

Patterson Auto Wrecking



Employee Handbook

Revised January 27, 2020

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Welcome! I hope you'll find Patterson Auto Wrecking to be a unique, challenging and rewarding organization to work for.

To make your employment here as satisfying and productive as possible, we have developed this Employee Handbook. This handbook will help answer questions you may have regarding our policies and procedures.

Everyone benefits when these policies are followed. These policies are not intended to infringe arbitrarily on anyone's freedom. Rather, these policies are intended to insure the best and safest possible working conditions for everyone.

Read through these policies carefully and retain this handbook for future reference. The policies are subject to change at the sole discretion of management. From time to time you may receive updated information concerning policy changes. If you have any questions regarding these policies, please ask your immediate Supervisor for assistance.

Steven L. Hovis, President

ARTICLE 1- HANDBOOK INTRODUCTION

1.1 Disclaimer

This handbook is prepared to provide our employees with information and guidelines. It is not a contract of employment. Employment with Patterson Auto Wrecking is not a definite term. The company or the employee may terminate our employment relationship at any time, for any reason or for no reason whatsoever. The company may also unilaterally change or modify the policies and practices described in this handbook at any time.

If you have any questions regarding this disclaimer or the contents of this handbook, please discuss them with a supervisor.

1.2 Notice of Revision

This handbook supersedes and revokes all prior versions of a handbook or any memo, bulletin, policy or procedure, on any subject discussed in this handbook that has been issued prior to January 27, 2020.

ARTICLE 2- WORKPLACE PRACTICES

2.1 Equal Employment Opportunities (EEO)

The company provides equal employment opportunities to all of its employees. We do not discriminate in our employment practices on any unlawful basis, including: race, color, creed, religion, sex, national origin, ancestry, age, marital status, non-job related disability, sexual orientation or veteran status.

2.2 Background Checks

The position an individual applies for and the information he/she gives during the interview process will determine which contingencies may apply to an offer of employment. All employees applying for any position with Patterson Auto Wrecking will be subject to reference checks with former employer and/or managers. Unless required by law, reference checks will not be shared with the potential employee. Individuals who claim to have certain educational credentials, either in writing or in an interview, are subject to verification.

Any potential employees who will be driving a company vehicle or driving their personal vehicles on company business more than 5,000 miles each year will be subject to an inspection of their Motor Vehicle Records annually. Depending on the job requirements, some employees may have to comply with the Department of Transportation requirements for a Commercial Drivers License.

For positions that require employees to handle state paperwork a criminal background check is required. Only authorized individuals in management may initiate or receive a criminal background check.

Information gained from any of the above background checks will be held in confidence and shared with management individuals only on a need-to-know basis.

2.3 Employment-at-will

Each employee is an at-will employee. This means that you can leave your employment at any time with or without prior notice for any reason or no reason at all.

Likewise, the company may terminate its employment relationship with any of its employees with or without prior notice at any time for any or no reason.

Further, no representatives of the company, other than the Supervisor, have the authority to enter into an agreement of employment for any specified period of time or to make any agreement contrary to the foregoing.

2.4 Work Hours for Full-time Employees

Ordinarily, Monday through Friday work hours are from 8:00 A.M. to 5:00 P.M. Occasionally, you may arrange with your supervisor to work other hours, subject to the needs of the company. Ordinarily, Saturday work hours are from 8:00 A.M. until 12:00 P.M. and are to be scheduled by your supervisor. It may sometimes be necessary for your supervisor to make a change in your usual work schedule to meet the needs of the company. Your supervisor will announce changes in work schedules as far in advance as possible.

As the workload dictates, you may be required to work additional hours and/or days.

2.5 Workweek and Work Hours

For most employees, the workweek is the five-day period. Employees normally work eight hours daily, Monday through Friday.

Flexible scheduling may be an option for employees in certain job classifications and certain job functions. Employees should not assume or expect that flexible work hours will always be available. Flexible work schedules may be granted as an accommodation to help meet the needs of an employee, but only in circumstances where the arrangement meets the needs of the company. In some instances, an employee may be placed on a flexible schedule as a way to better meet the needs of the company.

If, in the opinion of management, a request for flexible work hours is not workable or is not to the benefit of the company, the company may deny the request. In an instance where a flexible work schedule is in process, but is not

working to the satisfaction of the company, the flexible work arrangement may be discontinued.

2.6 Classifications of Employment:

Exempt Employee: An exempt employee is one who receives a salary (rather than an hourly wage) and is exempt from overtime pay. They are required to work as long as it takes to complete their assigned tasks. Exempt employees are eligible for all benefits offered, once length-of-service requirements are met. This classification only applies to certain management and professional positions at this company. All other employees are considered non-exempt and are paid an hourly wage and overtime.

Full-time Employee: A full-time employee is one who is routinely scheduled to work 40 or more hours per week on behalf of the company. Full-time employees meeting length-of-service requirements are eligible for certain benefits.

Part-time Employee: A part-time employee is one who is routinely scheduled to work fewer than 40 hours per week on behalf of the company. Part-time employees are not eligible for benefits, excepting as provided elsewhere in this handbook.

Temporary Employee: A temporary employee is one who is hired for special projects or short-term periods of time. A temporary employee may work any number of hours a week. Temporary employees are not eligible for employee benefits.

Light Duty Employee: the term 'light duty' to mean simply excusing an employee from performing those job functions that s/he is unable to perform on account of an injury. 'Light duty' also may consist of particular positions less physically or mentally demanding duties, created particularly for the purpose of providing alternative work for employees who are unable to perform some or all of their routine duties

2.7 Keeping Records Up-to-date

The Manager maintains personnel files for each employee. This information needs to be kept current so that we can maintain a smooth-running operation at all times.

