularly scheduled payday falls on a day off, such as a holiday, you will be paid on the last workday before the regularly scheduled payday.

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## **404 Employee Accounts Receivable**

Employee accounts are governed by the same rules as other accounts receivable except as follows. An employee with at least 90 days of full-time service may open an account. The account balance may not exceed the equivalent of one week's net pay. Cash purchases made by the employees will be at the company's cost-plus freight. Charged purchases will be at the company's cost plus 5% plus freight. This account will be paid on a monthly basis or through payroll deductions. If the amount charged exceeds one week's net pay, the company reserves the right to withhold the amount necessary to get the balance less than one week's net pay. If the employee is terminated or leaves the company, any amount due the company will be deducted from the final payroll or asset retention.

This account is only to be used for good and services for the employee or his/her immediate family. All charges must be pre-approved by the manager or corporate office.

## **410 Pay Deductions and Setoffs**

Laws require our company to take deductions from your pay. Deductions are money taken from your pay for certain things such as federal, state, and local taxes. The law also requires us to deduct Social Security taxes from your pay. We must deduct up to a certain amount called the Social Security "wage base." We also contribute to your Social Security. We pay the same amount of Social Security tax to the government as we deduct from your pay.

The company also offers programs and benefits to eligible employees that are not required by law. You may ask us to deduct money from your pay to cover your payment for these programs.

We may have to take a "pay setoff" from your paycheck. Pay setoffs mean that the company must deduct money from your paycheck to pay off a debt you owe us or someone else.

If you want to know why money was deducted from your paycheck or how your pay is calculated, see Human Resources.

## **411 Breaks and Meal Periods**

The company requests all employees to take a 30-minute meal period per an eight hour shift each work day. During this time, non-exempt employees must be completely removed from all work. Break time will be scheduled by your supervisor based on the needs of your department.

## **WORK CONDITIONS & HOURS**

### **501 Safety**

The company wants to provide a safe and healthful work environment for employees, customers, and visitors.

You are expected to obey all safety rules, wear personal protective equipment where required, and use caution in your work activities. You must immediately report any unsafe condition to the appropriate supervisor. If you violate safety standards, cause a hazardous or dangerous situation, or fail to report or, where appropriate, remedy such situations, you may be subject to disciplinary action, up to and including termination of employment.

In the case of an accident that results in an injury, regardless of how insignificant the injury may appear, you should immediately notify Human Resources or the appropriate supervisor. Prompt reporting can ensure legal compliance and quick initiation of insurance and worker's compensation benefits procedures.

### **502 Work Schedule**

Supervisors will advise employees of their scheduled shift, including starting and ending times. Business needs may necessitate a variation in your starting and ending times as well as in the total hours you may be scheduled to work each day and each week. For questions about your work schedule, please contact your supervisor.

### **504 Use of Phone Systems**

The company's telephone and mail systems are intended for business-related purposes. While the company allows some personal use of these systems, personal use should be occasional and within reason.

Our telephone communications are an important reflection of our image to customers and the community. Always use proper telephone etiquette. The following are some examples of good telephone etiquette: use the approved greeting, speak courteously and professionally, repeat information back to the caller, and only hang up after the caller hangs up.

### **505 Tobacco Use**

In keeping with the company's intent to provide a safe and healthful work environment, tobacco use is prohibited throughout the workplace and is not allowed inside the store/shop. This includes the use of vapor, e-cigarettes and other smoking substitutes.

Employees desiring to use tobacco may do so only during breaks. No additional breaks beyond those allowed under the company's break policy may be taken for the purpose of using tobacco products.

When smoking or otherwise using tobacco products, do not leave cigarette butts or other traces of litter or tobacco use on the floor, ground, or anywhere else. Residue of all tobacco products (e.g. butts, ashes, matches, product wrappings, spit cups etc.) should be disposed of properly.

This policy applies equally to all employees as well as to our customers and visitors.

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## **507 Overtime**

There may be times when the company cannot meet its operating requirements or other needs during regular working hours. If this happens, the company may schedule employees to work overtime hours. When possible, your supervisor will try to let you know in advance of a mandatory overtime assignment.

It is our policy that no overtime can be worked without the approval and authorization of the supervisor. We try to distribute overtime assignments fairly among all employees who are qualified to perform the required work.

All nonexempt employees will be paid overtime compensation in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked. For this reason, time off for, vacation, and other paid or unpaid leaves of absence is not considered hours worked for the purpose of calculating overtime pay.

If you fail to work scheduled overtime or work overtime without receiving your supervisor's prior authorization, you may be subject to disciplinary action, up to and including possible termination of employment.

## **508 Use of Equipment, Property and Materials**

Equipment is essential in accomplishing job duties and is expensive and may be difficult to replace. When using the company's property, you are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

You should notify your supervisor if any equipment, machines, tools, or vehicles appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or other people. Your supervisor can answer any questions about your responsibility for maintenance and care of equipment you use on the job.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment and vehicles, as well as excessive or avoidable traffic and parking violations, may result in disciplinary action, up to and including termination of employment.

Meetings held on the company's premises must be for the purpose of conducting business. Meetings for other purposes are strictly forbidden.

While it has always been the company's policy to generously donate product and materials to various charitable causes, no product or materials, including that placed in any trash container, is to be removed from the building without first obtaining written permission from a supervisor. Anyone who removes product or materials without proper authority will be subject to immediate termination.

## **509 Use of Company Vehicles**

The company has made a commitment of safety, service, and quality to both our employees and customers. The company mandates that both our employees and non-employees operate all vehicles owned by or used by the company in a safe and economical manner. The following summarizes policy guidelines:

- In the event that an employee is involved in an accident while driving his/her own vehicle on company business, your employer may be liable if you do not have insurance or if the loss exceeds your policy limits. Employees who use their personal vehicles for company business are required to carry adequate insurance protection.

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- Vehicles are not to be operated unless in a safe operating condition.
- Drivers must be physically and mentally able to drive safely.
- Drivers must conform to all traffic laws with allowances made for adverse weather and traffic conditions.
- Respect the rights of other drivers and pedestrians. Courtesy is contagious.
- Drivers may not use drugs or alcohol, or be under the influence of drugs or alcohol, while operating a vehicle.

All accidents are to be reported to management of the company within 24 hours after the accident occurs. All accidents will be reviewed and a determination made as either preventable or non- preventable. A preventable accident is defined as an accident in which the driver failed to do everything reasonably possible to avoid it.

Motor Vehicle Records (MVRs) will be checked periodically on all employees where driving is a part of their job. The MVR will be reviewed to ascertain the employee holds a valid license and their driving record is within the parameters set by company management. Employees will be disqualified from driving company operated vehicles, or those vehicles in the care and custody of the company if the MVR checks reveal any of the following:

- Three or more traffic violations and/or at fault accidents over a three-year period for drivers age 25 and older, two traffic violations and/or at fault accidents for drivers age 18 through 24, or one traffic violation and/or at fault accident for drivers 17 and under
- One or more of the following types of serious traffic convictions within the past 3 years:
  - Driving while under the influence or while disabled by use of drugs
  - Refusal to submit to test for alcohol (e.g., Failure to take a Chemical Test, Blood Test, or Breath Analyzer Test)
  - Leaving the scene of an accident without reporting it
  - Homicide, assault, or criminal negligence resulting from the operation of a vehicle
  - Driving while license is suspended or revoked
  - Reckless or dangerous driving, which results in injury to a person
  - Racing
  - Passing a stopped school bus

Violations include seat belt violations, but do not include such non-moving violations as weight violations or improper or inadequately maintained equipment.

