

**J&R Schugel Trucking, Inc.
&
Schugel Management, Inc.**

**EMPLOYEE HANDBOOK
For Office Employees and Shop Personnel**

Issued 08/15/2019

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Welcome to J&R Schugel Trucking, Inc.!

We would like to extend to you a warm welcome and we hope that you will enjoy working with us as much as we look forward to working with you.

Every organization must have certain operating policies and procedures in order to insure efficient and sound business operation and this Employee Handbook contains ours. When our business succeeds, we all succeed. During your first few weeks, as you get settled into your new job, you will be learning our operating procedures, about our customers and our established business practices.

This Employee Handbook was prepared so that you can become more quickly acquainted with our company. We want to provide you with clear expectations; of our conduct, performance expectations and what you should expect in return. However, this handbook cannot anticipate every situation or answer every question about employment. If you have questions about how any of the policies in this handbook affect you, please contact your Department Manager or Human Resources.

We work as a team at J&R Schugel Trucking and excellent communication is a top priority. Every employee should be recognized for good work and allowed to offer suggestions for improvements of our organization. We want every employee to be successful in his or her individual goals, and we will help you succeed personally and professionally.

“Commitment to Customer Care and Quality Partnerships” is the reason why J&R Schugel Trucking has grown to where it is today. We approach each customer on an individual basis because every shipper’s needs are different. We continually strive for excellence and work toward greater service capability using our knowledge and experience in the industry.

The trucking industry is a very competitive environment. It is our policy to comply with all laws governing our operation. Compliance not only means observing the law, but also conducting business as law abiding citizens maintaining high moral and ethical standards. Safety takes precedence over expediency.

You can be proud to work for J&R Schugel Trucking, Inc., a part of New Ulm, MN since 1974. We know you will enjoy becoming a part of our outstanding reputation.

100 About the Handbook*Effective Date: 07/01/2018*

From time to time, we may change, revise, or eliminate any of the policies and/or benefits described in this handbook. Any such change, or any deviation from the stated policies, must be authorized and signed by the Human Resources Department.

This handbook replaces any previous handbooks, and also replaces any prior oral or written policies, practices, or promises made by us concerning you or another employee's terms and condition of employment.

We have locations in various states, and we will comply with the employment laws of other states as necessary. If you have any questions, please contact Human Resources.

Every policy in this handbook has been carefully considered and is important to the successful operations of our company. Thus, if you violate any policy in this handbook, you may be subject to discipline, up to and including termination from employment, regardless if the policy provides for specific disciplinary actions that we may take.

101 Employee/Labor Relations*Effective Date: 07/01/2018***Employee Relations**

Employees are the backbone of our success. Our achievements are due to the spirit and cooperation of our people who contribute. We promote a work environment that encourages both teamwork and individual initiative.

We will do our best to:

- Provide a safe working environment;
- Select and promote people on the basis of skill, training, ability, merit, attitude, and character without prejudice or discrimination;
- Maintain competitive wages and benefits, appropriate with our philosophies;
- Welcome employee input, ideas and constructive criticisms at all times;
- Develop competent people who understand and meet our objectives, and who accept with open minds the ideas, suggestions, and constructive criticisms of fellow workers;
- Dedicate ourselves to being the best and getting better;
- Respect individual rights, and treat all employees with courtesy and consideration;
- Maintain mutual respect in our working relationship; and
- Do all these things in a spirit of friendliness and cooperation.

Each of us, as employees, is responsible for:

- Regular and punctual attendance;
- Reporting to work, ready to work with proper attire;

- Good housekeeping skills (keeping self, work station, and surrounding areas as clean as possible);
- Safe working practices and good work performance;
- Cooperating with fellow employees to achieve the best results;
- Mutual respect for those we work with;
- Constructive participation in the operation of the company by contributing your individual ideas and by becoming personally involved in opportunities as they may arise; and
- Portraying a positive company image, both at work and while in the community.

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

Our experience has shown that when employees deal openly and directly with Department Managers, the work environment can be excellent, communications can be clear, and attitudes can be positive. We demonstrate our commitment to our employees by responding promptly and effectively to employee concerns.

102 At Will Employment

Effective Date: 07/01/2018

Your employment with us is voluntary and is subject to termination by you or us at will, with or without cause, and with or without notice, at any time. Nothing in this handbook should be interpreted to be in conflict with or modify your status as an at-will employee. This handbook is not an employment contract, and no one outside of our executive team has the ability to offer you any sort of contract of employment.

103A Equal Employment Opportunity

Effective Date: 07/01/2018

Revised Effective Date: 08/15/2019

We provide employment opportunities to all employees and applicants for employment without regard to race, color, religion, sex, pregnancy, citizenship, national origin, ancestry, age, height, weight, disability, military service, veteran status, genetic information, union membership, creed, marital status, familial status, sexual orientation, status with regards to public assistance, membership in a local human rights commission, use of lawful consumable products or any other status protected by law. In order to provide equal employment and advancement opportunities to all individuals, employment decisions are based on merit, qualifications, and abilities.

We will not request or require a genetic test or collect or use any protected genetic information from any employee or applicant in connection with employment-related decisions.

This policy applies to all terms and conditions of employment, including recruiting, hiring, compensation, selection, job assignment, promotion, discipline, termination, layoff, recall, transfer, access to benefits, leaves of absences, and training.

If you have a question or concern about any type of discrimination in the workplace, you are encouraged to bring these issues to the attention of your Department Manager or the Human Resources Department. You can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

103B Accommodating Individuals With Disabilities

Effective Date: 07/01/2018

We are committed to complying with all applicable provisions of the Americans with Disabilities Act (“ADA”). It is our policy not to discriminate against any qualified employee or applicant with regard to any terms or conditions of employment because of such individual’s disability. This includes, but is not limited to, discrimination with respect to hiring, promotion, discharge, compensation, benefits, training, and all other aspects of employment.

If you believe you need a reasonable accommodation to perform the essential functions of your job, contact the Human Resources Department. Consistent with this policy of nondiscrimination, we will provide reasonable accommodations to a qualified individual with a disability, as defined by the ADA, provided that such accommodation does not constitute an undue hardship on our organization. We encourage individuals with disabilities to come forward and request reasonable accommodations if needed.

On receipt of an accommodation request, a member of the Human Resources Department will meet with you to discuss and identify the precise limitations resulting from the disability and the potential accommodation that we might make to help you overcome those limitations. We may request reasonable medical documentation to help us better understand your limitations and necessary reasonable accommodations.

We will determine whether the requested accommodation constitutes an undue hardship by considering various factors, including, but not limited to the nature and cost of the accommodation in light of the our financial resources and the accommodation’s impact on the operation of our company, including its impact on the ability of other employees to perform their duties and our ability to conduct business.

The ADA does not require us to reallocate essential job functions or to provide personal use items such as eyeglasses, hearing aids, and wheelchairs. We retain sole discretion to determine the reasonableness of requested accommodations.

You must comply with safety rules at all times. We make every effort to place applicants and employees in positions for which they are qualified. However, in the event that you are placed in a position where, with or without a reasonable accommodation, you would create a direct threat to the safety or health of yourself or others, we may remove you from the position until we can obtain medical documentation regarding your ability to safely perform the essential functions of the position.

Information obtained or provided in connection with the existence of a disability, or the need for an accommodation, will be kept strictly confidential, and will only be disclosed to those individuals who have an actual need to know about them, and then, only to the degree necessary.

If you have a question or concern about this policy, you are encouraged to bring these issues to the attention of the Human Resources Department. You can raise concerns and make reports without fear of reprisal. Anyone found to be in violation of this policy will be subject to disciplinary action, up to and including termination of employment.

105 Personal Relationships in the Workplace

Effective Date: 07/01/2018

The employment of relatives or persons involved in dating relationships in the same area of the company may cause serious conflicts and problems with favoritism and employee morale. In addition, personal conflicts from outside the work environment can be carried into day-to-day working relationships.

We do not prohibit employing relatives of other employees, or persons involved in dating relationships with other employees. However, we reserve the right to monitor situations in which such individuals may work in the same area. In case of actual or potential problems, we will take prompt action. This can include reassignment or, if necessary, termination of employment for one or both of the individuals involved.

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

106 Employee Medical Examinations

Effective Date: 07/01/2018

We may require you to undergo a medical examination if necessary to comply with applicable state and/or federal laws, or if we wish to ensure that you are able to perform your duties safely.

We may also have you evaluated by a doctor in such circumstances as the following: to determine or update your ability to perform in your current position, to confirm your need for medical leave, to assess your ability to return to the workplace after a medical leave, to determine your need for accommodations, or to comply with applicable state or federal laws.

We keep your medical information confidential and separate from the other parts of your personnel file, and we strictly limit access to such information to those individuals who have a legitimate and necessary need to know.

107 Immigration Law Compliance

Effective Date: 07/01/2018

We employ only individuals who are authorized to work in the United States. We do not unlawfully discriminate on the basis of citizenship or national origin.

When hired, as a condition of employment, you must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility.

If you were previously employed with us, you must complete a new form if you have not completed an I-9 for us within the past three years, or if your previous I-9 is no longer retained or valid.

We must terminate employees who are unable to provide appropriate documentation in support of their right to work in the United States within three (3) days of their start date.

If you have questions or want more information on immigration law issues, contact the Human Resources Department. You may raise questions or complaints about immigration law compliance without fear of reprisal.

108 Conflicts of Interest

Effective Date: 07/01/2018

Activities or relationships that conflict with our interests or adversely affect the company's reputation should be avoided. We cannot describe every situation that may constitute a conflict of interest; rather, the purpose of these guidelines is to provide general direction so that you can seek further clarification on issues related to conflicts of interest. Contact your Department Manager or the Human Resources Director if you have any questions about conflicts of interest.

A conflict of interest occurs when your loyalty is, or appears to be, divided between your self-interest or the interests of a third-party and our interests. The types of conflicts of interest you must avoid include, but are not limited to:

- Accepting, agreeing to accept, or soliciting money or other tangible or intangible benefit in exchange for favorable decisions or actions in the performance of your job or that might appear to influence your decision-making or professional conduct;
- Accepting employment or compensation or engaging in any business or professional activity that might require disclosure of confidential information or trade secrets;
- Directly or indirectly engaging in activities that compete with our business interests, including engaging in, owning, managing, operating, joining, controlling, consulting with, participating in the ownership, operation or control of, being employed by, or being connected in any manner with any person or entity which solicits, offers, offers to provide, or provides any services or products similar to those which we offer to our customers or prospective customers;
- Accepting employment or compensation that could reasonably be expected to impair your independent judgment in the performance of your duties;
- Accepting a kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving us (also see Gift and Gratuities below); and
- Giving preferential treatment in business dealings to any person or company in which you, a relative or friend has a significant ownership interest or relationship.

You must disclose actual or potential conflicts or any relationships that may create the appearance of a conflict of interest to your Department Manager as soon as you become aware of them so that safeguards can be established to protect all parties.

Gifts and Gratuities

You shall not solicit or accept, directly or indirectly, any gift, gratuity, loan, discount, or any item of substantial value from any person or company that is seeking to conduct or is currently conducting business with us. Gifts, meals and accommodations of a reasonable and normal value provided to all employees may be accepted. If you have questions about whether a particular gift or item is appropriate, consult with your Department Manager.

109 Anti-Fraud Policy

Effective Date: 07/01/2018

Fraud can range from minor theft and/or unproductive behavior to misappropriation of assets and/or fraudulent financial reporting. Because financial misstatements, fraud, theft, and misuse of our resources and/or other wrongdoing can have a significant adverse effect on our market value, reputation and ability to achieve its strategic objectives, we expressly forbid any fraudulent activity or act of fraud, embezzlement or other wrongdoing by any employee. Any employee caught in violation of this policy shall be immediately terminated and may be subject to criminal prosecution.

110 Whistleblower Protections

Effective Date: 07/01/2018

We strive to create an ethical and open work environment, to ensure we have a governance and accountability structure that supports our mission, and to encourage and enable you to raise legitimate concerns about the occurrence of illegal or unethical actions within our company instead of turning to outside parties for resolution.

We expect you to report activities you consider to be illegal, unethical, or dishonest internally. You are not responsible for formally investigating the activity or determining fault or corrective measures. Instead, as discussed below, appropriate management officials are charged with these responsibilities.

Examples of illegal, unethical, or dishonest activities include, but are not limited to:

- Violations of federal, state or local laws
- Activities that potentially violate healthcare reform laws
- Theft or inappropriate removal or possession of property
- Unethical, immoral, or criminal conduct in or outside of the workplace
- Falsification of timekeeping records
- Violation of OSHA or other regulatory standards
- Sexual or other unlawful or unwelcome harassment
- Unauthorized disclosure of business “secrets” or confidential information

If you have knowledge of or a concern about actual or potential illegal, dishonest, or fraudulent activity, you should contact your Department Manager or the Human Resources Department. You must exercise sound judgment to avoid baseless allegations.

The Human Resources Department or Safety Department, as appropriate, will investigate your concerns and determine the proper course of corrective action. If someone in the Human Resources Department is the subject of the whistleblower complaint, the CFO or another member of senior management will become responsible.

Insofar as possible, we will try to maintain your confidentiality. However, your identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. We will not retaliate, nor permit retaliation against anyone who brings forward a legitimate concern under this policy. If you believe you are being retaliated against, contact the Human Resources Department immediately. Protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

If you intentionally or recklessly file a false or baseless report of wrongdoing, you will be subject to discipline up to and including termination. If you have questions about this policy, please contact your Department Manager or the Human Resources Department.

111 Outside Employment

Effective Date: 07/01/2018

You may hold outside jobs as long as you meet the performance standards of your job with us. We judge all employees by the same performance standards and hold everyone to our scheduling demands, regardless of any existing outside work requirements. At all times, our interests shall take priority over those of any outside employer.

