



HANDBOOK FOR UNION EMPLOYEES

Revised January 1, 2020

This Handbook for Union Employees supersedes all prior handbooks and any other oral or written statements of Company policy. This handbook for Union Employees applies to employees who are Union Employees covered by a collective bargaining agreement and as defined in Section 2.3 of this Handbook for Union Employees.

HANDBOOK STATEMENT

This Handbook for Union Employees has been prepared as a guide and reference for union employees of Long Painting Company. It is not intended, nor should it be construed, to supersede any contrary provisions in any collective bargaining agreement the Company has signed. In this Handbook the Company has tried to explain in simple and clear language what it expects from you, as a union employee, and what you can generally expect from it. However, if there is anything, which is not completely clear to you, please ask your supervisor to explain it to you.

The goals, guidelines, rules, policies and procedures described here are not a contract or terms of employment. The contents of this Handbook summarize current Company policies and programs and are intended as guidelines only. The Company reserves the right to change, modify, suspend, interpret or cancel in whole or in part any of the published or unpublished personnel policies or practices of the Company, without advance notice, in its sole discretion, without having to give cause or justification to any employee. Recognition of these rights and prerogatives is a condition of employment and continued employment.

This Handbook for Union Employees probably does not contain all of the information you will need during your employment. You may receive additional information from time to time.

No additional information or communication and no practice followed by the Company shall create or constitute a contract of employment or limit the Company's right to modify or terminate an employment relationship.

The contents of this Handbook are not intended to create, nor does it constitute, a contract between the Company and any of its employees. Employment with the Company is "at will" which means employment is for no specified time and may be terminated by the Company or by the employee, at any time with or without prior notice, for any reason or for no reason, subject to the "just cause" requirements of any collective bargaining agreement the Company has signed.

No one has been authorized to alter this employment "at will" policy; therefore, no prospective or present employee should rely on any written or oral statement which may be or appear to be contrary to that policy unless it has been authorized by proper action of the Company's Board of Directors in writing, or unless it appears in a collective bargaining agreement the Company has signed.

WELCOME STATEMENT

To our new Union Employees:

Welcome to Long Painting Company (the Company). We trust that you will enjoy your work here and that we will be proud of you as an employee. Please become familiar with this Handbook for Union Employees, which we believe will provide you with an understanding of the Company goals, policies and practices which are not addressed in a collective bargaining agreement that the Company has signed. Please understand that the Company has the right to change any of the Company goals, policies and practices at any time, as long as they are not fixed by a collective bargaining agreement that the Company has signed.

As a member of the Company team, we are confident that you will meet our expectations, that you are qualified to do our work and that you will be cooperative with others working here. Because of the competitive nature of our business, teamwork is necessary.

We hope that you will be happy in your work here. May we both enjoy a profitable and pleasant relationship.

John Fisher, President, Long Painting Company

Table of Contents

Page

1	NEW EMPLOYEE INTRODUCTION SECTION	1
1.1	Company History	1
1.2	Employee Orientation	1
1.3	Initial Probationary Employment Period.....	1
1.4	Applicant and Rehire Drug Testing.....	2
1.5	Proof of Right to Employment.....	2
2	COMPANY GOALS AND GUIDELINES SECTION	2
2.1	Company Mission Statement.....	2
2.2	Company Guidelines	2
2.3	Union Contract, Work Rules and Company Policies	4
2.4	Enforcement of Rules and Policies.....	4
3	COMPANY WORK RULES SECTION	5
3.1	Introduction.....	5
3.2	Environment, Safety, and Harassment	5
3.3	Drugs and Intoxicants.....	5
3.4	Employee Performance	6
3.5	Employee Conduct	6
3.6	Employee Attendance	6
3.7	Company Property.....	6
3.8	Salvage from Jobsites or Company Properties	6
3.9	Outside Employment	7
3.10	Confidential Information.....	7
3.11	Smoking	7
4	COMPANY POLICIES SECTION	7
4.1	Introduction.....	7
4.2	Environmental Protection	7
4.2.1	Infractions	8
4.3	Safety	8
4.3.1	Fall Protection Policy – Zero Tolerance	9
4.4	Hazards	9
4.5	No Harassment	9
4.5.1	Harassment Defined	9
4.5.2	Sexual Harassment	9
4.5.3	Procedures and Guidelines for Reporting Harassment.....	10
4.5.4	Report Confidential	10
4.6	No Retaliation	10
4.7	No Employment Discrimination	10
4.8	Disability Accommodation	11

Table of Contents

Page

4.9	Drug-Free Workplace	11
4.9.1	Testing	11
4.9.2	Prescription Drug Use.....	12
4.9.3	Investigation.....	12
4.9.4	Employee Assistance	12
4.9.5	Discretionary Assistance	13
4.9.6	Rehiring	13
4.10	Smoking	12
4.11	Personal Use of Company Tools, Equipment and Vehicles	13
4.12	Computer Software.....	14
4.13	Personal Cellular Phones and Cameras.....	14
4.14	Use of Company Computers, Electronic Devices and Cell Phones for Electronic Mail, Text Messages and Internet Access ..	14
5	GENERAL EMPLOYMENT PRACTICES SECTION	15
5.1	Introduction.....	15
5.2	Payroll, Advances and Records	15
5.2.1	Time and Attendance Records	15
5.2.2	Payroll Period	15
5.2.3	Advances for Expenses	15
5.3	Use of Company Credit Cards.....	15
5.4	Employee Activities	16
5.4.1	Soliciting	16
5.4.2	Personal Mail and Telephone Calls	16
5.4.3	Personal Purchases.....	16
5.4.4	Searches.....	16
5.5	References	17
5.6	Modified Duty	17
5.7	Employment Opportunity	17
5.7.1	Promotions and Transfers	17
5.7.2	Employment of Relatives	17
5.8	Vehicles.....	18
5.8.1	Vehicle Point System.....	18
5.8.2	Personal Vehicle Use	19
5.8.3	Company Vehicle Use	19
5.8.4	Insurance Deductibles for Preventable Vehicle Accidents ..	20
5.8.5	Cellular Phone Use on Company Business	20
5.9	Report Accidents and Property Damage	21
5.10	Family and Medical Leave.....	21
5.10.1	Return from Family or Medical Leave	22
5.10.2	Service Member Family and Medical Leave	22
5.11	Leaves.....	23
5.11.1	Sick Leave	23

Table of Contents

Page

5.11.2 Jury Duty and Court Appearances.....	25
5.11.3 Leave of Absence	25
5.11.4 Military	25
5.11.5 Domestic Violence Leave	26
5.11.6 Military Family Leave	26
5.12 Vacations.....	27
5.12.1 Accruing Vacations for Field Foremen.....	27
5.12.2 Vacation Required	27
5.12.3 Scheduling Vacations	28
5.12.4 Vacation at Termination of Employment	28
5.12.5 Changes to Vacation Plan	28
5.13 Layoffs.....	28
5.14 Exit Interview	28
5.15 Education	28

1. NEW EMPLOYEE INTRODUCTION SECTION

1.1 Company History

The Company entered the commercial painting field in 1967, operating from a small shop in south Seattle. In 1970, the operations outgrew those quarters and continued to grow so that the Company now has an office, warehouse and shop complex in Kent and an office and warehouse facility in Vancouver, WA. Over time the Company has expanded its geographic markets, we primarily serve people and businesses in the Northwest, including Washington, Oregon, Idaho, Montana, Alaska, and Northern California.

In 1971, capabilities were expanded to encompass industrial sandblasting and a shop blasting and coating facility was developed. In 1976, the Company entered the marine painting field with the development of special staff capabilities and the acquisition of custom-designed equipment.

The Company established its own Craft Safety and Education program so that its employees stay abreast of the latest developments. Certified NACE (National Association of Corrosion Engineer) inspectors are on staff. The Company has received certification from SSPC (Steel Structural Painting Council), a quality-conscious organization. A Drug-Free Workplace Program was implemented to protect its work force and the public.