We will need to know if you have any changes in your marital status, address, number of dependents, telephone number and who to notify in the event of an emergency. We also need to have this information in the event that we must offer continuation of health insurance to you or to qualified persons.

2.8 Workplace Atmosphere

We strive to maintain a friendly, congenial, and professional atmosphere at the company. Employees are expected to contribute to an atmosphere that is pleasant and productive to all employees; and comfortable for our customers.

2.9 Performance Review

In order to ensure that all employees receive regular feedback on their performance, supervisors should evaluate the job performance of every employee who works for them on a regular basis. Performance reviews establish a performance history with the organization and are used in performance, promotion, transfer and merit increase decisions. All original Performance Review Forms are maintained in the employee's personnel file.

Supervisors should conduct regular, timely performance reviews. Employees should be reviewed at least annually in conjunction with their anniversary date, the company's fiscal year or the calendar year. These reviews should take place regardless of whether the employee is eligible for an increase. A performance evaluation is not necessarily linked with a salary increase. Supervisors may review performance more often than is required by this policy.

2.10 Terminating Employees/Job Abandonment

Employees who voluntarily terminate their employment with the company are urged to give their supervisor as much advance notice as possible. Terminated employees will be entitled to payment of all accrued but unused benefits, provided they have completed one full year of continuous employment. Employees who are terminated because of gross misconduct may not be entitled to payment of any accrued benefits. Gross misconduct is a violation of any major work rule or behavior of similar severity. Self-termination will occur when you do not report to work for three consecutive scheduled workdays without prior notification to the manager.

2.11 Layoffs

The company will determine the employees to be laid off. Layoff decisions will be made according to each individual's qualifications and capabilities for the existing work to be performed.

The company reserves the right to make all employment decisions based on their judgment of the employee best qualified to perform the job duties, and whose capabilities will best serve the needs of the company.

During a layoff, you may purchase your hospitalization insurance in accordance with existing federal law.

In the event an employee refuses recall to work and does not show up for work within three workdays of being recalled, the employee will be deemed to have voluntarily terminated their own employment.

2.12 Exit Interview

An employee leaving our employ must return keys, radios, uniforms, cell phones, company vehicles, supplies and any other company property before or at the time of the exit interview.

At the time of your termination, your supervisor will conduct an exit interview with you. This provides you with an opportunity to receive and complete any appropriate benefit forms, to have any of your questions answered, and to provide information relating to your reasons for leaving.

2.13 References

Without a release statement the company will provide prospective employers only the following information: hire date, termination date, job position title, status of employment (i.e. full-time, etc.) and confirmation of wage rate.

2.14 Use of Computers and Electronic Equipment:

2.14.1 General

All computer, electronic and telephonic documents and communications transmitted by, received from, or stored in company equipment are the property of the company. Employees are not to use employer-owned computers, software and other business equipment, including copy machines and other electronic equipment for their personal needs, correspondence, messages or business without supervisory approval. Employees are not to transmit material on company equipment in violation of any state or federal law or government regulation.

Employees will not use a code, access a computer or electronic file, retrieve any stored communication, or download any online document or software without authorization of a supervisor. All pass codes are the property of the company. Employees will use only the pass code issued to them and will use no pass code unknown to the Business Manager.

Employees who are authorized to work with confidential information on company computers will keep such information confidential. Other employees will not access such information, and if they inadvertently gain access to confidential information, they will immediately exit from the document or program and will keep such information confidential.

Employees using computers away from the company's premises to access computers on the company's premises are to use caution to protect their computers and the content of their computers from damage or theft. Because of the risk of theft of computers and files, employees are not to store on their computers away from the company's premises sensitive or confidential information, or information that could be used by others to damage company interests.

Employees using computers are to make back-up copies of all-important documents and files daily and monthly. The back-up copies are to be kept in a location away from the computers. Employees are not to transmit or view material on company equipment which would violate of any state or federal law or government regulation. Employees are not to download online documents or software without approval of a supervisor.

An employee who disregards or violates this policy is subject to appropriate disciplinary action, up to and including termination.

2.14.2 Monitoring of Employee Use of Employer Equipment

When using company computers and other electronic equipment, employees have no right to privacy and should not expect privacy. The company reserves the right to monitor the equipment at any time, with or without warning.

The company reserves the right to inspect and monitor any incoming and outgoing correspondence received or sent by an employee to or from company premises, or received or sent using company equipment, or that is received or sent via a messenger or service that is paid for or subsidized by the company. This right extends to all internal and external mail, messages, electronic correspondence, electronic bulletin board accounts, national electronic messaging service accounts and any other correspondence service that is paid for, subsidized by, or provided through the company.

Inspection of incoming and outgoing messages or mail may occur at any time, with or without notice from the company.

Monitoring under this policy may proceed without the employee's knowledge. The Managers are the only persons permitted to do such monitoring. They will keep confidential any information obtained from such monitoring and share it only on a need to know basis. If during such monitoring the company discovers that the employee has violated the policies and procedures of the company, they may discipline the employee, up to and including termination of employment.

2.14.3 E-mail, Fax Messaging, and the Internet

The content of e-mail, fax messages, and internet activity can be intercepted and made public in a number of ways. Therefore, it is important that you do not transmit confidential information or non-business information that could be embarrassing to you or to the company in email and fax transmissions. Never transmit by e-mail or by fax (or in any other way or by any other means) information, statements or opinions that are libelous, slanderous, defamatory, discriminatory, offensive, pornographic, inflammatory, threatening, or harassing.

The Internet is an exciting and interesting source of information and entertainment. The organization expects that any use of the Internet will be for business purposes only. Employees should see their supervisor to discuss any questions about use of the Internet. Patterson Auto Wrecking expects that employees will:

- Not participate in chat groups unless their job specifically requires that they do so;
- Include a disclaimer, when appropriate, explaining that their comments are their own and not necessarily those of the organization;
- Not subscribe to any listserv that delivers more than 10 e-mails per day;
- Unsubscribe from any listserv when they are out of the office; and
- Not view any web sites that are sexual in nature.