You may not receive any income or material gain from individuals outside our company for materials produced or services rendered while performing your jobs for us. Similarly, outside employment that constitutes a conflict of interest, or is performed for a competitor, is prohibited.

If we determine that your outside work interferes with performance or the ability to meet the requirements of your position as they are modified from time to time, you may be asked to terminate the outside employment if you want to remain employed by us.

Questions as to whether employment with a particular outside employer might constitute a conflict of interest should be directed to the the Human Resources Department.

112 Confidentiality and Non-Disclosure

Effective Date: 07/01/2018

Revised Effective: 08/15/2019

The protection of confidential business information and trade secrets is vital to our interests and success. Such confidential information includes, but is not limited to, the following examples:

- Benchmarks
- Computer codes, passwords, and processes
- Computer programs
- New materials research
- Patents
- Pending projects and proposals
- Pricing data

- Copyrighted material
- Customer data and information
- Customer lists
- Customer preferences
- Financial information
- Market information and marketing strategies
- Methods and protocols
- Product design information
- Research and development strategies
- Sales data
- Technological data
- Technological prototypes
- Techniques
- Trade secrets

In addition to the items above, you must not improperly obtain or disclose without authorization any confidential employee data or information.

This information has actual and/or potential independent economic value, and we make all reasonable efforts to maintain its confidentiality. We intend that any such information provided or disclosed to you is to remain confidential and protected from disclosure until such time as we specifically declare such information to be no longer confidential.

Unless we specifically direct otherwise, you shall not disclose any confidential materials or information, except as required or provided by law. Similarly, you shall not duplicate or otherwise copy any confidential materials or information. You must return all confidential materials or information in your possession immediately upon separation of employment or upon request.

We may require that you sign a confidentiality and non-disclosure agreement as a condition of employment. If you improperly use or disclose trade secrets, confidential business information, or other information protected by law, you will be subject to disciplinary action, up to and including termination of employment and legal action, even if you do not actually benefit from the disclosed information.

Nothing in this policy is intended to restrict you from exercising legal rights under any state or federal law nor will you be subject to discipline for engaging in legally protected activity. If you are a Minnesota employee, Minnesota's Wage Disclosure Protection law enables you to share the amount of your own wages with others without being punished for doing so. Your remedies for a violation of the Wage Disclosure Protection law are to bring a civil action against your employer and/or file a complaint with the Minnesota Department of Labor and Industry at <http://www.doli.state.mn.us/>.

113 Employment of Minors

Effective Date: 07/01/2018

Federal and State laws regarding the employment of minors must be observed at all times. Age and/or employment certificates for minors shall be filed and retained at the property as required by State law. No one under the age of 18 years of age can be hired without prior approval from the Human Resources Department.

201 Employment Categories

Effective Date: 07/01/2018

Your employment status and benefit eligibility depend upon your employment classifications. All employees in all classifications described below are subject to our employment-at-will policy described earlier in this handbook.

Your position is classified as either nonexempt or exempt from state and federal wage and hour laws. Nonexempt employees are entitled to overtime pay and other benefits under the wage and hour laws, whereas exempt employees are excluded from specific provisions of the wage and hour laws, and do not receive overtime pay. Nonexempt employees are usually paid on an hourly basis, while exempt employees are usually paid on a salaried basis. We determine whether your position is nonexempt or exempt based on the requirements of state and federal law.

In addition to the above categories, you belong to one or more of the following employment categories:

- **Regular Full Time** employees are those who are not in a temporary category and who are regularly scheduled to work our full time schedule of at least 40 hours per week. Generally, regular full time employees are eligible for our entire benefit package, subject to the terms, conditions, and limitations of each benefit program.
- **Regular Part Time** employees are those who are not assigned to a temporary category and who are regularly scheduled to work at least 30 hours, but less than 40 hours per week. Regular part time employees may be eligible for some benefits sponsored by us, subject to the terms, conditions, and limitations of each benefit program.
- **Part Time** employees are those who are not assigned to a temporary category and who are regularly scheduled to work less than 30 hours per week. While part time employees do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they are ineligible for all of our other benefit programs.
- **Temporary** employees are those who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. They may be hired directly by us, or may be hired through a temporary staffing agency. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change. While temporary employees hired directly by us receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they typically are ineligible for all of our other benefit programs. Temporary employees include interns who are hired to complete a designated assignment and/or project.

202 Access to Personnel Files

Effective Date: 07/01/2018

We maintain a personnel file on each employee. The personnel file includes such information as your job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records.

Personnel files are our property, and we restrict access to the information they contain.

Generally, we only allow supervisors and managers who have a legitimate reason to review information in a file.

If you wish to review your file, contact the Human Resources Department. With written advance notice, you may review your personnel files, within seven working days of our receipt of the written notice. The files may be reviewed in our offices and in the presence of an individual appointed by us to maintain the files. After review, and upon written request, we will provide you with a copy of your personnel record.

In the event a third party outside of the organization requests access to your personnel file, as required by applicable state law, we will provide a written notice to you unless:

- You have signed another employer's written employment application that includes a waiver of notice rights;
- We are ordered to disclose the records to a party in a legal action or arbitration; or
- A government agency requests the information because you have filed a complaint.

If you are a Minnesota employee, you are entitled to, and we comply with, all of the other rights and remedies set forth in Minnesota Statutes §181.960 through §181.965. We will not retaliate against you for asserting your rights or remedies provided in those statutes.

203 Employment Reference Checks from Third Parties

Effective Date: 07/01/2018

The Human Resources Department will respond to all employment reference check inquiries from other employers. If you receive any such employment reference check requests, do not respond to them, and direct the inquirer to the Human Resources Department. Responses to such inquiries will generally confirm only dates of employment, employment status (i.e., full-time or part-time), and position(s) held. Requests for all other data must be in writing, with a signed authorization from the former employee. All wage or compensation verification must be directed to the Accounting department.

204 Personnel Data Changes

Effective Date: 07/01/2018

We expect you to promptly notify us of any changes in personnel data. Be sure to provide us with your accurate and current personal mailing address, telephone numbers, number and names of dependents, individuals to be contacted in the event of emergency, educational accomplishments, and other similar information. If your personnel data has changed, notify the Human Resources Department.

205 Introductory Period

Effective Date: 07/01/2018

All newly hired employees must successfully complete an introductory employment period as follows:

- Hourly and Supervisors – 90 calendar days
- Department Managers, Directors and above – 6 calendar months

The “introductory employment period” is a period for you and your supervisor/manager to get acquainted and to determine whether there will be a continuation of the employment relationship. You will be advised if and when the introductory employment period is satisfactorily completed and in some cases, the introductory period may be extended. Satisfactory completion of the introductory employment period does not modify the employment at will relationship between the Company and employees.

205 Employment Applications

Effective Date: 07/01/2018

We rely upon the accuracy of information contained in your employment application, as well as the accuracy of other information you provide throughout the hiring process and employment. If you falsify, misrepresent, or omit any requested information, we may not hire you or, if we have already hired you, we may terminate you.

206 Performance Evaluation

Effective Date: 07/01/2018

We strongly encourage our Department Managers and employees to regularly discuss job tasks, encourage and recognize strengths, identify areas for improvement, and discuss positive, purposeful approaches for meeting goals. These ongoing conversations are particularly important for new employees or employees who have transitioned to new positions. More formalized written performance evaluations are also used as part of this process.

We generally schedule your annual performance evaluation on or near your anniversary date each year, but the timing of your performance evaluation may change from year to year.

Where possible, we try to recognize and encourage superior employee performance by awarding pay raises or bonuses. Our decision to award such raises is discretionary and depends on goal accomplishment (both personal and professional), company financial strength, market-driven factors, as well as the information documented during annual performance evaluations. We do not guarantee that you will receive a pay raise simply because you receive a performance evaluation.

301 Employee Benefits

Effective Date: 07/01/2018

We provide eligible employees with a wide range of employee benefits. This handbook may contain general descriptions of those benefits. You can find detailed descriptions of benefits in our benefit enrollment materials and the summary plan descriptions and/or insurance certificates for the plans, where applicable, or in policies within this handbook.

Your eligibility for benefits depends on a variety of factors, including your employee classification. Many benefits, including medical insurance, dental insurance, short-term disability insurance, and life insurance, do not become effective until the 1st of the month following 2 months of full-time status.

The following benefit programs are available to eligible employees:

- 401(k) Plan
- Bereavement Leave
- Dental Insurance
- Employee Assistance Program
- Employee Discounts
- Employee Health/Wellness Program
- Employee Stock Ownership Plan
- Life Insurance
- Long-Term Disability Benefits
- Medical Insurance
- Paid Time Off (PTO)
- Short-Term Disability Benefits
- Supplemental Life Insurance
- Travel Allowances
- Uniform and Uniform Maintenance

Some benefit programs require you to make contributions, some are unpaid (such as some of our leave programs), and others may be fully paid by us.

302 Holidays

Effective Date: 07/01/2018

Observed Holidays

We observe the following holidays:

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

Eligibility for Paid Holidays

Regular full time employees receive holiday pay. If you are eligible, you will receive holiday pay at your regular rate of pay times 8 hours.

A recognized holiday that falls on a Saturday will usually be observed on the preceding Friday. A recognized holiday that falls on a Sunday will usually be observed on the following Monday. If we require you work on a recognized holiday, you may receive a “floating holiday” to be used at a later date with supervisory approval. Floating holidays may only be taken as full days (not per hour or half day).

With the exception of pre-approved paid time off, you are expected to work both your normally scheduled days before and after the holiday in order to be eligible for holiday pay. If you call in sick or take unpaid time on either of those days, you may jeopardize your ability to be paid for the holiday. If a recognized holiday falls during your paid time off you will receive holiday pay instead of the paid time off benefit you otherwise would have received. However, if you are on an unpaid leave of absence, you will not be paid for holidays.

Holiday pay will not be counted as hours worked for the purposes of determining whether nonexempt employees are entitled to overtime for the week in which the holiday falls.

303 Paid Time Off (PTO)

*Effective Date: 07/01/2018
Revised Effective: 01/01/2019*

Paid Time Off (PTO) is an all-purpose time off policy for eligible employees to use for vacation, illness or injury, and personal business. It combines traditional vacation and sick leave plans into one flexible, paid time off policy. It is meant to function as wage replacement for times that you choose to be away from work for personal reasons, and is not considered to be compensation for work you have performed.

We provide an opportunity to regular full time employees to accrue and use PTO as described in this policy. Once you are in an eligible employment classification and have worked at least one year, you may receive PTO according to the schedule below.

The amount of PTO you receive each calendar year increases with the length of your employment as shown in the following schedule:

PTO ACCRUAL SCHEDULE

Years of Eligible Service	PTO Days Each Year
1 year	5 Days on anniversary
2-4 years	10 Days on anniversary
5-14 years	15 Days on anniversary
15+ years	20 Days on anniversary

PTO Usage and Rollover

You must manage your own PTO hours to allow adequate reserves to cover unforeseen needs for leave, such as personal illness, family sickness, family activities, appointments, emergencies or other unplanned time off from work.

You can use PTO in minimum increments of four hours. We will not “advance” you PTO, which means that at no time may you use PTO before it has been earned. It is against company policy for employees to take time off unpaid when they have accrued PTO.

PTO is paid at your regular rate of pay at the time of absence. It does not include overtime or any special forms of compensation such as incentives, commissions, or bonuses.

In the event that you do not use your available PTO by the end of your anniversary year, you may carry up to five (5) days of unused time forward into the next year. Any unused time beyond five (5) days will be forfeited at the end of your anniversary year.

Planned PTO Use

To schedule planned PTO, you must request advance approval from your Department Manager as soon as possible, but in no event less than two weeks prior to the time requested. All departments must be appropriately staffed to meet the needs of our customers and clients. This means that PTO may not be granted in all circumstances, and such requests will be approved or denied solely at the discretion of your Department Manager, based upon current workloads, staffing levels, and your disciplinary status.

When one or more employees in the same area request PTO for the same time periods (for example, around popular vacation times such as summer or holidays), priority may be given to the employee whose request was submitted first.

Unplanned PTO Use

In general, PTO cannot be used for missed time because you are late for work. In situations involving illnesses or emergencies, you must notify your Department Manager before the scheduled start of your workday, if possible. In addition, you must submit a time-off sheet to your Department Manager within 24 hours of your return from unplanned PTO. Delayed notification to your Department Manager, or failure to timely file a time-off sheet, may result in disciplinary action and/or the denial of PTO. Proper notice will generally also be required on each additional day of unexpected absence.

PTO and End of Employment

When your employment with us terminates and you have been employed with us for at least one (1) year, you typically will be paid for unused PTO that has been earned through your last day of work. If you resign and fail to provide and work a full two (2) week notice, or if you have been employed with us for less than one (1) year, the company may not pay unused PTO in full or in part. You cannot use PTO during your resignation notice period.

304 Impact of Leaves of Absence on Employee Benefits

Effective Date: 07/01/2018

In addition to paid absences, such as holidays and PTO, we offer a number of leaves of absence which either become unpaid at some point, or are unpaid in their entirety. Unless otherwise noted in a specific leave policy, your employee benefits will be handled as described below.

Insurance and related benefits

During your leave, we will continue to provide you with the benefits in which you have enrolled for as long as any law might require us to do so, or until such time as you cease to be eligible under the terms, conditions, and limitations of the applicable plans.

While you are on leave, you will continue to be responsible for your share of the insurance premiums, and will be required to make regular payments to us in order to continue your coverage. During any parts of your leave for which you may also be using PTO, we will continue to make payroll deductions as normal to collect your share of the premiums.