Your primary responsibility when driving a motor vehicle for our organization is driving the vehicle safely. For the good of all our employees and the community in which we operate, it is our company policy that you not engage in activities that cause you to become distracted from this responsibility, including, but not limited to:

- Using a cell phone or other mobile device
- Adjusting the controls of a CD player or radio
- Searching for items in the vehicle such as CDs and coins
- Eating or drinking beverages
- Reading maps or other printed material
- Programming GPS navigation systems

It is our company policy that, in all circumstances, you pull the vehicle over to a safe area prior to engaging in these activities.

The company has developed the following expectations for you as a driver to help ensure company-owned vehicles and/or those used by company employees will be operated in a safe and economical manner.

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- Vehicles must be operated in a manner consistent with the Driving Policy of the company.
- Seat belts must be worn at all times when the company vehicle is in motion.
- Defects and needed repairs of any company vehicle will be reported to management so necessary repairs can be made.
- Cargo will be secured and all doors locked while en route and while company vehicles are parked.
- All accidents must be reported to the manager consistent with the company Accident Reporting Policy. The employee is responsible for reimbursing the company for all damages to the vehicle(s) not covered by insurance, provided that the company's accident review shows a preventable type accident.
- All traffic violations received while operating the assigned vehicle will be paid by you, the employee.
- No permission may be given for any other person, including family members, to drive company vehicles. Specific permission must be obtained from company management for any personal use of a company
- The use of radar detectors is forbidden in all vehicles owned or used by the company. Use of a radar detector will result in revoked driving privileges.
- Hitchhikers and passengers, other than company employees, are not permitted in company vehicles.

We deeply value the safety and well-being of all employees. Due to the increasing number of accidents resulting from the use of mobile devices while driving we have created the following rules that apply in the scope of your employment.

- Employees are not permitted to use a hand held mobile device for either outgoing or incoming calls.
- Employees are not permitted to use a hands-free device for either outgoing or incoming calls.
- Employees are not permitted to access the internet, read or respond to emails or text messages.
- The above restrictions apply anytime the vehicle is in motion.
- Employees are expected at a minimum to abide by all state laws including those related to mobile device usage.

All CDL drivers must comply with all applicable Department of Transportation (DOT) regulations, including successful completion on medical, drug and alcohol evaluations.

Any violation of the above policies may result in disciplinary action, up to and including termination of employment.

## **510 Installation of GPS Based Vehicle Monitoring System on Company Vehicles**

At any time, the company may install and use a global positioning system-based Vehicle Monitoring Device on company owned vehicles.

Vehicle Monitoring Devices allow the company to remotely monitor and receive real time data concerning the location and whereabouts of a company owned vehicle. The information the Vehicle Monitoring Device will provide to the company shall include, but not be limited to location, fuel mileage, miles driven, idle time, RPM's and maintenance indicators.

Vehicle Monitoring Devices are used as a means to encourage employee compliance with the company's employment policies, increase productivity, increase customer service, reduce labor and fuel costs, coordinate delivery routes and promote responsible behavior. This policy on the use and installation of Vehicle Monitoring Devices serves as a tool to enforce the terms and conditions of employment with the company.



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## **511 Working After Hours on Personal Vehicles**

It is not allowed under any circumstances for an employee to work on vehicles except those of immediate family members only. This would include any technicians “moonlighting” or working for another similar service provider. This is a conflict of interest that will not be allowed.

Your supervisor must approve any afterhours worked. If it is allowed, it must follow the following guidelines:

- At least two employees must be present at all times. This shall not be the same two on a regular basis.
- No one else is to be in the store at any time. Supervisors should make a point of stopping by during this time.
- All parts and work to be done will be cleared with the manager and a work order will be done prior to the work beginning. All parts ordered must refer to the work order number.
- The company reserves the right to withdraw this privilege if the above stated rules are not followed. The company also reserves the right to take store keys back for policy violations.

## **512 Licensed Equipment Operators**

In order to provide a safe working environment, equipment operators must be properly trained and licensed. All equipment operators must be 18 years of age and have a valid driver’s license. Any unsafe actions by a licensed operator will lead to disciplinary action up to and including termination of employment.

Any employees choosing to operate equipment without proper training, license, and the consent of their supervisors will be subject to disciplinary action up to and including termination of employment.

## **513 Security and Loss Prevention**

The company has installed and maintains an elaborate security system to protect the premises from fire, unlawful entry and theft. Employees will be given the details of the system if it is determined that such knowledge is necessary to perform their job duties. Employees are encouraged to assist management in ensuring that the system is not compromised in any way. Tampering with the system, violating procedures, or revealing any details about the security system to others may result in immediate termination.

## **512 Emergency Closings**

There could be times when emergencies, such as severe weather, fires, power failures, or earthquakes, may disrupt our normal business operations. In extreme cases, these circumstances may require the closing of a work facility and employees will be notified by their supervisor.

When the decision to close is made after the workday has begun, your supervisor will officially notify you. If the company is not officially closed during an emergency, you are expected to report to work.

Time off that is caused from emergency closings is unpaid. However, you may request to use your available PTO. There may also be some situations where we ask employees in essential operations to work on a day when we are officially closed due to an emergency.

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## **513 Business Travel Expenses**

The company believes that it is important that all employees have some assurance that any reasonable business travel expenses they incur while traveling on behalf of the organization will be reimbursed to them. All reasonable travel expenses must be approved by the Regional Manager in advance.

In addition, the company wishes to ensure that equitable standards and effective procedures are in place for controlling travel costs.

### **Travel Authorization**

All employees must receive written permission to travel before any business travel is undertaken. Employees should submit their travel request at least ten days prior to departure and obtain their manager's authorization for the trip. The manager's authorization certifies that the travel has been approved and that expenses will be paid by the company with the proper documentation. It is the responsibility of the employee traveling to acquire all necessary signature approvals.

### **Travel Advance**

Employees who are required to travel overnight (except for those employees who have a company credit card) may obtain a travel advance. An employee desiring a travel advance must request it in writing at least ten (10) work days prior to departure to allow adequate time for processing the payment. Amounts requested will be reviewed for reasonableness, but no changes will be made without discussing the change with the employee.

A travel advance is considered to be a draw on an employee's future salary. Normally, travel expenses will be reimbursed using the advance as part of the reimbursement paid to the employee. However, if an expense report is not received within five work days after an employee returns from a business trip, the travel advance will be deducted from the employee's forthcoming payroll check(s).

### **Company Credit Cards**

Certain employees will each be issued an organization-sponsored Visa card. These cards should be used for business charges only. Employees will be responsible for paying the charges on their accounts not business related. The company will receive a monthly report detailing charges to each account from the credit card company. The credit card must be returned to the corporate office upon termination of employment. Any non-supported (by receipts) or non-business-related charges will be deducted from the employee's pay.

### **Travel Arrangements**

Whenever possible, travel should be made via common carrier or a company vehicle. All air travel will be provided or reimbursed at the coach fare cost.