Electronic mail and fax messages are efficient and valuable business tools. They are also property of the organization. In short, this system is not considered to be confidential, nor should it be used to meet an employee's own personal needs. If an employee receives a message that is not addressed to him/her, he/she is not authorized to read or use information contained in that message.

The rule of thumb when it comes to e-mail is that employees should not say or write anything that they would not want someone other than the intended receiver to hear or read. Remember that even when an e-mail message has been deleted from a location, it is still possible to retrieve and read that message.

Patterson Auto Wrecking reserves the right to access and read any and all information contained in computers, computer files or e-mail messages. Employees should have no expectation of privacy with regard to these communications and will be in violation of the organization's discrimination and harassment policy if they send, receive, or access discriminatory, harassing, or otherwise inappropriate e-mails.

An employee who disregards or violates this policy is subject to discipline, up to and including termination.

2.15 Searches of Employee Personal Property

The company has an obligation to protect its own property and the possessions of employees, visitors and customers

while on company premises. In addition, the company has an obligation to maintain a workplace free of illegal drugs, alcohol and illegally held goods.

Therefore, the company reserves the right to inspect all possessions of employees, visitors, and customers, including, but not limited to, such items as vehicles, lunchboxes, handbags, packages, and tool boxes carried into or from the premises of the company. The company may also search an employee's desk, files or any other area or employee possession on company premises at anytime and for any reason. Any contraband may be seized by the company.

Visitors and customers who refuse to cooperate in inspections under this policy will be refused entrance to our premises. Employees who refuse to cooperate with inspections under this policy will be subject to discipline, up to and including termination.

2.16 Grievance Procedure

You may sometimes have problems and questions related to your work. It is important that you discuss and resolve these problems and questions quickly, before serious conflicts and misunderstandings develop.

The company encourages you, when you have such problems and questions, to immediately discuss them with your supervisor.

2.17 Personal Property

The company is not responsible for lost, missing or damaged property that you store on company property. It is recommended that you carry insurance on your tools.

2.18 Meetings and Training

Occasionally the company will schedule meetings and training programs during the year at which your attendance is required. You will be paid for all time spent in mandatory meetings and training programs.

2.19 Reasonable Accommodations Under ADA

The Americans with Disabilities Act (ADA) prohibits discrimination against qualified individuals with disabilities in employment practices. The ADA also requires that employers provide reasonable accommodations to qualified individuals with disabilities, so long as it does not impose an undue hardship on the employer.

A disability is a physical or mental impairment that substantially limits a major life activity. Examples of major life activities are hearing, speaking, seeing, breathing, walking, performing manual tasks, caring for oneself, and learning.

In addition to meeting the established experience and training requirements, a qualified person with a disability must be able to perform the essential functions of the job with or without reasonable accommodation.

2.19.1 Requesting an Accommodation

Employees or applicants who believe that they have a disability necessitating an accommodation should contact their immediate supervisor or management. It is the responsibility of the employee with a disability to self-identify and to inform management that an accommodation is requested. Documentation of the disability will be required. Requests for reasonable accommodations will be determined on a case-by-case basis involving a cooperative effort among the employee, the supervisor and management, with due consideration of the documentation that has been submitted.

2.19.2 Reasonable Accommodation

A reasonable accommodation can be a change or adjustment to a job or work environment that affords an employee with a disability the opportunity to perform the essential functions of the job. If a reasonable accommodation is required, an employer must provide an effective reasonable accommodation, but not necessarily the particular accommodation preferred or requested by the employee.

2.19.3 Essential Functions

Essential job functions are those duties that an employee must be able to perform in the position with or without reasonable accommodation.

2.19.4 Undue Hardship

An undue hardship is an action that is unduly costly, extensive, substantial, or disruptive, or that would fundamentally alter the nature or operation of Patterson Auto Wrecking.

ARTICLE 3- PAYROLL PRACTICES

3.1 Recording Work Hours

All non-exempt employees are to report their hours worked on a daily basis. Those with a code for the time clock should punch in upon arrival, out for breaks, back in upon return, and out for the day, every day. Those doing piece work should turn in a piece card daily.

All employees will receive a summary of the work performed in the previous week every Monday. These need to be turned in, signed, with any corrections marked, by the end of the day Tuesday. If these forms are not returned in a timely manner, the issuance of a paycheck may be delayed until the next pay check run.

3.2 Payday

Employees are paid every Friday for the previous workweek's earnings. When Friday is a company holiday, or in cases of emergency, employees will be paid on Thursday at 5 P.M.

Along with your Direct Deposit you will receive a summary of hours worked, gross pay, and the deductions withheld.

Terminated employees will be paid no later than the payday on which they otherwise would receive their pay for the pay period worked. The final paycheck will be mailed to the terminated employee at the most recent address given to the company, unless the terminated employee makes other arrangements to pick up the final paycheck.

3.3 Overtime

Overtime is paid to non-exempt employees for all hours worked in excess of 40 hours in any one workweek. All overtime work requires the advance approval of your supervisor.

ARTICLE 4- BENEFITS

4.1 Introduction to Benefits

The company has established a variety of benefits to allow employees time off for relaxation, to perform civic duties, or perhaps to care for their own health needs or to care for a family member.

The company reserves the right to amend or terminate any of these benefits, or to require employee contributions toward any benefit, at the company's discretion. Details of each plan and what your opportunities are in the plan are contained in individual plan summary booklets or documents. These booklets or documents are provided to employees who participate in the plans.

If any statement in this handbook or in a plan summary booklet or document is in conflict with an official plan document, the official plan document will control.