However, at the point that your leave becomes unpaid (e.g., you use up your available PTO), if your benefits continue you will be required to submit monthly payments to the Human Resources Department by the 1st day of each month of your leave. If the payment is more than 30 days late, your health and other coverage may be terminated for the remainder of your leave.

In some cases, you may be offered COBRA or USERRA continuation coverage if you are gone from work long enough, or if we are not required by law to continue your benefits. If so, you will have to formally elect continuation in order to stay on the applicable insurance plans. See our COBRA Continuation Coverage or Military Leave policy for more information.

If you lose coverage or have elected COBRA during your leave, we will reinstate you as an active participant upon your return from leave, according to the terms of each plan. If we have chosen to pay your portion of the premiums on your behalf during your leave, you will be required to repay us any such amounts at the end of your leave.

305 Family and Medical Leave

Effective Date: 07/01/2018

We grant up to 12 weeks (or 26 weeks, if leave is taken to provide care for qualifying family member injured during active military service) of family and medical leave during any 12 month period to eligible employees, in accordance with the Family and Medical Leave Act (FMLA).

Eligibility

In order to qualify to take family and medical leave under this policy, you must meet all of the following conditions:

- You must have worked for us at least 12 months (these 12 months need not have been consecutive);
- You must have worked at least 1,250 hours during the 12 months period immediately before the date when the leave would begin; and
- You must work in an office or worksite where 50 or more employees are employed within 75 miles of that office or worksite. (If you have no fixed office or work out of your home, you will be treated as though you work in the office to which you report.)

Reasons for Leave

In order to qualify as FMLA leave under this policy, you must be taking the leave for one of the reasons listed below:

- The birth of a child;
- The adoption of a child, or the placement of a child with you for foster care;
- Your own serious health condition;
- To care for a spouse, child or parent with a serious health condition;

- Due to a qualifying exigency for the spouse, children, or parents of individuals who are on, or are about to be on, covered active duty; or
- To provide care for a covered servicemember with a serious injury or illness incurred or aggravated in the line of duty while on active duty.

Leave that qualifies for paid time off, workers' compensation, short-term disability, or other wage replacement benefits may also qualify as FMLA leave and, if so, the time off will also be counted as FMLA leave. If you have questions about whether your leave may be covered under this FMLA policy, you are encouraged to consult with the Human Resources Department.

Duration of Leave

12 Weeks

For all FMLA covered leaves other than leave taken to provide care for a covered servicemember, if eligible, you can take up to 12 weeks of leave under this policy during any 12 month period. Effective September 1, 2018, we use a rolling 12 months period measured backward from the date you use any leave under this policy to determine whether you exhausted your 12 weeks of leave. Each time you take leave, we will compute the amount of leave you have taken under this policy for any form of FMLA leave in the last 12 months and subtract that amount from your 12 weeks of available leave; the balance remaining is the amount you are entitled to take at that time.

26 Weeks

For all FMLA covered leaves taken to provide care for a covered servicemember, if eligible, you can take up to 26 weeks of leave under this policy during any single 12 months period. This single 12 months period begins on the first day you take FMLA leave to provide care for the covered servicemember. Any FMLA time taken for any other reason during this single 12 months period shall count against the 26 weeks of leave available to care for the covered servicemember. Similarly, any FMLA time taken to care for a covered servicemember shall count against the 12 weeks of leave available to you for any other reason.

Spouses

Spouses who both work for us are limited to a combined total of 12 weeks of 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. Similarly, if you and your spouse both work for us, you are both limited to a combined total of 26 weeks of leave to care for a covered servicemember.

Employee Benefits During Leave

While you are on leave, we will continue your medical, dental, and other benefits during the leave period at the same level and under the same conditions as if you had continued to work. For information about premium payments during your leave, see our Impact of Leaves of Absence on Employee Benefits policy.

Use and Accrual of Paid and Unpaid Leave

FMLA leave is unpaid. However, we require that you use all available paid time off during any FMLA leave, except where you are receiving worker's compensation, short-term disability, or similar wage replacement benefits. Notwithstanding any other policy to the contrary, during periods of intermittent FMLA leave, paid time off can be used in the same increment as the amount of FMLA leave taken.

Benefit accruals, such as paid time off, will be suspended during any unpaid portion of the leave, and will resume upon return to active employment.

Intermittent Leave or a Reduced Work Schedule

In addition to taking leave in consecutive blocks of time, you may be allowed to take time off intermittently (i.e., reduced workweeks or reduced workdays) if needing leave for one of the following reasons:

- Your serious health condition;
- The serious health condition of your spouse, parent, or child;
- To provide care for a covered servicemember with a serious injury or illness incurred or aggravated in the line of duty while on active duty; or
- Due to a qualifying exigency if you are the spouse, child, or parent of an individual who is on, or is about to be on, covered active duty.

To qualify for intermittent leave, you must show that the intermittent leave is medically necessary or related to a "qualifying exigency." If leave is taken on an intermittent or reduced leave schedule due to foreseeable leave needs (other than qualifying exigencies), we may temporarily transfer you to an alternative position with equivalent pay and benefits.

Certification of the Need for Leave

We may ask for certification to verify the need for leave for the reason requested by you. You must respond to such a request within 15 days of the request, or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of the leave. We may also require recertification during the leave to verify the status of the need for leave.

We may directly contact the healthcare provider or other third-party to verify and clarify information contained in the certification. You are responsible for signing or obtaining any authorization necessary to permit the healthcare provider or other third party to provide us with the required information.

We have the right to ask for a second opinion of a certification of a serious health condition. Should we choose to do so, we will pay for you to get a certification from a second healthcare provider, which we will select. If it is necessary to resolve a conflict between the original certification and the second opinion, we will require the opinion of a third healthcare provider. We (you and us) will jointly select the third doctor, and we will pay for the opinion. This third opinion will be considered final.

Returning From Leave

If you take leave under this policy, you will be returned to the same job you held when your leave began. If this is not feasible, you will be returned to a position that entails substantially equivalent skill, effort, responsibility and authority as the position you previously held. The only exceptions to this rule will be in circumstances of layoffs or reorganizations, where your position would have been eliminated even if you had not been on leave. You may be required to provide a fitness for duty assessment when returning from a leave of absence for your own serious health condition.

Procedure for Requesting Leave

When you plan to take leave under this policy, you must give us 30 days' notice. If it is not possible to give 30 days' notice, you must give as much notice as is practicable. If you are undergoing planned medical treatment, you are required to make a reasonable effort to schedule the treatment to minimize disruptions to our operations. If you fail to provide 30 days' notice of foreseeable leave, the leave request may be denied until at least 30 days from the date we received notice.

When you request leave under this policy, you must submit the request in writing to the Human Resources Department. Where the need for leave is not foreseeable, you must verbally notify your Department Manager of the need for leave as soon as possible, and follow our normal call-in procedures for unexpected absences. Failure to follow our normal call-in procedures under such circumstances will be treated like any other violation of our call-in procedures, and may result in discipline or termination, even though the leave itself may be covered by the FMLA. You may be required to confirm your need for FMLA leave in writing after giving verbal notice.

While on leave, you may be required to periodically report to us regarding the status of your intent to return to work.

Rights, Remedies, and Additional Information

We fully comply with the provisions of the FMLA. Accordingly, if you have questions regarding this policy, contact the Human Resources Department. Further information on your rights and remedies under the FMLA can be located on our FMLA poster (which can be found in the company break area) or online on the Department of Labor's website at: <http://www.dol.gov/esa/whd/fmla/>.

306 Pregnancy-Related Conditions

Effective Date: 07/01/2018

We will not discriminate against anyone who requests an excused absence for medical disabilities associated with pregnancy. Such leave requests will be evaluated according to the medical leave policy provisions outlined in this handbook and all applicable federal and state laws.

Upon request, we will consider providing reasonable accommodations for health conditions related to pregnancy or childbirth in accordance with state and federal law.

Depending on the accommodation requested, you may be required to provide medical substantiation of the need for accommodation. Similarly, if the requested accommodation would present an undue hardship to the performance of your position, we may not be able provide the accommodation.

Requests for accommodations or time off associated with pregnancy and/or childbirth that are not related to your medical incapacity (such as time off for bonding, pre-birth house preparations, or child care) will be considered in the same manner as other requests for unpaid personal leave.

307 Personal Leave

Effective Date: 07/01/2018

We understand that there may be times where you will need to take a period of time away from work to fulfill personal obligations that are not covered by the other types of leave that we offer. With that in mind, we offer unpaid personal leaves of up to five days in length.

If you have a need to take personal leave, you should request as much advance approval from your manager as possible. However, please understand that we may not be able to grant your request for personal leave, as we will evaluate each request on a case-by-case basis. In doing so, we will consider a variety of factors, including input from your manager, current workloads, staffing levels, and your disciplinary status. Also, in most cases, personal leave may not be used to extend leaves of absence taken under other policies in this handbook.

If you take approved leave, you will be required to use any available paid time off as part of the approved period of leave. For information about what happens to your insurance benefits, PTO accruals, and eligibility for holiday pay during leave taken under this policy, see our Impact of Leaves of Absence on Employee Benefits policy.

308 Bereavement Leave

Effective Date: 07/01/2018

If you wish to take time off due to the death of a parent, step-parent, sibling, step-sibling, spouse, child, step-child, grandparent, grandchild, or parent-in-law notify your Department Manager immediately.

If you are a regular full time employee with at least three months of continuous service, you may be eligible for the following bereavement leave:

- One (1) paid day of bereavement leave for the day of the funeral.
- Two (2) unpaid days of bereavement (unless you have accrued PTO, in which case you must use accrued PTO for bereavement leave).

Bereavement days must be used in succession including the day of the funeral. You may, with your Department Manager's approval, take additional time off as necessary (using accrued PTO prior to any unpaid leave), or to attend the funerals of individuals not listed above.

Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Bereavement pay is calculated based on the regular rate of pay at the time of absence and will not include overtime or any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

309 Jury Duty

Effective Date: 07/01/2018

Revised Effective Date: 08/15/2019

We encourage you to fulfill your civic responsibility by serving jury duty when summoned. While all employees are eligible to take jury duty leave, regular full time employees may request up to three (3) days of paid jury duty leave over any one-year period. If eligible, your jury duty pay will be calculated by multiplying your regular rate of pay times the number of hours you would otherwise have worked on the day of absence, and will not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials. We may also deduct the amount you may receive from the court for serving jury duty from any jury duty pay we may provide. This includes, but is not limited to, jury duty fees, parking reimbursements, meal allowances, etc., unless otherwise prohibited by state law.

As required by law, exempt employees will be paid their full weekly salary during any week in which they perform any work while serving on jury duty. Exempt employees may be placed on unpaid leave for an entire work week while serving on jury duty at the discretion of their supervisor.

If you are required to serve jury duty beyond the period of paid jury duty leave, you may use any available paid time off or may request an unpaid jury duty leave of absence.

You must show the jury duty summons to your Department Manager within 12 hours of receiving it so that your Department Manager may make arrangements to accommodate your absence. Of course, you are expected to report for work whenever the court schedule permits. For example, if you are excused early from jury duty you must report for work. If you are assigned to the second or third shift and are released from jury service prior to 2:00 p.m. on any regular scheduled workday, you will be expected to report to work at the beginning of your shift. Where court rules permit jurors to call in the night before to find out whether they have to come into the courthouse the next day, you may have to provide written confirmation from the court that you actually were called in on the day in question in order to be eligible for jury duty pay under this policy.

You or your Department Manager may request an excuse from jury duty if, in our judgment, your absence would create serious operational difficulties.

310 Witness/Crime Duty Leave

Effective Date: 07/01/2018

Revised Effective Date: 08/15/2019

We encourage you to appear in court for witness duty when subpoenaed.

If we subpoena you or otherwise require you to testify as a witness, we will pay you for the entire period of your witness duty.

If a third party has asked you to appear in court as a witness, we will provide you with sufficient unpaid leave to satisfy your witness duty. You are free to use any available paid leave benefit to receive compensation for the period of this absence.

If you are a victim of a crime, you may use your paid personal time to attend judicial proceedings when subpoenaed. If you are a victim representative, you may use your paid personal time to attend court proceedings to be present for the victim's testimony. A victim representative is a guardian or custodian of a deceased victim's minor child; a parent, guardian or custodian of a minor child who is an assault victim; or a person who was designated to act in place of an assault victim during the victim's period of physical or emotional disability.

If you do not have paid personal time, you may take unpaid leave under this policy.

Show the subpoena to your Department Manager immediately after you receive it so that operating requirements can be adjusted, where necessary, to accommodate your absence. You are expected to report for work whenever the court schedule permits.

311 Military Leave

Effective Date: 07/01/2018

You are entitled to take military leave for any absences related to military service in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable.

For information about what happens to your insurance benefits, PTO accruals, and eligibility for holiday pay during an extended leave taken under this policy, see our Impact of Leaves of Absence on Employee Benefits policy.

If you are on military leave for up to 30 days, you are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. If you are on longer military leave, you must notify us of your intent to return, in accordance with USERRA and all applicable state laws.

When you return from military leave, you will be placed in the position you would have attained had you remained continuously employed or a comparable one depending on the length of military service in accordance with USERRA. You will be treated as though you were continuously employed for purposes of determining benefits based on length of service.

Contact the Human Resources Department for more information or questions about military leave.

312 Time Off to Vote

Effective Date: 07/01/2018

We encourage you to vote. Generally, you can vote before or after your regular work schedule, and should make every reasonable effort to do so. However, you may be eligible to take the time off from work that is necessary to appear at your polling place, vote, and return to work.

We encourage you to request time off to vote from your Department Manager at least two weeks prior to the election, so that proper staffing levels can be maintained, and so that voting time can be scheduled at a time that is least disruptive to the normal work schedule.

