# schuman

## **Employee Handbook**

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# Section 1: Introduction

#### WELCOME TO SCHUMAN'S CLEANING SERVICE

Whether you have just joined Schuman's Cleaning Service ("SCS" or "the Company") or have been with us for a while, we are excited to have you as part of our Company. We believe that each employee contributes to the service we provide to our customers, as well as the overall success of our Company and achievement of our goals.

Our expectations of each employee are high, but so are the expectations our customers have on our Company. As a result, our expectations are straightforward – we ask that each employee work to the very best of their ability, follow our policies and procedures, ask whenever there is a question or concern, provide outstanding service to our customers and to treat everyone you encounter (i.e. co-workers, customers, managers) with respect. As a Company, we are committed to providing a safe work environment where employees are treated as professionals, all employees are treated fairly, and employees are given the training and resources to perform their jobs in a manner where they can satisfy our customers through outstanding service.

We work hard, but we also feel that it is important that our employees have fun at work and that they enjoy their job. Enjoying your work will show in the services we provide to our customers and the passion that you demonstrate in your job will also come through.

This Employee Handbook provides employees with information regarding key policies, procedures, benefits and expectations. Please read the document carefully and retain it for future use. Try to familiarize yourself with its contents and our expectations as soon as possible. We want you to be fully informed and understand our policies, expectations and procedures completely.

Our success comes from you and therefore we encourage employees to make suggestions and ask questions frequently. We welcome your suggestions for improvements and ways we can better serve our employees and our customers. Your contribution of ideas, along with your effort and performance, are ideal ways to contribute to the Company's future growth and your own professional development.

It is our hope that any conflicts, challenges, or problems you may encounter can be resolved timely with our internal procedures. If at any time during your employment you are not getting answers to your questions or feel you need more information, please contact any member of our management team or the Owners.

Once again, we welcome you to Schuman's Cleaning Service and wish you much success. Heath & Sherrie Schuman Owners

#### PROFESSIONAL RESPONSIBILITY

The following communicates the professional values of SCS and those expected of all employees. This can be used as a guide to decision making and action in our responsibilities as a Company, to our employees and to our customers. These can also be used as a guide for employees and their responsibilities to our Company, our customers and to their profession in reflection, decision making and action. Any employee who violates the letter or spirit of these policies and/or expectations is subject to disciplinary action, up to and including termination.

#### Schuman's Cleaning Service expects all employees to:

- Maintain the confidentiality of privileged information.
- Contribute individual talents and energies to improve the quality of the work environment and the services we provide.
- Strive to serve each client at the highest level of professional competence.
- Embrace and practice an attitude of cooperation, teamwork and mutual respect for all those you come in contact while working with SCS.

Section 1: Introduction

- Be team-oriented and self-starters with good communication skills and good character.
- Be continuous learners with a desire to pursue excellence and the highest quality of work you perform and service you provide.
- Approach co-workers and managers in a respectful manner, using our open-door policy to resolve any conflicts that may arise.
- Keep managers informed of all situations that may result in conflict with co-workers or any situation that makes you feel uncomfortable.
- Have a "can do", entrepreneurial positive attitude.
- Report any concerns that you have regarding harassment, discrimination, theft, fraud, violence, etc. without fear of retaliation or retribution. All such concerns should be reported to your manager and/or the Owners.

#### Within this Code Schuman's Cleaning Service is committed to:

- Provide a work environment that is fair and impartial and free from harassing, abusive, disrespectful, disorderly, disruptive or other nonprofessional conduct.
- Select, place and work with all employees without discrimination based on race, color, religion, sex, national
  origin, age, disability, veteran or military status, marital status, genetic information, actual or perceived sexual
  orientation or one's gender identity.
- Provide a safe, positive work environment where each employee can succeed, as well as enjoy their work.
- Provide competitive and fair compensation and benefit plans.
- Make every effort to keep employees informed of our expectations, specific job duties and responsibilities, and any changes in policies, procedures, specifications, etc.
- Provide each employee with training, development opportunities, tools and resources so that each can
  achieve individual success and so that we can service customers with superior staff.

#### ABOUT THE COMPANY/HISTORY OF THE COMPANY

Schuman's Cleaning Service is a family-owned and operated, professional cleaning service based on Maryland's Eastern Shore. We provide services to almost the entire state of MD and Washington D.C., as well as parts of DE and northern VA. We are a company built by hard work, excellent customer service, and a good reputation.

Schuman's Cleaning Service, Inc. was started in 1985 by Heath Schuman, from Queen Anne, MD - when he was only 15 years old! It began as a boat washing and waxing company at Mear's Point, Castle Marina, and Piney Narrows. Heath worked hard with his family driving him to various worksites until he had his driver's license and a car. He detailed boats every summer throughout high school and college. The business also helped him pay for college. After he graduated and job hunted for a while, Heath made the decision to give the company one year of full time attention to see what he and his then girlfriend, Sherrie, could do. Heath did all the sales calls, completed most of the work, and handled all the billing and office work (late every night). Sherrie worked as a Nursing Home Administrator by day but cleaned the interiors of boats and washed towels in the evening and took care of all the marketing and PR. That was 32+ years ago.

Customers were so happy with the boat cleaning services, they soon began to request additional services for their autos, airplanes, and RVs. Then they wanted that level of service for their homes and businesses. Heath and Sherrie were married and had started a family and realized they needed more year-round work as the boats were seasonal and Sherrie had left the healthcare field to devote more time to the family and the business.

They continued to expand over the years adding services, specialties, employees and satisfied customers. In 2002, the commercial, residential and janitorial division was officially added as a separate company – Schuman's Commercial Cleaning, Inc. Both companies expanded and grew and the Schuman name became the recognized leader in professional services. Relationships were built with dealers, builders, contractors, and businesses and the companies grew quickly to almost 100 employees combined. It was a very busy time in our history!

The economic downturn in 2008-2012 hit many of our customers very hard which led us to have to reevaluate our Company. We also downsized, restructured, and combined our companies back into just one, smaller business focusing on the most requested services and fostering relationships with customers that can provide our employees with steady work. Many companies and even our competitors closed during this time period and while it was not easy, we are proud to have made it through some very lean times with the help of our dedicated staff.

The company takes great pride in the professional, detailed work that we perform for our customers. Throughout the years, many other detailing companies have come and gone in our area, but Schuman's has remained due to our strong commitment to satisfying our customers and through providing exceptional work at a reasonable price. We constantly strive to exceed our customers' expectations.

Our best advertising comes from our clients and their referrals to friends. Over the years, we have established a reputation for dependable, quality services. Our loyal clientele has enabled the company to expand to include the detailing of boats, homes, large commercial projects and regular janitorial contracts.

This is where you – our employees – fit in. Our company is only as good as our Team members. We must ensure that we continue to offer only the best quality services. After all, good service will enable us to grow and keep everyone working. Bad news travels fast and is difficult to correct. Even in difficult economies, people are willing to pay for a service as long as they feel they are getting their money's worth. If our clients are happy with their service, it consistently meets or exceeds their expectations, and gives them what we all want – more free time – they are going to call us back. And that means we all have job security. We need you to keep our company growing.

#### ABOUT THIS EMPLOYEE HANDBOOK

The SCS Employee Handbook ("the Handbook") will acquaint you with the Company and provide you with general information about working conditions, benefits and policies affecting your employment. We are an Equal Opportunity Employer in all terms, conditions, and privileges of employment.

The information contained in this Handbook applies to all employees of SCS, regardless of work location. Obeying the policies described in this Handbook is a condition of continued employment. Each employee is responsible for reading, understanding, and complying with the provisions of this Handbook and will be asked to sign a statement that you have done so.

This Employee Handbook supersedes in all respects any and all prior Handbooks, policies, agreements, benefits, procedures, practices, and inconsistent statements of the company concerning the subjects discussed herein, whether oral or written (except expressly written employment agreements and nondisclosure agreements).

There are several things that are important to keep in mind about this Handbook:

- This Handbook contains only general information and guidelines. The policies, procedures, and programs
  outlined in this Handbook are designed to serve as guidelines to keep you informed of relevant facts about
  your employment. If you have questions about these guidelines or need further information about any
  subject, please consult with your manager and/or the Owners.
- Some policies contained in this document cover areas addressed by federal laws. Such laws and regulations have provided guidance for SCS in development of our policies on applicable and related topics. It is our commitment to comply with all federal, state and local laws.
- Neither this Handbook nor any other Company document confers any contractual right, either expressed or implied, to remain in the Company's employ. Further, this Handbook does not guarantee any fixed terms and conditions of your employment. Your employment is not for any specific time period and may be terminated at will by you or the Company at any time for any reason or no reason, with or without cause and with or without prior notice. No manager or other representative of the Company (except the Owner) has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above.
- Company policies, practices, procedures, and benefits found in this Handbook and elsewhere are applied at
  the discretion of SCS. The Company reserves the right to change, withdraw, apply, or amend any of our
  policies or benefits, including those covered in this Handbook, at any time. We may notify you of such
  changes via printed memos, e-mails, postings, amendments to or reprinting of this Handbook, but may also,
  at our discretion, make such changes at any time, with or without notice and with or without a written revision
  of this Handbook.
- This Handbook and the information in it should be treated as confidential. No portion of this Handbook should be disclosed to others, except employees of SCS.

- All employees have access to our handbook at any time during their employment. All supervisors have a copy
  of the handbook; each van has a binder containing the handbook and copies are available at our office.
   Employees may request a personal copy at any time by contacting the office.
- Some of the subjects described in this Handbook are covered in detail in official Company documents (e.g., formally documented benefit plans). You should refer to those documents for specific information, since this Handbook only briefly summarizes those subjects. Please note that the terms of the written insurance policies supersede anything stated in this Handbook.

## Section 2: Employment Policies

#### **EQUAL EMPLOYMENT OPPORTUNITY POLICY**

It is the policy of SCS to ensure equal employment opportunity for all persons without regard to race, color, religion, sex, national origin, age, disability, veteran or military status, marital status, genetic information, actual or perceived sexual orientation, gender identity, or any other characteristic protected by federal, state, or local law. This policy applies to all terms, conditions, and privileges of employment, including, but not limited to: recruitment, hiring, placement, job assignments, training, compensation, discipline and termination.

SCS is committed to maintaining a work environment in which all individuals are treated with respect and dignity. Each employee should be able to work in an atmosphere that promotes equal opportunity and prohibits inappropriate workplace behavior such as harassment and discrimination. The purpose of our policy is not to regulate the personal morality of employees, but rather to ensure a working environment that is free from all forms of harassment and discrimination.

The Company requires that employees promptly report all suspected violations of this policy. If you have observed harassment or discrimination, or any behavior that violates this policy, promptly notify your manager or the Owners. If you are not comfortable making a verbal or in-person report, or if you are dissatisfied with the results achieved in making a report, you may send a written report (return receipt requested), to Sherri Schuman, Vice President, c/o Schuman's Cleaning Service 1204 Butterworth Court Stevensville, MD 21666.

Reports will be investigated promptly, fairly, impartially, confidentially (unless disclosure is required for investigation or by law), and without fear of retaliation. All managers have a responsibility to promptly notify the Owners of incidents of harassment or discrimination. The Owners have overall responsibility for implementation and enforcement of this policy.

#### ANTI-HARASSMENT and ANTI-DISCRIMINATION POLICY

SCS emphatically states that we will not tolerate sexual harassment or discrimination and other workplace harassment based on race, color, religion, sex, national origin, age, disability, veteran or military status, marital status, genetic information, actual or perceived sexual orientation, gender identity, or any other characteristic protected by federal, state or local law. This policy applies to all terms, conditions, and privileges of employment, including, but not limited to: recruitment, hiring, placement, job assignments, training, compensation, discipline and termination.

#### Individuals and Conduct Covered

This policy applies to all applicants and employees, and prohibits harassment, discrimination, and retaliation whether engaged in by fellow employees, by a manager or by someone not directly connected to the Company (i.e. an outside vendor, consultant, customer). For those not employed directly by the Company, we will contact the employer of the offending party to ensure that appropriate action is taken. In cases where an employer is unknown, appropriate law enforcement will be contacted.

Conduct prohibited by this policy is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and any business-related events.

#### Definition of Sexual Harassment

For purposes of this policy, sexual harassment is defined as unwelcomed sexual advances, requests for sexual favors, verbal or physical conduct of a sexual nature, or other verbal or physical conduct based on gender when:

- Submission to such conduct is either explicitly or implicitly made a term or condition of employment; or
- Submission to or rejection of such conduct is used as the basis for employment decisions; or
- Such conduct unreasonably interferes with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

Sexual harassment can occur between members of the same sex or between members of the opposite sex. Care should be taken in informal business situations, including Company parties, business trips, etc.

Examples of what may constitute as sexual harassment are: employment actions such as discharge, demotion or reassignment, or threats of such actions, if sexual favors are not granted; demands for sexual favors in exchange for preferential treatment; unwelcome and repeated flirtations, propositions or advances; unwelcome physical contact; whistling to, at, or about an individual in a sexual manner; improper gestures; use of stereotypes; offensive, insulting, derogatory or degrading remarks; unwelcome comments about appearance; sexual jokes or use of sexually explicit or offensive language; gender or sex-based pranks; and the display in the workplace of sexually suggestive objects or pictures.