Company Health insurance is offered on the 1st day of the month following 60 days of employment. Employees are responsible for a percentage of insurance discussed at the time of hire. Employees are responsible for dependent coverage as well. If employment is terminated voluntarily or involuntarily the insurance will be terminated on the same day. COBRA coverage is the responsibility of the employee to set up.

Vision insurance is offered on the 1st day of the month following 60 days of employment. This is company sponsored for the employee only. Employee is responsible for dependent coverage on the plan. If employment is terminated voluntarily or involuntarily the insurance will be terminated on the same day. COBRA coverage is the responsibility of the employee to set up.

4.2 Vacation Pay

Please schedule vacation hours as far in advance as possible. Employees are required to request a week's vacation in writing at least two weeks in advance. Request for individual days should be made at least three days in advance. The company reserves the right to determine when employee vacations are actually taken.

Vacation pay is calculated at your basic hourly rate of pay at the time you take your vacation. Unused vacation time will be paid to the employee at the end of the calendar year. Vacation days accumulate directly from employment date. They accumulate as follows:

- 1 year of employment = 1 week of vacation per year*
- 5 years of employment = 2 weeks of vacation per year
- 10 years of employment = 3 weeks of vacation per year **

*On the 1st anniversary of their date of hire an employee will receive a prorated percentage of 40 hours of vacation time based on the time remaining in the year. For instance, if the anniversary of your date of hire falls in March, you would get 30 hours of vacation time to use until December 31st. At that time, you would receive a full 40 hours of vacation to use the following year. After the first year all vacation time renews January 1st.

***The maximum vacation day accumulation is 3 weeks.*

****Vacation is automatically deducted whenever you are absent from work for any amount of time.**

You must submit vacation/time off thru the employee resources portal on the website www.pattersonaw.com if for some reason you cannot get logged in see the office manager. Your user name and password have been emailed to you. Please contact the office for your username and password if you forget them.

Whenever possible, vacation time needs to be scheduled at least one week in advance. The use and duration of vacation time is subject to supervisory approval. The company reserves the right to prioritize requests bases on business needs, seniority of the employees requesting vacation time and the amount of advance notice given by the employee.

Each eligible employee that begins to accrue vacation time at the rate outlined above their vacation time must be used within the year it is granted. In other words, vacation time may not be "carried over" or accumulated from year to year and must be used by the end of the year or forfeited (you will not be paid for un-used vacation). Upon termination of employment with the company, whether voluntary or involuntary, all unused vacation time will be forfeited and will not be paid out..

Vacation payments for workman's comp claims: Vacation pay can be used if the employee is off less than 13 days. Vacation payments will not be issued until workers comp claim is closed.

4.2 1/2 Un-scheduled time off

If for whatever reason you will not be at work and did not get a "day off Request" receipt scheduling a day off, you must call in to Vern at 814-720-9782 or Kara at 814-282-5002.

4.3 Holidays

After 90-day probationary period Full-time employees will receive 8 hours pay for the following holidays:

New Year's Day	Memorial Day	4 th of July
Labor Day	Thanksgiving Day	Christmas Day

If an employee takes unscheduled (3 days in advance) vacation time the day before or after a paid holiday, the holiday will NOT be paid unless employee provides proof of illness or emergency upon their return to work.

If a holiday falls on Saturday or Sunday, the holiday will be observed on either a Friday or a Monday, at the company's discretion.

4.4 Flexible Benefit Cafeteria Plan

All full-time and part-time employees who have completed 60 days of employment are eligible to receive benefits in the Cafeteria Plan. Details about the Cafeteria Plan and what your opportunities are in the plan are available from your supervisor. If you want past 60 days to sign up, you will have to wait until open enrollment.

4.5 Health Insurance

Available for a full-time employee after probationary period, the 1st of the month following 60 days. Employee is responsible for paying a portion of the health insurance. This portion will be payroll deducted weekly.

4.6 Employee Purchases

All employees may purchase our products through the company office. Employees must pay at the time of purchase by cash, check, credit card, or 30-day credit. No purchases can be made through payroll deduction. A complete sales slip must be on file at the time of purchase.

4.7 Employer-sponsored Events and Parties

Occasionally, the company sponsors events that all employees are invited to attend. Attendance is completely voluntary. These functions are typically held off-premises. The company serves no alcoholic beverages and does not encourage such use. Employees and their guests who consume alcoholic beverages should arrange for a designated driver prior to the party.

Any other employee gatherings outside work time are strictly private functions and have no connection to the company.

4.8 Attending Outside Events

From time to time you may wish to, or the company may request you to, attend training or educational programs, or other business-related programs, away from the workplace.

If the program is one that the company requires you to attend, you will receive your normal pay for your time away from work. The company will also pay for any fees and expenses directly related to the program and for any fees or expenses you incur which the company approves in advance of the program. To receive your reimbursement, submit receipts or copies of receipts to the supervisor for all fees and expenses you claim. Submit this documentation within three business days of your return to work following completion of the program.

4.9 Unemployment Insurance and Workers' Compensation

The company pays for two important insurance programs to protect you if you become unemployed, or if you are injured or become ill as a result of your work. These two benefits are unemployment insurance and workers' compensation.

Unemployment insurance provides income to certain individuals who meet the requirements under state law. Generally, unemployment benefits are available to employees whose hours are reduced, or who lose their jobs, through no fault of their own.

Workers' compensation insurance pays for hospital and medical care when an employee becomes injured or sick as a result of his or her employment. If the employee is unable to work, this insurance will also make income payments to the employee after a brief waiting period. If the employee is out of work for 14 or more days on workman's comp the employee working zero hours, rendering them ineligible for health care coverage and benefit cafeteria plans. A COBRA notice to the employee, since a "reduction of hours of the covered employee's employment" is a "qualifying event" under COBRA and will be sent to the employee.