313 Pregnancy and Parental Leave (Minnesota-Only Employees)

Effective Date: 07/01/2018

In accordance with the Minnesota Parental Leave Act, we provide unpaid leaves of absence to:

- All eligible employees who wish to take time off in conjunction with the birth or adoption of a child; or
- Eligible female employees for prenatal care, incapacity due to pregnancy, childbirth, or related health conditions.

You are eligible to request parental leave as described in this policy if you work an average number of hours per week equal to one-half of our regular full time schedule in the 12 months preceding the request and have been employed by us for 12 months (need not be consecutive).

If eligible, you may request up to 12 weeks of parental leave. Both mothers and fathers are eligible to request parental leave.

In most cases, you will be eligible for both parental leave under this policy and FMLA leave. A leave of absence that qualifies as both parental leave and FMLA will run concurrently (i.e., the time off will be counted as both FMLA and parental leave). Parental leave may also be available if you are not otherwise eligible for FMLA leave or if you have exhausted your available time under our FMLA policy.

You should request leave under this policy from your Department Manager at least 30 days before the start of the leave or as soon as you become aware of the need for a leave. You are required to notify us of the anticipated start and duration of leave. Parental leave must begin within 12 months of the birth or adoption of a child, except that, in the case where the child must remain in the hospital longer than the mother, the leave may not begin more than 12 months after the child leaves the hospital. However, in no case will you be permitted to take more than 12 total weeks of leave under this policy.

Leave under this policy is unpaid. However, we require that you use all available paid time off during any parental leave, except where you are receiving short-term disability or similar wage replacement benefits. Note that paid time off is taken as part of the 12 weeks of parental leave, not in addition to it.

For information about what happens to your insurance benefits, PTO accruals, and eligibility for holiday pay during leave taken under this policy, see our Impact of Leaves of Absence on Employee Benefits policy.

At the end of your leave, you will be returned to the same job you held when your leave began, or to a position that is substantially equivalent to the one you previously held, unless we have gone through a layoff or reorganization, where your position would have been eliminated even if you had not been on leave. If you are unable to (or choose not to) return to work at the end of the approved leave, you may be considered to have resigned your position.

314 School Conference and Activities Leave (Minnesota-Only Employees)

Effective Date: 07/01/2018

You may take up to 16 hours of unpaid leave within a rolling 12 months period to attend school conferences or school-related activities related to your child (including a foster child), provided the conferences or school-related activities cannot be scheduled during non-work hours. If your child receives child care services or attends a prekindergarten regular or special education program, you may use the leave time to attend a conference or activity related to your child or to observe and monitor the services or program, provided the conference, activity or observation cannot be scheduled during non-work hours. When the leave cannot be scheduled during non-work hours and the need for the leave is foreseeable, you must provide your Department Manager with reasonable prior notice of the leave and make a reasonable effort to schedule the leave so as not to disrupt unduly our operations. This leave is not paid; however, you may substitute any accrued paid time off or other appropriate paid leave for any part of the leave.

315 Care of Relatives and Safety Leave

Effective Date: 07/01/2018

Care of Relatives

You may use your PTO days in order to care for relatives who are ill. For the purposes of this policy, “relative” means your spouse, siblings, parents, parents-in-law, grandchildren, grandparents, step parents, and minor and adult children. Child includes step, biological, adopted, and foster child. Grandchild includes step, biological, adopted and foster grandchild.

The use of PTO to take care of a relative who is ill is subject to the same conditions and restrictions as would apply to use of PTO for your own illness.

Safety Leave

PTO may also be used to take time off that may be necessary for your own safety, or to assist with the safety of relatives. For the purposes of this policy, “safety leave” is leave used to provide or receive assistance because of sexual assault, domestic abuse, or stalking.

The use of PTO for safety leave purposes is subject to the same conditions and restrictions as would apply to use of PTO for your own illness.

316 Bone Marrow Donation Leave (Minnesota-Only Employees)

Effective Date: 07/01/2018

In accordance with Minnesota law, we will provide you with up to 40 hours of paid leave for the purposes of undergoing medical procedures related to the donation of bone marrow. If your leave need extends beyond 40 hours, you can use any available PTO, or take unpaid leave. A doctor’s statement verifying the purpose and length of the leave is required. In order to take leave under this policy, you must be regularly scheduled to work at least 20 hours per week.

317A Civil Air Patrol Leave (Minnesota-Only Employees)

Effective Date: 07/01/2018

If you work an average of 20 or more hours per week, you may be eligible to take unpaid leave to serve as a member of the civil air patrol on the request and under the authority of the state or any of its political subdivisions. We may deny a leave under this policy if your absence would be too disruptive to our operations.

Although leave under this policy is unpaid, you may use any accrued paid time off to cover your absences.

317B Civil Air Patrol Leave (Michigan-Only Employees)

Effective Date: 07/01/2018

You may be eligible for a leave of absence without pay if you are a member of the Michigan Civil Air Patrol and are called to respond to an emergency need. To be eligible for leave under this policy, you must notify us that you might be called to an emergency within 30 days after your employment start date or the date you joined the patrol, whichever is latest. You must give us as much notice as possible about the date(s) you will be absent from work to serve with the patrol during an emergency.

318 Military Personnel Injured/Killed in Service Leave (Minnesota-Only Employees)

Effective Date: 07/01/2018

You are entitled to up to 10 working days of leave of absence without pay whenever an immediate family member is injured or killed while engaged in active service. For the purposes of this policy, “immediate family member” means your parent, child, grandparents, siblings, or spouse. You will be expected to give as much notice as practicable of your need for leave.

This leave is not paid; however, you may use any accrued paid time off during the leave.

319 Military Ceremony Leave (Minnesota-Only Employees)

Effective Date: 07/01/2018

Unless doing so would unduly interrupt our operations, you are entitled to up to one working day of leave of absence without pay for the send-off or homecoming ceremonies of family members (i.e., parents, legal guardians, siblings, children, grandchildren, spouses, fiancés, or fiancées) who have been ordered into active service in support of a war or other national emergency.

This leave is not paid; however, you may use any accrued paid time off during the leave.

320 Benefits Continuation (COBRA)

Effective Date: 07/01/2018

A federal law called COBRA allows you, your spouse and/or dependent children to continue health insurance coverage under our health plan when a “qualifying event” occurs. Some common qualifying events are resignation, termination of employment, a reduction of hours or a leave of absence, death, divorce, and a dependent child’s loss of eligibility. Ordinarily, you may continue your health coverage for up to 18 months if you lose coverage as a result of a qualifying event.

If you, your spouse and/or dependents continue coverage under COBRA you must pay the full cost of coverage at our group rates plus any applicable administration fee.

We will provide you with an important written notice describing your rights and obligations under COBRA. Please read the notice.

321 Workers’ Compensation Insurance

Effective Date: 07/01/2018

We provide a comprehensive workers’ compensation insurance program at no cost to our employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers’ compensation insurance may also provide wage replacement benefits after a short waiting period.

If you experience or witness a work-related injury or illness, you must tell your Department Manager and Director of Human Resources immediately even if the injury or illness seems minor. You will be required to complete or assist in completing an injury report form.

You have a right to report all work-related injuries and illnesses. Reporting the injury or illness timely will enable an eligible employee to qualify for coverage under our workers’ compensation insurance program as quickly as possible. We will not discriminate or retaliate against you for reporting work-related injuries or illnesses. However, failure to promptly report workplace injuries or illnesses may result in discipline, up to and including termination of employment.

In general, we will make reasonable efforts to make accommodations and find light duty work if you suffer a work injury. Where such work is possible, we will make sure the work provided stays within the restrictions established by your doctor.

Similarly, if you return to a light duty position, you must agree to work within those restrictions, and are forbidden from working beyond them. If you turn down a light-duty or alternative work position, you may lose your ability to receive wage replacement from our workers' compensation insurance company.

You will not be eligible for workers' compensation benefits for injuries that occur during your voluntary participation in any off-duty recreational, social, or athletic activity that we sponsor.

322 401(k) Plan

Effective Date: 07/01/2018

Revised Effective Date: 08/15/2019

We have established a 401(k) retirement savings plan which can provide you a substantial tax savings as well as a way to accumulate funds for your retirement.

Eligible persons must work for us for 6 months consecutively, and be at least 20 years of age on the enrollment dates (February 1, May 1, August 1, November 1).

You can contribute from 1% to 50% of your taxable gross income up to the annual IRS limit. *Your* contribution is always 100% vested. *Our* contributions will vest according to the plan's vesting rules.

Investment Options:

- Stable Interest Bearing Fund
- Mutual Stock and Bond Funds.

More information concerning funds will be available to you at the time of eligibility.

Withdrawal Options:

Employment Termination – If you choose to take a distribution when you terminate employment, you may roll it over to an IRA or another qualified plan to avoid the 10% IRS penalty and current taxes. If you choose a payout from the plan before the age of 59 ½, the distribution typically will be subject to a 10% IRS penalty and current taxes. After age 59½ the 10% IRS penalty does not apply to payouts from the plan.

Permanent Disability or Death - There is not a 10% IRS penalty on withdrawals due to death or permanent disability. If this situation occurs, you or the person who is holding the estate will need to contact a tax accountant for information about Federal, State and Local taxes that need to be paid.

323 Employee Stock Ownership Plan

Effective Date: 07/01/2018

Through its ESOP, J&R Schugel Trucking, Inc. is a 100% employee-owned company. The creation of the ESOP by J & R Schugel Trucking, Inc. recognizes that employees have, and continue to, play a key role in the success and growth of the Company.

An ESOP is a way to reward employees and encourage you to continue your exemplary performance and work ethic for the continued growth of the Company. Having ownership in the Company, through the ESOP, should provide additional incentive to an excellent workforce.

This policy describes the general terms of the ESOP. If anything in this policy contradicts the ESOP plan document, the ESOP plan document governs.

What is an ESOP? An ESOP is a qualified retirement plan. Unlike other programs, the ESOP will invest primarily in the common stock of J&R Schugel Trucking, Inc., and the purpose of the ESOP is to provide eligible employees with an ownership interest in J&R Schugel Trucking, Inc. An ESOP is a 100% company funded plan. An ESOP is intended to compliment your employee-funded 401K plan.

Eligibility: You will become a participant in the ESOP on the January 1 or July 1 that occurs after you work for J&R Schugel Trucking, Inc. for one (1) year and 1,000 hours. All eligible employees participate in the ESOP.

Eligibility for annual contribution: Employees who have satisfied the eligibility requirements, and who have completed at least 1,000 hours of service during the year will receive a portion of the Company's contribution to the ESOP for that year, provided they are employed on December 31 of that year. In addition, if you die or retire after age 65 or become disabled during the year and while employed by the Company, a contribution will also be made to your ESOP account.

An employee's share of any Company contribution to the ESOP will be allocated to the employee's account in the ratio that each employee's "allocation points" for the year bears to the total number of allocation points for the year of all eligible participants receiving allocation points in the following manner:

- Three allocation points for each "year of allocation service" you have; and
- One allocation point for each \$1,000 of compensation earned during the year (fractional allocation points are not credited).

For purposes of determining allocation points, a "year of allocation service" is any year in which you complete 1,000 or more hours of service for J&R Schugel Trucking, Inc. However, if you terminated employment and were later rehired, service only since your most recent employment date will be counted.

Vesting: In order to promote longevity and reward loyalty, you will become vested in your account in the ESOP over a period of six years, as you continue your employment with J&R Schugel Trucking, Inc., under the following schedule:

Years of Service	Vested Percentage
Less than 2 years	0%
2 years but less than 3 years	20%
3 years but less than 4 years	40%
4 years but less than 5 years	60%
5 years but less than 6 years	80%
6 years or more years	100%

You are credited with one year of service for each calendar year during which you complete at least 1,000 hours of service.

Withdrawal Options:

Separation of Employment: Distributions will typically be made once per year, after the annual valuation of the Company. If you have reached age 65 and continue working, you may withdraw part or all of your vested interest in the plan. Distribution of your vested account balance may be made as soon as administratively feasible after the third anniversary following the year of termination.

Permanent Disability or Death: If your termination of employment is due to death, disability or occurs on or after you reach normal retirement age (65), distribution of your vested account balance may be made as soon as administratively feasible in the year following the year of termination.

401 Timekeeping*Effective Date: 07/01/2018*

If you are an hourly and/or nonexempt employee, this policy applies to you.

In order to properly calculate your pay and benefits, federal and state laws require us to keep an accurate record of all time you work, no matter how small the increment. As a result, it is your responsibility to record all of the time you spend working.

Time worked is all the time actually spent performing assigned duties, including work performed away from our workplace, such as at job sites, or from your home. In general, work should not be performed outside of our workplace, unless doing so is specifically required for your position, or you have received advance approval from your Department Manager.

You should accurately record the time you begin and end your work, as well as the beginning and ending time of each meal period, using our time clock system. You should also record the beginning and ending time of any split shift or departure from work for personal reasons. You must obtain your Department Manager's approval before performing any overtime work.

You may be subject to disciplinary action, up to and including termination of employment, if you alter, falsify, or tamper with time records, or record time on another employee's time record.

You should report to work no more than 5 minutes prior to your scheduled starting time unless your Department Manager has approved an earlier start time. You should not work more than 5 minutes after your scheduled stop time without first obtaining your Department Manager's consent.

You are responsible for verifying the accuracy of all time you record. If there are any errors in your time records, notify our Payroll Department and your Department Manager in writing. If our Payroll Department has questions about your time records, your time records will be provided to your Department Manager for review and verification. If corrections or modifications are made to the time record, both you and your Department Manager must verify the accuracy of the changes to the time record.

402 Paydays*Effective Date: 07/01/2018*

You are paid biweekly on every other Friday. Each paycheck will include earnings for all work performed through the end of the previous payroll period. We encourage you to have your paycheck directly deposited into your bank account. If you choose direct deposit, you will receive an itemized statement of wages when we directly deposit your paycheck.