The above examples are not intended to be an all-inclusive list. While this policy sets forth our standards for promoting a workplace that is free from harassment, it does not limit our authority or ability to discipline or take other remedial action for workplace conduct that we find to be inappropriate, regardless of whether that conduct meets the definition of sexual harassment.

#### Definition of Discrimination and Other Workplace Harassment

For purposes of this policy, discrimination and other workplace harassment consists of unwelcome conduct, (whether verbal, visual or physical) that disparages or shows hostility or aversion toward an individual because of his/her race, color, religion, sex, national origin, age, disability, veteran or military status, marital status, genetic information, actual or perceived sexual orientation, gender identity, or any other characteristic protected by law, and that:

- Creates an intimidating, hostile, or offensive work environment; or
- Unreasonably interferes with an individual's work performance.

Examples of discrimination and other workplace harassment are: using insults or slurs; mocking, ridiculing or mimicking another's culture, accent or appearance; threatening, intimidating or engaging in hostile or offensive acts that focus on an individual's race, color, religion, sex, national origin, age, disability, veteran or military status, marital status, genetic information, actual or perceived sexual orientation, gender identity, or any other characteristic protected by federal, state, or local law - including jokes or pranks; displaying or circulating in the workplace written or graphic material that denigrates or shows hostility or aversion toward a person or group because of race, color, religion, sex, national origin, age, disability, veteran or military status, marital status, genetic information, actual or perceived sexual orientation, gender identity, or any other characteristic protected by federal, state, or local law.

The above list is not intended to be all-inclusive. While this policy sets forth our standards for promoting a workplace that is free from discrimination and other workplace harassment, it does not limit our authority or ability to discipline or take any other remedial action for workplace conduct that we find to be inappropriate, regardless of whether that conduct meets the definition of discrimination and other workplace harassment.

#### **Definition of Bullying**

Bullying is defined as repeated inappropriate behavior, either direct or indirect, whether verbal, physical or otherwise, conducted by one or more persons against another/others, in the workplace and/or in the course of employment. Bullying may be intentional or unintentional. However, where an allegation of bullying is made, the intention of the alleged bully is irrelevant, and will not be given consideration when determining disciplinary action. As in sexual harassment, it is the impact of the behavior upon the individual which is essential.

Examples of bullying include, but are not limited to:

- (1) Verbal Bullying: Slandering, ridiculing or maligning a person or his/her family; persistent name calling which is hurtful, insulting or humiliating; using a person as butt of jokes; abusive and offensive remarks; shouting, raising voice at an individual in public and/or in private
- (2) Physical Bullying: Pushing; shoving; kicking; poking; tripping; assault, or threat of physical assault; damage to a person's work area or property
- (3) Gesture Bullying: Non-verbal threatening or obscene gestures, glances which can convey threatening messages
- (4) Exclusion: Socially or physically excluding or disregarding a person in work-related activities

In addition, the following examples may constitute or contribute to evidence of bullying in the workplace:

- · Persistent singling out of one person
- Constant criticism on matters unrelated or minimally related to the person's job performance Section 2: Employment Policies

- Repeatedly accusing someone of errors which cannot be documented
- Spreading rumors and gossip regarding individuals
- Encouraging others to disregard a supervisor's instructions
- Taking credit for another person's ideas

#### Retaliation Is Prohibited

The Company prohibits retaliation against any individual who opposes or reports suspected discrimination or harassment or who testifies, assists, or participates in any way in discrimination or harassment investigation, hearing, or other proceeding. Any such retaliatory conduct is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action, up to and including termination.

#### Reporting an Incident of Harassment, Discrimination or Retaliation

All employees, regardless of identity, position or rank, are responsible for implementing the Company policy against harassment and discrimination and cooperating fully in its enforcement. Early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment. The Company requires that employees promptly report complaints or concerns (regardless of the identity or position of the reporter, the offender, or the victim) so that rapid and constructive action can be taken. All employees, including managers and supervisory personnel, who believe they have experienced, or who have knowledge of, any incidents of harassment, discrimination, or retaliation must contact their manager and/or the Owners. The Company will make every effort to stop alleged harassment before it becomes severe or pervasive, but can only do so with the cooperation of its staff/employees.

#### The Investigation

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly, thoroughly and impartially. All inquiries, complaints, and investigations are treated confidentially, unless disclosure is required for investigation or by law. Appropriate steps will also be taken to ensure that employees making complaints are protected from retaliation during the investigation. Employees are expected to continue to meet Company expectations and perform the essential functions of their position during an on-going investigation. In some cases, employees may be suspended during an investigation in the sole discretion of the Company.

#### Responsive Action

Misconduct constituting harassment, discrimination or retaliation will be dealt with promptly and appropriately. Disciplinary action will be taken as the Company believes appropriate under the circumstances, up to and including termination.

#### **DISABLED EMPLOYEES**

It is our policy not to discriminate against any qualified applicant or employee with a disability or perceived disability. The Company complies with all applicable state and federal laws that address disability in the workplace, including the Americans with Disabilities Act (ADA) and the ADA Amendment Act (ADAAA), as well as all revisions. A qualified employee or applicant must be able to perform the essential functions of his/her job with or without reasonable accommodation.

Any employee, who has a disability and requires reasonable accommodation, should advise their manager and/or the Owners of the disability, and suggest reasonable ways in which an accommodation may be made so that the employee may perform the essential functions of his/her job. The Company will attempt to keep this medical information confidential, to the extent reasonably possible.

An employee or job applicant who has questions regarding this policy or believes that he or she has been discriminated against based on a disability should notify their manager or the Owners. All such inquiries or complaints will be treated as confidential to the extent permissible by law.

#### **EMPLOYMENT REQUIREMENTS**

The Company is committed to meeting its obligations under U.S. immigration law. Accordingly, the Company neither hires nor continues to employ individuals who are not legally authorized to work in the United States. Moreover, the Company does not discriminate on the basis of citizenship status or national origin. However, some contracts and clients require that only citizens of the United States be placed in a position.

Each employee is required to complete and sign a Form I-9on their first day of employment and present original documentation supporting the employee's identity and employment eligibility within three (3) days of starting work. An employee's failure to produce required documentation within allotted time periods is grounds for immediate termination of employment. Employment may be resumed, at the Company's discretion, only when the required documentation is furnished.

#### **EMPLOYMENT CLASSIFICATIONS**

It is the practice of SCS to comply with all applicable federal, state, and local laws related to classifications of employment and employment status. Proper classification of employees is important to administering salaries, determining eligibility under the Company's benefit plans, and complying with tax laws. The classifications do not guarantee employment for any specified period of time.

Part-time, full-time, temporary and internship employment opportunities may be used to meet a variety of staffing requirements. These classifications are defined as the following:

- **Regular Full-time:** An employee who is regularly scheduled to work at least 40 hours per week, whose employment is not time-limited and who has successfully completed the Initial Employment Period.
- **Regular Part-time:** An employee who is regularly scheduled to work less than 40 hours per week, whose employment is not time-limited and who has successfully completed the Initial Employment Period.
- **Temporary/Seasonal**: Employees hired to work on a specific contract(s) or project(s). The duration of employment is limited by the terms of the contract or project, or is conducted on an as needed basis when work is available. Other than regular rate of pay, temporary/seasonal employees are not eligible for any additional compensation or benefits, but are subject to all policies and procedures of the Company.
- Intern: Persons working for the Company through a program affiliated with a college or university assigned to a specific project and department for a specified period of time. Interns may be paid or unpaid, are ineligible for benefit programs, but are subject to all policies and procedures of the Company.
- Independent Contractor: Persons working on specific projects for Schuman's who are under individual contract and comply with all specifications of the agreement. Independent Contractors are not eligible for benefits, are not eligible for compensation, other than as specified in their contract and are not covered by this Employee Handbook. We do however require that contractors comply with certain policies and procedures, such as our harassment and discrimination policies while working for SCS. Specific policies will be outlined in the contract.

#### **Exempt and Nonexempt Status**

Employees are classified as either exempt or non-exempt based on guidelines set forth under the Fair Labor Standards Act (FLSA). All employees—whether full time, part time, or temporary—are classified as exempt or nonexempt for overtime and minimum wage requirements.

- **Exempt employee:** An employee whose job duties are exempt from the overtime provisions of the FLSA. Exempt employees are not eligible for overtime pay.
- Nonexempt employees: An employee whose job duties are not exempt from the overtime provisions of the FLSA and whose compensation varies depending on the number of hours worked in a workweek. A workweek begins at 12:01am on Monday and ends at midnight the following Sunday. Non-exempt employees are eligible for overtime time pay of one-and-one-half times their regular rate for hours worked in excess of 40 in any workweek. A non-exempt employee must obtain prior approval before working overtime hours. Non-exempt employee salaries are calculated on an hourly basis.

#### **INITIAL EMPLOYMENT PERIOD**

Every new employee is given an opportunity learn about his/her position and our Company. At SCS, this period is considered an Initial Employment Period and is a minimum of 90 days. During this time, employees will have an opportunity to find out if they are suited to the position for which they were hired. Additionally, the initial employment period gives the Company an opportunity to evaluate employee performance.

At the completion of the initial employment period, a determination will be made on whether to extend an offer of Regular Full-Time or Regular Part-Time employment, lengthen the initial employment period, or terminate employment. The decision will be based on, among other things, the forecasted need for additional labor, the employee's attendance, performance, attitude, etc. An employee may be discharged at any time during the initial employment period if the Company concludes that the employee is not progressing or performing satisfactorily.

#### **BACKGROUND INQUIRES and FIT FOR DUTY EXAMINATIONS**

Employees may be subject to background inquires as part of the initial hiring processes and/or during the course of employment. This may include criminal, credit, civil, driving, and other record inquiries, as well as drug testing, fit for duty or other medical tests or examinations. Such inquires, tests or examinations will be paid for by the Company and conducted through and/or coordinated with Company approved vendors.

In addition to background inquiries, the Company reserves the right to require employees to be examined by a medical professional to determine the employee's ability to perform the essential functions of the job, including physical limitations, recovery from injury/illness, ability to drive a vehicle, pre-employment physicals, etc.

#### **OUTSIDE EMPLOYMENT**

An employee may consider or accept outside employment, so long as it does not create a conflict of interest or interfere in any way with his/her duties and responsibilities to SCS, or its affiliated companies. Employees are expected to devote their complete time and attention to Company business during their scheduled work hours. Employees are expressly prohibited from engaging in any employment involving direct competition of the Company or providing services to customers of SCS outside of the Company.

An employee's work with or for an outside company or professional organization does not create a conflict of interest if the work:

- is related to the legitimate professional interest and development of the employee;
- does not interfere with the employee's regular duties and schedule;
- does not require the use of Company facilities, materials, resources, or Confidential Information;
- does not compete with the work of the Company (or its affiliates) and is not otherwise contrary to our best interest; and
- · does not violate federal or state law

Employees must notify the Owners immediately of all outside employment that may present a conflict of interest or any matters concerning the application of this policy.

#### INTELLECTUAL PROPERTY and CONFIDENTIAL INFORMATION

Your employment with our Company assumes an obligation to maintain confidentiality, even after employment is termination. Employees should not discuss Company business with anyone who does not work for us, and never discuss business transactions with anyone who does not have a direct association with the transaction. Even casual remarks can be misinterpreted and repeated.

Employees shall not own, sell, remove, acquire or transfer any such property to any third party, nor convert the property to the employee's own use. All creative and technical developments shall be kept in strict confidence. Employees are prohibited from transmitting confidential information of the Company to any third parties. Confidential documents and records, including electronic documents, shall not be removed from the Company and shall be returned to the Company in the event that employment ends.

Employees will be subject to appropriate disciplinary action, up to and including termination, as well as potential legal action, for knowingly or unknowingly revealing Confidential Information. The obligation of confidentiality will continue after separation from employment.

#### **CONFLICT OF INTEREST**

The Company expects employees to conduct themselves according to the highest ethical standards of conduct and to refrain from activities that conflict with the interest of the Company. A potential or actual conflict occurs when an employee is in a position to influence a decision that may result in personal gain for the employee or his/her immediate family, as a result of the Company's business dealings. Employees must avoid activities or relationships that conflict with the Company or adversely affect its reputation.

Employees must disclose actual or potential conflicts to the Owners as soon as they become aware of them. Failure to make required disclosures or resolve conflicts of interest satisfactorily can result in discipline, up to and including termination of employment.

The types of activities and relationships employees should avoid include, but are not limited to:

- Accepting or soliciting a gift or service that is intended to, or might appear to, influence the employee's decision-making or professional conduct.
- Accepting, agreeing to accept, or soliciting money or another tangible or intangible benefit in exchange for the employee's favorable decisions or actions in the performance of his or her job.
- Accepting bribes, kickbacks, or illegal payments to or from any individual with whom the Company
  conducts business in any form and for any purpose. Certain types of rebates to the Company from
  suppliers (but not to or from an individual employee) are legitimate to correct commercial inequity if done
  within government trade regulations.
- Accepting employment or compensation or engaging in any business or professional activity that might require disclosure of Company Confidential Information or impair the individual's independent judgment in the performance of duties on behalf of the Company.