4.10 Unpaid Medical Leave

Employees who need time away from work due to an illness or disability (including pregnancy and maternity) may apply to the company for an Unpaid Medical Leave of Absence if they wish to continue their employment status with

the company.

An Unpaid Medical Leave of Absence will extend for the length of the disability or for a period of eight weeks, whichever is less. The company may require you to use your accrued paid vacation as part of or all the eight weeks leave under this policy.

Employees may continue participation in company benefit plans during such approved leave, by advance payment of benefit premiums to the company.

Except in cases of emergency, request for leave must be made in writing, at least two weeks prior to the beginning of the requested leave period. The request will be accompanied by a full written report from the employee's personal physician detailing the employee's disability and the projected length of such disability.

In the event the company has reason to believe that an active employee should be placed on medical leave or that an employee who requests or who is on unpaid medical leave of absence is not disabled, the company may request further medical verification of the employee's ability to continue work or actual disability which prevents an employee from returning to work.

The company reserves the right to require the employee to submit to further mental or physical examination by the doctor, selected by the company, at company expense.

If such additional examination is deemed necessary by the company, the results of the examination, or the employee's refusal to submit to an additional examination, may be used to determine the employee's rights to benefits under this policy.

If possible, an employee returning from an approved medical leave of absence will give the company at least one week's notice of his or her intent to return to active employment prior to the termination of the approved leave.

An employee returning to work will be assigned to his or her former position or a substantially similar one, if available. The employee should not accept other employment during a medical leave of absence without written notification to the company.

Employees who can work but fail to return on the agreed expiration date of a medical leave, or who have not requested or do not have an approved extension for additional medical leave, are self-terminated.

4.11 Newborn and Newly Adopted Child Care Leave

The company will grant a full-time employee one day off with pay at the time of the birth or adoption of a child.

Your pay will be at your regular hourly rate of pay, based on the number of hours in your regularly scheduled workday.

4.12 Military Leaves of Absence/Reinstatement

If you are called to active military duty or to Reserve or National Guard training, submit copies of your military orders to your supervisor as soon as possible.

The company will grant a military leave of absence, without pay, for the period of military service, in accordance with applicable federal and state laws. Your eligibility for reinstatement after your military duty or training is completed is also determined in accordance with applicable federal and state laws.

4.13 Bereavement Leave

Absence from work is a normal reaction to the death of a family member or other loved one. The company will pay you for up to three, eight-hour workdays away from work that you take for funerals and other personal needs relating to the death of a member of your immediate family. These hours will count towards overtime pay calculations. A member of your immediate family is defined as your child, current spouse, parent, brother or sister, mother-in-law, father-in-law, stepmother, stepfather, stepson, stepdaughter, stepbrother, stepsister, grandparent, or grandchild.

Absence for extended family or close friends will be considered on a case-by-case basis and may be paid or unpaid depending on the determination.

4.14 Witness and Jury Duty

The company will grant paid leave of up to three workdays in a three-year period to any full-time or part-time employee summoned for service as a juror or as a court witness. You will receive an amount which together with pay received for jury duty, will equal your regular rate of pay.

If you are called for jury duty or witness duty, show the summons to your supervisor and request leave. Your supervisor will approve the paid leave for no more than 3 workdays. Leave for more than three days will be granted, but unpaid.

While on duty, you will receive your regular pay in full for up to 3 workdays in a three-year period. When you return to work, present the check stubs or vouchers you received for jury duty. You will then receive an adjusted check reflecting your regular pay minus the amount you received for jury duty.

ARTICLE 5- BEHAVIOR GUIDELINES

5.1 Behavior and Guidelines for Conduct

We encourage you to follow a personal code of conduct that fosters your own well-being, the well-being of your co-workers, and which allows you and your co-workers to achieve quality, profitable production in your work.

The following list contains examples of such behavior which create an atmosphere in which you and your co-workers can achieve your work-related goals:

- Maintaining personal cleanliness;
- Cleaning of your own workspace at the end of each day;
- Expressing your views and opinions honestly and without rancor or sarcasm;
- Doing your share of the work and contributing your best efforts when you are working in cooperation with co-workers;
- Completing work assignments on schedule;
- Discussing with co-workers and your supervisor ideas and suggestions for improving work efficiency and the quality of our products and service; and
- Using company equipment and work supplies in a responsible way that reduces operating costs.

This list is not all-inclusive. We ask that you behave in a manner generally acceptable to the workplace and in a manner that gives credit to yourself and to the company.

Workers who do not follow standards of good behavior will be subject to appropriate disciplinary action, up to and including termination.

5.2 Ethical Practices

This organization is dedicated to serving clients and the public with the highest ethical standards. Gaining and keeping the trust and goodwill of our clients and the public is our highest goal.

Each employee of this organization is an ambassador to our clients and to the public. It is important that in performing your duties and in representing this organization, you always do so honestly, fairly, legally, and ethically.

This means you will put the clients' and public's interests before your own. You will deal with co-workers, clients

and members of the public cheerfully and with respect.

5.3 Confidentiality

Your work here may bring you into contact with certain information of a confidential nature. This confidential information includes: personal or medical information about a client, and proprietary information regarding the operation of the facility that is not generally known or disclosed to the public.

You will discuss confidential information only with those staff members and employees who have a work-related need to know. You will not discuss confidential information with any persons outside of our organization.

Your failure to protect confidential information is a serious offense. An employee who violates this policy is subject to disciplinary action, up to and including termination.

As part of your employment, you must sign the “Confidentiality Agreement” form at the end of this handbook.