If a regularly scheduled payday falls on a day off such as a weekend or holiday, you will be paid on the first day of work following the regularly scheduled payday.

If a regular payday falls during your paid time off, your paycheck will be available upon your return (unless you have elected direct deposit, in which case the paycheck will be directly deposited as usual).

403 Pay Corrections*Effective Date: 07/01/2018*

We take all reasonable steps to ensure that you are correctly and promptly paid. However, mistakes sometimes happen, so we encourage you to carefully review your pay statements.

If you notice an error in the amount of your pay, bring the discrepancy immediately to the attention of our Payroll Department so that corrections can be made as quickly as possible.

If we discover an error in the amount of your pay, we will correct it using appropriate means. For example, we may recoup overpayments from future pay.

404 Deductions from Pay*Effective Date: 07/01/2018*

The law requires us to make certain deductions from your pay. We must deduct applicable federal, state, and local income taxes. We also must deduct Social Security taxes on your earnings up to a specified limit that is called the Social Security “wage base.”

From time to time, we may be required to make deductions to pay off a debt, loss, or other obligation you may owe to us or to a third party (such as garnishments, liens, or child support orders). In such cases, you may be required to sign a payroll deduction authorization form and/or enter into some other sort of pay back or reimbursement agreement during the course of employment or at the time you separate employment from the company, regardless of the reason for separation.

We offer various programs and employee benefits beyond those required by law. If eligible for such programs and/or benefits, you may voluntarily authorize deductions from your paychecks to cover the costs of participation.

Additionally, if you are a salaried, exempt employee, deductions from your regular salary may be made under the following circumstances:

- Absences from work for one or more full days for personal reasons other than sickness or disability;
- Absences of one or more full days due to sickness or disability if the deduction is made in accordance with our PTO plan;
- To offset amounts you receive as jury or witness fees, or for military pay;
- For unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions;
- Days not worked during your initial or terminal week of employment;
- Penalties imposed in good faith for infractions of safety rules of major significance; or
- For any increments of time taken as unpaid leave under FMLA.

We will make sure that any such deductions will be in full compliance with the wage and hour regulations under the Fair Labor Standards Act (FLSA).

You should carefully review every paystub you receive. If you think a deduction has been improperly taken from your salary, you should notify the Human Resources Department as soon as possible. We will review the deduction promptly and if a deduction was made improperly we will immediately correct the error.

If you have other questions concerning why deductions were made from your paycheck or how they were calculated, ask your Department Manager or our Payroll Department for assistance.

501 Safety

Effective Date: 07/01/2018

To assist in providing a safe and healthful work environment for our employees, customers, and visitors, we have established a workplace safety program. This program is a top priority. Department Managers and the Safety Committee have responsibility for implementing, administering, monitoring, and evaluating the safety program. Everyone at our company must be involved and committed to safety. This must be a team effort. Together, we can prevent accidents and injuries.

We provide information to you about workplace safety and health issues through new hire orientation and regular internal communication channels such as Department Manager - employee meetings, bulletin board postings, memos, or other written communications. We also provide more formalized periodic workplace safety training, where necessary. The training covers potential safety and health hazards, as well as specific workplace practices and procedures to eliminate or minimize hazards.

Safety Suggestions and Concerns

Some of the best safety improvement ideas come from our employees. If you have an idea, concern, or suggestion for improved safety in the workplace, you are encouraged to raise it with your Department Manager, or bring it to the attention of a member of the Safety Committee. All reports and concerns can be made without fear of reprisal.

Employee Conduct and Responsibilities

You are expected to perform the functions of your position in a safe manner. We are only truly efficient when high productivity is achieved with safe work habits. No job is so important, nor any service so urgent, that time cannot be taken to perform the work safely. The use of proper safety devices and tools and equipment and wearing appropriate clothing and footwear is essential.

Horseplay at work is inappropriate. No matter how playful or well intentioned, horseplay is by its nature unpredictable, and may inadvertently result in accident, injury, or unsafe conditions. As a result, anyone engaging in horseplay may be subject to discipline, up to and including termination of employment.

You are expected to take ownership of your surroundings, to obey safety rules, and to exercise caution in all work activities. This includes being familiar with and observing all rules and policies for health, safety, and preventing injuries while at work. You must immediately report any unsafe condition to the appropriate Department Manager. In the case of accidents that result in injury, regardless of how insignificant the injury may appear, immediately notify your Department Manager and the Human Resources Department. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefits procedures.

502 Work Schedules

Effective Date: 07/01/2018

Work schedules vary throughout our organization. Your Department Manager will normally determine your work schedule, as well as any variations from week to week.

For those employees performing work in the office, office hours are usually 7:30 a.m. - 4:30 p.m. or 8:00 a.m. - 5:00 p.m.

We expect you to be on time and ready to work during your scheduled hours. This is true regardless of whether you are exempt or nonexempt, salaried or hourly. In the end, we have determined that our scheduled hours are those that are most critical to properly serving our clients and customers, which is why it is so important for employees to be present during these hours.

Staffing needs, operational demands, and individual workloads may necessitate variations in starting and ending times, as well as variations in the total hours that may need to be worked each day and week. This can be particularly true if you are an exempt employee, since although you are normally expected to be available during our core business hours and work at least 40 hours per week, you may find that the job you are performing requires additional time over and above the regular work week.

503 Emergency Closings and Business Shut-Downs

Effective Date: 07/01/2018

On occasion, we may close down for emergencies, extreme weather, or business slowdowns and operational upgrades.

Unless an emergency closing or business shut-down is announced, we expect you to report to work in a timely manner and in accordance with applicable policies. In the event of inclement weather, use your own discretion in deciding whether you can commute safely to work. You should follow the call-in and notice procedures set forth in our Attendance and Punctuality policy.

Decisions to Close and Communication

We may decide to close an office or facility for business or economic reasons. For example, we may close a facility due to repairs and annual service. Generally, we make and communicate these decisions in advance.

If we decide to close an office or facility due to inclement weather, we may make that decision during our normal operating hours or before the start of the day. For foreseeable closings, we will communicate the closing in advance. In the event the decision is made prior to the start of the workday, we will contact local television and radio stations as early as possible.

Weather Motel Voucher

If you are at work and the weather prohibits you from returning home, we will pay for your motel room at an approved motel in New Ulm. Your Department Manager will issue a voucher and P.O. number for the motel room for each day.

Leave Use and Compensation

If we decide to close prior to the start of the workday, including for inclement weather or business slowdowns, non-exempt employees will typically not be paid for the day, but may choose to use accrued paid time off. Exempt employees may work from home, subject to prior agreement, or are required to use paid time off.

If we decide to stay open, but you choose not to work, you must use any accrued and available paid time off. If you do not have paid time off available, you must take the day unpaid.

504 Smoking, Vaping and Tobacco Products

*Effective Date: 07/01/2018
Revised Effective Date: 08/15/2019*

We prohibit smoking, vaping and the use of all tobacco products (such as chewing tobacco) in all of our company’s terminals, property, buildings and offices. This policy applies to e-cigarettes vaporizers, and similar products, whether they are used for tobacco, nicotine, oils, chemicals, medicine, flavorings, or other substances.

If you smoke, vape or use tobacco products, you will not be permitted any greater number of breaks than those who do not. As a result, you should only smoke, vape or use tobacco products before or after work, or during designated breaks or meal periods. In doing so, you must confine your use to designated smoke/vape/tobacco-use areas off-property, which, in turn, must be kept clean, presentable, and well-maintained. Do not throw cigarette butts or other smoking materials on the ground. Smoking materials must be extinguished and disposed of before leaving automobiles or designated areas.

505 Break and Meal Periods

Effective Date: 07/01/2018

If you are an hourly and/or nonexempt employee, you will usually be provided with one unpaid meal period of 30 to 60 minutes in length, and one paid break period of fifteen minutes in length for every four hours worked. To the extent possible, rest periods will be provided in the middle of work periods. Department Managers are responsible for scheduling meal breaks and may use discretion in determining meal periods based on upon the needs of the business.

Nonexempt employees must take a meal period of at least 30 minutes and not more than 60 minutes and may not perform work during their meal period unless specifically authorized by a Department Manager. Similarly, you are strongly encouraged to take your breaks, and not to perform work while on break. Typically, you are not allowed to combine your breaks, take them with your meal periods, or use them to leave early with pay. Since break time is counted and paid as time worked, you must not be absent from your work stations beyond the allotted rest period time.

506 Breaks for Nursing Mothers

Effective Date: 07/01/2018

We provide reasonable unpaid break time each day to employees who need to express breast milk for their infant children, for up to one year after the child’s birth.

Break time under this policy runs concurrently with any meal and/or break times that may already be provided. If additional breaks are approved, they will be at least 20 minutes in length and will be unpaid.

We provide a private area where employees may express milk. Please contact the Human Resources Department for information about this area.

This policy may not apply when you are at customer or job sites, since we will have little ability to control the availability of private and secure locations for the expression of breast milk.

To ensure you are accommodated under this policy if you have a need to express milk, you must contact the Human Resources Department to make the necessary arrangements.

507 Overtime

Effective Date: 07/01/2018

Overtime hours are sometimes necessary when our operating requirements or other needs cannot be met during regular working hours. Sometimes overtime may be necessary for a group of employees due to workload and project needs, while at other times individual employees may have a specific need to work extra hours. We typically ask employees to volunteer for overtime hours. However, we may assign overtime hours to employees if there are no volunteers for the overtime hours. Regardless, you must receive prior approval from your Department Manager before working any overtime.

We pay overtime compensation to all nonexempt employees in accordance with federal and state wage and hour laws. Overtime pay is based on actual hours worked, and will be paid for time worked over 40 hours in the workweek. Employees who work in a safety sensitive position may be subject to different overtime compensation based on job classification. Paid time off, holidays, and leaves of absence will not be considered hours worked for purposes of performing overtime calculations. We define the workweek as the seven-day period starting at 12:01 on Sunday morning, and continuing through midnight the following Saturday.

We do not pay overtime or provide compensatory time to exempt employees. Exempt employees are paid a fixed salary which is intended to cover any and all work performed during the workweek. Because they are exempt, they are not entitled to additional compensation for extra hours or time off in lieu of additional compensation.

508 Use of Vehicles and Equipment

Effective Date: 07/01/2018

Revised Effective Date: 08/15/2019

As part of your job, you may be expected to use certain types of equipment, or drive for work purposes. In order to reduce the risk of damaging equipment, or causing harm to yourself or others, you are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines, when using our property or equipment, or while driving for work purposes.

You must keep any work vehicle clean that you may drive.

Please notify a Department Manager if any equipment, machines, tools, or vehicles need repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to others. Department Managers can answer any questions about your responsibility for maintenance and care of equipment or vehicles used on the job.

You must obey all traffic laws and all safety rules concerning the safe operation of motor vehicles while driving company vehicles or driving your own vehicles for work purposes. In particular, you must refrain from reading or sending e-mails, text messages, and/or instant messages, searching or scrolling for audio, and accessing the Internet from your cell phones or other wireless devices while operating a motor vehicle at any time the vehicle is in motion, part of traffic (e.g., while sitting at a stop sign or stop light), or is anything other than parked. In addition, if you must make or receive a call while driving for work purposes, pull off the roadway and park your vehicle for the duration of the call. Initiating or participating in a cellular phone call while you are driving or a part of traffic is only permissible if you can do so solely in a voice-activated or hands-free mode. You may use your wireless device for navigation or audio-based content so long as you do not type or scroll while the vehicle is in motion or a part of traffic, and so long as you do not hold the device with one or both hands.

We will not pay the costs of any parking tickets or traffic violations that you incur. If you drive your own vehicle for work purposes, you must adequately insure the vehicle, and provide us with proof of insurance upon request. For insurance purposes, we may occasionally check your driving record, and if you fail to meet our standards, your driving privileges will be revoked. If there are persistent and ongoing problems with driving infractions, and driving a vehicle is a part of successful execution of job responsibilities, you may be terminated.

In the event of an accident, you are required to immediately report the accident to your Department Manager and, if directed, obtain a police report. You may not use any vehicles owned, leased, or rented on our behalf for your personal use without prior approval.

509 Business Expenses and Reimbursements

Effective Date: 07/01/2018

We will reimburse you for reasonable business expenses you incur while performing work, including expenses incurred while travelling for work purposes. All business travel must be approved in advance by the Human Resources Department.

We reimburse the actual costs of travel, meals, lodging, and other expenses directly related to accomplishing your job duties. You must limit all such expenses to reasonable amounts.

Expenses that generally will be reimbursed include the following:

- Airfare for travel in coach or economy class or the lowest available fare.
- Car rental fees, only for compact or mid-sized cars.
- Fares for shuttle or airport bus service, where available; costs of public transportation for other ground travel.
- Taxi fares, only when there is no less expensive alternative.
- Mileage for use of personal cars, only when less expensive transportation is not available.

- Cost of standard accommodations in low to mid-priced hotels, motels, or similar lodgings.
- Cost of meals and tips up to \$30.00 per day.

You should submit completed expense reports within 30 days of incurring the expense. Reports must include detailed itemized receipts for each expense.

The cost of alcoholic beverages will not be reimbursed. If you travel for business purposes and are accompanied by family, a spouse, or a significant other, you are responsible for any costs associated with your travel companions.

Contact your Department Manager for guidance and assistance on procedures related to expense reports, reimbursement for specific expenses, or business travel issues.

510 Visitors in the Workplace

Effective Date: 07/01/2018

To provide for the safety and security of you and your coworkers, only authorized visitors are allowed in the workplace. For purposes of this policy, visitors include all non-employees, contractors, external vendors, stakeholders and the public, including family members. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards your welfare, and avoids potential distractions and disturbances.