### **Documentation Requirements**

Documentary evidence, such as receipts or paid invoices, is required for all expenses.

### **Lodging**

Reasonable costs of lodging will be reimbursed with a valid receipt. Hotel movies, health club, spa, salon, shoeshine, or haircut expenses are not reimbursable. Apartment rental allowances may be established for assignments of exceptional length. Lodging with friends is not directly reimbursable, but reasonable restaurant expenses for dinner with friends will be reimbursed as an expression of gratitude for lodging. The expense report should describe this cost as "in lieu of lodging."

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## **Meals**

Reasonable expenses for breakfast and dinner will be reimbursed. Tips should be included in the meal charges on the expense report. Meals prior to departure and after return from a trip will not be reimbursed. Also, drinks and snacks between meals will not be reimbursed.

## **Entertainment**

Entertainment, amusement, or recreation expenses for employees will be reimbursed only if the activity is directly related to the conduct of the organization's business. The business purpose of the entertainment, the names of the persons involved, and the business relationship must be disclosed on the expense report.

## **Taxis and Car Services**

Taxi fares and car service costs for business purposes will be reimbursed to the extent that the fares do not exceed the cost of renting a car to cover the same distance.

## **Telephone Charges**

Telephone charges will be reimbursed if they are incurred in connection with the organization's business. Employees who are issued cellular telephones should use their cellular telephone to make any telephone calls while traveling. Reasonable telephone charges for personal calls while traveling overnight will also be reimbursed.

## **Laundry**

Reasonable laundry and dry-cleaning charges will be reimbursed if the employee is traveling overnight for at least five nights.

## **Mileage**

Personal car mileage will be reimbursed at the rate allowed by IRS regulations for business purposes. The amount reimbursed will not exceed the equivalent common carrier fare or the cost of renting a car. Any fines incurred as a result of driving or parking violations while on company business will not be reimbursed.

## **Automobile Tolls and Parking**

Automobile tolls and parking expenses incurred for business purposes will be reimbursed. Long-term parking at all airports should be used due to the expense of short-term parking.

## **Travel with Spouse**

The company will not reimburse an employee for the travel expenses of the employee's spouse unless the presence of the spouse on the trip is clearly necessary to the conduct of the organization business. Employees who intend to claim reimbursement for a spouse's travel expenses must clearly indicate this on their travel request and have it approved by their manager.

## **514 Visitors in the Workplace**

To better protect the safety and security of employees, as well as the company's property and facilities, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps to maintain safety standards, safeguard employee and customer welfare, protect equipment and confidential information against theft, and reduce potential distractions and disturbances.

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For safety and security reasons, we ask that you discourage family and friends from visiting. If you do have a visitor, you will be asked to meet that person outside of your work area. All visitors should enter at the company's reception area. Once authorized, visitors will receive directions or be escorted to their destination. When you have outside visitors, you are responsible for their conduct and taking steps to ensure their safety. If you see an unauthorized person on our premises, please notify your supervisor immediately.

## **516 Computer and Email Usage**

The company may give employees access to computers, computer files, the email system, and software to use in doing their work. Employees should not use a password, access a file, or retrieve any stored communication without authorization. To make sure that employees comply with this policy, computer and email usage may be monitored.

We strive to maintain a workplace that is free of harassment and sensitive to the diversity of our employees. Therefore, we prohibit the use of computers and the email system in ways that are disruptive, offensive to others, or harmful to morale.

We prohibit displaying, downloading, or emailing sexually explicit images, messages, and cartoons. Other examples of unacceptable computer usage include (but are not limited to) ethnic slurs, racial comments, off-color jokes, or anything that may be seen by another person as harassment or disrespectful.

You may not use email to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters.

The company purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, you do not have the right to reproduce the software for use on more than one computer.

You may only use software on local area networks or on multiple machines according to the software license agreement. The company prohibits the illegal duplication of software and its related documentation.

You should notify your supervisor, Human Resources or any member of management if you learn about a violation of this policy. Employees who violate this policy are subject to disciplinary action, up to and including termination of employment.

## **517 Internet Usage**

The company may provide employees with Internet access to help them do their jobs. This policy explains the company's guidelines for using the Internet responsibly and productively. While Internet usage is intended for job-related activities, the company permits incidental and occasional brief personal use within reasonable limits.

All Internet data that is composed, transmitted, or received via our computer systems is considered to be part of official records. This means that it is subject to disclosure to law enforcement or other third parties. Therefore, you should always make sure that the business information contained in Internet email messages and other transmissions are accurate, appropriate, ethical, and lawful.

The equipment, services, and technology that you use to access the Internet are always the property of the company. Therefore, the company reserves the right to monitor Internet traffic. The company also reserves the right to retrieve and read any data that is composed, sent, or received through the company's online connections or is stored in our computer systems.

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The company does not allow data that is composed, transmitted, accessed, or received via the Internet to contain content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person.

Examples of unacceptable content include (but are not limited to) sexual comments or images, racial slurs, gender-specific comments, or other comments or images that could reasonably offend someone on the basis of race, age, sex, religious or political beliefs, national origin, disability, sexual orientation, or any other characteristic protected by law.

The company does not allow the unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material on the Internet. As a general rule, if you did not create the material, do not own the rights to it, or have not received authorization for its use, you may not put the material on the Internet. You are also responsible for ensuring that a person sending material over the Internet has the appropriate distribution rights.

Before you download or copy a file from the Internet, you should take the necessary anti-virus precautions. The company requires that all downloaded files be checked for viruses. All compressed files must be checked for viruses both before and after decompression.

Employees whose Internet usage violates laws or this policy are subject to disciplinary action, up to and including termination of employment. Employees may also be held personally liable for any violations of this policy. The following are examples of some actions and activities that are prohibited and which could result in disciplinary action:

- Sending or posting discriminatory, harassing, or threatening messages or images
- Using the organization's time and resources for personal gain
- Stealing, using, or disclosing someone else's code or password without authorization
- Copying, pirating, or downloading software and electronic files without permission
- Sending or posting confidential material, trade secrets, or proprietary information outside of the organization
- Violating copyright law
- Failing to observe licensing agreements
- Engaging in unauthorized transactions that may incur a cost to the organization or initiate unwanted Internet services and transmissions
- Sending or posting messages or material that could damage the organization's image or reputation
- Participating in the viewing or exchange of pornography or obscene materials
- Sending or posting messages that defame or slander other individuals
- Attempting to break into the computer system of another organization or person
- Refusing to cooperate with a security investigation
- Using the Internet for political causes or activities, religious activities, or any sort of gambling
- Jeopardizing the security of the organization's electronic communications systems
- Sending or posting messages that disparage another organization's products or services
- Passing off personal views as representing those of the organization
- Sending anonymous email messages
- Engaging in any other illegal activities

## **518 Workplace Monitoring**

The company may conduct workplace monitoring to help ensure quality control, employee safety, security, and customer satisfaction.

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The computer equipment, systems, and Internet access that employees may use are always the property of the company. Therefore, they reserve the right to monitor computer activities. They also reserve the right to retrieve and read any computer files or data that are composed, sent, or received through Internet connections or stored in our computer systems. Employees who regularly communicate with customers may have their telephone conversations monitored or records.