Today, the Company is one of the largest, most diversified painting contractors in the Northwest. The Company takes pride in the quality of our people and the work they perform.

1.2 Employee Orientation

As a new employee, you will receive a general orientation, which involves completion of all the paperwork for a newly hired person, a review of this handbook, and an explanation of employee benefits. Familiarize yourself with the contents of this handbook. If you have any questions about your job, you should discuss them with your supervisor. You will have a tour of the Company's facilities, be introduced to other employees and receive an explanation of your job responsibilities. You will also view a Hazardous Materials ("Right to Know") Training Video. Each employee will be given a copy of the Hazard Communication Program. Familiarize yourself with the contents of this Program.

1.3 Initial Probationary Employment Period

Each new employee is hired on a probationary basis for at least 120 days. Therefore, aside from any other provision of this Handbook, if a new employee is terminated during the first 120 days after he or she is first employed (the probationary period), the Company shall not be required to follow any disciplinary procedure before termination or to provide or articulate any reason for the termination. By notice to a new employee, the Company may extend the probationary period during which this Section is applicable for a period of more than 120 days. Employment with the Company is "at will" as defined in the Handbook Statement.

Nothing in this Section shall affect the “at will” nature of any employment between the Company and any employee, nor require any notice, disciplinary procedure, or explanation of any reason for termination of employment.

1.4 Applicant and Rehire Drug Testing

In furtherance of the Drugs and Intoxicants policy set forth in Section 4.9 of this Handbook, all applicants for employment and all rehired employees who have not worked for the Company within 30 days are required to be tested for drugs and intoxicants in accordance with the policy. No person shall be hired or rehired if the test is positive, that is, the results are not free of indication of drug or intoxicants use, or if the person refuses to take the test. An employee who is hired only for a specific job which is being performed for a contractor which requires testing for drugs and intoxicants equivalent or more strict than the Company’s testing for drugs and intoxicants shall comply with the contractor’s testing requirements and may not be required to be tested by the Company under this Section. In order to meet the Company production requirements, the Company shall have the right in its discretion to put an employee to work before test results are received by the Company. If positive test results are received after the employee is put to work, the employee shall be subject to immediate discharge. If an applicant’s test results are positive, the Company will not accept the applicant’s reapplication for employment for a period of six (6) months thereafter.

1.5 Proof of Right to Employment

Each employee is required to provide the Company with the documents necessary to establish identity and the right to lawful employment in the United States in accordance with the requirements of the Immigration and Naturalization Service.

2. COMPANY GOALS AND GUIDELINES SECTION

2.1 Company Mission Statement

The Company’s mission and goal is to provide customers with quality painting and related contracting services while providing a safe work place for our employees, safeguarding the environment and the public, and receiving a fair return on investment.

2.2 Company Guidelines

In achieving its goals, the Company will agree to practice the following safety, environmental, quality, industry leadership, customer relations, employee, and profit guidelines.

ENVIRONMENTAL PROTECTION AND SAFETY ARE TO BE TOP PRIORITY

Regular offerings of environmental and safety training, instruction and manuals will be provided in order to encourage and establish work procedures which promote environmental protection and safety, compliance with established regulatory agency environmental and safety

guidelines, regulations and codes as enhanced by Company rules, and instill employee environmental and safety awareness. Safe and efficient equipment which is properly maintained in good working order and which meets environmental regulatory compliance will be provided, used and maintained.

QUALITY IS TO BE THE HIGHEST STANDARD OF THE TRADE

Work is to reflect pride in the Company work product. Work is to be completed according to plans and specifications using the latest technology to achieve a superior result and using trained personnel to complete the work.

CUSTOMERS ARE TO BE SATISFIED

Each customer is to be treated as the Company's only customer. Work is to be monitored and followed so that it is performed to meet the customer's schedules and expectations. Problems are to be quickly solved. Excellent work is to be produced in a professional manner so that each customer is aware of getting the best value for their dollars spent.

EACH EMPLOYEE IS TO HAVE RESOURCES

Each employee is to have available and take advantage of ongoing training to upgrade skills and receive assistance in identifying potential personal growth and achieving that growth. Lines of communication throughout the Company are to be kept open and functioning efficiently. A work environment is to be maintained where each employee is given the feeling of being a member of a team and knows that safety and employee well being is a high priority. Employees' compensation and benefits are to be provided according to their contribution to the Company. Wherever possible, the Company will endeavor to make promotions from within the Company. Training, management and equipment are to be provided to enable the Company's employees to complete their work in the most efficient manner possible.

THE COMPANY IS TO LEAD THE INDUSTRY

The most qualified person available is to be used for each position in the Company. Employee skills are to be updated to keep pace with changing technology. High work quality is to be maintained. Company resources are to be used efficiently, employing waste reduction and recycling. The most environmentally sound procedures and materials are to be researched and used where suitable and approved in the work provided by the Company.

PROFIT IS TO BE ACHIEVED

Company resources are to be managed to achieve maximum return for the risk involved.

2.3 Union Contract, Work Rules and Company Policies

This Handbook for Union Employees applies to employees of the Company who fall within the definition of “Employee” as defined in your Union Area Agreement (the Union Contract). Union employees who are within the definition should refer to their Union Contract since it contains provisions governing grievances, work rules, wages, and other employment practices applicable to Union employees. This Handbook for Union Employees supplements the provisions of the Union Contract. Union employees should be familiar with both this Handbook and the Union Contract. In the event that there is any inconsistency between this handbook for Union Employees and the Union Contract, the terms of the Union Contract shall prevail provided that this Handbook for Union Employees may be used to interpret the language of the Union Contract in the event the Union Contract is not clear. In addition to the Union Contract, to further implement the Company’s goals, both the Company and each of its employees should endeavor to follow the Company Work Rules contained in Section 3, the Company Policies contained in Section 4, and Company Employment Practices contained in Section 5. However, in order to facilitate consistent quality service for the Company’s customers, it is recognized that situations may occasionally arise where strict adherence to these rules, policies and practices will not be in the best interests of the Company or its customers. Each employee should evaluate those situations and consider appropriate optional action, preferably first discussing it with the employee’s supervisor, and each employee has the right to take optional action. Likewise, the Company may take optional action.

RULES & POLICIES + COMMON SENSE = APPROPRIATE ACTION

Caution: This Section 2.3 should not be taken to mean that blanket permission is granted to the Company employees to disregard Company rules or policies, but is only a tool to be used in special situations.

Under no circumstances may any optional action be taken which compromises the safety of employees or the public or which violates any governmental laws or regulations, including environmental laws or regulations.

2.4 Enforcement of Rules and Policies

Disciplinary action will be taken in the case of any conduct which, in the discretion of the Company, interferes with or adversely affects the Company’s best interests. Except in the case of conduct for which there may be automatic termination, the Company usually will make an investigation into the occurrence and circumstances, and if, in the discretion of the Company, there is reason to believe that an employee’s conduct interferes with or adversely affect the Company’s best interests or is not consistent with Company rules and policies, disciplinary action will be taken as the Company deems appropriate. Depending on the circumstances, disciplinary action can take the form of any one or more of the following: verbal warnings, change in duties, reduction in compensation, suspension from employment, or termination of employment.

Conduct which involves violation of governmental laws or regulations or Company rules relating to environment and safety are always deemed

serious and can result in immediate termination of employment at the discretion of the Company.

Any causes for discipline described or mentioned in this Handbook are examples. Other conduct not described in this Handbook may also lead to disciplinary action, including discharge. The Company will usually consider the seriousness of the conduct, the employee's record, the employee's ability to correct the conduct, action taken against other employees for the same conduct, the effect of the conduct on customers and other relevant surrounding circumstances in determining appropriate disciplinary action. The Company is not required to follow that evaluation, any progressive disciplinary system, identify or correct the problem, or follow any steps in any case where disciplinary action is involved. This Section is simply intended as a guide, which may be useful to follow in resolving many disciplinary problems. An employee may resign at any time, and regardless of what this Handbook may say, the Company reserves, and always has the right to discharge any employee and terminate the employment with or without notice, at any time and for any reason or no reason.