5.4 Personal Appearance and Demeanor

An employee’s use of discretion in style of dress and behavior is essential to the productive and efficient operation of the workplace. Therefore, while performing duties for the company, you will dress in attire appropriate to the business environment, and you will behave in a professional and businesslike manner.

5.5 Illness and Work

The company expects employees who are sick with a communicable illness not to report to work until the risk of infecting others is past and they are able to satisfactorily perform their job duties. Communicable illnesses (for purposes of this policy) are those — such as influenza, measles, mumps, and chicken pox —which are commonly and easily transmitted to others. Such communicable illnesses are transmitted by the spread of viruses and bacteria in airborne droplets through coughing and sneezing, and by touching and hand contact on such shared items as equipment, keyboards, telephones, and writing utensils.

The company also expects that employees whose illness may no longer be communicable, but whose physical condition prevents them from satisfactorily performing job duties, not to report to work.

Please note that each employee is still responsible for contacting the Manager to report absences.

The company provides employees with paid vacation. The company suggests that employees reserve some of this time for use when they need to be away from work because of illness or the effects of an illness.

5.6 Safety and Accident Prevention

Employee safety is a primary concern of the company and our employees. We are committed to providing a safe and healthy workplace for our employees. If you are injured while on the job, no matter how slight, you must report the injury immediately to your supervisor.

In addition to using personal protective equipment, employees are reminded that behavior that leads to or results in what is known as horseplay is prohibited. Bantering, scuffling, and playing practical jokes that could provoke dangerous responses or lead to injury are serious offenses and will result in disciplinary action. If you are aware of any unsafe conditions in the workplace, you are to notify your supervisor immediately.

Safety rules and policies are detailed in the company Safety Manual, provided to all employees. Any violations of safety rules will result in disciplinary action, which may include termination.

5.7 Employer Vehicles

Use of Employer-owned vehicles is restricted to official Company business only unless specifically authorized by management.

Employees who drive the company’s vehicles are expected to keep them clean, inside and out. This means that the driver of the vehicle is responsible for daily maintenance and removal of all trash and waste from the vehicle. Driving employees must also inspect the vehicle and fill out the log book assigned to the vehicle daily. Employees who violate

this policy are subject to discipline, up to and including termination.

Employer-owned vehicles are assigned only to employees with a valid current driver's license. Employees who are assigned employer-owned vehicles are not to allow any other individual to drive the vehicle.

Citations received with the use of company vehicles are the driver's sole responsibility unless the citation was a result of actions directed by the company in which case the company will cover the fines.

If an employer-owned vehicle becomes scratched, dented, or damaged in any way, the driver must report the damage to his or her supervisor immediately.

5.8 Visitors

Employees may occasionally visit with family members and friends for a brief period. For safety reasons, all visitors are to check in at the front desk. You will be notified that you have a visitor.

For safety reasons, no visitors are allowed in the work area without prior approval. Vendors are permitted in the workplace, but only for business purposes. Vendors must leave the workplace promptly after completing their business.

Violations of this policy may result in disciplinary action.

5.9 Personal Telephone Calls/Telephone Use

Messages will be taken for all non-emergency phone calls. Employees will receive all calls from their children and/or spouses. Keep these calls short and as few in number as possible. Personal cell phones are not to be used during work hours without prior approval from the manager.

Please be thoughtful and courteous with your phone privileges. Our customers pay your wages and we need to be available for them.

5.10 Solicitations

Employees will not distribute literature, printed materials, imprinted products, or sell products, solicit money contributions, or solicit for any organization or cause during working time without prior approval by one of the managers. Employees who are not on working time will not solicit or distribute literature or products to any employee who is on working time or in working areas. This policy also applies to visitors and non-employees on company premises at any time.

5.11 Tardiness and Absences

Request for absences are to be submitted to a manager for approval. Unless the absence is due to an emergency, you must obtain approval for an absence (including vacation and personal holidays) prior to the absence.

Partial or single days must be scheduled at least three days in advance. Two weeks notification must be given for a week's vacation or personal holiday.

If you are calling to report an unapproved absence, you must talk to a manager. First try Steve's cell phone (720-4658); if he does not answer, try Vern's cell phone (720-9782); and if he does not answer either, call the office and leave a message.

Understand that an unapproved absence will result in discipline, up to and including termination. An attendance record is maintained for each employee. An unapproved absence of three consecutive scheduled work days is job abandonment and will be deemed to end in your voluntary termination.

5.12 Reassignment

From time to time an employee may not be suitable on his or her position. The company may, at its discretion, determine that it is appropriate to reassign or transfer an employee, or take other action in lieu of discharge.

Reassignment is not usually used to discipline employees. Supervisors normally use the disciplinary system for this

purpose. Reassignment may be used as an alternative to termination in instances where a recently promoted employee cannot adequately perform new job duties after a sufficient trial period has elapsed. In some instances, reassignment may be used as a method to permit further development of an employee's skills.

5.13 Outside Employment

Outside employment with another employer is acceptable so long as you understand that your position here is your primary one. Your performance here must remain acceptable at all times, and you must be available for overtime work as needed.

At no time will you be permitted to have outside employment that in any way competes with or creates a conflict or potential conflict of interest with us.

5.14 Media and Public Contacts

From time-to-time persons outside our workplace, especially representatives of the media may ask you for comments or information relating to our activities and business. In addition, some employees may have the opportunity to speak to groups or organizations on topics related to our activities and business.

This type of contact with the public and with the media is the responsibility of the Executives of the business. Other employees, before speaking to the media or to any other persons outside this organization about our activities and business, must first receive authorization to do so from the company.

5.15 Alcohol, Illegal Drugs and the Illegal Use of Drugs

In order to provide a safe and drug-free work environment for our clients and employees, the company is establishing the following policy for existing and future employees.