The company also reserves the right to install security cameras in work areas for specific business reasons, such as security, theft protection or protection of proprietary information. The company ensures all video monitoring will be in compliance with state and federal laws and will only be conducted in work areas where employees and others do not have a reasonable expectation of privacy.

Because the company is sensitive to the legitimate privacy rights of our employees, we will make every effort to guarantee that workplace monitoring is always done in an ethical and respectful manner. Employees may request access to information gathered through workplace monitoring that may impact employment decisions.

## **519 Social Media**

Social Media encompasses a broad sweep of online activity, all of which are trackable and traceable. These networks include such sites as Facebook, Twitter, LinkedIn and others that allow employees to communicate and share information in the virtual world.

At the company, we believe that social media can drive business and support your professional development efforts. We are also aware that social media may not be used exclusively for business.

Keeping that in mind, we attempt to provide reasonable guidelines for online behavior by employees of the company when participating as a representative of the company. As new tools on the web are introduced and new challenges emerge for all of us, this document will, of necessity, evolve.

The company's employees are personally responsible for the content they publish on any social media site when conducted with a company email address and or when it can be traced back to the company's domain. Be mindful that when you publish, it will be public for a long time, so protect your privacy.

Outside the workplace, your right to privacy and free speech protect online activity conducted on your personal social media networks with your personal email. However, what you publish on your personal sites should never be attributed to the company and should not appear to be endorsed by or originated at the company.

Obey the law. Do not post any information or conduct any online activity that may violate applicable local, state or federal laws or regulations.

Identify yourself (name) and, when relevant, your role at the company when you discuss the company or related matters. Write in first person. You must make it clear that you are speaking for yourself and not on behalf of the company.

If you publish content to any website outside of your role at the company and it has something to do with work you do or subjects associated with the company, use a disclaimer such as "the postings on this site are my own and do not necessarily represent the company, or their positions, strategies or options."

Respect copyright, fair use and financial disclosure laws.

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Do not provide confidential or proprietary information on public social media sites.

Do not cite or reference clients, partners, or suppliers without their approval. When you do make a reference, where possible link back to the source.

Respect your audience, do not use ethnic slurs, personal insults, obscenity or engage in conduct that would not be acceptable in the company's workplace. You should also show proper consideration for others privacy and for topics that may be considered objectionable or inflammatory-such as politics or religion.

Try to add value. Provide worthwhile information and perspective. The company's brand is best represented by its people and what you publish may reflect on the company brand.

All personal email, both incoming and outgoing, should be located in a personal email account. All messenger related activity will not be allowed.

Only specially-trained company employees are authorized to publish content on the company's brand.

Authorized visitors are subject to the same policies and procedures as all other company employees when they are using their personal accounts.

Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

## **522 Workplace Violence Prevention**

The company is committed to preventing workplace violence and to maintaining a safe work environment. We have adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that might occur during business hours or on our premises.

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. We prohibit firearms, weapons, and other dangerous or hazardous devices and substances from the premises of the company without proper authorization.

The company will not tolerate conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods. This includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law.

All threats of (or actual) violence, either direct or indirect, should be reported as soon as possible to your supervisor or any other member of management. This includes threats by employees as well as threats by customers, vendors, solicitors, or anyone else. When reporting a threat of violence, you should be as specific and detailed as possible.

Be sure to report any suspicious person or activities as soon as possible to a supervisor. Do not place yourself in peril. If you see or hear a commotion or disturbance near your work area, do not try to intercede or see what is happening.

We will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the person who made the report will be protected to the extent practical. To maintain workplace safety and the integrity of its investigation, the company may suspend an employee, either with

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or without pay, pending investigation.

Any person who violates these guidelines will be subject to disciplinary action, up to and including termination of employment. Violations include making a threat of violence or actually committing a violent act.

If you are having a dispute or differences with another employee, we encourage you to discuss it with your supervisor or Human Resources before the situation escalates into potential violence. The company is eager to assist in the resolution of employee disputes and we will not discipline an employee for raising these types of concerns.

## **526 Cell Phone Usage**

The company provides cellular telephones to some employees as business tools. The phones are provided to assist employees in communicating with management and other employees, the company, and other business-related contacts. Cell phones are intended for business-related calls and limited personal calls are permitted. You should be aware that the company might review cell phone invoices.

While driving, your primary responsibility is driving safely and obeying the rules of the road. For that reason, we prohibit employees from using cell phones to conduct business while they are driving. You should first safely pull off the road and come to a complete stop before you dial, talk or text on the phone.

If you use a cell phone for business, always remember to apply normal business etiquette by keeping your conversations private and non-disruptive to others.

Personal cell phone use is not permitted while working, this includes social media and texting. Please use your lunch breaks for personal phone use.

Any person who violates this policy will be subject to disciplinary action, up to and including termination of employment.



## **LEAVES OF ABSENCE**

### **601 Medical/Family Leave**

It is the policy of the company to grant eligible employees extended leaves of absence under certain circumstances covered by the federal Family and Medical Leave Act of 1993 (“FMLA”).

#### **Eligibility for and Entitlement to FMLA Leave**

An employee is generally eligible for leaves of absence under the FMLA if he or she has completed a minimum of 12 months of service; has worked a minimum of 1,250 hours during the 12-month period immediately preceding the commencement of leave; and works at a Company facility with at least 50 employees within 75 miles of that facility.

An eligible employee may be granted leave for a maximum of 12 weeks of unpaid, job-protected leave during any 12-month period, calculated as a “rolling” 12-month period measured backward from the date of any FMLA leave usage, for any of the following reasons:

- To care for the employee’s child after birth, or placement for adoption or foster care;
- Placement with the employee of a son or daughter for adoption or foster care;
- To care for the employee’s spouse, son, daughter, or parent with a serious health condition;
- Because of a serious health condition that makes the employee unable to perform the essential functions of the employee’s job, including incapacity due to pregnancy, prenatal medical care, or child birth; or
- To take care of certain “qualifying exigencies” that may arise due to a spouse, son, daughter, or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings. This leave does not apply to a spouse, child, or parent who is already an active member of the regular armed forces.

An employee’s entitlement to leave for the birth or placement for adoption or foster care of a child expires at the end of the 12-month period beginning on the date of the birth or placement. If your spouse is also employed by the company, you are entitled to a collective total of 12 weeks of leave for the birth or placement of a child or for leave to care for the employee’s parent with a serious health condition, rather than 12 weeks each.

An eligible employee who is the spouse, parent, son, daughter, or next of kin of a covered servicemember of the military may qualify for a maximum of 26 weeks of unpaid, job-protected leave to care for a covered servicemember. A covered servicemember is (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of active duty, as determined by the U.S. Department of Defense, that may render the servicemember medically unfit to perform the roles of the servicemember’s office, grade, rank, or rating and for which the servicemember is undergoing medical treatment, recuperation, therapy, or outpatient treatment or is on the “temporary disability retired list,” (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical

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treatment, recuperation, or therapy for a serious injury or illness. The 26 weeks may only be taken during the single 12-month period following the beginning of the leave.

## **Definition of Serious Health Condition**

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

## **Notice of Need for Leave**

An employee requesting leave must provide a minimum of thirty days advance notice for leaves that are foreseeable. When 30 days' notice is not possible, the employee must provide notice as soon as practicable (usually within one or two working days) and must comply with the company's normal call-in procedures.