All visitors should enter J&R Schugel Trucking at the front lobby. Authorized visitors will receive directions or be escorted to their destination. You are responsible for the conduct and safety of your visitors, and are not to let the presence of a visitor interfere with the performance of work.

If an unauthorized individual is observed on our premises, immediately notify your Department Manager or, if necessary, escort the individual to the front lobby.

511 Phones and Electronic Devices

Effective Date: 07/01/2018

Whether it is using our phones or your own electronic devices, we know that you may occasionally want to text, make/take phone calls, and otherwise use them for personal purposes. Any such use should be confined to nonworking times such as breaks or meal periods unless there is an emergency, and should not interfere with your ability to effectively perform in your position, or distract your coworkers. With this in mind, cell phones and other electronic devices should generally be shut off during times you are working, and kept out of designated work areas, unless carrying such a device is necessary for work purposes, or prior approval has been obtained.

512 Computer, Internet and E-Mail Usage

Effective Date: 07/01/2018

Revised Effective Date: 08/15/2019

We provide computers, e-mail and Internet access to assist you in completing your work, improving your efficiency and obtaining work-related data and technology. We have established the following guidelines to help ensure responsible and productive computer usage.

Computers (which, for the purposes of this policy, includes not only computer hardware, but our systems, networks, software, remote access abilities, e-mail and communication tools, internet access, etc.) are our property, and are intended for business use. As a result, you have no right to privacy for any uses to which you may put the computers we have provided. We reserve the right to monitor any and all use to which our computers may be put, regardless of whether the use is personal in nature, or occurs during non-working time. Do not use a password to protect access to files or other stored information unless authorized by a Department Manager to do so.

You should take all anti-virus precautions available and prescribed by us. You should not attempt to bypass or disable any anti-virus precautions installed on our computers.

You must comply with any and all potentially applicable laws (e.g., industry regulations, harassment laws, copyright restrictions, contractual obligations or restrictions, etc.) each and every time you use our computers for any purpose, as well as during any time you may be using your own personal computer networks, systems, or equipment in ways that may directly or indirectly be associated with J&R Schugel Trucking, Inc.

All data that is composed, transmitted, or received via our computer system is considered to be part of our official records and, as such, is subject to disclosure to law enforcement or other third parties, and may be used by us in any ways we feel may be necessary.

Appropriate Personal Use Permitted

While computers are intended for job-related activities, incidental and occasional personal use may be permitted within reasonable limits. However, where possible, such use should be confined to nonworking times such as lunch, or before or after work, and should not interfere with your performance of your job. Personal computer usage is subject to all of the terms and conditions of this policy.

Prohibited Usage

We purchase and license the use of various computer software for business purposes and do not own the copyright to this software or its related documentation. Unless authorized by the software developer, we do not have the right to reproduce such software for use on more than one computer. You may only use software on local area networks or on multiple machines according to the software license agreement. We prohibit the illegal duplication of software and its related documentation.

The unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material on the Internet is expressly prohibited.

As a general rule, if you did not create material, do not own the rights to it, or have not gotten authorization for its use, you should not put it on the Internet or transmit it through the e-mail system.

The following behaviors are examples of actions and activities that are prohibited and can result in disciplinary action up to and including termination of employment:

- Sending or posting messages or images that are disruptive, offensive, discriminatory, obscene, threatening, harassing, intimidating, or harmful to morale
- Using company email to solicit for outside commercial ventures, religious or political causes, outside organizations, or other non-business matters
- Downloading large files, streaming audio/video, and visiting social networking sites or chat rooms for personal use
- Using our computers for personal gain
- Using or disclosing someone else's code or password without authorization
- Sending or posting confidential material, trade secrets, or proprietary information outside of the organization
- Failing to observe licensing agreements
- Engaging in unauthorized transactions that may incur a cost to the organization or initiate unwanted Internet services and transmissions
- Viewing or exchanging pornography or obscene materials
- Sending or posting messages that defame or slander other individuals
- Attempting to break into the computer system of another organization or person
- Refusing to cooperate with a security investigation or destroying, concealing, or disclosing information protected by attorney-client privilege, legal hold or spoliation order
- Sending or posting chain letters or advertisements not related to business purposes or activities
- Using the computer for gambling of any sort
- Using company provided email address or website addresses to register for any social networking website or online blog without prior written approval
- Jeopardizing the security of the organization's electronic communications systems
- Sending or posting messages that disparage other organizations
- Passing off personal views as representing those of J&R Schugel Trucking, Inc.
- Sending anonymous e-mail messages
- Using the computer for purposes of seeking other employment or preparing or posting a resume
- Loading personal software without permission
- Engaging in any other illegal activities
- Engaging in any other computer related activity determined by us to be inappropriate or unacceptable

If you receive a suspicious email, you should not reply to it, click on any links in the email, or hand over sensitive financial or company information. You should forward any suspicious emails to your supervisor.

If you have questions about acceptable usage of the computer or networks we provide you, please contact the Human Resources Department.

513 Social Networking Websites and Online Communications

Effective Date: 07/01/2018

Revised Effective Ate: 08/15/2019

Social Networking Websites

Social networking sites present unique opportunities for you to communicate with others, and express yourself in a public forum. However, social networking also poses significant risks to the workplace, even if your social networking activities are conducted completely on your own time and on your personal devices and networks. As a result, you need to always be mindful of how the things you post and do online might impact your coworkers, our reputation, and your professional reputation.

Online Code of Conduct

Although you are solely responsible for what you post or endorse online, since what you say and do can impact us and your coworkers, we have come up with some examples of online behaviors that we consider to be unacceptable:

- Sending or posting discriminatory, defamatory, harassing, bullying or threatening messages or images (including photographs or videos) regarding any current or former employee
- Making any defamatory, slanderous or derogatory reference or post against any prospect, client, customer, vendor or business partner that may harm or interfere with the company's corporate brand statement, working relationship or current contracts
- Posting any confidential, proprietary or non-public company information or documents, including, but not limited to, information listed in our Confidentiality and Non-Disclosure policy
- Posting comments or opinions regarding our products or services, and which may be construed as violating state or federal law (e.g. the FTC's Endorsement Guidelines)
- Failing to respect the financial disclosure laws by posting our financial information, which could be perceived as giving outsiders an unfair advantage or insight ("tip") into our company in violation of state or federal laws
- Posting any confidential information pertaining to employees or customers, which may otherwise be protected under state and federal laws such as state privacy and disability laws, Red Flag Regulations, ADA, HIPAA or GINA
- Disclosing any information protected by attorney-client privilege, legal hold or spoliation order
- Representing (or otherwise giving the impression) that you are speaking on our behalf

- Failing to use proper disclaimers with anything that might be connected back to us, such as “postings on this site are my own and do not represent others’ opinions, philosophies or business strategies”
- Posting photographs, videos or images of other employees without proper authorization, or failing to remove such images when requested by another employee
- Using our logo for commercial gain, or otherwise using our logo in a non-commercial setting that would be inconsistent with our code of ethics and organizational brand
- Unlawfully gaining access to another employee’s social networking website or profile
- Demanding or otherwise requiring applicants or employees to give you their social networking passwords

Connecting with Employees and Customers Online

You are free to network online with your coworkers during non-working time. However, due to the highly confidential and personal information often maintained in online profiles, Department Managers are not permitted to make or accept invitations such as “friend requests” to or from direct reports.

Similarly, if you receive such connection requests from coworkers, you should not feel compelled to accept such requests if you desire to keep your personal information confidential. You are also encouraged to utilize all appropriate privacy settings to ensure your information is shared and viewed only by those you intend to have access.

In some situations, you may be permitted to network with our customers or other employees using professional networking websites such as LinkedIn, but you are required to exercise professional judgment when communicating on these professional networking websites and must comply with all of the policies contained in this handbook. If you have any question as to whether a website or post would violate company policy, you are encouraged to seek input from the Human Resources Department without fear of reprisal or retaliation.

Monitoring and Consequences for Policy Violations

While we have no general practice of reviewing your personal profiles on social media sites, you should be aware that if such profiles contain information suggesting conduct that violates this or any other company policy, such information may form the basis for an appropriate investigation and/or discipline.

Nothing in this policy prohibits you from exercising any legal right under any state or federal law, nor will you be subject to discipline for any posts that are legally protected. However, you should be aware that most posts to personal social networking sites are not entitled to legal protection, and any such posts may result in disciplinary action up to and including termination of employment, if they violate this or any other company policy.

If you have been the subject of online harassment or bullying, notify the Human Resources Department or a Department Manager.

514 Workplace Monitoring

Effective Date: 07/01/2018

From time to time, we conduct workplace monitoring to ensure quality control, employee safety, security, and customer satisfaction.

We reserve the right to monitor your computer, Internet, and e-mail usage as described in our Computer, Internet and E-mail Usage policy, including any personal usage to which you may put our systems, networks, or equipment.

We may monitor your telephone conversations, especially if you regularly communicate with customers, to identify and correct performance problems through targeted training.

We may also use GPS units on vehicles to help us track the times, locations, and routes you may drive in connection with work, for safety, efficiency, and compliance purposes.

We perform workplace monitoring in an ethical and respectful manner, and we are sensitive to the privacy concerns of employees.

515 Recording Devices in the Workplace

Effective Date: 07/01/2018

Revised Effective Date: 08/15/2019

Employees are prohibited from using cameras or other audio or visual recording devices in areas and/or meetings where client privacy, our trade secrets, or confidential business information may be compromised. In addition, employees may not record or take photographs of people without the prior agreement of those people being recorded or photographed. And even in those situations where recording conversations or interactions may not be prohibited by this policy, many states prohibit the recording of conversations or meetings unless the consent of all participating parties is obtained prior to the recording.

Please see our Confidentiality and Non-Disclosure policy for more information about the protection of our confidential business information and trade secrets.

601 Employee Conduct and Work Rules*Effective Date: 07/01/2018*

In order to maintain the excellent reputation we have earned with our customers and to provide the best possible work environment for you and your coworkers, we expect you to follow the rules of conduct set forth in this policy.

Performing with Integrity and Honesty

Any time you are interacting with someone connected to our workplace, their perception of your words, actions, and behaviors is more important than your intent. As a result, we expect you to perform with the highest level of integrity possible and to be honest and fair when you interact with customers, management, and coworkers.

If you are ever in doubt about whether a particular course of action is appropriate, seek guidance from the Human Resources Department.

Treating Others with Respect

Treat all customers with respect and demonstrate genuine concern for their needs, because one bad experience can ruin the relationship. Consideration, respect and courtesy also play important roles in maintaining positive and productive working relationships with your Department Manager and coworkers. Everyone is expected to communicate and work in a manner that is respectful to others.

Unacceptable Conduct

While it is not possible to list all the forms of behavior that are considered unacceptable in the workplace, the following are examples of actions and behaviors that may result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or possession of property
- Unethical, immoral, or criminal conduct in or outside of the workplace
- Dishonesty or misrepresentation including, but not limited to, falsification of timekeeping records, misrepresentation on employment applications, or dishonesty in an investigation
- Working under the influence of alcohol or illegal drugs
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating tools and equipment
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Smoking or using tobacco in prohibited areas
- Sexual or other unlawful or unwelcome harassment

- Unless otherwise provided by state law, possession of firearms, explosives or other dangerous or unauthorized materials, in the workplace or while working off company property. (This prohibition applies even if you have a legal permit to carry a weapon.)
- Excessive absenteeism or any absences without notice
- Unauthorized absence from work station during the workday
- Unauthorized use of computers, telephones, mail system, or other employer-owned equipment or networks
- Unauthorized disclosure of business “secrets” or confidential information
- Inappropriate words, actions, or conduct, inside or outside of the workplace that may reflect poorly upon, or cause harm to, J&R Schugel Trucking. This prohibition applies even words, actions, or conduct that occurs completely on personal time, including on Internet social networking sites. However, this is not intended to prohibit you from exercising legal rights and you will not be disciplined for engaging in protected activity.
- Unsatisfactory performance or conduct, including inefficiency, inattentiveness, and failure to manage and complete necessary workloads within scheduled hours
- Violation of personnel policies

Duty to Report Violations

Report any matter that you believe violates this policy and/or may result in any of the following: monetary loss, damage to reputation, or harm to an individual(s). Reporting such matters is essential so that we can respond appropriately. We do not retaliate against any employee who, in good faith, reports suspected violations of our policies.

602 Drug and Alcohol Free Workplace

Effective Date: 07/01/2018

We want to maintain a healthy and safe workplace that is free from improper drug or alcohol use. Our policies described below help us promote this goal.

Prohibited Uses of Alcohol and Illegal Drugs

While on our premises and while conducting business-related activities off our premises, you may not use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. Illegal drugs are those drugs defined as illegal under federal, state, or local laws and include (but are not limited to) marijuana, heroin, cocaine, methamphetamines, and prescription drugs used for recreational purposes, or without a prescription.

Use of Prescribed Drugs

The legal use of prescribed drugs is permitted on the job only if it does not impair your ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace. If you are a registered medical marijuana patient, you cannot be impaired while conducting business-related activities.

Employee Assistance Program

Our Employee Assistance Program (EAP) provides confidential counseling and referral services if you need assistance with such problems as drug and/or alcohol abuse or addiction.

We encourage you to address any questions or concerns you may have about substance dependency or abuse with the EAP, and to review the treatment programs that may be covered under our health insurance program or any other health insurance program that provides coverage to you. You can discuss these matters with your Department Manager or the Human Resources Department to receive assistance or referrals to appropriate resources in the community.

If you have any questions on this policy or issues related to drug or alcohol use in the workplace, please raise your concerns with your Department Manager or the Human Resources Department.