#### Acceptance of Gifts

No employee may solicit/accept gifts of significant value (as defined by the IRS as \$25.00), lavish entertainment or other benefits from potential and actual customers, suppliers or competitors. Special care must be taken to avoid even the impression of a conflict of interest. Gifts received are considered SCS property.

#### PERFORMANCE EVALUATIONS

In addition to on-going communication regarding performance, the Company believes that it is important to provide a formal feedback process to employees on their performance, provide goals to employees for personal and professional growth, as well as to communicate the employee's business goals and objectives. To that end, employees will be reviewed at the completion of their Initial Employment Period and then at least annually. Employees may be reviewed on a more frequent basis, at the sole discretion of the Company, or as needed.

Review sessions are not intended to replace daily communication between employees and managers. Employees should always exercise the open door policy whenever issues, suggestions, and/or concerns arise. Employees are encouraged to actively participate in the performance evaluation and provide comments, exception remarks, personal goals, etc. during the review with their manager and on the evaluation document.

Performance Evaluations do not automatically constitute an increase in compensation or benefits, nor do they confer any right to continued employment. Any discrepancies to the managers rating and the employee's exception remarks will be reviewed by management and, if appropriate, adjustments made to the evaluation document and rating.

#### CAREER ADVANCEMENT

The Company encourages employees to assume positions of greater responsibility or lateral transfers for which they qualify. To that end, openings may be posted to notify employees of career opportunities and offers them the opportunity to apply for open positions for which they are qualified. Posted positions will be available via such means as e-mail and bulletin boards. There may be occasions where positions are not posted, or when external advertising runs concurrent with the internal job posting. The goal is always to fill the vacant position with the most qualified candidate for the position.

#### **COMMUNICATION and PROBLEM SOLVING**

SCS is committed to creating and promoting a work environment where employees can talk freely with any member of management and can feel comfortable voicing their concerns, opinions, suggestions, etc. We, therefore, welcome the opportunity to gain feedback from our employees and provide guidance and assistance when requested. We recognize that employees often have the best ideas for improving our Company and our services to the public and we welcome and thank them for their help.

When issues arise, we hope that employees can resolve issues in a timely and satisfactory manner using our open-door practice. If this does not occur, the following guidelines are set forth so that employees can further resolve their issues internally in lieu of resorting to outside interventions. Employees are encouraged to utilize this internal method for resolving work-related issues without fear of retaliation. These guidelines may be used for issues such as: disciplinary actions, promotions, terminations, equal employment opportunities, and application of Company policy or practice.

Regardless of the above, the Company's decision to terminate employment for business or economic reasons may not be challenged under these guidelines, although the employee may challenge the decision to terminate him/her instead of another employee. Furthermore, claims related to the following are not covered by these guidelines: benefits under Employee Retirement Income Security Act (ERISA) covered benefit plans; worker's compensation; and unemployment compensation benefits.

These guidelines do not create, and shall not be construed to create, any contract of employment, either expressed or implied. These guidelines do not alter the "at-will" status of any employee's employment.

#### **Problem Solving Guidelines**

**Step 1:** The employee should first report the issue to their Supervisor on Duty. The Supervisor on Duty will relay the information to their manager, as well as collect information regarding the facts upon notification. The Supervisor and/or manager will gather all needed information and investigate the situation thoroughly. Inquiries of the facts will be completed as confidentially as reasonably possible, unless disclosure is required for investigation or by law. The manager should respond to an employee's issue within five (5) working days of the employee's report. On occasions when further investigation will be required and a response cannot be given within the allotted time frame, the employee will be notified.

**Step 2:** If the employee is not satisfied with their manager's response, he/she should speak with the Division Manager. If further review of the facts is required, then appropriate investigations will occur. The facts will be carefully reviewed, and a response will be given at the earliest possible time after concluding a thorough investigation of the issues.

**Step 3:** If the employee is still not satisfied with the resolution, he/she may submit the issue to the General Manager. The concerns brought forth will be carefully reviewed, and a written response will be given to the employee.

#### Whistleblower Protection

A whistleblower (as defined by this policy, as well as Section 11(c) of the Occupational Safety and Health Act of 1970 (OSHA) and Section 806 of the Corporate and Criminal Fraud Accountability Act of 2002 (CCFA)) is an employee who discloses information regarding unsafe working conditions, safety or health hazards, waste of public funds, abuse of authority, illegal business practices, etc. The whistleblower is not responsible for the investigation of the activity or for determining fault or corrective measures; appropriate Company officials are charged with these responsibilities.

Employees are encouraged to bring such concerns to their manager or the President. Issues brought forth will be investigated thoroughly and discreetly. We will attempt to maintain the confidentiality of the whistleblower to the extent possible. Identity may be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. Employees are protected from retaliation.

Employees must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report or wrongdoing will be subject to disciplinary action, up to and including termination.

#### **EMPLOYEE RECORDS**

In collecting, maintaining, and disclosing personnel information, the Company makes every effort to protect employees' privacy rights and to prevent inappropriate or unnecessary disclosures of information from employee files or records. While complying with its governmental reporting and recordkeeping requirements, the Company strives to ensure that it handles all employee personal and job-related information in a secure, confidential, and appropriate fashion.

Paper-based documents relating to employee personnel records are kept in secure locked files in the Human Resource Office. Electronic documents relating to employment with the Company are maintained using a secure IT procedure with limited access. These files are accessible only to the staff that has a valid, demonstrable need to obtain specific information from an employee's personnel record. Employees may be granted access to their personnel files and records by contacting Payroll. Employees may request copies of documents contained in their Personnel File, but documents may not be removed.

In addition, the Company maintains a Confidential and Benefit file on each employee. This file may not be accessed by anyone other than Payroll, the Owners and their designee, except in situations required by law. Section 2: Employment Policies

#### Releasing Personnel Information

On occasion, the Company must provide information to federal, state, and local government agencies in accordance with recordkeeping and reporting requirements imposed by such agencies. Access by such parties to this information may occur via legal subpoena or court order.

In response to a request from an outside organization, individual, or other nongovernmental entity, the Company normally verifies only the employment status and dates of employment. We do not provide other information unless and until it has received a written request that it disclose or confirm additional specific information. All such request should be directed to Payroll. Mangers are not permitted to provide reference checks or information regarding current or former employees.

#### **Updating Personnel Information**

It is important that employees keep the Company informed of significant changes in life events that may affect benefits, emergency contacts, etc. If there are changes in areas such as name, emergency contact, address, bank change for direct deposit, tax withholding status, phone numbers, marital status, dependent information, etc., a Status Change Form should be completed and returned to Payroll so that appropriate changes can be made.

#### **LEAVING THE COMPANY**

Both the employee and the Company have the right to terminate employment at will, at any time, with or without cause. We ask that employees give us at least a two-week written notice before terminating their employment.

Departing employees, regardless of their reason for leaving, may be asked to participate in an exit interview with a member of management. All Company equipment and property must be returned to the Company no later than the last day worked by an employee and/or upon request. The Company may take appropriate legal action to recover the cost of any unreturned Company property.

Employees who leave the Company will be paid for earned, unused Paid Time Off (PTO) in accordance with the policy when appropriate notice is given and if employment is not terminated for gross misconduct. (PTO) used, but unearned at the time of termination will be deducted from the final paycheck. Final paychecks may be mailed to the address on file or directly deposited in the employee's direct deposit bank account on the next regular payday after separation from employment, unless federal, state or local law requires payment sooner.

Information relating to benefits and continuation options may be reviewed on the last day of employment or sent to an employee's home, under separate cover.

# Section 3: Compensation and Benefits

#### **COMPENSATION POLICY**

The compensation program is designed to ensure fair and consistent pay practices; comply with applicable federal and state laws and regulations; operate within the constraints of our budgetary process and financial resource limitations; and allow the Company to offer competitive salaries relative to the labor market and industry in the area. The goal of the compensation program is to attract, retain, and motivate the most qualified and productive employees in our industry. All compensation programs and practices are designed, implemented and administered without regard to race, color, religion, sex, national origin, age, disability, veteran or military status, marital status, genetic information, actual or perceived sexual orientation, gender identity, or any other characteristic protected by federal, state, or local law.

Employees may be eligible to receive pay increases during their employment. Increase guidelines are developed at the sole discretion of the Company, are set according to business budgetary requirements, and are not guaranteed on an annual basis. The President must approve all pay increases.

#### **PAYROLL GUIDELINES**

The Company's workweek for payroll purposes begins at 12:00am on Monday and ends at 11:59 the following Sunday. Employees are paid bi-weekly on Friday's following the 2-week pay period. In the event that a regularly scheduled payday falls on a holiday when the business office is closed, checks will be directly deposited on the next business day. The Company has an electronic payroll system and therefore employees are strongly encouraged to have their paychecks direct deposited into their personal bank account(s).

The Company will not advance money against wages, nor will the Company loan money to employees.

#### Paycheck Errors and Lost Paychecks

In the event that an error is found on a paycheck (i.e. an overpayment, underpayment, or a deduction that is not clear), please contact Payroll as soon as possible. If the Company has made the payroll mistake, a check will be issued to correct the error as soon as is reasonably possible. If the error is due to a personal miscalculation or mistake, the error will be corrected on the next regular payroll schedule.

In the event a check is lost, Payroll must be notified before a replacement check can be issued. In the event the lost paycheck is recovered and the Company identifies the endorsement as that of the employee, the employee must remit the amount of the replacement check to the Company within 24 hours of the time it is demanded. A charge to the employee may be incurred for a replacement of a check.

#### Pay Deductions

The law requires that the Company make certain deductions from each employee's paycheck. Among these deductions are applicable federal, state, and local income taxes, Social Security and Medicare taxes. Changes to the federal and state taxes must be made in writing on a W-4 withholdings form, which should be returned to Payroll. Federal or state agencies may require the Company to make additional deductions, such as child support, garnishments, etc.

Additional programs and benefits may be offered beyond those required by law, including uniforms we allow employees to purchase. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs. In addition, employees that receive electronic traffic, speeding or parking tickets will be notified and the fee associated will be deducted from their paycheck on the following payroll cycle, unless the employee pays the fine in full at the time of notification.

#### TIMEKEEPING POLICY

By law, the Company must keep accurate records of time worked for all non-exempt employees in order to calculate employee compensation and benefits. Depending on position, regardless of exempt status, employees may be required to keep time records documenting hours worked. Any time not worked such as vacation, sick leave, personal days, jury duty, etc. must also be documented on individual time records.

All non-exempt employees must track their hours worked on a daily basis using individual paper timesheets. Employees must individual and accurately document all time worked by indicating the time they begin work, the time they stop work, and the time they begin and end their meal break. Employees are also responsible for totaling their daily and weekly hours worked and signing the time sheet before submitting to their supervisor.

Timesheets must be submitted at the end of each work week to your supervisor for approval. The supervisor will submit the approved timesheet to payroll.

Repeated failure to comply with properly and accurately documenting time worked will result in disciplinary action, up to and including termination.

Altering, falsifying, failing to record time worked, tampering with time records and/or recording time on another employee's record may result in disciplinary action, up to and including termination.

#### **WORK SCHEDULES**

Due to the nature of our business, employee work schedules will be established based on business needs, site locations, etc. Employees will be notified of their schedule and should not deviate from the established work scheduled without prior approval. Work Schedules may include nights and weekends based on location needs.

Breaks for meals will be scheduled by individual locations based on business needs and are typically staggered and/or coordinated with the manager to provide adequate department coverage. Employees scheduled to work eight (8) hours are eligible for a thirty (30) minute unpaid meal break.

Work schedules may change based on business needs and will be communicated by managers with as much notice as reasonably possible. Employees are expected to make every effort to comply with work schedule changes. The Corporate Office is open from 8:30am – 4:30pm; Monday – Friday.

#### **OVERTIME POLICY**

When necessary to meet our business needs, the company can require and/or request that employees work overtime. All attempts will be made to give reasonable advance notice when overtime must be worked, but the Company reserves the right to require any employee to work extra hours when the need arises.

Non-exempt employees who work more than 40 hours during a workweek will receive overtime pay at one and one-half (1½) times their regular hourly rate, for each hour worked in excess of 40 in a workweek. Overtime MUST be approved in advance by the employee's manager, with prior approval from the President.

Time not worked (whether paid or unpaid), such as Vacation, Sick, FMLA, job-related injury, holiday, jury duty, bereavement, etc. – <u>will not count</u> as time worked for purposes of determining or computing overtime pay.

#### TRAVEL TIME

Employees are required to work at offsite job lotions on a daily basis. Work locations will vary in distance, but can be up to two hours away from our office. It is each employee's individual responsibility to find transportation to and from individual worksites at the beginning and completion of their scheduled work day. Schuman's may offer transportation services to some offsite work locations. Employees may voluntarily opt to utilize these transportation services.