An employee must provide sufficient information for the company to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. An employee also must inform the company if the requested leave is for a reason for which FMLA leave was previously taken or certified.

## **Certification of Reason for Leave**

For employees requesting leave due to the serious health condition of the employee or a family member, the company in its discretion, may require a certification issued by a health care provider regarding the individual's medical condition. The company also reserves the right to require a second medical opinion regarding the individual's health. If a second medical opinion is required, the company will pay the cost of the opinion and any out-of-pocket travel expenses incurred to obtain the opinion. If there is a conflicting opinion of the two health care providers, a third opinion from a health care provider agreeable to both parties may be obtained as detailed in the FMLA. The company will pay the cost of the third opinion and any out-of-pocket travel expenses incurred to obtain the opinion. When leave is occasioned by the employee's own serious health condition, the company has the right to require a certification that the employee is fit to return to work. Such certification will be required in the case of any leave of three or more consecutive days. All medical certifications are kept confidential in accordance with applicable state and federal law.

For employees requesting leave to care for a covered servicemember rendered injured or seriously ill in the line of active, military duty, the company in its discretion, may require a certification completed by an authorized health care provider of the covered servicemember or an authorized representative of the Department of Defense.

For employees requesting leave due to a qualifying exigency, the company in its discretion, may require a certification from the employee to support the request for leave.

## **Employer Responsibilities**

The company must inform an employee requesting leave whether he or she is eligible under FMLA. If the employee is eligible, the notice must specify any additional information required, as well as the employee's rights and responsibilities. If the employee is not eligible, the company must provide a reason for the ineligibility.

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The company must inform an employee if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the company determines that the leave is not FMLA-protected, the company must notify the employee.

## **Benefits and Protections**

During FMLA leave, the company must maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

## **Safe Harbor Genetic Information Nondiscrimination Act (GINA) Disclosure**

### *Employee's Serious Health Condition*

The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers and other entities covered by GINA Title II from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with this law, we are asking that you not provide any genetic information when responding to requests for medical information. "Genetic Information" as defined by GINA includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

### *Family Member's Serious Health Condition*

The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers and other entities covered by GINA Title II from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with this law, we are asking that you not provide any genetic information when responding to requests for medical information. "Genetic Information" as defined by GINA includes the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

## **Use of Leave**

Unless leave is being taken due to the serious health condition of the employee, to care for a covered family member with a serious health condition, to care for a covered family member who has sustained serious illness or injury in the line of military duty, or to take care of "qualified exigencies" when a covered family member is called to active military duty, the leave cannot be taken intermittently or on a reduced leave schedule unless agreed to by the company.

If leave is being taken due to the serious health condition of the employee, to care for a covered family member with a serious health condition, or to care for a covered family member who has sustained a serious injury or illness in the line of military duty, the leave may be taken intermittently or on a reduced leave schedule only if medically necessary. If leave is being taken due to a "qualifying exigency," the leave may be taken intermittently only as required to take care of the "qualifying exigency."

The company reserves the right to temporarily transfer an employee who requests intermittent leave or a reduced leave schedule to an alternative position with equivalent pay and benefits if the alternative position better accommodates the needs of the company.

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## **Substitution of Paid Leave**

The company may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, an employee must comply with the company's normal paid leave policies.

The company requires an employee taking leave under the FMLA due to the birth of a child, and to care for the newborn child; for the placement of a child for adoption or foster care; or to take care of a "qualifying exigency" to exhaust all paid leave before taking the remaining time as unpaid leave.

An employee taking leave under the FMLA due to the employee's own serious health condition, to care for a covered family member with a serious health condition, or to care for a covered family member who has sustained a serious illness or injury in the line of military duty, must exhaust all paid leave before taking unpaid leave.

In all cases, the entire leave period (both paid and unpaid) will be counted towards an employee's 12-week FMLA entitlement.

## **Key Employees**

Employees returning from leave are entitled to the same or equivalent terms and conditions of employment as if the employee had been continuously employed. The company reserves the right, however, not to reinstate a "key employee" if reinstatement of such employee will cause substantial and grievous economic injury to the company. If an employee would not otherwise have been employed at the time reinstatement is requested the company is not obligated to reinstate such employee. An employee who takes leave is entitled to keep any benefits accrued prior to the taking of leave, but is not entitled to the accrual of any seniority or seniority-based benefits during the period of time the employee is on unpaid leave. An employee who takes leave under the FMLA is entitled to continue health insurance coverage under the same terms and conditions as when the employee was working. Life insurance and other benefits will be treated in accordance with the company's established policies and practices for continuing or not continuing such benefits for other instances of similar leave. The employee will be required to pay his or her portion of insurance premiums during the leave.

## **Failure to Return to Work**

If an employee fails to return to work at the conclusion of an approved leave of absence, including any extension of such leave, the employee may be considered to have voluntarily terminated employment. The company may seek reimbursement from the employee for any of the company's costs of insurance premiums during the employee's unpaid leave, unless the employee's reason for not returning to work is due to the continuation, recurrence, or onset of a serious health condition which would entitle the employee to FMLA leave; the continuation, recurrence, or onset of a covered servicemember's serious injury or illness which would entitle the employee to FMLA leave; or other circumstances beyond the employee's control.

## **Fraudulent Request or Use of FMLA Leave**

If an employee fraudulently requests or obtains FMLA leave, the employee is not protected by the FMLA's job restoration or maintenance of health benefits provisions. An employee who fraudulently requests or obtains FMLA leave is subject to disciplinary action, up to and including termination.

## **602 Personal Leave**

The company will consider a request from a regular full-time employee after completion of their 90 days introductory period to take an unpaid personal leave of absence to fulfill personal obligations.

Eligible employees may request a personal leave. In order for us to give your leave request adequate consideration, we ask that you submit the request in writing to your supervisor as far in advance as possible.

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An eligible employee may not take more than two weeks of personal leave every year. We will also consider a written request for an extension under extreme circumstances. You must use any accrued PTO before you can take leave without pay.

Subject to the terms, conditions, and limitations of the applicable plans, the company will provide health insurance benefits until the end of the month in which an approved personal leave begins. At that time, you will become responsible for the full cost of those benefits in order for coverage to continue. When you return from personal leave, the company will resume providing those benefits according to the applicable plans.

Benefit accruals, such as PTO or holiday benefits, will be suspended during a personal leave and will resume when you return to active employment.

When a personal leave ends, we will make every reasonable effort to return you to the same position if it is available or to an available similar position for which you are qualified. However, the company cannot guarantee reinstatement in all cases. If you do not report to work promptly at the end of a personal leave, we will assume that you have resigned.

## **603 Military Leave**

The company will grant a military leave of absence to employees who are absent from work because they are serving in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). You are required to give your supervisor advance notice of upcoming military service, unless military necessity prevents advance notice or it is otherwise impossible or unreasonable.

The military leave will be unpaid. However, you may use any available accrued paid time off, such as vacation or sick leave, for the absence.

Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which you are otherwise eligible.

Benefit accruals such as PTO and holiday benefits will continue during a military leave of absence.

Employees who are on military leave for up to 30 days must return to work on the first regularly scheduled work period after service ends (allowing for reasonable travel time). Employees who are on military leave beyond 30 days must apply for reinstatement in accordance with USERRA and all applicable state laws.