604 Bullying, Harassment & Offensive Behavior

Effective Date: 07/01/2018

Revised Effective Date: 08/15/2019

We are committed to providing a work environment where you and all other employees are treated with dignity, decency, and respect. In keeping with this policy, we will not tolerate bullying, harassment, offensive behaviors, or retaliation (hereinafter, “harassment,” unless otherwise noted). This policy extends to workplace harassment involving non-employees, such as outside vendors, suppliers, consultants, or customers. Conduct prohibited by this policy is unacceptable in the workplace and in any work-related setting outside of the workplace, such as during business trips, business meetings and social events, or where there is an impact in the workplace.

What is Harassment?

Harassment is hostile or offensive physical conduct, verbal comments, or written comments including, but not limited to, electronic communications, such as online posts or text messaging if that conduct:

- Has the purpose or effect of creating an intimidating, hostile or offensive working environment;
- Unreasonably interferes with an individual’s work performance or opportunities; or
- Otherwise affects the terms and conditions of employment.

Harassment because of the individual’s race, color, religion, sex, pregnancy, citizenship, national origin, ancestry, age, height, weight, disability, military service, veteran status, genetic information, union membership, creed, marital status, familial status, sexual orientation, status with regards to public assistance, membership in a local human rights commission, or any other status protected by law is unacceptable and will not be tolerated.

Definition of Sexual Harassment

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact, comments (verbal or written), or physical conduct of a sexual nature when:

- Submission to the conduct is made either explicitly or implicitly a term or condition of an individual’s employment; or

- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting that individual; or
- The conduct has the purpose or effect of unreasonably interfering with an individual's work performance; or
- The conduct has the purpose or effect of creating an intimidating, hostile or offensive working environment.

Sexual harassment may involve individuals of the same or different gender.

Examples of Harassment

Examples of harassment include, but are not limited to:

- Unwanted sexual advances.
- Offering employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual advances.
- Leering or making sexual gestures.
- Displaying or circulating sexually suggestive objects, pictures, cartoons, e-mails or posters.
- Displaying or circulating offensive objects, pictures, cartoons, e-mails or posters based on a legally-protected characteristic such as race, religion or sexual orientation.
- Making or using derogatory comments, epithets, slurs, or jokes.
- Electronic communications, such as online posts or text messaging, which are offensive or derogatory in nature about an individual due to their membership in a protected class.
- Graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations.
- Unwelcome physical conduct including touching, assaulting, impeding or blocking movements, or threatening and intimidating behavior.

Reporting Procedure

You are responsible for, and have an obligation to, report harassing or inappropriate behavior, whether it is directed at you or is something you saw or heard that was directed at someone else. Any Department Manager who learns of or observes harassing or inappropriate behavior, or receives a complaint about this kind of behavior, must immediately report the behavior or complaint to the Human Resources Department.

If you *experience* harassment in the workplace, whether by employees or non-employees, take the following steps:

- Take immediate action rather than ignoring the problem and waiting for it to go away;
- Tell the offending person, if you feel comfortable doing so, that his or her actions or comments are unwelcome, that the behavior is offensive and it must stop immediately;
- Report the incident as soon as possible to a Department Manager or the Human Resources Department; and

- Remember that we will *not* tolerate any retaliation against you for reporting concerns about harassing behavior or conduct.

If you *witness* harassment, take the following steps:

- Take the incident(s) seriously;
- Refuse to condone or participate in the behavior;
- Encourage the victim to speak with his or her Department Manager or the Human Resources Department; and
- Express suspicions or concerns to the appropriate Department Manager, or the Human Resources Department so that we can be alerted to any possibly harassing situations.

If you *engage in* harassing behavior or have been accused of engaging in harassing or inappropriate behavior, take the following steps:

- Stop the behavior immediately;
- Listen to the person complaining about the behavior; and
- Learn from the experience and do not repeat it.

You are protected from retaliation for making a complaint or exercising other rights protected by law.

Department Managers

For purposes of this policy, Department Managers are exempt employees whose primary duties involve managing a division of the company and directing the work of at least two full time employees or equivalents. Among other duties, Department Managers are responsible for hiring, firing, and disciplining others. Non-exempt employees who direct the work of employees, but do not have the authority to hire, fire, or discipline others, are not Department Managers for purposes of this policy.

If you are a Department Manager who is responsible for hiring, firing and disciplining employees, and if you engage in harassment, permit others under your supervision to engage in such harassment, retaliate or permit retaliation against an employee who reports such harassment, you are guilty of misconduct and shall be subject to immediate disciplinary action that may include termination of employment.

Investigations

We will promptly investigate any report of harassment, and will take swift and appropriate action at the end of our investigation. Complaints will be handled as discreetly as possible, although we cannot guarantee absolute confidentiality, since the alleged harasser is entitled to answer the charges, particularly if discipline or termination is a possible outcome.

You must cooperate fully during any investigation or fact-finding we conduct and must provide honest and complete information.

You cannot choose to “stay out of it” if you are asked for information that you have or have access to. This is true whether you are the complaining party, the accused party, or a potential witness.

Failure to participate fully and honestly in the investigative process, or in any fact-finding process initiated by us, is a serious violation of company policy and grounds for disciplinary action, which may include termination from employment.

Retaliation

We do not tolerate any retaliation against any employee who reports an incident of alleged harassment or inappropriate workplace behavior, or provides information during an investigation, and will take measures to protect all such employees from retaliation. *Engaging in retaliatory behavior is a violation of this policy, and is grounds for corrective action, up to and including termination of employment.*

Off-Site Events

On occasion, you may have the opportunity to participate in off-site events such as work related social gatherings, planning sessions, retreats, customer meetings, or conferences. These settings, which may be more informal than our workplace, can facilitate new learning, creative thinking and camaraderie among employees, vendors, and third parties. We expect that you will demonstrate the same professional standards of behavior at these events as they would in the workplace. Two specific guidelines should be kept in mind:

- If alcoholic beverages are served, they must be consumed in moderation.
- Harassment in any form will not be tolerated.

Liability for Harassment

If you violate this policy, you will be subject to disciplinary action, up to and including termination from employment. You may also be subject to personal legal liability for violation of this policy.

If you want more information about our harassment policy or complaint process, please contact a Department Manager or the Human Resources Department.

605 Attendance and Punctuality

Effective Date: 07/01/2018

To help us maintain a safe and productive work environment, we expect you to be reliable and punctual in reporting for scheduled work. Unapproved absenteeism and tardiness place a burden on us and the rest of your team. As a result, we do not pass judgment on, or give consideration to, the reasons why you may need to be absent from work. Instead, we focus only on the fact and frequency of absences. Similarly, just because you may have some amount of paid leave available does not mean that an absence will be “excused,” or will not be counted against your attendance. However, absences protected by law will not be counted against your attendance record, although we may require medical or other documentation to substantiate these absences.

In the rare instances when you cannot avoid being late to work or are unable to work as scheduled, notify your Department Manager at least 30 minutes in advance of the anticipated tardiness or absence. In general you are expected to actually speak with or email your Department Manager. Text messages and calling coworkers rather than the Department Manager will not be acceptable. Similarly, calls from friends, family members, or coworkers to report tardiness or absences will not be acceptable.

Manageable absences (such as doctor's appointments) should be scheduled outside of normal working hours whenever possible, or at least at times that are as minimally disruptive to the workplace as possible. In most cases, if you are absent for two or more successive business days without proper notification (i.e., are a no-call/no-show for those days), you will be considered to have abandoned and voluntarily terminated your position.

Corrective Discipline for Absences: allows you to correct your attendance before it becomes a terminable offense. An occurrence of absence which may require disciplinary action under this policy is any amount of work time missed after 32 hours and/or 4 workdays with proper notification (not to include paid time off or other approved time-off/absence mentioned above).

Reporting to work late or returning from breaks late is addressed in the tardiness section.

Disciplinary action will generally occur as follows:

- For any occurrence of absence beyond 32 hours and/or 4 workdays in any twelve (12) month period, you may receive a 1st written warning.
- For any subsequent occurrence of absence after the 1st warning in any twelve (12) month period, you may receive a 2nd written warning.
- For any subsequent occurrence of absence after the 2nd warning in any twelve (12) month period, you may receive a 3rd and final written warning.
- For any subsequent occurrence of absence after the 3rd warning in any twelve (12) month period, your employment may be terminated.

Corrective Discipline for Tardiness: Tardiness is defined as reporting to work after your scheduled start time or reporting to work late from breaks. Disciplinary action will generally occur as follows:

- Six occurrences of tardiness in any twelve (12) month period may result in a 1st written warning.
- Seven occurrences of tardiness in any twelve (12) month period may result in a 2nd written warning
- Eight occurrences of tardiness in any twelve (12) month period may result in a 3rd and final warning
- Nine occurrences of tardiness in any twelve (12) month period may result in termination.

606 Personal Appearance*Effective Date: 07/01/2018*

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image we project to customers and visitors.

During business hours or when representing us, you are expected to present a neat, clean and professional appearance. You should dress and groom yourself according to the requirements of your position and accepted social standards. This is particularly true if your job involves dealing with customers or visitors in person. On certain days when customers are visiting our facility, we will ask that you dress “professionally” or “business casual”, which is a higher level of dress to help us secure better business relationships. Where necessary, reasonable accommodation may be made for employees with disabilities, or who have legitimate religious needs.

If your Department Manager feels your personal appearance is inappropriate, you may be asked to leave the workplace until you are properly dressed or groomed. Under such circumstance, you may not be compensated for the time away from work.

Permissible Dress and Grooming

- Dresses (length cannot be more than 3 inches above knee)
- Suits/Pant Suit/Ties
- Skirts (length cannot be more than 3 inches above the knee)
- Blouses/shirts
- Blazers
- Vests
- Pants in business suitable fabrics
- Any type of business shoe (heels, flats, etc.)
- Khaki or “docker” style pants
- Mustaches and beards, as long as they are clean, well-trimmed, and neat

Impermissible Dress and Grooming

- Jeans (Exception: on Fridays, employees are permitted to wear jeans as long as the jeans do not have holes and are not torn or ragged)
- “Yoga pants”
- Leggings (Exception: employees can wear leggings under a dress or skirt)
- Canvas shoes, athletic shoes, and casual sandals (Exception: on Fridays, employees in the office are permitted to wear casual shoes)
- Tank tops and tube or halter tops
- Shirts with slogans or offensive imagery, including liquor and bar apparel
- Sweat pants
- Wind pants
- Shorts (Exception: on Fridays, employees may wear shorts as long as the shorts are not more than 3 inches above the knee)
- Body odor and poor personal hygiene
- Perfume, cologne and aftershave that are noticeable to other employees

- External scents, such as infusers, essential oils, and potpourri, that are strong-smelling and noticeable to other employees

Maintenance Staff Uniforms

We provide maintenance staff with uniforms which must be worn when working.

Consult your Department Manager if you have questions as to what constitutes appropriate appearance.

607 Return of Property

Effective Date: 07/01/2018

You are responsible for the safety and security of items that we issue to you or that are in your possession or control, including, but not limited to, uniforms, equipment, printed materials, and any other property we have provided to you.

You must return all of our property immediately upon request or upon termination of employment. Failure to return our property could result in legal action.

608 Personal Property in the Workplace

Effective Date: 07/01/2018

If you bring personal property into the workplace—whether in a parking area, at a job or customer site, or in a building or workspace—you are solely responsible for such property. We are not responsible for any damage to, theft, or loss of personal property, and we do not have insurance to cover any such loss, damage, or theft. As a result, if you are concerned about the safety of your personal items you should leave them at home and not bring them to work.

609 Workplace Violence

Effective Date: 07/01/2018

Threatening and violent behavior is prohibited throughout the workplace, and we have adopted this policy to ensure that all employees can work in an environment that is safe from, and free of, such behaviors.

Employees, customers, vendors, and other members of the public should be treated with courtesy and respect at all times. You are expected to comply with our Safety and Employee Conduct and Work Rules policies, and refrain from fighting, "horseplay," and other conduct that may be dangerous to others. You may not bring firearms, weapons, and other dangerous or hazardous devices or substances into the workplace, unless the device or substance was provided by us and is necessary to perform your job.

At no time may you commit an act of violence against anyone you come into contact with while working. Similarly, you may not threaten or otherwise intimidate an employee, vendor, customer, or other member of the public.

If you receive or observe a threat of violence or actual violence, report it immediately to your Department Manager. This includes threats or conduct by employees, customers, vendors, and other members of the public. Be as specific and detailed as possible when reporting a threat or act of violence.

You must also immediately report any suspicious activities or unaccompanied non-employees in the workplace and any suspicious activities to your Department Manager. Do not place yourself in peril. If you see or hear commotion or a disturbance, do not try to intercede.

In the event of an active shooter or other situation posing imminent danger, you should:

- Run if there is an accessible escape path;
- Hide if evacuation is not possible; and
- Fight if your life is in imminent danger and you have no option other than to attempt to disrupt and/or incapacitate the active shooter.

We will promptly and thoroughly address all reports of threatened or actual violence, as well as suspicious individuals or activities. Employees found to have engaged in threatening or violent behavior will be subject to prompt disciplinary action, up to and including termination of employment.

We encourage you to bring concerns and disputes to the attention of your Department Manager, a member of management, or the Human Resources Department without fear of retaliation.

611 Security Inspections

Effective Date: 07/01/2018

In an effort to maintain a safe work environment, including one that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials, and to discourage theft or unauthorized possession of our property or yours, we reserve the right to inspect all work areas, including desks, storage containers, lockers, and areas where personal belongings may be kept. We require the cooperation of everyone in administering this policy.

Because of the urgency underlying such searches, we may conduct inspections at any time, and without advance notice to you.

In addition, we may also conduct inspections of persons entering and/or leaving the premises, as well as personal items, such as purses, coats, etc. Anyone who wishes to avoid inspection of any articles or materials should not bring such items to the workplace.