Some employees may be required to travel to several locations within the workday. In such instances, employees will be compensated for the entire day (except lunch breaks) until all work is completed, including travel that occurs during the workday.

#### Travel to a Worksite

Some employees will be required to meet at the Schuman's office to assist in loading the van with supplies for the workday. Those employees will be paid their base rate of pay from the time this work begins, including travel to the worksite location.

For employees who are simply utilizing the Schuman's van for transportation, they will not be paid until the work begins at the worksite. These employees should not perform any work on behalf of Schuman's until the work at the jobsite begins. This travel time should be the same as if you are utilizing public transportation or your own personal vehicle. Employees may sleep, read, etc.

#### Return Travel from a Worksite

Once work is completed at a jobsite, employees should complete their timesheets for the day and no additional work performed. Employees are not paid for the travel time for the return trip home. Employee utilizing the Schuman's transportation services should treat this as if using public transportation or your own personal vehicle and may sleep, read, etc.

On occasion, employees may be asked to perform additional work once the van returns to Schuman's. If requested, the employee will be notified prior to the end of the workday and will be compensated during the ride home and until all work on behalf of Schuman's' is completed.

### Section 4: Attendance and Time Off

#### ATTENDANCE and TARDINESS

We are obligated to provide timely and reliable services to our customers. This obligation can only be satisfied with the cooperation and regular attendance of all employees. Accordingly, all employees are expected to be at work each day at their regular scheduled time and work their full schedule. The nature of our business dictates that repeated absenteeism or tardiness cannot be accepted by the Company and therefore good attendance is not exceptional behavior, it is expected.

More than one absence or tardy a month or more than five (5) in a year will result in disciplinary action up to and including termination.

#### Communication of Absences

Employees must make every effort to inform their manager in advance of an anticipated absence. If advance notice is not possible, employees must personally make contact their manager (or designated person) within two (2) hours before the scheduled start time. If after all reasonable efforts to make personal contact with the manager have been exhausted, then a message should be left on the voicemail prior to the start time of the schedule. For late arrivals, employees should indicate their anticipated arrival time.

Employees that do not make contact with their manager (or designated person) within one hour of their scheduled work time may not be allowed to use paid leave and will result in an unexcused absence. Failure to notify at all will be considered a no call, no show (NCNS). NCNS absences are considered a voluntary resignation and will result in an employee's immediate termination. If extenuating circumstances (i.e. car accident, emergency room), justify the failure to notify the Company of an absence, documentation will be required and will be taken into consideration when considering the disciplinary action.

#### Physician's Notes during an Absence

Absences involving a personal illness and/or those where sick leave is used, a physicians' note and/or medical release to return to work may be requested for absences of three (3) or more days. Notes should be provided to your manager or payroll. In cases where a physician enforces restrictions, the Company will make a reasonable effort to accommodate. The Company reserves the right to ask for a second opinion.

#### Discipline for Absenteeism and Tardiness

Excessive and/or habitual absenteeism and tardiness will result in disciplinary action up to and including termination. Employees may also be subject to discipline, up to and including termination, for such things as leaving Company property without prior authorization, taking excessive or extended breaks or leaves, or failing to comply with Company procedures for obtaining permission to leave the property or for time off.

Discipline for absenteeism may vary depending on the gravity of the offense or problem, the circumstances under which it occurred, length of service, overall work record, etc. in the sole discretion of the Company.

Repeated abuse and/or continued violation of the attendance policy will result in disciplinary action, up to and including termination, in the sole discretion of the Company.

#### **EMERGENCY CLOSINGS**

Occasionally, severe weather (i.e. snow storm or hurricane) or other circumstances beyond the Company's control (i.e. power outage, fire) can disrupt Company operations and may necessitate early closings, late openings or cancellation of work. The decision will be made by the President and the applicable location manager. The decision to close typically does not follow government and school closings.

Employees will be contacted by their manager if work schedules change due to weather.

It is the intent of the Company to remain open during normal operating hours. Unless otherwise notified, employees should make every effort to report to work when their location at their appropriate scheduled time. For employees who are unable to report to work due to commuting safety, they should notify their manager and may use paid leave time, if approved.

#### **HOLIDAYS**

SCS recognizes the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. If a holiday falls on a Saturday or Sunday the Company will not observe this on another day. Actual dates for observances will be posted annually.

Employees are eligible for holiday pay after successful completion of the Introductory Period and a minimum of 90 days of continuous employment. To be paid for the holiday, employees must also be regularly scheduled to work on the day the holiday is observed and work the day prior and the day after the holiday, unless on pre-scheduled and approved PTO.

Employees will be compensated based upon the number of hours they are normally scheduled on the day the holiday is observed. Temporary/Seasonal Employees, Interns or those on a leave of absence are not eligible for holiday pay.

#### PAID TIME OFF (PTO)

Full Time Employees who are regularly scheduled to work at least 32 hours/week earn Paid Time Off (PTO) after one full year of employment. PTO incorporates time off for vacation, personal appointments, illness, etc. In the Company's sole discretion, office employees who work on a regular basis less than 32 hours/week may be eligible for pro-rated PTO.

PTO accrual rates are based on continuous employment and earned for each full year worked. PTO is based on regularly scheduled work hours (pro-rated for those regularly scheduled to work between 32 and 40 hours/week). Employees are provided with PTO on their annual anniversary date upon completion of 12 months of continuous service. The employees base rate of pay at the time PTO is used will be used for calculation purposes. If there is a break in service of if work hours are adjusted between 32 and 40, PTO eligibility will be adjusted accordingly. If there is any question on eligibility, please see Payroll.

Example: Employee is hired on May to work 32 hours/week at \$10.00/hour. His work schedule is 6 hours/day. On May 2 of the following year, the employee is eligible for 8 days of 6 hours of PTO to be used until May 1 of the 3<sup>rd</sup> year of employment

We understand that during the first year of employment, there may be occasions where time off is needed. For that, employees are eligible for up to 2 days for non-exempt employees and up to 5 days for exempt employees. Employees may use this time after successful completion of the Initial Employment Period. This is not an earned benefit and is not payable upon termination. It is provided by the Company to be used during active employment.

#### PTO Eligibility

YEARS OF SERVICE	ANNUAL PTO ELIGIBILITY
1 year – 2 years	8 days
3 years – 9 years	14 days
10+ years	18 days

Employees may not use unpaid time off until all paid time off has been exhausted.

#### Use and Scheduling of PTO

- Use of PTO must be approved in advance.
- All effort should be made to have PTO approved at least two weeks in advance for scheduling purposes. Conflict with requests will be based on first received, staffing needs, length of service, etc. We will make every attempt to grant requests, but requests are not guaranteed and you may be required to reschedule.
- We strongly encourage our employees NOT to take their vacations during late spring, summer or early fall. This time of year is extremely busy and we need every available Team member
- PTO used for unplanned items such as illness, doctor's visits, etc. or any others with less than a 24-hour notice is subject to approval and may require documentation and/or note from a physician. Use of unplanned PTO must be requested by 8 am the day of to be considered.
- Employees may carry over up to ten (10) days of PTO to be saved just in case something serious occurs. All other unused PTO at the end of the calendar year will be forfeited.

#### Termination of Employment

Upon termination of employment, employees will be paid for their earned, unused PTO in accordance with applicable laws. Employees not providing the Company with at least a two-week notice, or those terminated for misconduct are not eligible for payment of earned PTO, unless otherwise required by law. PTO that is rolled over from one year to the next IS NOT payable upon termination.

#### **FAMILY AND MEDICAL LEAVE (FMLA)**

SCS is required to comply with FMLA if and when they employ more than 50 employees within a 75-mile radius. In accordance with FMLA, eligible employees may have up to 12 weeks of leave during the course of a 12-month rolling calendar period. FMLA leave is a guaranteed period of time eligible employees can be absent from work with job protection. The time off is not paid, unless vacation, or other paid time off is available, but runs concurrently with FMLA leave.

#### **Eligibility**

To be eligible for FMLA, an employee must have worked for the Company for at 12 consecutive months and performed at least 1,250 hours of work during the 12 months preceding the start of leave.

#### Requesting leave

Employees can request or use FMLA to cover time they need to be away from work for the following:

- care for a newborn child or a newly adopted or newly placed foster care child, as long as the leave is taken in the year following the child's birth or placement;
- care for a child, spouse, parent, or other dependent who has a serious health condition; or
- a personal serious health condition that renders the employee unable to perform their job.
- a leave necessitated by a call to active duty of a family member
- to care for a family member injured while serving in the military (eligible for up to 26 weeks of leave)

Employees should use a "Request for FMLA" form and submit it to their manager, Payroll or the Owners. Employees should give as much notice as is reasonably possible. Employees who know of their need for FMLA should make every effort to provide 30 calendar days' advance notice. Employees are required to follow the Company call—in procedures for all FMLA absences.

Employees must also submit a completed "Certification of Health Care Provider" that will be provided to them in accordance with the FMLA laws and regulations prior to the leave being approved. Once all required paperwork is received, the Owners will notify employees in writing of the approval or denial of FMLA.

#### Compensation and benefits during leave

FMLA is unpaid unless it is taken together with accrued paid leave. Employees will be required to exhaust all of their paid leave prior to using unpaid time for FMLA. However, eligible employees on FMLA continue to be covered by the group health benefits plan on the same terms that are applicable for active employees. FMLA does not cause employees to lose any previously accrued employment benefits. While on FMLA, employees will be required to make monthly payments for the employee portion of all benefit costs.

#### Intermittent leave

Employees may be allowed to work intermittently or with a reduced work schedule, if medically necessary. Where employees have some control over the timing of their leave, appointments, etc. every effort should be made to have as little disruption to the work schedule as possible.

#### No Outside Employment During Leave

While on FMLA, employees may not engage in employment for any other employer or self-employment. Violation of this rule may constitute misconduct and therefore result in termination of employment.

#### Spouses Employed by the Company

If FMLA eligible spouses both work for the Company and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, to care for a parent with a serious health condition, or to care for a covered service member, the spouses may take only a combined total of 12 weeks of leave (or 26 weeks of leave in the case of leave to care for a covered service member), in the applicable 12 month period.

#### Reinstatement following FMLA

On returning from FMLA, employees normally are restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms. Exceptions to this restoration procedure are for certain key employees.

#### Post-FMLA unpaid leave

In some circumstances, the Company may allow employees who have exhausted the leave available to them under FMLA to take additional unpaid personal leave. No guarantee can be made in such situations that the company will be able to re-employ individuals who take post-FMLA.

Furthermore, during a period of post-FMLA, an employee's health care benefits cease, unless elected through COBRA. Employees should be aware that a lapse in benefits coverage or plan participation during a period of post-FMLA might affect a worker's coverage upon returning to work.

#### **JURY and WITNESS DUTY**

The Company believes that jury duty is a civic responsibility and encourages employees to serve when called. SCS does not compensate employees for the time away from work. Documentation must be provided to your manager or payroll for proof of days and time served.

Employees must notify their manager of their scheduled jury duty as soon as they receive the summons. Employees are required to return to work upon completion of each day served, unless time served surpasses the scheduled work hours. When court is not in session, employees are expected to report to work as a normal workday. While serving on jury duty, an employee should communicate as often as necessary, to keep the Company apprised of their status.

Employees will be compensated at their base compensation if subpoenaed or otherwise requested by the Company to testify in court as a witness or otherwise participate in a legal proceeding on behalf of the Company. Employees will not be compensated while pursuing their own lawsuit or for responding to a summons to testify as a witness in any case, unless personal vacation time is requested and available.

#### **MILITARY LEAVE**

The Company proudly supports the United States uniformed services. The Company does not discriminate or retaliate against any employee who is a past or present member of, or applicant to, the uniformed services, or anyone who exercises, or assists others in exercising, rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) or similar state and local laws.

A Military Leave of Absence will be granted to an employee who is a member of the United States uniformed services for a cumulative period of up to five years (the 5-year limitation does not include certain involuntary extensions of service). This leave may be for training or any related obligation in accordance with applicable law. The leave is unpaid, but employees may substitute accrued paid leave time for unpaid leave, if available.

Employees should notify their manager and the Owners as soon as they are notified of active or reserve duty, or other obligations associated with military service. Information regarding the leave, benefits and returning from a military leave will be discussed at that time.

#### Compensation while on Military Leave

Military Leave is not typically compensated however; employees may use their earned vacation time when called for duty. In addition, employees may be compensated for up to two weeks per year for short term assignments/training. This compensation will be equal to the difference between the employee's military pay (including travel allowances) and the employee's weekly compensation. Official documentation of military compensation must be provided prior to payment by the Company.

#### Continuation of Health Benefits during Service

During a military leave of less than 31 days, an employee may elect to continue group health plan coverage under the same conditions as if the employee had continued to work. For military leaves of 31 days or more, an employee may elect to continue his/her health coverage for up to 24 months of uniformed service, but will be required to pay all or part of the premium for the continuation coverage.