The company explicitly prohibits:

- The use, possession, solicitation for, or sale of narcotics or other illegal drugs, alcohol, or prescription medication without a prescription on company or customer premises or while performing an assignment.
- Being impaired or under the influence of legal or illegal drugs or alcohol away from the company or customer premises, if such impairment or influence adversely affects the employee's work performance, the safety of the employee or others, or puts at risk the company's reputation.
- Possession, use, solicitation for, or sale of legal or illegal drugs or alcohol away from the company or customer premises if such impairment or influence adversely affects the employee's work performance, the safety of the employee or others, or puts at risk the company's reputation.
- The presence of any detectable amount of prohibited substances in the employee's system while at work, while on the premises of the company or its customers, or while on company business. "Prohibited substances" include illegal drugs, alcohol, or prescription drugs not taken in accordance with a prescription given to the employee.

The company will conduct drug testing under any of the following circumstances:

- **RANDOM TESTING:** Employees may be selected at random for drug testing at any interval determined by the company
- **FOR CAUSE TESTING:** The company may ask an employee to submit to a drug test at any time it feels that the employee may be under the influence of drugs or alcohol, including but not limited to, the following circumstances: evidence of drugs or alcohol on or about the employee's person or in the employee's vicinity, unusual conduct on the employee's part that suggests impairment or influence of drugs or alcohol, negative performance patterns, or excessive and unexplained absenteeism or tardiness.
- **POST ACCIDENT TESTING:** Any employee involved in an on-the-job accident or injury may be asked to submit to a drug and/or alcohol test. This includes not only the employee who is injured, but also any employee who potentially contributes to the accident or injury event in any way.
- **PRE-EMPLOYMENT TESTING:** All offers of employment will be made subject to the results of a drug test. Applicants will be required to voluntarily submit to a testing and sign a consent agreement that will release the company from liability. Patterson Auto Wrecking will not discriminate against applicants for employment because of past substance abuse. It is the current abuse of alcohol or controlled substances that

prevents employees from properly performing their jobs.

As part of your employment, all employees are required to sign the “Drug Testing Consent Form” at the end of this handbook. If an employee refuses to sign the form, they will not be considered for employment or they will be discharged from employment.

If an employee is tested for drugs or alcohol inside or outside of the employment context and the results indicate a violation of the policy, the employee may be subject to appropriate disciplinary action, up to and possibly including discharge from employment. In such a case, the employee will be given an opportunity to explain the circumstances prior to any final employment action becoming effective.

5.16 Smoking and Use of Tobacco

Employees will not smoke or use tobacco products when dealing in person with customers, prospective customers or members of the public. The use of tobacco products in company owned vehicles or in unauthorized areas is prohibited.

There is a sand bucket for butts that is to be maintained by those who use it. Should this area not be kept clean, this privilege will be lost. An employee that is found to be violating this policy is subject to discipline, up to and including termination.

5.17 Lost, Damaged and Stolen Property

The company provides some employees with certain equipment and property to assist them in performing their job duties. Much of this equipment and property, such as cellular phones, 2- way radios, and tools have value in excess of \$100. Employees who are provided with employer-owned equipment or property, or who take employer-owned equipment or property away from the workplace, have a responsibility to protect the equipment or property from being lost, damaged or stolen.

If the equipment or property, placed in the care of an employee, is lost, damaged or stolen because of the employee’s negligence or willful disregard, the employee will pay the company an amount equal to the replacement value or repair cost of the equipment or property.

The employee will make arrangements to pay the company the amount owed. If the employee and the company can not agree on a payment plan, the company will take whatever legal steps are available to recover the value of the loss from the employee. These steps may include payroll deductions from the employee’s pay.

5.18 Harassment

The company expressly prohibits any form of unlawful harassment of employees and coworkers based on race, color, religion, creed, gender, national origin, age, marital status, or veteran status, sexual orientation, or the presence of a non-job related disability.

The company expressly prohibits any form of harassment that interferes with the ability of any employee to perform his or her job duties. The company will not tolerate any conduct that creates an intimidating, hostile or offensive working environment.

An employee who harasses any other employee of the company or who harasses any client of the company is subject to appropriate disciplinary action, up to and including termination.

5.19 Sexual Harassment

With respect to sexual harassment, the company prohibits unwelcome sexual advances, requests for sexual favors, and all other verbal or physical conduct of a sexual or otherwise offensive nature, especially where:

- Submission to such conduct is made either explicitly or implicitly a term or condition of employment;
- Submission to or rejection of such conduct is used as the basis for decisions affecting an individual’s employment; or
- Such conduct has the purpose or effect of creating an intimidating, hostile or offensive working environment.

With respect to sexual harassment, the company also prohibits:

- Sexually offensive comments, jokes, innuendoes and other sexually-oriented statements directed from one employee to another employee;
- Sexually oriented pictures, photos and illustrations displayed in the workplace to the view of employees or the public.

An employee who engages in any type of behavior that the company deems is sexually harassing is subject to discipline, up to and including termination.

5.20 Harassment Complaint Procedure

Each of us —managers, supervisors and employees — are responsible for creating an atmosphere free of discrimination and harassment, whether of a sexual nature or otherwise. Further, each of us is responsible for respecting the rights of co-workers.

If you experience job-related harassment by a manager or co-worker or if you believe you have witnessed harassing behavior in the workplace, immediately contact your supervisor. This person will undertake an immediate, confidential investigation.

All persons involved in the complaint and the investigation will keep all information related to the complaint and the investigation confidential to the maximum extent possible. This means all persons involved will share such information only with persons who have a need to know.

Should the company determine that an employee is responsible for harassing another employee or a member of the public with whom the company does business, appropriate action will be taken against the offending employee, up to and including termination.

The company prohibits any type of retaliation against any employee who in good faith files a complaint under this policy or against any employee who assist in the complaint investigation.