When you return from military leave (depending on the length of military service in accordance with USERRA), you will be placed either in the position you would have attained if you had remained continuously employed or in a comparable position. For the purpose of determining benefits that are based on length of service, you will be treated as if you had been continuously employed.

If you have questions about military leave, contact Human Resources for more information.

## **604 Domestic Violence Leave**

The company will allow employees who are victims of domestic violence, sexual assault, or stalking to take a reasonable amount of unpaid leave. The employee may use any accrued PTO if paid leave is unavailable to the employee.

The employee must provide advance notice of his or her need to take leave. If advance notice is impossible, the employee must notify the company of the need for leave no later than the end of the first day of leave. The employee must abide by the company's policies that require advance notice of need to take leave.

The company may require verification of the employee's need to take leave by requiring the employee to provide certain documentation, such as a copy of the police report or restraining order within 48 hours of returning from the requested time off. This will not include information that might compromise the employee's safety.

The company will keep all information provided by an employee concerning leave confidential, including the employee's request and approval for leave and verification documentation for leave. The company will only disclose such information if requested or consented to by the employee, ordered by a court or administrative agency, or otherwise required by state or federal law.

All further provisions and requests for domestic violence leave will be handled per applicable state law.

## **EMPLOYEE CONDUCT & DISCIPLINARY ACTION**

### **701 Employee Conduct and Work Rules**

To ensure orderly operations and provide the best possible work environment, we expect you to follow rules of conduct that will protect the interests and safety of all employees at the company. Although it is not possible to list all the forms of behavior that are considered unacceptable at work, the following are some examples of conduct that may result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or possession of property
- Falsification of timekeeping records
- Falsification or misrepresentation on any application, document establishing identity or work status, medical reports, invoice, paperwork, production or sales records, shipping or receiving records, expense reports, or any other work-related document
- Working under the influence of alcohol or illegal drugs
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Use of tobacco products in prohibited areas or during unauthorized times
- Sexual or other unlawful or unwelcome harassment
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
- Excessive absenteeism or any absence without notice
- Unauthorized absence from workstation during the workday
- Unauthorized use of telephones, mail system, or other employer-owned equipment
- Unauthorized disclosure of business "secrets" or confidential information
- Violation of personnel policies
- Unsatisfactory performance or conduct
- Sleeping or inattention on the job

Since employment with the company is based on mutual consent, either you or the company have the right to terminate the employment relationship at will, with or without cause or advance notice, at any time.

### **702 Drug and Alcohol Use**

The company wants to provide a drug-free, healthful, and safe workplace. To meet this goal, we expect you to report to work in a mental and physical condition that enables you to perform your job in a satisfactory manner.

While on the company's premises or while conducting business-related activities off the company's premises, you may not use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. We permit the legal use of prescribed drugs on the job only if they do not impair your ability to perform the essential functions of your job effectively and safely without endangering others.

If you violate this policy, it may lead to disciplinary action, up to and including immediate termination of your employment. Additionally, we may require that you participate in a substance abuse rehabilitation or treatment

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program.

An employee with a drug or alcohol problem may request approval to take unpaid time off to participate in a rehabilitation or treatment program through our health insurance benefit coverage, if the employee's substance abuse problem has not already resulted in disciplinary action and the employee is not currently subject to immediate disciplinary action. The time off may be granted if the employee agrees to abstain from using the problem substance; abides by all policies, rules, and prohibitions relating to conduct in the workplace; and if granting the time off will not cause the company any undue hardship.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify the company of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five days of the conviction.

If you have questions about this policy or issues related to drug or alcohol use at work, you can raise your concerns with your supervisor or Human Resources without fear of reprisal.

## **702a Drug Testing**

The company is committed to providing a safe, efficient, and productive work environment for all employees. Using or being under the influence of drugs or alcohol on the job may pose serious safety and health risks. To help ensure a safe and healthful working environment, job applicants and employees may be asked to provide body substance samples (such as urine and/or blood) to check for the illicit or illegal use of drugs and alcohol to include prescription drugs being used without a prescription. Refusal to submit to drug testing may result in disciplinary action, up to and including termination of employment. If you have questions about our drug testing policy or its administration, consult with Human Resources.

The company reserves the right to drug test employees for the following:

- Pre-Employment
- Post-Accident
- Reasonable Cause
- Random

### **Pre-Employment Testing**

A pre-employment drug test will be performed on some prospective employees as a condition of employment. Applicants for employment receiving a confirmed positive drug test will not be hired. Applicants for employment will be asked if they have either tested positive for prohibited drugs, or refused to be screened under another employer's program. Those who have either had a confirmed positive test result or refused to be screened under another employer's program will not be hired.

### **Post-Accident Testing**

The company's policy is to test all employees involved in an accident for the presence of prohibited drugs and alcohol. The employee will be tested as soon as possible, but no later than five hours after the accident. Those who have either had a confirmed positive test result or refused to be screened will be subject to disciplinary action, up to and including immediate termination of employment. All employees will be escorted to their post-accident drug screen by a member of management. Employees must also ensure they have this done even if they are visiting a hospital.

### **Reasonable Cause Testing**

The company will test employees who are reasonably suspected of using prohibited drugs and alcohol. The company's decision to test an employee under this section is based on a reasonable belief that the employee is using



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a prohibited drug on the basis of specific contemporaneous, physical, behavioral, or performance indicators of probable drug use. An employee tested for reasonable cause shall be transported to the collection site by a member of management. Those who have either had a confirmed positive test result or refused to be screened will be subject to disciplinary action, up to and including immediate termination of employment.

## **Random Testing**

All employees could be subject to random drug and alcohol screens. Employees who receive a confirmed positive test result or refused to be screened will be subject to disciplinary action, up to and including immediate termination of employment.

Employees who have tested positive, refuse to be tested, refuse treatment (if offered), tamper with samples, or otherwise violate this policy, will be subject to disciplinary action, up to and including termination of employment.

## **703 Anti-Harassment**

The company strives to create and maintain a work environment in which people are treated with dignity, decency and respect. The environment of the company should be characterized by mutual trust and the absence of intimidation, oppression and exploitation. Employees should be able to work and learn in a safe, yet stimulating atmosphere. The accomplishment of this goal is essential to the mission of the company. For that reason, the company will not tolerate unlawful discrimination or harassment of any kind. Through enforcement of this policy and by education of employees, the company will seek to prevent, correct and discipline behavior that violates this policy.

All employees, regardless of their positions, are covered by and are expected to comply with this policy and to take appropriate measures to ensure that prohibited conduct does not occur. Appropriate disciplinary action will be taken against any employee who violates this policy. Based on the seriousness of the offense, disciplinary action may include verbal or written reprimand, suspension or termination of employment.

The company, in compliance with all applicable federal, state and local anti-discrimination and harassment laws and regulations, enforces this policy in accordance with the following definitions and guidelines:

### **Harassment**

The company prohibits harassment of any kind, including sexual harassment, and will take appropriate and immediate action in response to complaints or knowledge of violations of this policy. For purposes of this policy, harassment is any verbal or physical conduct designed to threaten, intimidate or coerce an employee, co-worker or any person working for or on behalf of the company. Verbal taunting (including racial and ethnic slurs) that, in the employee's opinion, impairs his or her ability to perform his or her job is included in the definition of harassment.