#### Return from Military Leave

An employee who performs service in the uniformed service and returns has the right to be reemployed by the Company if the employee:

- gives the Company advance written notice of service;
- has five (5) years or less of cumulative service in the uniformed services while with the Company;
- returns to work or applies for reemployment in a timely manner after conclusion of service; and
- has not been separated from service with a disqualifying discharge or under other than honorable conditions

An employee who is eligible for reemployment must be restored to the job and benefits he/she would have attained if he/she had not been absent due to military service, or in some cases, a comparable job. When an employee is reemployed by the Company, he/she has the right to be reinstated in the Company's health plan generally without any waiting periods or exclusions, except for service-connected illnesses or injuries.

# Section 5: Workplace Policies and Procedures

#### STANDARDS OF CONDUCT

All employees are employed on an at-will basis and may be terminated at any time, with or without cause and with or without advance notice. Nevertheless, the Company provides employees some guidelines on what is expected of them to lessen the possibility of misunderstandings.

The following are <u>some</u> types of conduct that are prohibited and may result in disciplinary action, up to and including termination, at the sole discretion of the Company. This list is merely illustrative and does not include all incidents for which an employee may be disciplined.

#### **Prohibited Conduct**

- 1. Sexual or other unlawful or offensive harassment.
- 2. Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, on Company property or while representing the Company.
- 3. Unauthorized release of Company information, including employee information, customer and product information.
- 4. Insubordination, including but not limited to, willfully refusing or failing to follow instructions; willfully refusing or failing to perform a work assignment; or using defiant, threatening, abusive, insulting, or profane language toward management.
- 5. Altering, mutilating, destroying, damaging, abusing, misusing or wasting property, facilities, records or equipment belonging to the Company or located on Company premises regardless of its ownership. This includes willful acts such as sabotage, acts or omissions constituting gross negligence, and tampering with or other improper use of computers, electronic mail, and/or voice mail.
- 6. Willfully making a false statement or a material omission with the intent to deceive.
- 7. Malicious gossip and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another employee on the job; willfully restricting work efficiency or encouraging others to do so.
- 8. Falsification of any Company record, form or report such as, but not limited to, employment application, expense reports, time sheets, worker's compensation forms, medical forms and other benefit claims and disability certificates.
- 9. Unsatisfactory or careless work; failure to meet expectations of the position; mistakes due to carelessness or failure to get necessary instructions; concealing defective work.
- 10. Gambling on Company property.
- 11. Making statements, which could result in a loss of the Company's "good will".
- 12. Using abusive or threatening language, fighting or threatening bodily injury to fellow employees or managers.
- 13. Smoking in prohibited areas.
- 14. Taking without permission, stealing, Company property, or the property of any employee; hiding, concealing or misappropriating of Company property or the property of other employees or customers; sabotage or willful damage to Company property or the property of other employees or customers.
- 15. Excessive tardiness, absence or early departure, with or without cause, whether regular or periodic.
- 16. Excessive interruption of work for personal business, personal phone calls or personal visits by or to other employees or third parties.
- 17. Sleeping, loitering or loafing while on the job.
- 18. Failure to cooperate in an investigation.
- 19. Unauthorized solicitation or distribution of non-work related materials during work time in work areas.

- 20. Unauthorized posting, defacing, or removal of notices, signs, writings, or other Company property.
- 21. Garnishments in excess of those permitted by law.
- 22. Failure to follow safety regulations or engaging in "horseplay" while on Company premises.
- 23. Failure to report an accident, injury, or safety hazard on the job.
- 24. Bringing firearms, explosive or incendiary devices, lethal weapons, hazardous substances, objects, or any other item onto Company property with the intent to inflict bodily harm, threaten or intimidate.
- 25. Involvement in a romantic relationship with a subordinate.
- 26. Involvement that renders the employee undesirable, seriously embarrasses the Company or its products, or results in other adverse effects upon the Company. This may encompass off-duty conduct away from Company premises.
- 27. Failure to complete assignments in accordance with quality standards and specifications of a job.
- 28. Failure to submit information regarding an absence, submit a return to work certification after an absence, or failure to return to work at the expiration of an approved leave of absence.

#### PROGRESSIVE DISCIPLINE

The Company strives to administer policies in a fair and consistent manner and make a concerted effort to treat disciplinary actions in a prompt, uniform, and impartial manner. Our goal is to correct the problem, prevent recurrence, and prepare the employee for satisfactory performance in the future.

Employees have an obligation to observe and follow the Company's policies, practices, procedures, and guidelines and to maintain proper standards of conduct. When an employee fails to follow these, measures must be taken in an effort to improve the situation and to stop further occurrences.

In the event that disciplinary action is necessary, the following is typically followed:

- Verbal Warning (verbal warnings will be documented and placed in the employee's personnel file)
- Performance Improvement Plan and/or Written Warning
- Suspension (with or without pay)
- Termination

The Company has no obligation to use any one of these disciplinary measures prior to terminating an employee. In circumstances involving gross misconduct, prohibited conduct, threats or acts of violence, etc., immediate termination may result.

#### TOBACCO FREE, SMOKE FREE AND VAPE FREE WORKPLACE

SCS is committed to providing its employees with a healthy, comfortable, and productive work environment. Due to the increasing evidence of the dangers of smoking tobacco and smokeless tobacco, employees are strongly encouraged not to use cigarettes, cigars or smokeless tobacco products.

To that end, SCS is a tobacco free, smoke free and vape free company. Smoking refers to the use of traditional tobacco products. Vaping refers to the use of electronic nicotine delivery systems or electronic smoking devices. These are commonly called e-cigarettes, e-pipes, e-hookahs and e-cigars.

Smoking and vaping are prohibited anywhere in our offices, in all Company vehicles and satellite work locations, both commercial and residential, as well as during the day in which the work is performed. This policy strictly prohibits anyone from smoking inside company vehicles at any time. We believe that by being a tobacco-free company, we are upholding our commitment to provide a safe and healthy environment to our employees and our respectful of our customers.

In addition, smoking is not permitted during the paid work day and no breaks are given other than those scheduled ones throughout the day. Employees may smoke on their unpaid break – such as a scheduled unpaid lunch break. Employees may not have other breaks during the day to smoke. Furthermore, employees that choose to smoke during their unpaid lunch breaks or before arriving at work must change clothes before entering a home, boat or business.

#### DRESS CODE AND PERSONAL HYGIENE

Employees are required to present themselves with acceptable business and/or industry standards when it comes to personal hygiene and work attire. It is important as a Company that we project a professional, consistent image. The following standards must be adhered to in order to maintain a safe and professional work environment.

This dress code applies to all employees at all times, whether working in the office or off-site. If dress or personal hygiene is considered to be inappropriate or not in compliance with our policy, employees will be asked to leave, change clothes and return in the appropriate attire. Employees will not be compensated for this time away from work. Continued failure to follow this policy, will result in disciplinary action up to and including termination.

#### **Employees Working Off-Site**

Employees are required to wear a Schuman's shirt and khaki or black pants. Clothing must be must be clean, pressed and in good repair (i.e. no tears, stains, holes, faded, wrinkled). Pants must be "work type" pants (i.e. Docker style – no leggings or knit, no denim, no yoga/sweat pants). In addition, clothing must fit properly and comfortably so that employees may bend, stoop, reach, etc. without hindrance and without showing skin or undergarments. Pants should be belted and fit properly at the waist.

If shirts become stained, excessively worn, torn or no longer looks professional due to normal working conditions, the Company will replace the shirt. If a shirt is ruined due to employee negligence (food stains, improper washing method, etc.) the employee will be required to pay for a replacement shirt (typically around \$6.00). On occasion, the Company will provide specialty clothing to employees such as special shirts, long sleeve shirts, sweatshirts, jackets, etc. based on the work conditions or work location. Employees may also purchase additional Schuman's logo items.

Good personal grooming is also essential (i.e. hair should be clean and neat). Facial hair and/or reasonably long hair are acceptable as long as it does not hinder the employee's performance or safety on the job and is neatly trimmed and maintained. Hair longer than shoulder length must be pulled back. Visible, decorative body piercings such as those in the eyebrow, nose, lip or tongue are considered unacceptable attire. "Overly visible tattoos", excessive jewelry, and "trendy" hair colors are also not considered professional and must be covered during working hours. Head covers that are required for religious purposes or to honor cultural tradition may be allowed unless they interfere with safely performing ones job.

All new employees will be provided with two Schuman's shirts on their first day of active employment. For employees scheduled to work 4-5 days/week, two additional shirts will be provided after completing 90 days of employment. Those scheduled to work 3 days/week, will be provided with one additional shirt after 90 days. At the employees one year anniversary, two new shirts will be provided to FT employees and 1 new to PT employees.

#### Note:

- Schuman's shirts may be worn only during an employee's active shift. They are not to be worn as part of your wardrobe outside of work.
- All Schuman's shirts must be returned within 2 days of the last day of employment. Failure to return the shirts will result in the replacement value of the shirt deducted from the final paycheck.
- Items purchased (other than replacement pieces due to negligence) do not have to be returned at the end of employment.

#### Office Employees and Managers

As a general rule, we require employees that work in the office to wear business casual attire such as slacks, khakis, skirts, dresses, blouses, button down or polo style shirts and sweaters. Business casual attire should always be neat, clean and fit properly. Clothing should never expose the mid-section or be over revealing of any body parts or undergarments such as tank tops, shirts revealing excessive cleavage, skirts shorter than 4" above the knee, overly tight or overly loose baggy clothing. Business casual attire may include denim but must not be overly worn or torn. Beachwear, workout attire, shorts, hats, (inside the building) or clothing with inappropriate slogans, graphics or large logos or not appropriate.

#### **CELL PHONE and PERSONAL PHONE USAGE**

It is inappropriate for employees to use company telephones for personal calls, except in emergency situations. Under no circumstances are personal calls allowed to long distance telephone numbers. In the event of an emergency requiring a long distance call, reimbursement will be required from the employee.

Employees working in the field and at customer locations should NOT use cell phones during the workday, except on scheduled and approved breaks or lunches. At no times should cell phones be used in front of customers for talking, texting, surfing the web or anything similar. Phones should be kept in the vehicle and on silent mode. If there is an emergency or medical reason for the phone to be used during the workday or kept with you, please notify your manager and they may keep the device for you.

Employees working in the office should limit personal calls, texting, e-mails, etc. during the work day, regardless of the device or equipment used. Excessive personal communication can interfere with employee productivity and can be distracting to others. Employees are encouraged to conduct personal communication on non-work time where possible.

Cell Phones can be used as an important communication tool between employees and clients and can improve responsiveness and access by clients. Whether the cell phone is provided by the Company or the personal phone of an employee, cell phone use should be used in a responsible and safe manner. If using a cell phone in a public location, employees should be discreet and avoid speaking about confidential and/or client information.

Employees in possession of Company cell phones are expected to protect the equipment from loss, damage or theft. Upon resignation or termination, or at any time upon request, the employee may be asked to produce the phone for return or inspection. If a Company cell phone is lost or stolen, it must be reported immediately.

Cell phones should not be used while driving. While driving, attention to the road and safety should always take precedence over talking on the phone. Whenever possible, drivers should complete calls while the vehicle is parked and/or use the phone in a hands-free mode via a headset or speaker, or pull off the road to continue a conversation if needed. Employees are at no time permitted to read or compose e-mails or texts while driving. When traveling in other states, take special notice of state specific driving/cell phone usage policies.

#### **USE OF TECHNOLOGY AND OTHER COMPANY SYSTEMS**

Employees may have access to items such as computer hardware, software, e-mail, telephones, voicemail, fax machines, copiers, the Internet, etc. (collectively referred to as "Company Systems"). Company Systems should be used for the purpose of conducting Company business. It is acceptable for employees to use such systems on limited occasions for personal use, if the use does not violate guidelines set forth in this policy; does not interfere with personal productivity or that of co-workers; and does not involve large file transfers, consume storage capacity or otherwise deplete system resources for business purposes, or use excessive bandwidth. Employees should not however save personal items on Company Systems.

Employees shall comply with all Company policies and procedures, as well as all applicable laws and regulations, without limitation, those governing the restriction of all copyright, defamation, privacy, and the access or use of other's computer and communication systems. Systems are not to be removed from Company premises at any time without the express permission of the President.

The Company has the right, but not the duty, to monitor all aspects of its computer system, including, but not limited to, monitoring sites visited by employees, monitoring chat groups, reviewing downloads or uploads, and reviewing e-mail sent and received by users. In addition, SCS, as owner of the Voice Mail system, reserves and may exercise the right to monitor, access, retrieve, and delete any matter stored in, created, received, or sent over the Voice Mail system, for any reason without the permission of any employee and without notice.

All messages composed, sent, or received on the electronic mail system are, and remain the property of SCS. **Employees should not have any expectation of privacy with respect to messages or files sent, received or stored on Company Systems**. By using the email and voice mail systems, employees acknowledge that their communications are not secure, waive their right to privacy and grant permission to the Company to read, listen to, maintain and use email and voice mail messages. Employees should be aware that deletion of email messages or files will not eliminate the messages from the system. All email messages are stored on a central back-up system in the normal course of data management.