3. COMPANY WORK RULES SECTION

3.1 Introduction

Each employee is expected to comply with the Work Rules contained in the Union Contract and in this Section 3. The Company reserves the right to modify the Work Rules contained in this Section 3 in its discretion for any reason and at any time without prior notice.

Violation of any of these Work Rules may result in immediate dismissal.

3.2 Environment, Safety and Harassment

Each employee shall become familiar with and fully and completely comply with the following:

- a) The Environmental Protection and Hazards Policy in Sections 4.2 and 4.4 of this Handbook,
- b) All of the Company and governmental rules and regulations relating to and dealing with protection of the environment, hazards and hazardous materials and wastes.
- c) The Company's Safety Policy in Section 4.3 of this Handbook, all Company and governmental rules and regulations adopted from time to time pertaining to occupational safety and health, and
- d) The Company's No Harassment Policy in Section 4.5 of this Handbook.

3.3 Drugs and Intoxicants

No employee shall violate the Drugs-Free Workplace Policy in Section 4.9 of this Handbook. In particular, no employee shall possess, sell or use or test positive for any intoxicants, drugs or drug paraphernalia in violation of that Policy. No employee shall refuse to submit to testing for drugs or intoxicants. No employee

shall refuse to permit a search for drugs or intoxicants. When an employee is tested for drugs or intoxicants, the employee's test results shall be free of any indication of intoxicants or illegal drugs. See Section 4.9.1 of this Handbook. No employee shall be at work while under the influence of intoxicants or drugs, including prescription drugs, which affect the employee's judgment, alertness or motor skills.

3.4 Employee Performance

Each employee shall carry out reasonable job assignments and, if warned of unsatisfactory work performance, shall improve performance since each employee's work is expected to be satisfactory and of good quality. No employee shall be insubordinate or refuse to carry out appropriate instructions or orders. No employee shall be guilty of poor workmanship.

3.5 Employee Conduct

At no time shall any employee be rude to customers, steal, possess stolen property, lie, make false statements, or falsify records. While at work, no employee shall use abusive or offensive language, engage in fighting, horseplay or practical jokes, willfully destroy property, possess firearms or other weapons or engage in immoral conduct or gambling. Each employee's working attire shall comply with the requirements of this Handbook.

3.6 Employee Attendance

Each employee shall have regular attendance during all scheduled hours of work, report to work on time and continue to work to the end of the work period. No employee shall leave a job during working hours without proper approval of his or her supervisor. Unless an employee is on leave or on vacation or is otherwise excused from work in advance, before the start of each day on which an employee will be absent from work one day or more, the employee shall call his or her supervisor and furnish an acceptable reason to be absent from work.

Failure to call the supervisor and furnish an acceptable reason to be absent from work may result in automatic termination of employment.

3.7 Company Property

No employee shall misuse or abuse or willfully destroy Company vehicles, tools, equipment or materials. Except directly in connection with Company business, no employee shall use any Company credit card for personal purchases, nor shall any employee use any Company vehicle, tools, equipment, materials or supplies without prior consent as provided in Section 4.11 of this Handbook.

3.8 Salvage from Jobsites or Company Properties

Salvaging or taking of any items from any jobsite or the Company's property for one's personal use or gain is not allowed without prior approval from the Company President.

Anyone breaching this rule will be given a written warning on the first offense and be required to return the item(s) salvaged or taken. Immediate termination will occur on the second offense, with the same demand to return the item(s) salvaged or taken.

3.9 Outside Employment

During employment with the Company, no employee shall work for any other employer nor engage in any other business, directly or indirectly, as owner, shareholder or consultant. No employee shall perform any work for compensation for any other person, firm or corporation other than the Company during employment with the Company without full and complete disclosure to the Company and approval in advance by the Company. This section is not intended to preclude any employee from investing in securities under public offerings or private placements where all management is provided as a part of the investment and the intent is to make a passive investment.

3.10 Confidential Information

No employee shall discuss or disclose any confidential information about the Company's business to anyone other than Company employees. Confidential information is information relating to the Company's pricing practices, its customer lists, its customer contacts, other information about its customers, financial information about the Company and other operational information, which is or may be available to the employee during performance of his or her work or is acquired during or as a result of his or her employment, including without limitation information contained in the Company's general files and computer files.

3.11 Smoking

There shall be no smoking by any employee except where smoking is permitted under the Company's Smoking Policy in Section 4.10 of this Handbook.

4. COMPANY POLICIES SECTION

4.1 Introduction

Each employee is expected to comply with the company Policies contained in this Section. Failure to follow any of these Company Policies may result in disciplinary action. The Company reserves the right to modify these Policies in its discretion for any reason at any time without prior notice.

4.2 Environmental Protection

The Company is committed to protection of the environment. Prevention of infractions of environmental regulations, rules and procedures takes precedence over operational productivity at all times. All employees are expected to demonstrate by conduct an attitude toward protection of the environment in support of the Company's commitment. The Company shall provide and properly maintain equipment necessary to meet environmental laws and regulations and shall fully comply with regulatory standards applicable to the Company's work. The Company shall strive to exceed those standards and shall try to reduce environmental impacts caused by its activities by developing and enforcing its own environmental rules. The Company shall train its employees in good environmental care and regulatory compliance practices, shall provide necessary personal protective equipment and shall provide instructions for use of the equipment. Each employee shall comply with

all of the governmental environmental laws and regulations and all of the Company's environmental rules.

4.2.1 Infractions

Regardless of the magnitude of an incident, the Company shall promptly and thoroughly investigate every known failure to comply with an environmental law, regulation or rule in order to determine the cause of the failure to comply. The Company will promptly correct the condition giving rise to the noncompliance and work to prevent any reoccurrence. Each employee shall cooperate and assist in the investigation and implementation of corrective procedures. Any potential environmental problem or regulatory non-compliance witnessed by an employee should be handled as follows: Observed potential environmental problems should be immediately corrected and reported by the employee to his or her supervisor, and, if a reported potential problem is not resolved after it is reported to the supervisor, then the problem should be reported by the employee to the Company's President. Any observed environmental noncompliance should be immediately reported by the employee to his or her supervisor, the events reported in writing and the writing delivered to the Company President within 24 hours.

4.3 Safety

The Company is committed to the personal safety and health of each of its employees. Prevention of occupational injuries and illness shall take precedence over expediency. The Company will attempt to promote and enforce procedures which create safe and healthful work places, maintain safe equipment, maintain safety records and carry on a safety training program to meet federal, state and local laws and regulations. In order to implement the Safety Policy, from time to time the Company may adopt specific rules. Each employee shall conform to these rules. Nevertheless, each employee is expected to assume responsibility for his or her own safety. Any unsafe condition observed by an employee should be immediately reported to his or her supervisor and if possible, documented in writing. Unsafe conditions which are reported to a supervisor and which are not immediately resolved, shall be reported to the Company's Safety Director. If unsafe conditions are not then corrected, they shall be reported to the Company President. The Company cannot be expected to remedy unsafe conditions promptly unless they are reported.

BASICS OF SAFETY

- **Be conscious of safety at all times**
- **Comply with OSHA, OROSHA, and/or WISHA and all state regulations at all times**
- **Maintain a safe work place**
- **Prevent fires and explosions**
- **Operate and maintain equipment properly**
- **Handle, store and use materials properly**
- **Operate and maintain vehicles properly**

- Use and maintain scaffolds, ladders and rigging properly
- Tolerate no dangerous habits or work by co-workers

JOB SAFETY IS A JOB REQUIREMENT AND EVERYONE'S RESPONSIBILITY

4.3.1 Fall Protection Policy – Zero Tolerance

Certain tasks inherent to our industry may require us to work at heights that safety regulations require employees to go through the process of being “tied-off”. To ensure compliance by the employee in taking this required safety procedure, the company has adopted a zero tolerance towards employees not being tied-off in a required tie-off situation. If an employee is observed “not tied-off” in a required tie-off situation, the employee will be immediately terminated for a specified time as determined by the company.