The following examples of harassment are intended to be guidelines and are not exclusive when determining whether there has been a violation of this policy:

- Verbal harassment includes comments that are offensive or unwelcome regarding a person's nationality, origin, race, color, religion, gender, sexual orientation, age, body, disability or appearance, including epithets, slurs and negative stereotyping.
- Nonverbal harassment includes distribution, display or discussion of any written or graphic material that ridicules, denigrates, insults, belittles or shows hostility, aversion or disrespect toward an individual or group because of national origin, race, color, religion, age, gender, sexual orientation, pregnancy, appearance, disability, sexual identity, marital or other protected status.

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Harassment in violation of this policy will be subject to disciplinary action up to and including termination.

## **Sexual Harassment**

Sexual harassment is a form of unlawful employment discrimination under Title VII of the Civil Rights Act of 1964 and is prohibited under the company's anti-harassment policy. According to the Equal Employment Opportunity Commission (EEOC), sexual harassment is defined as "unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature . . . when . . . submission to or rejection of such conduct is used as the basis for employment decisions . . . or such conduct has the purpose or effect of . . . creating an intimidating, hostile or offensive working environment."

There are two types of sexual harassment:

- "Quid pro quo" harassment, where submission to harassment is used as the basis for employment decisions. Employee benefits such as raises, promotions and better working hours are directly linked to compliance with sexual advances. Therefore, only someone in a supervisory capacity (with the authority to grant such benefits) can engage in quid pro quo harassment. Examples: A supervisor promising an employee a raise if she goes on a date with him; a manager telling an employee she will fire him if he does not have sex with her.
- "Hostile work environment," where the harassment creates an offensive and unpleasant working environment. A hostile work environment can be created by anyone in the work environment, whether it be supervisors, other employees or customers. Hostile environment harassment consists of verbiage of a sexual nature, unwelcome sexual materials or even unwelcome physical contact as a regular part of the work environment. Texts, e-mails, cartoons or posters of a sexual nature; vulgar or lewd comments or jokes; or unwanted touching or fondling all fall into this category.

Sexual harassment occurs when unsolicited and unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature:

- Is made explicitly or implicitly a term or condition of employment.
- Is used as a basis for an employment decision.
- Unreasonably interferes with an employee's work performance or creates an intimidating, hostile or otherwise offensive environment.

Sexual harassment may take different forms. The following examples of sexual harassment are intended to be guidelines and are not exclusive when determining whether there has been a violation of this policy:

- Verbal sexual harassment includes innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, lewd remarks and threats; requests for any type of sexual favor (this includes repeated, unwelcome requests for dates); and verbal abuse or "kidding" that is oriented toward a prohibitive form of harassment, including that which is sexual in nature and unwelcome.
- Nonverbal sexual harassment includes the distribution, display or discussion of any written or graphic material, including calendars, posters and cartoons that are sexually suggestive or show hostility toward an individual or group because of sex; suggestive or insulting sounds; leering; staring; whistling; obscene gestures; content in letters and notes, facsimiles, e-mail, photos, text messages, tweets and Internet postings; or other form of communication that is sexual in nature and offensive.
- Physical sexual harassment includes unwelcome, unwanted physical contact, including touching, tickling, pinching, patting, brushing up against, hugging, cornering, kissing and fondling and forced sexual intercourse or assault.

Sexual harassment in violation of this policy will be subject to disciplinary action up to and including termination.

No hardship, loss, benefit or penalty may be imposed on an employee in response to:

- Filing or responding to a bona fide complaint of discrimination or harassment.

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- Appearing as a witness in the investigation of a complaint.
- Serving as an investigator of a complaint.

Retaliation or attempted retaliation in response to lodging a complaint or invoking the complaint process is a violation of this policy. Any person who is found to have violated this aspect of the policy will be subject to sanctions up to and including termination of employment.

The company will courteously treat any person who makes a complaint, and the company will handle all complaints swiftly and confidentially to the extent possible in light of the need to take appropriate corrective action. Lodging a complaint will in no way be used against the employee or have an adverse impact on the individual's employment status. Because of the damaging nature of harassment to the victims and to the entire workforce, aggrieved employees are strongly urged to use this procedure.

## **704 Attendance and Punctuality**

As an employee, we expect you to be reliable and punctual by reporting for work on time and as scheduled. When you are absent or late, it places a burden on other employees and can impact productivity and service. In the rare instances when you cannot avoid being late or are unable to work as scheduled, be sure to notify your supervisor as soon as possible so that appropriate arrangements can be made. Because unplanned absences can be disruptive to work, a poor attendance record or excessive lateness may lead to disciplinary action, up to and including termination of employment.

## **705 Personal Appearance**

We want employees to reflect an appropriate business image to the community. How you dress, your grooming and personal cleanliness standards all contribute to that image. During business hours or whenever representing the company, you are expected to present a clean, neat, and tasteful appearance. You should always dress and groom yourself according to the requirements of your position and accepted social standards.

Your supervisor is responsible for establishing a reasonable dress code appropriate to the job you perform. Uniforms are provided for those employees whose job requires the wearing of one. Uniformed employees must wear neat and clean uniforms at all times. Safe, clean, shoes should be worn at all times.

For all employees, professional appearance also means that the organization expects you to maintain good hygiene and grooming while working. Facial hair is permitted as long as it is neat and well-trimmed. Earrings are acceptable; however, no more than one earring may be worn on each ear while working. Rings through the nose, eyebrow, tongue, or body parts (other than the ear lobe) visible to the public may not be worn while working. All tattoos must be small in size or covered at all times and may not be offensive in nature.

Clothing must not constitute a safety hazard. All employees should practice common sense rules of neatness, good taste, and comfort. Provocative clothing is prohibited. The company reserves the right to determine appropriate dress at all times and in all circumstances and may send employees home to change clothes should it be determined their dress is not appropriate. Employees will not be compensated for this time away from work. We may, when necessary, make reasonable accommodation in the personal appearance policy for a person with a disability.

## **706 Return of Property**

As part of your job, you may be issued or given temporary possession of the company's property, materials or written information. You are expected to be responsible for and maintain control of any the company's property in your possession. If your employment ends, all of the company's property must be returned on or before your last

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day of work. In situations where you do not return the company's property, we may take steps to recover the item or its cost by withholding from your regular or final paycheck when allowed by law, or by taking legal action.

## **708 Resignation**

Resignation is defined as a voluntary act initiated by an employee to terminate employment with the company. Although there is no requirement that you give advance notice, doing so can reduce the impact on your co-workers and productivity. We request a resigning employee submit a written notice of resignation at least two weeks in advance. Employees leaving the company will be required to sign a form indicating their voluntary resignation.

## **710 Security Inspections**

The company is committed to maintaining a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. We prohibit the possession, transfer, sale, or use of such materials on our premises. To ensure this policy is successful, we need every employee's cooperation.

The company may provide you with desks, lockers, and other storage devices for your convenience but these are always the sole property of the company. Because this is the company's property, they may inspect them along with any items that are inside them. Agents or persons authorized, either with or without prior notice to you, may make an inspection at any time.