Because voice mail records and messages, as well as emails may be subject to discovery in litigation, employees are expected to avoid making statements in voice mails and/or emails that would not reflect favorably on the employee or Company if disclosed in litigation or otherwise. Employees should use professional and courteous greetings on their Voice Mail boxes to properly represent the Company to outside callers.

Company Systems may not be used for transmitting, retrieving or the storing communications that are of a discriminatory, harassing, defamatory or threatening manner, or which are derogatory to any individual or group. Company Systems may not be used for transmitting, retrieving, or the storage of any obscene or X-rated communications or for any other purpose that is illegal or against any Company's policy. Use of the Company's connection to the Internet to send emails, participate in chat rooms, transfer files, and visit external web sites is traceable to the Company and therefore should be limited to work-related purposes.

Employees should not use Company Systems for purposes that are derogatory or threatening; that engage in any purpose that is illegal or that divulge confidential information, trade secrets or anything that may harm or violate the Company's confidentially policy. Employees should not intentionally forward a virus or carelessly allow a virus to invade the system; use another individuals' account or identity without explicit authorization; monitor or intercept files or communication of other employees; or engage in activities on behalf of organizations or competitors with no professional or business affiliation with SCS.

Introduction of software or hardware that disrupts normal operations, causes congestion, or hampers the ability of others to access the System is strictly prohibited. This includes, but is not limited to, the introduction of programs carrying a "virus" or the distribution of "chain letters". No software should be downloaded from the Internet without explicit direction from the IT Technician ("IT"). Encryption software or devices should not be loaded without written authorization. Non-licensed games or other software are prohibited. If there is a personal need for additional software, hardware or equipment not currently provided by the Company, please contact your manager.

Certain Internet sites may be blocked at the Company's discretion. If a blocked site is required to perform your job, please notify your manager for a solution.

#### **SOCIAL NETWORKING**

Employees who participate in external social media platforms personally (off Company time, in their personal lives, etc.) should not use the Company name or the names of any of its subsidiaries in their identity (e.g. username, "handle" or screen name), nor should they presume to speak as a representative of the Company.

Employees should avoid posting incomplete, inaccurate, inappropriate, threatening, harassing or poorly worded comments which may be harmful to others, including fellow employees, former employees, customers or competitors. Any material that is posted on a social networking site can be easily accessed and read by the general public, is subject to litigation during electronic discovery and can be linked back to the Company. Employees must be mindful that all posted content by employees is subject to review in accordance with the Company's policies and procedures.

We are a privately-held, family-owned Company and as such considers all Company information confidential and proprietary. Employees are prohibited from sharing, posting or discussing confidential and proprietary Company information while an active employee. This also extends beyond the employment relationship. Confidential or proprietary Company information or similar information of third parties, who have shared such information with the Company or you as a representative of the Company, should never be discussed or shared.

- Employees are not permitted to post any videos or pictures taken at a client site at any time for any reason.
- Employees are not permitted to post any videos or pictures taken in a Schuman's uniform or of other employees.
- Employees are not permitted to post, make comments, update status, etc. about Schuman's, our clients or the work they are performing.
- Employee should refrain from using social media sites during paid work time or on any company systems.
- We ask employees to report any negative comments about Schuman's to the office manager.

While we cannot control what employees do on their personal time, employees must be mindful of their reputation and remember that anything posted on a social networking site can be read by the general public and could negatively affect their job and credibility.

- As with other forms of communication, do not engage in personal or sexual harassment, unfounded accusations, or remarks that would contribute to a hostile workplace (i.e. racial comments, sexual innuendo's, derogatory religious comments, etc.
- Do not appear in pornography
- Do not engage in illegal activities such as spam, piracy, gambling, etc.
- If employees make personal comments about any aspect of their jobs or their relationship with the Company, their profiles must carry a disclaimer that the views expressed are their own and not the Company's.

#### **VISITORS**

Security compliance is critical due to the nature of our business and therefore all visitors must follow specific quidelines.

- All visitors must check in with the receptionist when visiting the office.
- Visitors must comply with Company policies and procedures.
- Visitors should be escorted or supervised by their company contact at all times, to ensure that they
  comply with the Company policies and procedures, and so that they may be safely evacuated in the event
  of an emergency.
- Visitors may not enter any sites without permission of their contact person.
- Visitors are not allowed to bring cameras or video equipment onto a site.
- Visitors are not permitted at work site locations at any time. For emergencies, individuals needing to contact an employee should contact the main office.

Unauthorized visitors will be asked to leave immediately.

#### FRATERNIZATION and DATING

The Company cautions romantic and sexual relationships with employees, vendors, contractors, etc. due to the potential problems such relationships pose. They can be particularly serious in situations in which one person has a position of authority over the other. Any romantic relationship between a manager and subordinate, an employee and a vendor or contractor, or similar relationship must be disclosed to the Owners immediately. The situation will be assessed and a recommendation made to resolve any actual or potential conflict.

In addition, we understand that employees may interact socially with co-workers and managers. This social interaction may, however, jeopardize the professional relationship and cause disruption to the workplace. Social interactions should be kept away from the workplace and after an employee's work schedule.

#### **SOLICITATION and DISTRIBUTION**

To avoid work disruptions and possible discord between employees, employees are prohibited from soliciting other employees or distributing literature in connection with non-work-related causes or interests. Solicitation includes, but is not limited to: asking employees for funds or contributions, asking to sign a petition, requesting employees to become a member of a group, soliciting support for a political candidate, or otherwise requesting support or commitment with respect to causes, groups, or interests.

On occasion, employees may offer goods for sale for charitable purposes (i.e. Girl Scout cookies), during non-work time such as breaks and lunches, if it does not disrupt or interfere with ongoing Company operations or other employees' enjoyment of their break or meal periods. Employees should notify Owners for authorization to engage in offering goods for sale during the work day.

Employees are strictly prohibited from using Company facilities in connection with any solicitation or literature distribution activities. This restriction applies regardless of whether employees are on- or off-duty, whether the activities are conducted during working or nonworking hours, or whether the activities are located on or off Company premises. For purposes of this restriction, Company facilities include, but are not limited to, telephones, e-mail, fax machines, interoffice mail, voice mail, and photocopiers.

Solicitation or literature distribution that is discriminatory, hateful, harassing, illegal, defamatory, or obscene is prohibited at all times. Persons not employed by the company may not solicit employees for any purposes on Company property.

#### **DRUG and ALCOHOL POLICY**

It is the goal of SCS to establish and maintain a work environment that is free from the effects of alcohol, illegal drugs (i.e. marijuana, cocaine), or drugs taken for non-medicinal purposes. Such use subjects employees and visitors to unacceptable safety risks, and it undermines the Company's ability to operate effectively and efficiently. For these reasons, the unlawful manufacture, distribution, possession, sale or use of alcohol or controlled substances in the workplace or while engaged in Company business off our premises is strictly prohibited. Such conduct is also prohibited during non-working time to the extent that, in our opinion, it impairs an employee's ability to perform on the job or threatens the reputation or integrity of the Company.

Consistent with its commitment to maintain a drug-free work environment, the Company has developed the following policy, which applies to all employees. Compliance with this Drug and Alcohol Policy is a condition of your continued employment. Employees that violate this policy will be subject to disciplinary action, up to and including termination. This policy supersedes any other policy or practice on this subject.

#### **Definitions**

- "Unauthorized Drug/Controlled Substance" means any illegal drug, and specifically includes marijuana, cocaine, opiates, phencyclidine (PCP), amphetamines, barbiturates and prescription drugs that are not obtained and used under a prescription lawfully issued to the employee possessing them, and any other substances included in Schedules I through V of the Federal Controlled Substances Act when not possessed or used pursuant to a valid prescription or as otherwise authorized by law.
- "Alcohol" means the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol including methyl and isopropyl alcohol.
- "Company Premises" means all land, property, buildings, structures, installations, vehicles, and equipment owned by, leased to, or supplied by the Company, as well as any work site or location on which any work is being performed for the Company or any of its customers, clients or contractors.

#### **Prohibited Conduct**

- No employee shall manufacture, ingest, use, possess, transport, sell or distribute any illegal controlled substance or paraphernalia while on Company premises or engaged in work for the Company.
- Employees may not report to work under the influence of drugs or alcohol, or consume drugs or alcohol
  on Company premises or on Company time. However, when specifically authorized by the Company,
  moderate alcohol consumption (well below the state DUI limit) is permitted in connection with customer
  entertainment or Company social events.
- An employee must promptly inform the Owners of any drug or drug-related crime the employee has committed or seen, or that the employee reasonably knows to have occurred in the workplace or on Company premises.
- The Company will not knowingly employ anyone abusing controlled substances or whose use of alcohol
  prevents performing his/her job duties or who, because of the use of drugs or alcohol, constitutes a direct
  threat to the property or safety of others.
- Employees may not use Company property in connection with illegal drug or alcohol transactions.

#### **Drug and Alcohol Testing**

Under its Drug and Alcohol Policy, the Company may, require the following:

- Pre-Employment Testing: Drug & Alcohol Testing may be performed on applicants who receive a conditional offer of employment. Employees testing positive will not be allowed to start work and offer rescinded.
- Reasonable Suspicion Testing: The Company may require an employee to submit to a drug and/or alcohol
  test whenever it reasonably believes from the facts and circumstances that the employee may be under the
  influence of a controlled substance or alcohol, or otherwise may have violated any aspect of this policy,
  federal, state or local law or federal regulations.
- Random Testing: The Company may implement random testing on employees who occupy safety-sensitive
  positions, including positions involving the operation of vehicles or other moving equipment such as forklifts.

• Post-Accident Testing: The Company may require an employee to submit to a drug and/or alcohol test when the employee is involved in, or has contributed to, a work-related incident that involves or could have involved injury or damage to property. Tests will be performed within two hours of the accident or as soon as reasonably practical after an accident occurs. An employee who is seriously injured and cannot provide a specimen at the time of the accident shall provide the necessary authorization for obtaining hospital reports and/or other documents that would indicate whether there were any controlled substances or alcohol in his/her system.

#### **Testing Procedure**

- An employee, whom the Company has legitimate business reasons for testing, will be escorted from the
  premises to a drug and alcohol testing site or tested using the Company's on-site testing procedures. No
  employee of whom the Company reasonably suspects is under the influence of drugs or alcohol will be
  permitted to drive a motor vehicle, including his/her own motor vehicle, off Company premises.
- 2. Any employee asked to submit to a drug or alcohol testing for reasonable suspicion will be placed on leave pending the results of the test. If the result is negative, the employee may return to work and be fully compensated for their leave. If the test is positive, the employee may not be compensated for the leave, disciplinary action will occur, up to and including termination. Options for a confirmation and/or independent test on the same sample will be offered.

**Note:** Refusal to submit to a drug and alcohol test will result in a voluntary termination of employment effective immediately.

- 3. The drug and alcohol test will involve a urinalysis test or other appropriate diagnostic test of breath, saliva, blood, hair, and/or other bodily fluids designated to detect the presence of unauthorized drugs, drug metabolites or alcohol.
- 4. Appropriate cut-off levels are set to establish values for designating a test result as positive. Any specimen that tests positive on the initial screening test will be subject to a confirmatory test.
- 5. Any employee failing to consent to, cooperate with or participate in testing, including any person who engages in conduct that clearly obstructs the testing process, will be subject to disciplinary action up to and including termination.

**Note:** The results of any drug or alcohol test conducted pursuant to this policy shall be kept strictly confidential. Test results shall not be disclosed to any employees or representatives of the Company or any other person, except those necessary to defend against any legal action brought by the tested employee or candidate for employment against the Company or to any government contractor or as otherwise required by law.

# **Section 6: Safety and Security**

#### SAFETY AND SECURITY POLICY STATEMENT

SCS are committed to providing a safe and healthy workplace for all its employees. We comply with all applicable requirements issued by the federal and state Occupational Safety and Health Administration (OSHA) and implements site-specific safety and health programs. The objective of the safety and health programs is to reduce or eliminate injuries and illnesses. It is the policy of SCS to exercise all precautions necessary to protect employees from all such incidents.

Employees are expected to take an active role in promoting workplace safety. It is the employee's responsibility to abide by and obey all safety and security rules. Any employee that does not comply with safety standards or is knowingly working in an unsafe manner that could cause injury or damage to themselves, others or property will be subject to disciplinary action, up to and including termination. Furthermore, it is each employee's responsibility to help keep management informed of potential safety hazards and any safety or security incidents they are personally involved in or ones they may be made aware of.