4.4 Hazards

The Company has a written Hazard Communication Program for all employees. Copies of the Hazard Communication Program and of the Safety Data Sheets (SDS) are available to all employees at the main office.

4.5 No Harassment

The Company is committed to providing a work environment that is free of unlawful harassment. Actions, words, jokes or comments based on an individual's sex, race, ethnicity, age, sexual orientation, marital status, religion, national origin, citizenship, veteran's status, disability or any other legally protected characteristic will not be tolerated. Employees have the right to be free from harassment on the job, either from co-workers, supervisors, or management. All supervisors have an affirmative duty under this No Harassment Policy to protect employees from unlawful harassment and to promptly report to the supervisor's superior, Equal Employment Opportunity (EEO) Officer, or to the Company President any harassment incidents, reports or concerns which come to the attention of the supervisor. Employees are to conduct themselves in such a way so as to ensure that no discrimination or harassment occurs.

4.5.1 Harassment Defined

Harassment is prohibited by state and federal laws when:

- a) Submission to or rejection of the conduct constituting harassment is used as the basis of employment decisions affecting the individual, such as decisions relating to hiring, firing, promotions, assignments, or pay; or
- b) The conduct constituting harassment creates an intimidating, hostile, or offensive work environment which prevents an employee from being productive or which causes undue stress.

4.5.2 Sexual Harassment

“Sexual harassment” is a form of unlawful harassment. In general, it is defined as conduct of a sexual nature that is unwelcome. It can include,

but is not limited to, unwanted sexual comments, suggestions, jokes and innuendo; suggestive, nonverbal behavior; sexual advances or requests for sexual favors; and unwanted, unwelcome physical contact.

4.5.3 Procedures and Guidelines for Reporting Harassment

Anyone who believes that he or she is harassed by any manager, employee, vendor, other trade worker, or client of the Company should do the following:

a) If comfortable and practical, identify the offensive behavior to the harasser and request that it stop.

b) If it is not comfortable or practical to confront the harasser directly, or if the harasser has been confronted and the harassment continues, an employee should report the incident to his or her direct supervisor as a Formal Complaint.

c) If after an employee makes a report to his or her direct supervisor, the harassment has not been promptly resolved; the matter should be reported by the employee to the EEO Officer, or the Company President.

4.5.4 Report Confidential

Whenever possible, the confidentiality of the harassment report will be maintained. However, there may be instances where the details of the report or identity of the reporting party has to be disclosed in order to effectively investigate or address the report. In those instances, the complaining party will be notified before disclosure is made, and the Company will take all reasonable steps to assure that the reporting party does not suffer any reprisals or retaliation.

4.6 No Retaliation

Complaints or reports of environmental noncompliance, safety concerns or harassment will be promptly investigated. **NO ONE WILL SUFFER ANY RETALIATION FOR REPORTING SUCH CONCERNS, FOR MAKING A COMPLAINT OR FOR COOPERATING WITH ANY INVESTIGATION OF THE COMPLAINT OR REPORT.**

4.7 No Employment Discrimination

The Company is committed to recruiting and hiring qualified employees without regard to race, religion, color, age, sex, marital status, national origin, citizenship, disability, sexual orientation, veteran status or any other characteristic protected under local, state or federal law. This commitment governs all aspects of employment, including compensation, benefits, advancement, transfers, layoff, and return from layoff. Incidents of discrimination may be reported to an employee's direct supervisor or to the Company's EEO Officer. The Company will exert an intensive effort to encourage minorities, women, the disabled, Vietnam era veterans and disabled veterans to seek employment with the Company.

4.8 Disability Accommodation

In accordance with state and federal laws, the Company will provide reasonable accommodations to otherwise qualified persons with disabilities, unless the accommodation presents undue hardship. An employee requiring accommodation because of disability should notify his or her supervisor.

4.9 Drug-Free Workplace

In a commitment to safeguard the health of our employees and to provide a safe environment for everyone, the Company has established a drug-free workplace policy. The Company will not tolerate on or in the vicinity of the property of the Company or of any of its customers, at any job site, in transportation on Company business, or while visiting any of Company's customers, either use or sale by any employee of any intoxicating beverages (alcohol) or intoxicating substance (marijuana), or any illegal controlled substances (drugs) or the illegal possession by any employee of any controlled substances (drugs) or any drug paraphernalia. No employee shall be at work while under the influence of intoxicants or drugs, including prescription drugs, which affect the employee's judgment, alertness or motor skills. The drug-free workplace policy of the Company is in compliance with the Drug-Free Workplace Act of 1988.

4.9.1 Testing

No employee shall refuse to submit to testing for drugs or alcohol. When an employee is tested for drugs or alcohol; the employee's test results shall be free of any indication of drug use, alcohol use, marijuana use or adulterants. If an employee is to be tested, he or she shall be tested at Company expense at a collection site specified by the Company and shall comply with required testing procedures. Testing shall be done by an independent laboratory accepted as qualified to perform the test. The Company shall make every reasonable effort to keep employee's test results confidential. Access to test results shall be limited to those people who have a legitimate need to know. No test results shall be kept in any employee's personnel file. Test results may be retained for a period of at least five years. Employees may be tested for use of drugs or alcohol as follows:

d) **Pre-Hire.** All potential employees must submit to a urine drug screen no later than the commencement of employment. Pre-hire screening will test for the presence of illegal drugs, alcohol and marijuana and the illegal use of prescription drugs. Potential employees who refuse to submit to this test will not be permitted to work for the company

e) **Random.** Employees will be randomly selected for unannounced drug and substance screening and must submit within two (2) hours. Failure to report within the two (2) hour time period will be interpreted as a refusal to be tested.

f) **For Cause.** If in the discretion of management an employee appears to be under the influence of drugs or alcohol

while working, the employee may be required to be tested immediately.

g) **Incident-Related.** If an employee is involved in an incident at work where the employee or any other employee is injured or where property is damaged, the Company will require the employee involved in the incident to be tested for drugs and alcohol.

h) **Contract Specified.** If a contract between the Company and any of its customers requires that the Company employees be tested for drugs or alcohol or if regulations of a governmental agency require testing for drugs or alcohol, the Company may require an employee to be tested for drugs or alcohol in accordance with the requirements of the contract or regulations.

4.9.2 Prescription Drug Use

Any employee lawfully using prescription drugs shall request advice from his or her physician whether, if the drugs are used, the drugs may impair judgment, alertness or motor skills. If the physician advises any employee that he or she may be so impaired by use of prescription drugs, he or she shall notify his or her supervisor before performing any duties of his or her employment while using the prescription drugs.

4.9.3 Investigation

Each employee shall cooperate with any investigation made by the Company into use or possession by its employees of drugs or intoxicants. In connection with any investigation for drugs or intoxicants, the Company shall have the right to search any employee coming onto Company premises or at any Company job site. Property or equipment, which may be searched, includes, without limitation, clothing, personal effects, vehicles, toolboxes, lunch boxes, tools, purses and other such items. The Company may search any office, desk, cabinet, locker, closet or equipment provided to the employees. No employee shall conduct a search under this section unless an officer of the Company first approves it.

4.9.4 Employee Assistance

If any employee desires assistance in handling any problem, which he or she may have related to use of intoxicants or drugs, the Company encourages the employee to ask for help from his or her supervisor. An employee shall be eligible for assistance, one time, in obtaining an unpaid leave of absence in order to enter a rehabilitation program. Eligibility may be denied to an employee who is the subject of pending disciplinary action, including investigation, because of violation of Company rules concerning use of drugs or intoxicants. A leave will be granted to an eligible employee if the employee agrees to enter immediately and complete a rehabilitation program approved by the Company and if

granting the leave will not cause the Company any undue hardship. The Company recognizes the early intervention in addiction to drugs or intoxicants greatly increases the chance of successful recovery and minimizes the disruption in the life of a chemically dependent person. Therefore, the Company urges employees to voluntarily seek help as soon as possible.