5.21 Workplace Violence

The company prohibits any language or actions on the part of employees that could create an unfriendly, intimidating or threatening workplace.

Any employee who witnesses behavior which is erratic, abusive, threatening, or otherwise troublesome by anyone on company premises, is required to report it immediately to any supervisor.

Any employee who engages in threatening or violent behavior, or who behaves in a way that could provoke violence, may be disciplined appropriately, up to and including termination.

5.22 Weapons

Despite some laws that allow people to carry firearms in public, Patterson Auto Wrecking prohibits anyone from possessing or carrying weapons of any kind on company property, in company vehicles, or while on company time. This includes:

- Any form of weapon or explosive;
- All firearms; and
- All illegal knives or knives with blades that are more than six (6) inches in length

If an employee is unsure whether an item is covered by this policy, please contact your supervisor. Employees are responsible for making sure that any item they possess is not prohibited by this policy. Only individuals who have been given consent by the organization to carry a weapon on the property will be allowed to do so.

While the organization has a policy prohibiting weapons, nothing in this policy shall be construed as creating any duty or obligation on the part of the organization to take any actions beyond those required of an employer by existing law.

5.23 False Information and Employment

Applicants for employment with the company are expected to provide complete and accurate information regarding their background, employment history, credentials and qualifications for employment. If, following employment, the company learns that an employee intentionally provided false or misleading information, or intentionally omitted pertinent information regarding essential background, employment history, credentials or qualifications for employment, the company may discipline the employee, up to and including termination, regardless of the time elapsed before the discovery.

The company may investigate an employee's background, employment history, credentials and qualifications at any time during the employment relationship.

If the company discovers the employee has intentionally given false answers or false statements, or has intentionally omitted correct and pertinent information in the employment application or in any document used to secure employment or advance employment, regardless of the time elapsed before the discovery, the company may discipline the employee, change the employee's employment status, reassign the employee, or terminate the employee.

5.24 Misconduct and Disciplinary Action

Occasionally, it becomes necessary for a supervisor to take disciplinary action against an employee. Discipline results when an employee's actions do not conform with generally accepted standards of good behavior, when an employee violates work rules or when an employee's work performance is poor.

There is no effective method of pre-determining the seriousness or effect of any one violation of employer policy or of making an exhaustive list of all the possible violations of policy. Although some violations may be more severe than others, repeat violations, or a combination of violations, may also result in termination of employment.

The company reserves the right to take any disciplinary action, including suspension or the termination of the employment relationship, in all cases it deems appropriate. Possible disciplinary actions include, but are not limited to:

- Oral Warning
 - When an infraction of a work rule occurs, the supervisor may visit with the employee about the incident. An oral warning alerts the employee that the behavior in question is unacceptable and gives the employee an opportunity to show improvement. Oral warnings will be documented and placed in the employee's personnel file.
- Written Warning
 - A written warning may occur when the supervisor considers the infraction too severe for an oral warning. Or, a written warning may occur when the employee has already been warned orally for the offense but has failed to show acceptable improvement.
- Agreement
 - Following a written warning, the company may require the employee to sign an agreement to correct his or her behavior or performance. This agreement will include:
 - A brief statement of the wrong behavior or cause of poor performance;
 - A statement that clearly and specifically spells out the required correct behavior or performance;
 - A specific, limited time frame for the employee to comply or change;
 - The consequences to the employee if the correction does not occur;
 - An acknowledgement that the employee understands the seriousness of the infraction; and
 - The employee's signature and the date signed.
- Discharge
 - The company may discharge an employee for any reason, including unacceptable work performance or misconduct, at any time.
 - If the discharge is due to poor work performance problems, the employee will usually be notified of such problems prior to discharge. An attempt will be made to give the employee advance written notice of work problems so that the employee might improve performance. If the services of an employee remain unsatisfactory, the employee will be

- given a termination notice.
 - Nothing in this policy or in this handbook should be construed as limiting in any way the company's right to terminate employees at any time, with or without advance notice for any reason or for no reason whatsoever.
- Misconduct Examples
 - The following examples of misconduct are listed for the guidance of all employees. This list is not intended to be a comprehensive list of all prohibited activity and should be considered as illustrative only.
 - Falsifying your employment application or other employment records such as time sheets and/or expense reimbursement forms;
 - Excessive or habitual absenteeism or tardiness from work;
 - Using obscene, abusive or threatening language or gestures or engaging in conduct which might reasonably incite such action while on company premises;
 - Failure to maintain the confidentiality of the company, customer or client information;
 - Willfully breaking a known policy of the company;
 - Possession or consumption of any alcoholic beverage, illegal drugs or the illegal use of drugs on company property or during work time;
 - Insubordination;
 - Carrying weapons of any kind on company premises unless specifically authorized by the company to do so;
 - Sleeping while on duty;
 - Willful disregard or violation of company safety rules or procedures;
 - Sexual, racial or general harassment of a fellow employee;
 - Loitering or loafing during working hours;
 - Reporting for work under the influence of alcohol, illegal drugs or the illegal use of drugs;
 - Taking more than the specified time for meals
 - Violation of the tobacco policy;
 - Excessive use of company telephone for personal matters or making or receiving personal telephone calls, other than during authorized breaks and lunch periods;
 - Repeated failure to be at a workstation ready to begin work at the appointed starting time;
 - Performing personal work on company time;
 - Unauthorized possession or removal of, or cooperation in the unauthorized possession or removal of property or possession belonging to co-workers, customers of the company, or applying to your own use, any property, record or document of the company or of co-workers; and/or
 - Any other conduct against the best interests of the company.

The above list does not include all possible actions that may be unacceptable. If an employee engages in behavior that the company considers detrimental to the interests of the company, or threatens the well being of other employees or customers, the company may terminate the employee immediately.