#### SAFETY STANDARDS OF CONDUCT

- 1. Employees are required to attend all scheduled safety trainings.
- 2. Any unsafe condition or potential hazard must be reported to management immediately.
- 3. Appropriate PPE (personal protective equipment) such as safety glasses must be worn in designated areas at all times.
- 4. Appropriate shoes and clothing must be worn as specified.
- 5. Know the location of all emergency exits. Exit doors must never be blocked.
- 6. Fire extinguishers should not be removed from their assigned location. The use of any extinguisher must be reported immediately to a manager.
- 7. Employees are not permitted to carry firearms or any other weapons on Company property (including Company vehicles) or any job worksite.
- 8. When lifting objects, bend your knees, keep your back straight, and get help with heavy loads.
- 9. Employees should not encourage or participate in horseplay, fighting, running, or disorderly conduct on Company property (including the parking lot).
- 10. Individual work areas should be kept neat, orderly, clean and free from stumbling hazards. Wipe up any spills immediately, and post a wet floor sign as necessary.
- 11. Defective cords or equipment should be reported and/or replaced promptly.
- 12. Use tools and equipment for their intended purposes.
- 13. Do not attempt to operate machinery or equipment without proper instruction.
- 14. When stacking materials, stack to appropriate and safe heights. Never throw items from above.
- 15. Never provide medication of any kind to a co-worker, not even aspirin.
- 16. Employees should disclose to their manager the use of any medication that may create drowsiness, slowed reaction times, etc. Such information will be treated as confidential by management.
- 17. Keep tools, guards and protective devices in place at all times. When guards are removed for repairs, replace properly before starting up tools or machines.
- 18. Do not repair or adjust machinery or equipment while it is in operation. Never repair moving parts except on equipment fitted with safeguards for this purpose.
- 19. Riding material hoists or other such equipment is prohibited unless equipped with seat(s) expressly designed for passengers. Seat belts or other safety restraints, when provided, must be worn.
- 20. Read and familiarize yourself with Material Safety Data Sheets (MSDS) and abide by the instructions.
- 21. Report all accidents, injuries and incidents to management immediately.
- 22. Air hoses are to be used for their intended use only. Do not disconnect air hoses and compressors until the hose line has been bled. Employees should never blow on an air hose to clean it.

#### WORKPLACE ACCIDENTS

Employees must immediately report all injuries or illnesses sustained on the job or on Company property to their manager. Regardless of how minor an incident may seem – all should be reported immediately. If immediate reporting of an injury is impossible, injuries must be reported to a manager as soon as reasonably possible after the injury occurs. Failure to report accidents is a serious matter as it may preclude an employee's coverage under worker's compensation insurance. If for any reason an accident is not reported prior to the end of that workday, a valid reason and supporting documentation, when available should be provided.

Employees will be provided care, first-aid and/or emergency service, as required, for injuries or illnesses while on Company property or at any time while representing the Company. Employees should contact their manager, and/or 911 in the event of an accident or emergency. The Company reserves the right to require an examination or consult a physician of the Company's choosing, at the Company's expense.

Investigations will be conducted at the time of the incident or as soon as reasonably possible if those involved require immediate medical treatment. Employees must cooperate in the investigation of accidents or incidents.

The Company is covered under statutory state worker's compensation laws.

#### **WORKPLACE SEARCHES**

The Company reserves the right to carry out searches of employee work areas and property, including but not limited to offices, desks, files, bags, e-mails, voice mails, or other personal belongings while at any Company work-related area, if there is reasonable suspicion of a violation of our drug and alcohol policy, or the presence of weapons, or any other item that may put employees, customers or our business at risk. All employees are subject to this policy.

The Company may search an employee's work area for missing items or contraband only if there is a reasonable belief that the item in question is in the employees work area. If possible, before conducting the search, the Company may ask the employee about the item in question, and give the employee the opportunity to produce the item.

A search is a part of an investigation, not an accusation of wrongdoing. Failure or refusal to submit to a search can lead to disciplinary action, up to and including termination of employment. Employees who are found in possession of stolen property, weapons, or other contraband will be subject to appropriate disciplinary action, up to and including termination and, if warranted, criminal prosecution.

#### **WORKPLACE VIOLENCE**

The Company strongly believes that employees should be treated with dignity and respect. We strive to provide a safe work environment for all employees and have adopted a policy prohibiting workplace violence. Consistent with this policy, acts or threats of physical violence, threatening conduct, acts of aggression, etc. including, but not limited to acts of intimidation, harassment, and/or coercion, which involve or affect the Company or which occur on Company property, will not be tolerated.

Any employee alleged to have committed such acts will be subject to disciplinary action, up to and including termination. Contractors, vendors, visitors, etc., as well as employees engaged in violent acts on Company property will be reported to the proper authorities and appropriate legal action will be taken.

#### **Prohibited Conduct**

We do not tolerate any type of workplace violence committed by or against employees, contractors, vendors, customers, etc. Acts or threats of violence include conduct which is severe, offensive, or intimidating, or that which creates a hostile, abusive, or intimidating work environment for employees, contractors, visitors, or vendors. The Company's prohibition against threats and acts of violence applies to all persons involved with the Company, including but not limited to employees, customers, contractors, vendors, or anyone else on Company property.

The following is a list of behaviors that, while not inclusive, provides examples of conduct that is prohibited.

- Causing physical injury to another person or damage to property of an employee, client, contractor, etc.
- Making threatening or intimidating remarks
- Aggressive or hostile behavior that creates a reasonable fear of injury to another person or subjects an individual to emotional distress
- Possession of a weapon while on Company property or while on Company business
- Committing acts motivated by, or related to, sexual harassment or domestic violence
- Threats or acts of violence, regardless of the relationship between the Company and the parties involved
- Threats or acts of violence occurring off Company premises involving someone who is acting in the capacity of a representative of the Company
- All intentional acts or conduct that places another person in fear of bodily harm

#### Reporting and Investigating Violence in the Workplace

Any potentially dangerous situation must be reported immediately to your manager. All reported incidents will be investigated professionally and discretely. The confidentiality of reports or incidents will be handled appropriately and information will be disclosed to others only on a need-to-know basis. In an effort to maintain workplace safety and the integrity of an investigation, the Company may suspend employees, with or without pay, pending the outcome of the investigation. The Company will actively intervene at any indication of a possibly hostile or violent situation.

#### HOUSEKEEPING

Neatness and good housekeeping are signs of efficiency. Employees are expected to keep their work area neat and orderly at all times -- it is a required safety precaution. Some items to consider regarding housekeeping:

- All materials, tools and equipment should be returned to the proper storage areas after use.
- Never obstruct exits, walk ways or accesses to safety and emergency equipment such as fire extinguishers or fire alarms.
- If there is a spill, please use caution signs or something to barricade the slippery areas.
- Keep all file drawers closed when not being used and open only one drawer at a time.
- Ensure that cords and wires around work areas are not causing a trip hazard.
- Straighten or remove rugs and mats that do not lie flat on the floor.

#### PERSONAL PROTECTIVE EQUIPMENT (PPE)

Safety is a responsibility that demands attention from everyone. Providing Personal Protective Equipment ("PPE") and other safety equipment, as well as providing instruction on how to use and when to use, is part of our Company's dedication to securing a safe working environment and ensuring that safe work practices are followed consistently by all employees.

The Company is required by Federal and State safety standards to assess the workplace to identify hazards and determine appropriate PPE. Examples of PPE include shoes, gloves, goggles, glasses, gloves, hearing protection, hats, earplugs, and any other protective devices needed for specific jobs.

The Company will provide Hard Hats, Safety Glasses, Dust Masks and Ear Protection to employees and must be worn in accordance with the job tasks and job requirements as dictated by posted signs and request by the jobsite manager. For employees needing additional PPE, request should be made to their manager.

Employees should supply their own work gloves, which must be cotton or leather and should be in good repair.

As a reminder, all Dress Code guidelines for clothing and footwear must be adhered to.

Failure to wear required PPE will result in disciplinary action, up to and including termination.

#### MATERIAL HANDLING AND USE OF LADDERS

Great care should be exercised in lifting or moving large or heavy materials. Always test the weight of the load before lifting by pushing the load along its resting surface. If the load is too heavy or bulky, use carrying aids such as dollies or carts, or ask for assistance from a co-worker. If in doubt about the weight, ask for assistance. When lifting any objects, regardless of weight, bend at the knees and not at the back. Keep your back straight and hold the object as close to your body as possible. Always set down objects in the same manner as you picked them up, except in reverse.

When using ladders or stepladders, read and follow the manufactures instruction label that is affixed to the ladder. Face the ladder when climbing up or down and use a three-point contact method when climbing (both hands and one or both feet and one hand on the ladder at all times). Allow only one person on the ladder at a time. When performing work from a ladder, face the ladder and do not lean backward or sideways from the ladder or jump from ladders or step stools. Never stand on the top two rungs of any ladder. Do not stand on tables, chairs, boxes or other improvised climbing devices to reach high places. Use a ladder or step stool. Do not overreach, seek assistance or a longer ladder.

#### **HAZARD COMMUNICATION POLICY**

The Occupational Safety and Health Administration's (OSHA) hazard communication standard requires us to implement a comprehensive hazard communication program. All employees have a right to obtain a copy of the full plan. Copies are available from the Safety Manager.

Information concerning identified hazards and appropriate hazard control and personal protective equipment requirements must be provided to individual employees who work with hazardous chemicals. This information is available through training and Material Safety Data Sheets from the manufacturer.

#### Container Labeling

Labels are attached to all hazardous chemical containers listing the contents of the container, the potential hazards of the contents and the manufactures name and address, as well as additional information. Supervisors have ongoing responsibility for reviewing the container labels for all materials used in their work areas to determine which products are hazardous and need to be included in the hazard communication program.

#### Material Safety Data Sheets

MSDS provide specific information about the chemicals that employees might be exposed, including safety and health hazards, exposure limits, precautionary measures for safe handling, and emergency first-aid procedures. Copies of MSDS are kept in the department where the chemical is used. If MSDS are not available or new chemicals do not have MSDS, notify your manager immediately.

# Section 7: Vehicle Use

#### **VEHICLE USE**

The Company provides vehicles for business use as well as requires several positions to utilize their personal vehicles to conduct Company business. The Company has set forth specific policies and guidelines that should be followed for use and/or reimbursement of such use. It is each employee's responsibility to read, understand and comply with the provisions of this vehicle use policy.

Since the company has the sole discretion in determining who may operate a Company vehicle, the Company has the right to review any appropriate documents including driving records, proof of a valid license, automobile insurance information, etc. and must be made aware of any driving violations, changes to driver information and driver status immediately.

When operating a vehicle for Company business, whether a Company vehicle or personal vehicle on Company business, you are representing the Company and it is our expectation that you will operate the vehicle in a safe manner and drive carefully to prevent injuries and property damage. Therefore, when doing so, vehicles should be operated and maintained in a safe and business-like manner. Commonsense, good judgment and road courtesy, as well as, proper vehicle maintenance is the responsibility of all drivers. Preventing vehicle accidents, property damage, and personal injury demand the same attention as business procedures relating to product quality, sales volume and the cost of operations.

#### **INSURANCE REQUIREMENTS**

All employees that operate a Company vehicle or use a personal vehicle to conduct Company business should provide the following to Payroll annually (by January 31<sup>st</sup>).

- Employee operating a vehicle for business use must have a valid and current driver's license
- For use of personal vehicles, provide a Certificate of insurance that shows a limit liability of not less than
  the minimum statutory limit in the State in which the vehicle is garaged, but in no case less than \$300,000
  Combined Single Limit. We encourage you to discuss recommended limits of insurance with your
  insurance agent. This policy should not exclude business use.

If there are any changes in coverage, carrier or change in driver's license information (other than suspension or revocation of license) during the course of the year, Payroll should be advised within 30 days of the change.

#### Company Vehicle Insurance Coverage

The Company insures all vehicles they own or lease. This coverage extends to the authorized use of a Company passenger vehicle by the employee. Underwriting prefers a driver be at least 21 years of age and have a minimum of 5 years of driving experience. Insurance coverage does not cover the employee driving a non-Company vehicle. The Company automobile policy does not cover unlicensed drivers or any person under the age of 21. Any damage incurred by an unlicensed driver, a person less than 21 years of age, or unauthorized driver will be the sole liability of the employee. The insurance coverage does extend to a personal trailer, boat or camper being pulled by a Company vehicle.

#### Personal Insurance vs. Company Insurance

For personal vehicles driven on Company business, your Personal Automobile Insurance is considered primary insurance and the Company does not assume responsibility for deductibles or premiums on such policies.

If you use a Company vehicle, our Company insurance does not provide coverage for the loss of personal property taken from the Company vehicle. Should personal property be stolen from the Company vehicle, consult your personal homeowner's policy. Most homeowner's policies provide coverage for loss of personal property from an automobile, caused by theft if the vehicle is locked and there are signs of forced entry.

#### LICENSE SUSPENSION OR REVOCATION

Employees who drive on Company business must maintain a valid driver's license at all times. If a driver's license is suspended or revoked for any employee whose position requires the operation of a motor vehicle, The Owners must be notified immediately. That employee may be subject to layoff, disciplinary action or termination, based on the facts and circumstances of each specific situation. In addition, the employee is restricted from the operation of any Company vehicle until his/her license is reinstated.

#### **USING A COMPANY VEHICLE FOR PERSONAL USE**

Vehicles provided to employees by the Company are provided for Company business. The Company may allow designated employees to drive an assigned Company vehicle home at night and/or on weekends for its convenience and/or security purposes. This may also be in case of client/project emergencies that these employees may be called upon to handle after hours.