4.9.5 Discretionary Assistance

In the absolute discretion of the President of the Company in exceptional circumstances, an employee who is subject of disciplinary action, including investigation, for violation of the rules for using drugs or alcohol, may be made eligible for employee assistance under Section 4.9.4 above, but that employee shall have no right to eligibility. Eligibility may be made subject to such conditions as the Company deems advisable in the discretion of the Company, including, without limitation, the written agreement by the employee with the Company to follow treatment and after-treatment programs for chemical abuse approved by the Company and to submit to random testing on a monthly basis for a period of at least one year after completion of treatment.

4.9.6 Rehiring

If an employee's employment is terminated for violation of this drug-free workplace policy, that employee's application to be employed by the Company again will not be considered for a period of six (6) months after termination.

4.10 Smoking

Employees who do not smoke have a right to have a healthy, smoke-free work place and employees who wish to smoke have a right to smoke in areas and at times designated by the Company. No smoking shall be permitted in any of the Company's vehicles, offices and enclosed work areas. No smoking is permitted in any other place on the Company's premises or job sites where a no smoking sign is posted. Employees shall not smoke while calling on a customer or visiting a job site. Designated smoking areas are located outside each office building, no closer than 25 feet from any door. Smoking is not permitted in the front or main entrance to Company facilities.

4.11 Personal Use of Company Tools, Equipment and Vehicle

None of the Company's tools, equipment or vehicles shall be loaned to an employee for the employee's personal use without the prior written consent of an officer of the Company. As a condition to consent, the Company may require a written agreement that the employee will conform to conditions for borrowing tools, equipment or vehicles. In the Company's absolute discretion, it may refuse to consent to the loan of any tools, equipment or vehicles for personal use. No vehicle shall be loaned to an employee unless he or she has a valid driver's license and has insurance for liability to third parties from the operation of the vehicle. In no event shall any truck over $\frac{3}{4}$ ton be loaned. No loaned tools, equipment or vehicles shall be used by any employee in any activity for which the employee is paid money or

other compensation directly or indirectly. Loaned tools, equipment and vehicles are not insured against theft, loss or damage. No loaned vehicle shall be used for towing, be overloaded, be operated in a dangerous or unlawful manner or be otherwise abused. Any employee borrowing any tools, equipment or vehicles for personal use shall bear the risk of loss or damage and shall return the item to the Company in the same condition as it was when taken by the employee; ordinary wear and tear from normal use excepted. No tools, equipment or vehicles shall be used by an employee for anything other than its intended purpose. An employee who borrows equipment or vehicles from the Company for personal use shall pay for all fuel used and shall return the equipment or vehicle on the agreed date for return with a full fuel tank.

4.12 Computer Software

Without the prior written approval of an officer of the Company, no computer software shall be loaded into any of the Company's computers, and no copy of any computer software shall be made from a Company's computer. Each employee shall keep confidential the passwords assigned to or used by him or her for logging into the Company computers and shall not disclose the passwords other than to an officer of the Company.

4.13 Personal Cellular Phones and Cameras

The Company does not allow the possession of personal cellular phones on a job site. Any use of a personal cellular phone or personal camera during work time immediately grants permission to the Company to access the information or data collected or transmitted on work time on such devices upon request. "Work time" for this and all provisions this Handbook means the time employees are actually engaged in work and does not include the employees' meal or break time.

4.14 Use of Company Computers, Electronic Devices and Cell Phones for Electronic Mail, Text Messages and Internet Access

The Company's computer systems, including equipment, network systems, Internet and electronic mail capabilities, support services and software, are company property and considered corporate assets. Accordingly, the computer systems are to be used for company and business-related purposes during work time, which take priority at all times over any other uses.

The Company wishes to establish its expectations of employees who use its computer and communications systems for e-mails, text messaging or to access the Internet.

(a) The e-mail system is company property intended for business purposes only during work time.

(b) The Company reserves the right to access and review e-mail messages, including text messages, at any time, or any other file, document or item on an individual's company computer.

(c) Messages with harassing, bullying, discriminatory or retaliatory language, especially those with sexual, racial, or other inappropriate content, are strictly prohibited.

(d) E-mail messages should be composed with a business tone and manner. Do not assume that your messages are private. They may be read by unintended readers.

(e) Electronic eavesdropping by employees is prohibited. Employees should not access or read another's e-mail unless it is necessary in the course of business.

(f) Visiting or accessing any website or other Internet address, or downloading any material, which is not for business purposes is prohibited.

5. GENERAL EMPLOYMENT PRACTICES SECTION

5.1 Introduction

The Company will endeavor to implement the following General Employment Practices for all of its employees. To the extent that these Employment Practices and any other Employment Practices involve action required of an employee, each employee is expected to comply with the requirements of the Employment Practice, subject to the terms of the Collective Bargaining Agreement. The Company reserves the right to modify any of its Employment Practices in its discretion for any reason and at any time without prior notice.

5.2 Payroll, Advances and Records

5.2.1 Time and Attendance Records

Each hourly employee shall be responsible to accurately record and report attendance and hours worked. No employee shall alter or falsify his or her time and attendance records nor alter, falsify or complete the time and attendance records of any other employee. All hours must be approved by a supervisor prior to payment of wages. Time and attendance records of employees are the property of the Company and shall not be removed from the Company premises.

5.2.2 Payroll Period

Payroll period is from Sunday through Saturday of each week. With each employee's payroll check or automatic deposit notice, the employee will be provided with a statement showing his or her gross pay, deductions and net pay. Questions about payments are to be directed to the employee's supervisor. Advance draws against earnings are not allowed. The Company uses a flexible-hours system so that start of work varies and ranges between 6 am and 9 am.

5.2.3 Advances for Expenses

At the discretion of the Company, an advance for anticipated Company expenses may be made on request. Receipts must account for the advance by the Monday morning following the day when the advance was made. If not so accounted for, the advance shall be treated as wages paid and deducted from the employee's next paycheck.

5.3 Use of Company Credit Cards

If the Company issues a Company credit card to an employee, no personal charges shall be made to the credit card. Cash advances from the credit card are prohibited. The card account number should be protected at all times to prevent its unauthorized use. Credit cards are not to be loaned to any other person or employee. Any personal charges or unauthorized expenses will be deducted from the employee's next paycheck. Use of a Company credit card will require the user to abide by the Company's other purchasing policies including purchasing from our preferred suppliers wherever possible. Expenses charged on a Company credit card shall be accounted for monthly when the statement is distributed. Failure to account for an expense may result in the charge being treated as a personal charge and will be deducted from the employee's next paycheck.

5.4 Employee Activities

5.4.1 Soliciting

In order to conduct the Company's operations in an orderly and efficient manner and to protect customers and employees from interference by persons pursuing purposes not related to the Company's business, no person except employees may come onto the Company's premises to solicit employees or customers or to distribute literature or other materials for any purpose at any time. Employees shall not distribute any form of literature or other materials in work areas unless the materials are related to Company business and have been previously authorized by the Company. No employee shall solicit other employees during their or the other employees work time for any cause. 'Work time' means the time employees are actually engaged in work and does not include their meal or break time.

5.4.2 Personal Mail and Telephone Calls

No employee shall receive personal mail at the Company unless authorized by their supervisor. Employees shall keep personal telephone calls to a minimum. No employee shall charge personal long distance calls to the Company. Personal long distance calls shall be collect or charged to personal credit cards.