## **712 Solicitation**

In an effort to minimize disruptions and maintain a harmonious environment, we prohibit people who are not the company's employees from either soliciting or distributing literature in the workplace at any time for any purpose.

We recognize that our employees are often active and have interest in events and organizations outside work. Employees are authorized to distribute literature as long as they receive advanced permission from their supervisor.

Posting notices and solicitations on the company bulletin boards are also limited to only certain types of information. The company uses these bulletin boards to display information we think is important to employees such as safety rules, statutory and legal notices, company policies, and management memos. Each employee has the responsibility to read the information that is posted.

## **716 Progressive Discipline**

This policy describes the policy for administering equitable and consistent discipline for unsatisfactory conduct. We believe that the best disciplinary measure is the one that does not have to be enforced and comes from good leadership and fair supervision at all employment levels. We also believe that it is in the best interests of the company to ensure fair treatment of all employees and make certain that disciplinary actions are prompt, uniform, and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence, and prepare the employee for satisfactory performance in the future.

Although your employment is based on mutual consent and both you and the company have the right to terminate employment at will, with or without cause or advance notice, the company may use progressive discipline at its discretion.

Disciplinary action may call for any of four steps -- verbal warning, written warning, suspension with or without pay, or termination of employment -- depending on the severity of the problem and the number of occurrences.

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There may be circumstances when one or more steps are bypassed. Progressive discipline means that, with respect to most disciplinary problems, these steps will normally be followed: a first offense may call for a verbal warning; a next offense may be followed by a written warning; another offense may lead to a suspension; and, still another offense may then lead to termination of employment.

The company recognizes that there are certain types of employee problems that are serious enough to justify either a suspension, or, in extreme situations, termination of employment, without going through the usual progressive discipline steps.

While it is impossible to list every type of behavior that may be considered a serious offense, the Employee Conduct and Work Rules policy includes examples of problems that may result in immediate suspension or termination of employment. However, the problems listed are not all necessarily serious offenses, but may be examples of unsatisfactory conduct that will trigger progressive discipline.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both employees and the company.

## **718 Problem Resolution**

The company is committed to providing the best possible working conditions for our employees. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from company management.

The company strives to ensure fair and honest treatment of all employees. We expect supervisors, managers, and employees to treat each other with mutual respect. We encourage employees to offer positive and constructive criticism to each other. If you disagree with established rules of conduct, policies, or practices, you can express your concern through the problem resolution procedure. You will not be penalized, formally or informally, for voicing a complaint with the company in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs when you believe that a condition of employment or a decision affecting you is unjust or inequitable, you are encouraged to make use of the following steps. You may discontinue the procedure at any step.

1. You present the problem to your supervisor within seven calendar days after the incident occurs. If your supervisor is unavailable or you believe it would be inappropriate to contact that person, you may present the problem to Human Resources or any other member of management.
2. The supervisor responds to the problem during discussion or within seven calendar days after consulting with appropriate management, when necessary. The supervisor documents the discussion.
3. You present the problem to Human Resources within seven calendar days if the problem is unresolved.
4. Human Resources counsels and advises you, assists in putting the problem in writing, visits with your managers, if necessary, and directs you to the CFO for a review of the problem.
5. You present the problem to the CFO in writing.
6. The CFO reviews and considers the problem. The CFO informs you of the decision within seven calendar days and forwards a copy of the written response to Human Resources for your file. The CFO has full authority to make any adjustment deemed appropriate to resolve the problem.

Not every problem can be resolved to everyone's total satisfaction, but only through understanding and discussion of mutual problems can employees and management develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment, and helps to ensure everyone's job security.

## **722 Workplace Etiquette**

The company strives to maintain a positive work environment where employees treat each other with respect and courtesy. Sometimes issues can arise when employees may be unaware that their behavior at work may be disruptive or annoying to others. Very often you can address these day-to-day issues by politely talking with your co-worker to bring the perceived problem to his or her attention.

In most cases, common sense will dictate an appropriate resolution. The company encourages all employees to keep an open mind and graciously accept constructive feedback or another employee's request for you to change your behavior because it may be affecting that person's ability to concentrate and be productive.

The following are some workplace etiquette guidelines and suggestions to help you be more conscientious and considerate of your co-workers and the work environment. These are not necessarily intended to be hard and fast work rules with disciplinary consequences. If you have comments, concerns, or suggestions about workplace etiquette, contact Human Resources.

- Avoid public accusations or criticisms of other employees. Address such issues privately with those involved or your supervisor.
- Try to minimize unscheduled interruptions of other employees while they are working.
- Be conscious of how your voice travels, and try to lower the volume of your voice when talking on the phone or to others in open areas.
- Keep socializing to a minimum, and try to conduct conversations in areas where the noise will not be distracting to others.
- Refrain from using inappropriate language (swearing) that others may overhear.
- Avoid discussions of your personal life/issues in public conversations that can be easily overheard.
- Monitor the volume when listening to music, voice mail, or a speakerphone that others can hear.
- Clean up after yourself and do not leave behind waste or discarded papers.

## **MISCELLANEOUS**

### **800 Life-Threatening Illnesses in the Workplace**

Employees with life-threatening illnesses, such as cancer, heart disease, and AIDS, often wish to continue their normal pursuits, including work, to the extent allowed by their condition. The company supports these endeavors as long as employees are able to meet acceptable performance standards.

As in the case of other disabilities, we will make reasonable accommodations in accordance with all legal requirements, to allow qualified employees with life-threatening illnesses to perform the essential functions of their jobs.

Medical information on individual employees is treated confidentially. The company will take reasonable precautions to protect such information from inappropriate disclosure. Supervisors and other employees have a responsibility to respect and maintain the confidentiality of employee medical information. Anyone inappropriately disclosing such information is subject to disciplinary action, up to and including termination of employment.

If you have a question or concern about life-threatening illnesses, we encourage you to contact Human Resources.

### **801 Suggestion Program**

Employees are encouraged to make suggestions or offers ideas that would benefit the organization. The company is always looking for suggestions that improve methods, procedures, working conditions, reduce costs or errors, and benefit its employees. Employees who wish to make anonymous suggestions are encouraged to do so by writing the corporate office. Employees who make suggestions that are used to substantially benefit the organization and its employees may, at the sole discretion of the company, be considered for an appreciation award. In addition, any suggestions used will be prominently publicized among the other employees to encourage more participation.

**EMPLOYEE ACKNOWLEDGEMENT FORM**

The employee handbook describes important information about Nebraskaland Tire, Inc., Kansasland Tire Co., Inc. of Hays, Kansas and Coloradoland Tire, Guymon Tire and Auto Service and PanHandle Tire and Service (collectively referred to hereinafter as “the company” for purposes of this handbook). I understand that I should consult the HR Business Partner regarding any questions not answered in the handbook.

Since the information, policies, and benefits described in the handbook are subject to change as needed, I acknowledge that revisions to the handbook may occur, except to the employment-at-will policy of the company. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. I also understand that only the management of the company has the ability to adopt revisions to the policies in this handbook.

Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document. I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.

Employee Signature \_\_\_\_\_ SS # \_\_\_\_\_

Print Name \_\_\_\_\_ Date \_\_\_\_\_

***This page is a copy of the document you signed in orientation.  
Please review carefully and leave in the handbook for your future reference.***





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