Senior Managers may be allowed additional privileges for use of a Company vehicle and will be considered a fringe benefit identified in writing by the Company and designated for tax purposes.

#### **USING A PERSONAL VEHICLE FOR COMPANY BUSINESS**

When employees use their personal vehicle for Company business, an expense report must be submitted in accordance with the travel and expense policy. Employees will be reimbursed based on mileage using the IRS guidelines for reimbursement. The expense report and record of their mileage must include documentation supporting and/or outlining the Company business. The mileage rate is intended to cover such things as maintenance, gas, insurance (including deductible payments), general "wear and tear", etc. No additional reimbursements will be provided.

#### **USE AND EXPECTATIONS FOR OPERATING A VEHICLE**

The use of Company vehicles is restricted to employees of the Company only. Non-employees such as spouses, children, other relatives, or friends are **not authorized** to drive Company vehicles at any time.

The Company will consider any unauthorized use of vehicles as the equivalent of theft and the driver may be held responsible (liable) for consequences of any accidents.

The company may equip vehicles with a GPS system. Among other things, this program monitors usage and whereabouts of the vehicles during and after business hours. Employees should have no expectation of privacy when using a Company vehicle. Any tampering of the GPS system is strictly prohibited and will be grounds for immediate termination. Employees driving company vehicles will be observed and any negative results, inappropriate use or abuse of the vehicle is discovered, appropriate disciplinary action, up to and including termination will occur.

Employees assigned a Company vehicle are also provided a Fuel Card and a specific PIN# associated with that card. The assigned card is to be used for putting gas into the assigned Company vehicle only and should be used only at approved vendor locations. The Fuel Card must be kept in the glove box of the assigned vehicle while not in use. Abuse will be considered theft and the employee may be terminated for gross misconduct.

Employees are not permitted to smoke in Company vehicles at any time.

Employees must maintain a clean (both inside and outside) Company vehicle. Employees assigned to the vehicle are responsible for scheduling the cleaning.

Each employee is personally responsible for any fines incurred as a result of driving or parking violations, as well as, any damage to the Company vehicle resulting from the employee's own negligence.

Employees are responsible for reporting any problems that the vehicle may have, mechanical or otherwise, that could result in or create unsafe conditions for themselves or another person.

Employees are **NOT** permitted to pick up or transport non-employees (including family members) while in a Company vehicle or on Company business, unless there is work-related need to do so.

Employees must report all accidents while on Company times or while conducting Company business must report the accident to the local authorities, as well as to the Owners within 12 hours.

Employees and/or Passengers should adhere to the following:

- Employees are expected to wear seat belts at all times while in a moving vehicle.
- Employees should not operate a cell phone or similar device, including text messaging while driving. Employees should be aware and obey state specific laws regarding use of such devices when traveling.
- Engaging in distracting activities (i.e. eating, putting on makeup, reading and/or writing) is strongly discouraged while driving, even in slow-moving traffic.
- Use of alcohol, drugs or other substances, including certain over-the-counter cold or allergy medications that in any way impair driving ability, is prohibited.
- Employees are expected to follow driving laws and safety rules such as posted speed limits and directional signs, use of turn signals, and avoidance of confrontational or offensive behavior while driving.

#### **CELL PHONE USE WHILE DRIVING**

Cell phone use while driving is strongly discouraged and prohibited in states where it is not permitted. While driving, attention to the road and safety should always take precedence over talking on the phone. Whenever possible, drivers should complete calls while the vehicle is parked and/or use the phone in a hands-free mode via a headset or speaker, or pull off the road to continue a conversation if needed. At no time should employees driving also be reading or composing text messages, e-mails, viewing websites, etc.

When traveling in other states, take special notice of state specific driving/cell phone usage policies.

## Section 8: Expense Management

#### TRAVEL AND EXPENSE GUIDELINES

This policy provides guidance to employees that incur expenses on behalf of the Company. Employees are required to submit a request for reimbursement and applicable documentation in accordance with this policy. Employees submitting request for reimbursement of expenses that are not in compliance with this policy risk delayed, partial or non-reimbursement. Cases of willful abuse or falsification may result in disciplinary action, up to and including termination.

Employees are expected to use company funds with discretion, as if they are their own. When travel, entertainment or other business expenses are necessary, it is the responsibility of each employee to incur those expenses in the most cost effective manner. Company policy is that employees shall incur neither financial gain nor loss by reason of expenses incurred on Company business.

#### **EXPENSE REPORTS**

Employees that incur expenses should submit an itemized expense report form with original receipts attached to their manager for approval. Once approved, the expense form and receipts should be submitted to Accounting for reimbursement and/or direct payment to the Corporate Charge Card vendor. Each item submitted for reimbursement should show the date, business location (city and state) and business purpose per US Code, Title 26, Subtitle A. Expenses should be submitted within 30 days of when they are occurred. Expenses submitted after the 60 days are subject to non-payment.

The Company may issue company credit cards to certain employees for use in their jobs. Use of these cards is a privilege, which the Company may withdraw in the event of abuse. These employees will be required to sign a credit card agreement and comply with company procedures when using.

Company credit cards are to be used for approved or authorized business purposes only and in conjunction with the employee's job duties. Purchases not approved, authorized, non-business or non-essential purposes is prohibited, considered theft and grounds for termination. For purchases made inadvertently, but that are not considered serious violations, employees may be offered the option of repaying the company. Payment must be made in full by the end of the week or may be payroll deducted in accordance with our payroll procedures and any applicable and related laws for deductions.

Employees that do not have Company credit cards may request an advance for travel or purchases up to 15 days prior to the start of travel to cover expenses. The employee will need to supply detailed information regarding the business purpose and anticipated expenses. Unless otherwise requested and justified, the Company will provide advance for meals in the per diem amount for meals, receipt for hotel accommodations that have been booked and any vehicle reimbursements justified and documented. Incidentals while traveling on Company business are the responsibility of the employee. All receipts for use of Company funds must be submitted within 10 days of the conclusion of the trip, along with any unused funds and a complete expense report.

#### **TRAVEL GUIDELINES**

#### Air Travel

When possible, airline reservations should be made at least two (2) weeks in advance to purchase the best fares at the best rate. Some exceptions may be granted due to business circumstances. It is the responsibility of the traveler to notify the airline of any lost luggage or damage to luggage. The Company is not responsible for cost incurred with lost luggage, damaged luggage, or luggage that exceeds weight limits at check in.

#### **Ground Travel**

Employees may use their personal automobile when the cost of reimbursement does not exceed airfare, car rental, etc. Mileage will be reimbursed at the rate established by the IRS. Mileage will be reimbursed from the traveler's home or from the work location (whichever is less) to the destination and return. When using personal automobiles, it is the responsibility of the traveler to maintain adequate insurance coverage on their vehicle and to maintain a valid driver's license at the time of use. The Company is not responsible for any traffic violations, accidents, parking violations or similar when using a personal vehicle.

When using a rental car company and charging on your corporate credit card, the insurance coverage and rental car SLI is provided and no additional coverage should be selected. Additional insurance taken through a rental car company will be the responsibilities of the employee.

When Company events, entertainment, etc. includes the consumption of alcohol, it is expected that proper judgment will be used concerning safe driving. Cab fare will be paid for anyone on company business who is unable to safely operate an automobile.

#### Fuel Cards

The Company provides fuel cards for eligible employees. This card may be used only at designated gas stations and exclusively for the purchase of fuel for Schuman's vehicles and for fuel purchase only. Refueling personal vehicles is strictly prohibited. Schuman's also utilizes tracking devices on vehicles to match vehicle location, mileage and gas receipts. Misuse of the fuel cards is considered theft and will result in immediate termination.

#### Meals and Entertainment

When traveling on Company business, the allowance for meals is: up to \$7 for breakfast; up to \$10 for lunch and up to \$25 for dinner. Employees should use sound judgment when making meal choices when traveling on Company business and use the Company's funds as if they would their own. If the Company has prepaid for meals that are included in the cost of seminars, hotel accommodations, meetings, etc. no further reimbursement for alternative meals will be made. Tipping for meals and taxi service is permitted and will be reimbursed at the customary 15%, except in unusual circumstances. Tipping for baggage service will be reimbursed at \$1/bag and no receipt is necessary.

Entertainment expenses are defined as "an expense employed with a business discussion which is held for the purpose of achieving company objectives." Business discussions must occur during, immediately preceding or following the entertainment. The setting should be conducive to having such a discussion. The Company will not reimburse employees for any entertainment expenses incurred at sexually-oriented clubs or facilities that discriminate on the basis of a protected class. Documentation is required for reimbursement and expenses should be pre-approved.

#### Lodging

The Company will attempt to secure adequate lodging for required meetings and conferences that require an overnight stay. When making personal lodging accommodations, reservations should be guaranteed for late arrival. Failure to notify the hotel of a change in plans will not be reimbursed by the Company.

#### Miscellaneous Expenses

Telephone calls for business purposes while traveling are authorized, including a reasonable number of calls to the employee's home, and will be reimbursed upon submission of an approved expense report. Company calling cards or Company cell phones should be used when possible. Air to ground telephone calls are limited to emergency use only. Medical expenses incurred while traveling on business should be submitted through the Company medical plan. In the event of a personal emergency, such as a death or serious illness in the immediate family, expenses incurred to alter travel plans may be reimbursable.

#### Non-Reimbursable Expenses

Expenses that the Company believes are not necessary in the performance of company business may not be reimbursed. Employees are expected to exercise discretion in submitting only expenses directly related to a business purpose. Expense items that are not specifically allowed or reimbursable include, but are not limited to: alcoholic beverage and other entertainment, tobacco products, charge card annual fees or late fees, personal services or items while traveling (child care, barber, manicure, movies, toiletry items, car washes), airline club memberships, travel insurance, spouse and/or family travel expenses, parking/traffic violations, upgrades, etc.

Section 8: Expense Management

## Section 9: Handbook Acknowledgement

#### HANDBOOK ACKNOWLEDGEMENT

- 1. I have received a copy of the Schuman's Cleaning Service Employee Handbook, and understand that I am responsible for knowing and understanding its contents. I understand that I should contact my manager regarding any guestions I have about the Handbook or the policies described herein.
- 2. My employment is entirely at-will and for no definite duration. I can terminate my employment with the Company at any time, with or without cause or notice, and the Company reserves the right to do the same.
- 3. Nothing in this Handbook or any other Company policy or practice in any way creates an express or implied contract of employment, or a guarantee of employment, continued employment, or any benefit. No statement of any person, whether in writing or otherwise, shall constitute a contract or guarantee of employment unless expressly stated in a written agreement signed by the Company President and me.
- 4. This Handbook constitutes only an overview of some of the guidelines relating to work rules and other policies and practices, and a summary of benefits. All rules, policies, practices, wages, and benefits, regardless of whether they are contained or described in this Handbook, may be unilaterally changed, amended, modified, reduced, or discontinued by the Company at any time, in its sole judgment and discretion.
- 5. This Handbook supersedes in all respects any and all prior Handbooks, policies, agreements, rules, benefits, procedures, practices, and statements of the Company (except express written employment agreements and nondisclosure agreements).
- 6. I have read and understand the **Equal Employment Opportunity Policy**, the **Anti-Harassment and Anti-Discrimination Policy**, and the **Workplace Violence Policy**. I will immediately report any perceived violations of these policies.

#### PROPERTY AND WAGE DEDUCTION AGREEMENT

I agree that upon demand I will satisfy all my debts to Schuman's Cleaning Service ("the Company") which are due, and owing at the time demand is made. I understand that this Agreement encompasses any and all debts, including but not limited to, those representing any amounts which may be due the company as a result of any loans, advances, commissions or otherwise, made to me by the Company, any overpayment of wages or any other amounts which I may lawfully owe the company, any compensation paid to me for unearned vacation time which I took but had not accrued, any travel and company business advances made to me by the company (to the extent that they exceed amounts that I expend for business travel and other purposes), reimbursement for tuition expenses paid by the company (if any) should I fail to comply with the company's educational assistance guidelines, or losses to the property and/or equipment due to employee negligence.

I understand that I may be given equipment and/or property for use in my job, (i.e. computer, printer, fax machine, cell phone, Company keys and Employee Handbook) and such property are to be used for the purpose of conducting business for the Company, and remains the exclusive property of the Company. Further, I understand that the company reserves the right to change the terms of and/or revoke my use of any of its property. I agree to return all such property to the company within 24 hours of the end of my employment, or whenever requested and that I must compensate for the full value, as determined by the company, to replace or repair any property that is damaged or not returned.

In the event that I fail to pay any sums which I owe, including but not limited to those listed above, I authorize the Company to deduct the applicable sums from any monies, including wages, bonus, commissions, severance pay, or salary due to me from the company. I understand and agree that this Agreement is an express writing by me authorizing a deduction from my wages, as permitted under State Law. The authorization for these deductions does not waive or limit the company's rights to any other remedy it may have by law for payment or collection and the company shall be entitled to reasonable attorneys' fees and costs expended in order to obtain payment or collection.