5.4.3 Personal Purchases

For an employee's personal use only, an employee may make purchases from the Company's vendors and from the Company's inventory of supplies. Purchases made from the Company's vendors for an employee's personal use shall be paid for directly by the employee to the vendor, including applicable taxes, and will not be charged to the Company's account with the vendor. Purchases made by an employee for personal use from the Company's inventory shall be paid for by deduction of the purchase price plus applicable taxes from the employee's next paycheck.

5.4.4 Searches

In addition to the right of inspection contained in Section 4.9.3 of this Handbook, the Company reserves the right to have searches made of desks and lockers on the Company's premises from time to time and to have read any messages on any of the Company's computers. Employees should not keep their personal or confidential papers and valuables in their desks or lockers nor use the Company computers for their personal or confidential messages.

5.5 References

If the Company is requested to provide a reference or employment verification for an employee, no information concerning his or her employment shall be released other than the position or positions held by the employee and the dates of employment. If an employee makes a written request to the Company of other information to be released, the Company may, but is not required to, release additional information at its option.

5.6 Modified Duty

An employee who has been injured may be assigned to modified duty to assist the employee in early rehabilitation and faster return to full duties without jeopardizing medical recuperation. The Company's Safety Director will provide more detailed information on the availability of modified duty. Assignment to modified duty is a temporary measure, designed to transition employees injured on the job back to their regular duties. The Safety Director may at his/her discretion extend the 12 week period to accommodate a transition to regular duties that the treating physician believes is about to happen.

5.7 Employment Opportunity

5.7.1 Promotions and Transfers

In most cases, the Company attempts to promote and transfer personnel from within whenever qualified employees are available. Employees may be considered for promotion or transfer on the basis of many factors, which include, without limitation, current performance, ability, basic skills, competence, attendance record, and the availability of personnel to fill the vacancy. Although seniority is generally not the determining factor in the Company for decisions relating to promotion, transfer, or work assignments, when all other factors are equal, seniority may be considered. At the discretion of the employee's supervisor, the performance of an employee who has been promoted or transferred may be reviewed six months after transfer.

5.7.2 Employment of Relatives

The Company does not prohibit the employment of spouses or relatives of employees. However, there are certain circumstances where business necessity may require that employment be denied to a person whose spouse or relative is also employed by the Company. "Business necessity" includes those circumstances where the Company determines

in its discretion that either business related conflicts of interest or the appearance of improper influence must be avoided. A “spouse” includes an unmarried person who enjoys a relationship equivalent to marriage. A “relative” includes a spouse, a child by birth or adoption, a brother or sister, parent, grandparent or grandchild, and any relative of similar degree of kinship by marriage or prior marriage. A business necessity might exist where (a) one employee would have authority or practical power to supervise, appoint, remove or discipline his or her relative, (b) an employee is responsible for auditing the work of his or her relative, or (c) other circumstances exist which place an employee in a situation of actual or reasonably foreseeable conflict between the Company’s interest and the interest of his or her relative. Therefore, the Company may refuse to hire an applicant who is a relative of a Company employee or may terminate the employment of an employee who is or becomes a relative of another employee of the Company, where the Company deems the action is appropriate as a business necessity.

5.8 Vehicles

COMPANY VEHICLES SHALL BE OPERATED IN ACCORDANCE WITH APPLICABLE LAWS

No Company vehicle shall be parked in front of a tavern or cocktail lounge, except when the driver is on business in the establishment. Company vehicles shall be kept clean and neat at all times.

AN EMPLOYEE USING A COMPANY VEHICLE SHALL IMMEDIATELY REPORT ANY DEFECTS OR MALFUNCTIONS IN THE VEHICLE TO THE COMPANY’S WAREHOUSE FACILITY.

Employees using Company vehicles voluntarily at their choice, are responsible to see that the vehicles are kept in good repair and that routine maintenance, such as oil change, lubrication, antifreeze, proper tire inflation and fluid levels, is performed on the vehicles in accordance with the recommendation of the manufacturer of the vehicle. Required maintenance and repair of Company vehicles shall be performed at the Warehouse or at other repair shops approved by the Company. An employee using a Company vehicle shall notify the Warehouse in advance if he or she will not be using the vehicle for any extended time so that maintenance of the vehicle can be scheduled. The vehicle shall be returned to the Warehouse on schedule so that it may be maintained while not used. The Company shall not be responsible for loss or damage to personal items, which are left in a Company vehicle returned to the Warehouse.

Use of vehicles in connection with Company business and personal use of Company vehicles shall be subject to the following:

5.8.1 Vehicle Point System

Infraction	Points
Driving under the influence of drugs or alcohol	20

Leaving the scene of an accident	20
Reckless driving	20
Transportation, possession or unlawful use of illegal drugs or controlled substances	20
FTA – failure to appear	20
Felony involving the use of a motor vehicle	20
Wrong way on the freeway	16
Passing a stopped school bus	8
Speeding	4
Any other moving violations	4
At fault accident	4
Suspended, revoked, cancelled license or REIN (This indicates the license was reinstated after being suspended, revoked or cancelled within a 3-year period and is applicable to driving or vehicle related suspensions, revocations or cancellations)	20
Suspended, revoked, cancelled license or REIN for non-driving offenses	4

Employees, with driving responsibilities, exceeding the maximum allowable points listed in the following table will be removed from eligibility for voluntary use of Company vehicles. An employee who exceeds the maximum allowable points will be required to supply his/her own vehicle to conduct Company business until eligibility requirements are met.

Time Frame	Maximum Points
Last one year	4
Last two years	8
Last three years	12
Last four years	16
Last five years	20

5.8.2 Personal Vehicle Use

An employee who uses his or her auto or truck on Company business shall be reimbursed the appropriate amount determined by the Company. No reimbursement shall be allowed for mileage to and from work or for parking at the employee's usual job location. The Company provides no insurance for loss or damage to the employee's vehicle other

than insurance against liability to third parties incurred while on Company business.

5.8.3 Company Vehicle Use

Since the attitude of the driver of the Company vehicle is a reflection on the Company, employees using Company vehicles shall extend every courtesy to other drivers and pedestrians.

Company vehicles are made available to eligible employees for the sole convenience of employees, including allowing a straight commute between the employee's home and the first location of work as well as a straight commute between the last location of work and the employee's home. The employee has the choice of either taking the vehicle home daily or leaving it at Company's facility and driving their personal vehicle (or another form of transportation) between the facility and home, picking the company vehicle up each day at the facility for use on the job and returning it to the facility at the end of the day. To the extent the Company vehicle has company tools, material or equipment, the employee will both load and unload such tools or equipment at jobsites, Long facilities, or wherever directed to do so only after starting, or before ending, the work day. The employee may use the vehicle for commuting and activities incidental to commuting between home and the Company's facility or commuting between home and the job site as a matter of the employees own choice and personal convenience. This is a benefit to the employee to be able to commute at the company's expense. The employee will be required to pay federal income taxes on the value of the personal use miles only. The employee will not perform principal work activities during the commutes or at home and that, as a result, neither this commuting time nor any related activities will constitutes "hours worked" under federal or state law.

The cost of maintenance and insurance on the vehicle is being paid for by the Company. The Company will also provide fuel for the vehicle for business purposes. Any unauthorized fuel charged to the Company will be deducted from the employee's paycheck.

No employee shall loan a Company vehicle to any third party. No unauthorized passengers shall be carried in Company vehicles. If a Company vehicle provided to an employee is involved in a preventable accident, the employee shall be responsible for the amount of deductible or actual costs stated in the schedule below:

5.8.4 Insurance Deductibles for Preventable Vehicle Accidents

1st Preventable \$200 deductible or actual cost of the accident, whichever is less

2nd Preventable \$1,000 deductible or actual cost of the accident, whichever is less

3rd Preventable \$1,000 Deductible or actual cost of the accident, whichever is less and loss of Company vehicle privileges

5.8.5 Conducting Business on Cellular Telephones While Driving

The following procedures apply to employees driving on Company business who wish to use the cellular telephones in the vehicle.

- a) External speaker and microphone must be included to allow hands-free operation.
- b) Phone number memory and programming capabilities are to be included.
- c) Drivers are to refrain from placing outgoing calls while the vehicle is in motion.
- d) Incoming calls should be limited.
- e) For any vehicle equipped with a cellular telephone that does not meet the above equipment specifications, use of the telephone is authorized only when the vehicle is safely parked.

5.9 Report Accidents and Property Damage

All accidents, regardless of how minor, which result in injury or damage to property, must be reported. Personal injury must be reported immediately to employee's foreman or supervisor. Damage to Company property or the property of others caused by an employee must be promptly reported to the employee's supervisor. In the event of an accident involving a Company vehicle, the employee shall complete the "Accident Report Form" which is provided in the glove compartment of the vehicle. The form shall be fully completed and filled out at the scene of the accident in accordance with instructions in the form. The completed form shall be turned in to the employee's supervisor immediately. If a police officer is present at the accident, it is mandatory that his or her name and badge number is obtained. A copy of any police report must be obtained and given to the employee's supervisor.

5.10 Family and Medical Leave

After an employee has been employed by the Company for at least twelve (12) months, each employee who has worked at least 1,250 hours during the preceding 12-month period is entitled to 12 weeks of unpaid leave during a rolling 12 month period measured backward from the date an employee uses any FMLA leave for one or more the following reasons:

- a) For "child care reasons" which consist of the need for the employee to care for a child newborn to the employee and spouse of the employee, or for an infant child newly placed with the employee and the spouse of the employee incident to adoption of the child, or
- b) For "medical reasons" which consist of the need for the employee to care for the employee's spouse, child or parent who has a serious health condition or which consist of a serious health condition suffered by the employee that makes the employee unable to perform the functions of his or her position.

A “child” means a biological or adopted child. Child includes only a child under the age of 18, unless the child is incapable of self-care because of a mental or physical disability. A “serious health condition” is any condition that involves inpatient care at a medical facility or continuing treatment by a health care provider. Childcare leave may not be taken after 12 months from the date of birth or adoption of the child and must be taken continuously and not intermittently.

Where an employee has accrued vacation and/or sick leave available, that paid leave will be substituted for all or part of any (otherwise) unpaid FMLA leave. Vacation and paid leave shall not be counted for the purpose of determining if the employee is qualified for leave under this section. As soon as possible, the employee shall give notice that the employee desires leave under this section, and if the date during which the leave is desired is foreseeable, notice shall be given at least thirty (30) days in advance. Employees requesting leave for medical reasons may be required to provide certification from a physician or licensed health care provider as to one or more of the following matters: the date on which the serious health condition began, the probable duration of the condition, appropriate medical facts regarding the condition, and a statement that the employee is needed to care for a spouse, parent or child along with an estimate of the time required, or that the employee is unable to perform his or her functions. The Company may require that an employee requesting leave for medical reasons obtain a second opinion by a provider of the Company’s choice at its expense. If the first and second opinions conflict, the Company may pay for a third and final health care provider to offer a binding decision.

5.10.1 Return from Family or Medical Leave

An employee must provide the company with two (2) business days’ notice prior to returning to work. Whenever possible an employee who returns from family or medical leave will be reinstated to the same position, which the employee held when the leave commenced or be reinstated to the same position with equivalent benefits, pay, and other terms and conditions of employment. Reinstatement may be denied to an employee who is salaried and who is among the highest paid 10% of the Company’s work force if reinstatement would cause substantial and grievous economic injury to the Company’s operations. Although benefits will not accrue during the leave, an employee on leave will not lose any benefits, which had accrued before the start of the leave. During the leave, the Company will maintain coverage under any group health insurance plan at the same level and under the same conditions as if the employee was not on leave and continued in employment. If the employee does not return to work at the end of family or medical leave, the employee shall reimburse the Company for any group health insurance premiums paid for the employee and dependent during the period of leave. If leave is required to be provided to an employee for the care of a newborn child under state or local law in addition to any pregnancy disability leave required by those laws, the provisions of this Section 5.10.1 shall not be applicable to leave taken under these laws.

5.10.2 Service Member Family and Medical Leave

The federal Family and Medical Leave Act (FMLA) entitles eligible employees to take leave for a covered family member's service in the Armed Forces, National Guard or reserves ("Service Member FMLA"). This policy supplements our FMLA policy and provides general notice of employee rights to such leave. Except as mentioned below, an employee's rights and obligations to Service Member FMLA are governed by our existing FMLA policy.

Service Member FMLA provides eligible employees unpaid leave for any one, or for a combination, of the following reasons:

- a) **Active Duty Family Leave.** For a "qualifying exigency" arising out of a covered family member's active duty or call to active duty, as part of a reserve unit of the uniformed services, National Guard or coming from retirement in support of a contingency plan (i.e. the need to fulfill family and child care responsibilities for covered service members called to active duty); and/or
- b) **Injured Service Member Leave.** To care for a spouse, son, daughter, parent or next of kin ("covered family member") who has incurred a serious injury or illness in the line of duty while on active duty in Armed Forces provided that such injury or illness may render the family member medically unfit to perform duties of the member's office, grade, rank or rating.

The duration of Service Member FMLA is defined below:

- a) When leave is due to a "qualifying exigency", an eligible employee may take up to 12 workweeks of leave during any 12-month period.
- b) When leave is to care for an injured or ill service member, an eligible employee may take up to 26 workweeks of leave during a single 12-month period to care for the service member. Leave to care for an injured or ill service member, when combined with other FMLA-qualifying leave, may not exceed 26 weeks in a single 12-month period.
- c) Service Member FMLA runs concurrently with other leave entitlements provided under federal, state and local law.
- d) Eligible employees are required to take Active Duty Family Leave and/or Injured Service Member Leave concurrently with the company's paid leave, such as vacation, personal or sick leave.

5.11 Leaves

5.11.1 Sick Leave

Commencing immediately on employment, union employees not covered under a Collective Bargaining Agreement providing for sick leave

or paid time off, will accrue sick leave credit against which paid time off from work for sick leave may be taken.

Long Painting Company will not discriminate or retaliate against an employee for the lawful exercise paid sick leave rights. Any discrimination or retaliation against an employee for the lawful exercise of paid sick leave rights is not allowed. The company may not require as a condition of employee taking paid sick leave, the employee to search or find a replacement worker to cover the hours during which the employee is on pad sick leave. If an employee feels they are being discriminated or retaliated against for the exercise of their sick leave rights, the employee may contact the corporate EEO Officer. .

5.11.1.1 Accruing Sick Leave Credit

Each employee may accrue 1 hour of sick leave for every 40 hours worked, excluding any vacation, holiday, or sick hours taken. This will compute at the rate of 0.025 hours of sick leave credit for every regular straight-time hour worked by hourly employees.

There is no limit on the amount of sick leave accrued based on the above hourly formula within a calendar year. On December 31st of each year, 40 hours of sick leave balance may be carryforward to the next year or the remaining employee sick leave balance, whichever is less.

Any unused sick leave credit balance is forfeited upon termination of employment, since sick leave may be used only for time off from work for permitted purposes. If an employee is rehired within 12 months of separation, the unused sick leave balance will be reinstated. The employee will not be required to wait another 90 calendar days to use their sick leave credit if they met this requirement during their previous period of employment.

5.11.1.2 Taking Sick Leave

Employees are entitled to use their accrued sick leave balance beginning on the 90th calendar day after their start of employment. Employees will be paid their normal hourly wage rate for each hour of paid sick leave used and sick leave can only be taken in increments of 1 hour. Employee must notify their supervisor immediately if they are using sick leave. Verification of absences may be required beyond three consecutive days.

Paid time off for sick leave may be taken from work against your sick leave credit balance to care only for yourself or a family member. Care includes mental or physical illness, injuries, or other health conditions and may include medical diagnosis, care or treatment, and preventative care. Leave is also granted if you are a victim of domestic violence, sexual assault, or stalking; or have a family member who is a victim of domestic violence, sexual assault or stalking.

Family member is defined as a child regardless of age or dependency status, including biological, adopted, stepchild or foster

child acting as legal guardian or is de facto parent. A parent includes a biological, adoptive, de facto, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child. Also included as family members are your spouse, a registered domestic partner, a grandparent, a grandchild or sibling.

5.11.2 Jury Duty and Court Appearances

If an employee is required to appear to testify as a witness in any court proceeding or serve on jury duty, he or she shall be excused from work. The employee required to appear or serve shall notify his or her superior by presenting a copy of the summons or court order to the employee's superior as soon as possible. Employees shall not be compensated for time off to appear to testify or serve on jury duty.

5.11.3 Leave of Absence

The Company has the right in its absolute discretion to grant an unpaid leave of absence from work to an employee in unusual circumstances for an extended period of time in cases where the Company considers that the leave will be in the best interest of the Company and an employee. No employee has any right to a leave of absence. If a leave of absence is granted, the Company shall determine the terms and conditions under which the employee may return to work.

5.11.4 Military

Military leave will be granted to all employees under orders which require them to serve in any of the U.S. Military branches. The uniformed services are the Army, Navy, Marine Corps, Air Force, Coast Guard, and the commissioned corps of the Public Health Service. This includes the Reserve components of these services and the Army National Guard and Air National Guard. Employees requesting military leave must notify the Company as soon as practicable prior to taking such leave. An employee shall be entitled to unpaid leave for the training period or active duty and reinstatement upon return to work immediately on completion of training or duty. Employees may elect to use accrued vacation paid leave during their military absence.

Employees, who are currently participants in our health care benefit program and are on a military leave of absence extending beyond 31 days, are responsible for paying any applicable health care premiums. Health care benefits for eligible employees may be continued under the COBRA program for up to 24 months by self-paying the premiums.

Employees who are required to leave for military service shall be entitled to return to his or her job as provided for in federal and state law. Employees are required to report back to work according to the following schedule, and may be requested to present proper documentation of their military service.

Military service of 30 days or less – the employee must report to work by the start of the first regularly-scheduled work day that occurs eight (8) hours after the person returns home.

Military service of 31 days to 180 days – the employee must submit an application for re-employment within fourteen (14) days after completing a period of military service.

Military service of 181 days or more - The employee must submit an application for re-employment within ninety (90) days after completing the period of military service.

5.11.5 Domestic Violence Leave

If you or your family member (child, spouse, parent, parent-in-law, grandparent, or person with whom you have a dating relationship) are a victim of domestic violence, sexual assault or stalking, the Company may offer a reasonable period of leave (as determined by the employer), intermittent leave or a reduced schedule to seek legal or law enforcement assistance, counseling or medical treatment.

Leave is without pay unless you choose to use accrued sick or vacation time. You will be asked for written verification of the need for leave. We may also request documentation to determine family relationship. To the extent allowed by law, your health insurance benefits continue at the level and conditions that would have been provided had you remained continuously employed. Upon completion of your leave, you may be restored to the same job or an equivalent position with equivalent pay, benefits, and conditions of employment.

Information you provide to determine eligibility or continuation for this leave may only be disclosed by the Company if you request or consent to its disclosure, is responsive to a court or administrative order or as otherwise required by federal or state law.

5.11.6 Military Family Leave

During a period of military conflict, the Company provides eligible employees with up to fifteen (15) days of unpaid leave to be with their military spouse who is notified of an impending call or order to active duty, or who has been authorized for leave from deployment.

To be eligible for this benefit, you must be employed an average of twenty (20) or more hours per week. You must notify your direct supervisor of your intention to take the leave under this policy within five (5) business days following receipt of the official military notice.

You may choose to apply applicable accrued paid leave benefits while taking military family leave. Health insurance benefits may continue at the level and conditions as provided under applicable laws. Upon the completion of your leave, you may return to your original position or an equivalent job, i.e., equivalent pay, benefits, and conditions of employment.

5.12 Vacations

5.12.1 Accruing Vacations for Field Foremen

The amount of accrued paid vacation for each year shall be determined on December 31 of the preceding year.

Vacation accrual will be in full days. If less than a full day has been accrued, the actual number of days to which the foreman is entitled will be determined by the accounting department. No foreman may use accrued paid vacation time until he or she has one full year of service as a foreman. "Service" for accruing vacation time means continuous employment without a break in service as a foreman. A "break in service" means a period when the foreman's employment or position with the Company was interrupted by a continuous period of three months or more due to assignment of duties other than foreman, leave or termination of employment.

Each full-time foreman is entitled to receive and will accrue paid vacation as follows:

(a) As a pre-requisite to accruing any vacation time, the foreman must have current all of the following classes, either taught by the local union or by other pre-approved training centers; First Aid/CPR, Working at Heights Training, Hazardous Environment and Exposure Training.

(b) If on December 31 a foreman has less than one year of service as a foreman, he/she shall accrue one-half day of paid vacation for each month of service as a foreman, but not more than 5 days to be used in the following calendar year after completing a year of service as a foreman; or

(c) If on December 31 a foreman has one year of service as a foreman, he/she shall accrue 5 days of paid vacation to be used in the following calendar year; or

(d) If on December 31 a foreman has five or more years of service as a foreman, he/she shall accrue 10 days of paid vacation to be used in the following calendar year.

Accrual basis is as follows:

Foremen who have 1 to 5 years of service as a foreman will accrue 3.34 hours of vacation per month;

Foremen who have 5 years and over of service as a foreman will accrue 6.67 hours of vacation per month.

If any of the foreman's classes (see (a) above) have expired, they will not accrue any vacation until that class has been renewed.

5.12.2 Vacation Required

The Company believes that in order to be refreshed physically and mentally, foremen should take a vacation every year. Consequently, unused accrued vacation time shall not be carried over from one calendar year to the next calendar year, and accrued vacation time shall be taken during the calendar year after it has accrued and shall be forfeited and lost if it is not taken within that time. A foreman may not work in lieu of taking accrued vacation time and will not be paid in lieu of taking accrued

vacation time. Accrued vacation time must be taken in no less than full one-day increments.

5.12.3 Scheduling Vacations

The date(s) when a vacation may be taken is always subject to approval by the Company. A foreman shall request from his or her supervisor desired dates of vacation 30 days before the desired vacation days. In the event of a conflict between foremen in requested dates, generally the requested vacation dates will be granted to the foreman making the first request if the request was received more than 30 days in advance. Before leaving on vacation, a foreman shall fully inform his or her supervisor about currently pending activities and identify matters which will need attention during his or her absence on vacation.

The Company's peak season is between May 1st and September 30th. Foremen are to try to schedule their vacations during non-peak months, and/or at the end of a project or before the next project begin.

5.12.4 Vacation at Termination of Employment

This is a "use it or lose it" policy. No accrued vacation is compensable upon termination of employment for any reason.

5.12.5 Changes to Vacation Plan

The Company reserves the right to make changes to this plan from time to time as it sees fit for its business.

5.13 Layoffs

It may become necessary to reduce the work force. Under those circumstances employees will be laid off according to the needs of the Company. If work picks up and the work force is increased, then the Company may select employees to be recalled according to the needs of the Company. Without limiting the absolute discretion to determine who is to be laid off or recalled, the employee's productivity record, skill and ability, attendance record and length of service may guide the Company.

5.14 Exit Interview

Regardless of the reason for termination of employment, an employee may request and have an exit interview with his or her supervisor or a manager of the employee's choosing.

5.15 Education

The Company encourages the continuing education of employees. In most instances, a full-time employee who takes an employment related education course which has been approved in writing in advance by the employee's supervisor and which starts more than six months after the employee was first employed, will be reimbursed for the cost of tuition after the course is completed with an earned grade of "B" or better. The employee must bear the cost of textbooks.