612 Solicitation

Effective Date: 07/01/2018

In an effort to ensure a productive and harmonious work environment, non-employees may not solicit or distribute literature during working time for any purpose.

We recognize that you have interests in events and organizations outside the workplace and that you may make solicitations as a result of your involvement. However, you may not solicit or distribute literature concerning these activities during working time, unless we are sponsoring the activity. Working time does not include lunch periods, work breaks, or any other periods in which employees are not on duty. You are permitted to post information relating to events and organizations outside the workplace on the bulletin board in your break room as long as such posting does not violate this or any other policy in this Handbook.

For example, the following types of solicitation should be kept out of the workplace during working time:

- The collection of money, goods, or gifts for community groups;
- The collection of money, goods, or gifts for religious groups;
- The collection of money, goods, or gifts for political groups;
- The sale of goods, services, or subscriptions outside the scope of official organizational business;
- The circulation of petitions;
- The distribution of literature not approved by us; or
- The solicitation of memberships, fees, or dues.

In addition, sending electronic announcements are permitted only with prior approval from the Human Resources Department.

613 Progressive Discipline

Effective Date: 07/01/2018

This policy describes how we administer equitable and consistent discipline for unsatisfactory conduct and performance in the workplace. The best disciplinary measure is the one that does not have to be enforced and comes from good leadership and fair supervision at all levels.

We want to treat employees fairly and make sure that disciplinary actions are prompt, uniform, and impartial. Our goal for any disciplinary action is to correct the problem, prevent recurrence, and prepare the employee for satisfactory service in the future.

Although your employment with us is based on mutual consent and either of us have the right to terminate employment at will, with or without cause or advance notice, we may use progressive discipline at our discretion.

Disciplinary action may call for any of four steps -- verbal warning, written warning, performance improvement plan, or termination of employment -- depending on the severity of the problem and the number of occurrences.

Progressive discipline means that, with respect to most disciplinary problems, the following steps will typically be followed:

- 1st warning: A first offense may require your Department Manager to verbally counsel you about an issue of concern, and a written record of the discussion will be placed in your file for future reference.
- 2nd warning: A subsequent offense may require a written warning which will be placed in your personnel file.

- Suspension or performance improvement plan: If you have failed to resolve performance issues despite prior discussion, coaching or discipline, you may either be suspended, or placed on a performance improvement plan (PIP). PIP status will last for a predetermined amount of time not to exceed 90 days. Within that time period, you must demonstrate a willingness and ability to meet and maintain the conduct and/or work requirements as specified by your Department Manager and the company. At the end of the performance improvement period, the PIP may be closed or, if established goals are not met, a new PIP created or termination may occur.
- Termination of employment.

Certain types of problems may be serious enough to justify bypassing some of these steps, or, in extreme situations, going straight to termination.

While it is impossible to list every type of behavior that may be deemed a serious offense, our Employee Conduct and Work Rules policy includes examples of problems that may result in discipline and/or termination.

By using progressive discipline, we hope that most problems can be corrected at an early stage, without the need to pursue any additional interventions.

614 Employment Resignation and Termination

Effective Date: 07/01/2018

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

Resignation / Retirement occurs any time you notify us of your intent to end your employment with us. If you wish to resign from your employment with us, please notify your Department Manager or the Human Resources Department in writing at least 2 weeks (4 weeks for exempt employees) prior to your last day of employment with us. Generally, you are not permitted to use PTO during your notice period.

If you resign, we may schedule an exit interview with you during your notice period to discuss the reasons for your resignation and the effect of the resignation on your benefits.

In some circumstances, we may need to adjust your last day of employment to a date sooner than the date you requested in your resignation.

Job Abandonment occurs any time you fail to report to work or contact your Department Manager for two (2) or more scheduled workdays. Your official termination date will be the end of the last date you were actually at work.

Discharge / Termination occurs when we make the decision to terminate your employment for performance or conduct reasons. You are employed on an at-will basis (unless otherwise specifically agreed upon), which means that neither of us is obligated to continue the employment relationship, and either of us can choose to end it at any point.

Layoff occurs when we make the decision to end your employment for non-disciplinary reasons, such as business slow-downs, reorganizations, etc.

Your employment with us is voluntary and is subject to termination by you or us at will, with or without cause, and with or without notice, at any time. You will receive your final pay in accordance with applicable state laws.

615 Conflict Resolution Policy

Effective Date: 07/01/2018

To foster sound employee-employer relations through communication and reconciliation of work-related problems, we provide employees with an established procedure for expressing workplace issues and concerns. These issues and concerns may include working conditions, performance, policies, procedures or problems with co-workers or supervisors. Please follow the reporting procedure outlined in our Bullying, Harassment & Offensive Behavior policy or our Whistleblower Protections policy for conduct that violates either of those specific policies.

If you believe that you have a legitimate work-related complaint under this policy, you are encouraged to first attempt to resolve the issue(s) through discussions with your immediate supervisor. If you don't believe your concern has received the attention it deserves you may bring your concern to the next level of management.

You may also bring your concern to the attention of the Human Resources Department at any time. Your supervisor may also bring your concern to the attention of the Human Resources Department. Human Resources will attempt to help resolve the complaint within a reasonable period of time while preserving the confidentiality and privacy of those involved to the extent feasible. Nothing in this policy is intended to restrict you from exercising legal rights under any state or federal law nor will you be subject to discipline for engaging in legally protected activity.

The Schugel Scholarship

Annually awarded scholarships are in memory of Jenny and Rosie Schugel. The Scholarship is awarded to a J&R Schugel Trucking employee, lease/owner contractor and family members such as: spouse, children, stepchildren, grandchildren and adopted grandchildren.

Scholarship Eligibility:

Office employees, driver employees or owner operator contractor must be currently employed or contracted with J&R Schugel Trucking, Inc. for a period of 24 consecutive months or longer. The candidate must be planning to attend a certified school or learning institution.

Documentation Required:

Applicant is required to have an average grade point average of at least 2.50. Proof of acceptance and registration will be required before actual awarding of the scholarship.

Judging:

Applications for candidacy will be judged and chosen by board members who are not employed at J&R Schugel Trucking or an immediate family member of Jenny Schugel's. The candidates name will be deleted and a number assigned to ensure anonymity during the selection process.

Application Period:

All applications must be received no later than April 15th for the qualifying year. Candidates will be notified of the award on or before June 1st.

Payment:

The Scholarship award will be made payable and mailed directly to the candidate's school or institution in care of the candidate.

The Schugel Scholarship Program is an equal opportunity program and will not discriminate based on race, color, religion, sex, pregnancy, citizenship, national origin, ancestry, age, disability, military service, veteran status, genetic information, union membership, creed, marital status, familial status, sexual orientation, status with regards to public assistance, membership in a local human rights commission, use of lawful consumable products or any other status protected by law.

Details and Information Contact:

For further information or scholarship details please contact Michelle Luther at extension 226.

Severe Weather Shelter / Emergency Evacuation Plan

An evacuation chart is posted. It specifies the exits to be used when evacuating your department and the building. Consult this chart and plan so you are familiar with the route specified for your department.

Weather Definitions

Tornado Watch - Atmospheric conditions are right for a tornado and development is expected to occur.

Tornado Warning - A tornado has been sighted, either on radar or visually.

Action Plan, Tornado Watch

Since a tornado watch indicates that a tornado is likely to develop and may allow time to prepare, the following actions should be taken.

- Our Administrative Assistant is designated to watch for up-dates on condition changes and/or warnings. Personnel will be notified via AS400 and PA system of the watch status. If a tornado warning is given, our Administrative Assistant will inform Department Managers who will notify employees to be prepared to move to their designated shelter area of the building.
- Preparations should be made to rapidly shut down and isolate equipment and electrical systems.

Action Plan, Tornado Warning

If advised that the building is likely to be in the path of a tornado, the following actions should be taken as time allows. All personnel will be notified by management personnel who will begin an orderly evacuation of employees to designated areas. Stay away from windows and remain in designated areas until the “all clear” has been announced. Shut down computers and electrical systems.

Designated Shelter Areas:

Diagrams for main building are shown on pages 38 & 39.

- **Maintenance Dept. & Drivers - See code “M”**
Take shelter in one of the two service pit areas of the shop.
- **Accounting Dept. - See code “A”**
Take shelter in the supply room behind the switchboard near main entrance.
- **Operations & Sales, Refrigerated and Dry Van - See code “O”**
Take shelter in the downstairs restrooms.

- **Logistics and Training Dept. - See code “L”**
Take shelter in the enclosed office across from the conference room.
- **Safety, Recruiting, IT and NND - See code “S”**
Take shelter in the closets adjacent to the downstairs conference room.

Building Evacuation Plan

The plan below applies to employees in our Minnesota location. Employees located outside of Minnesota are encouraged to consult with their direct supervisor for building evacuation plans.

Action Plan: Fire (building evacuation)

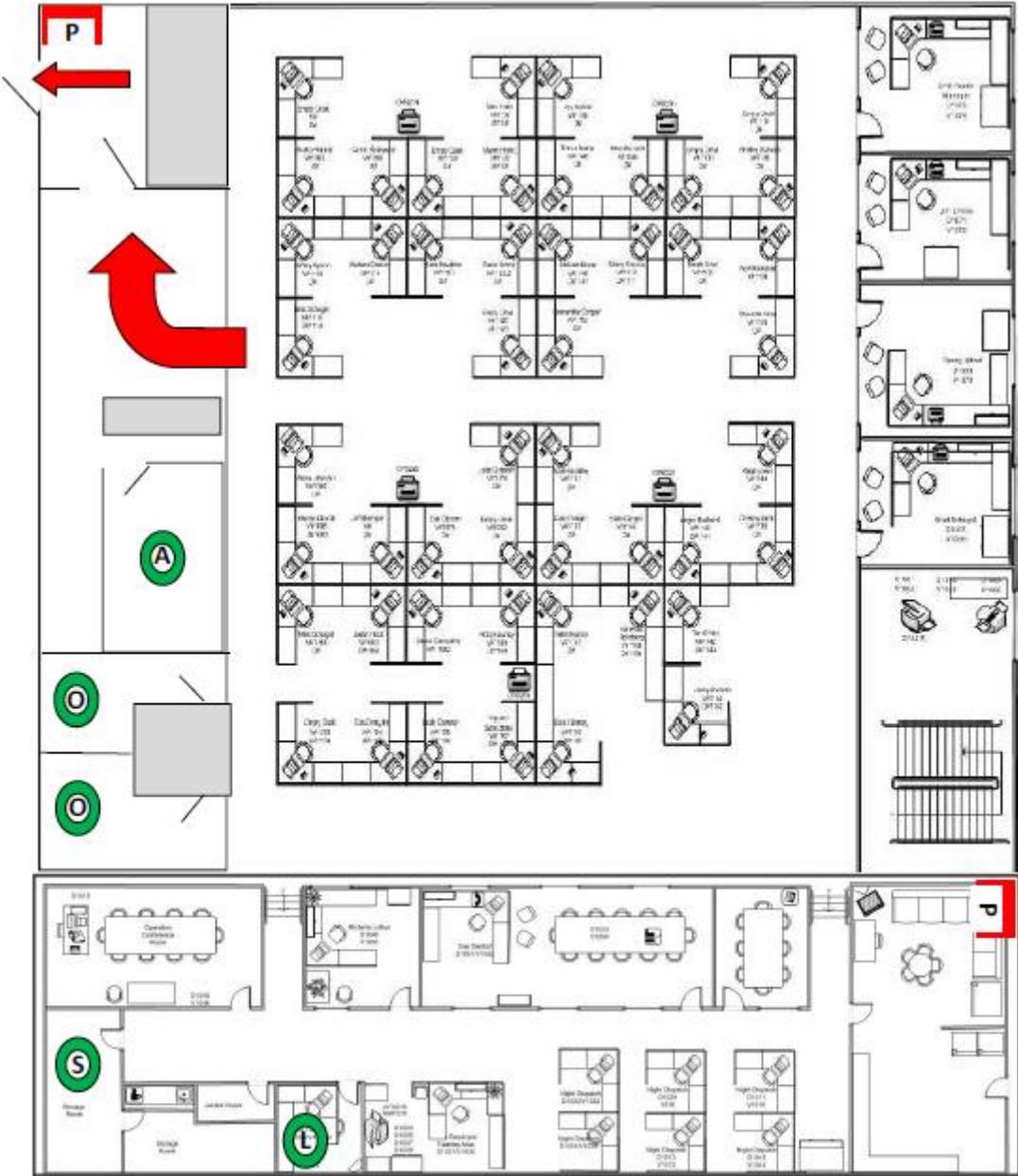
- All Accounting and Operations personnel will exit the terminal from the front entrance and move across the street to wait next to MRCI. Upstairs employees will use the stairway.
- All Maintenance personnel will exit and move to the sidewalk on N. Broadway at the entrance of our truck parking lot.
- Employees should wait in their designated areas until senior management accounts for each person then escorts them back inside the building.

General Safety

- For any injuries/illnesses which are at all disabling and require medical treatment combined with the absence from work, it will be necessary to have a doctor's release before returning to work. This applies whether or not the injury/illness is work related.
- First aid supplies are available for the care of minor cuts, scrapes, scratches, burns, etc. See the Director of Human Resources if you should require assistance.
- Appropriate personal protective equipment is available for employees working in positions that require the use of these items. Use is required. Maintenance workers must wear personal protective equipment appropriate for being on the job.
- All aisles, walkways and exits must be kept clear at all times.
- 3-point contact is required, with hands free of any other objects when ever entering or exiting trucks and/or trailers.
- Heaters used within the building must be either grounded or have an auto shut off feature if tipped.
- An employee who willfully or negligently fails to observe safety rules will be subject to disciplinary action, up to and including termination, when warranted.

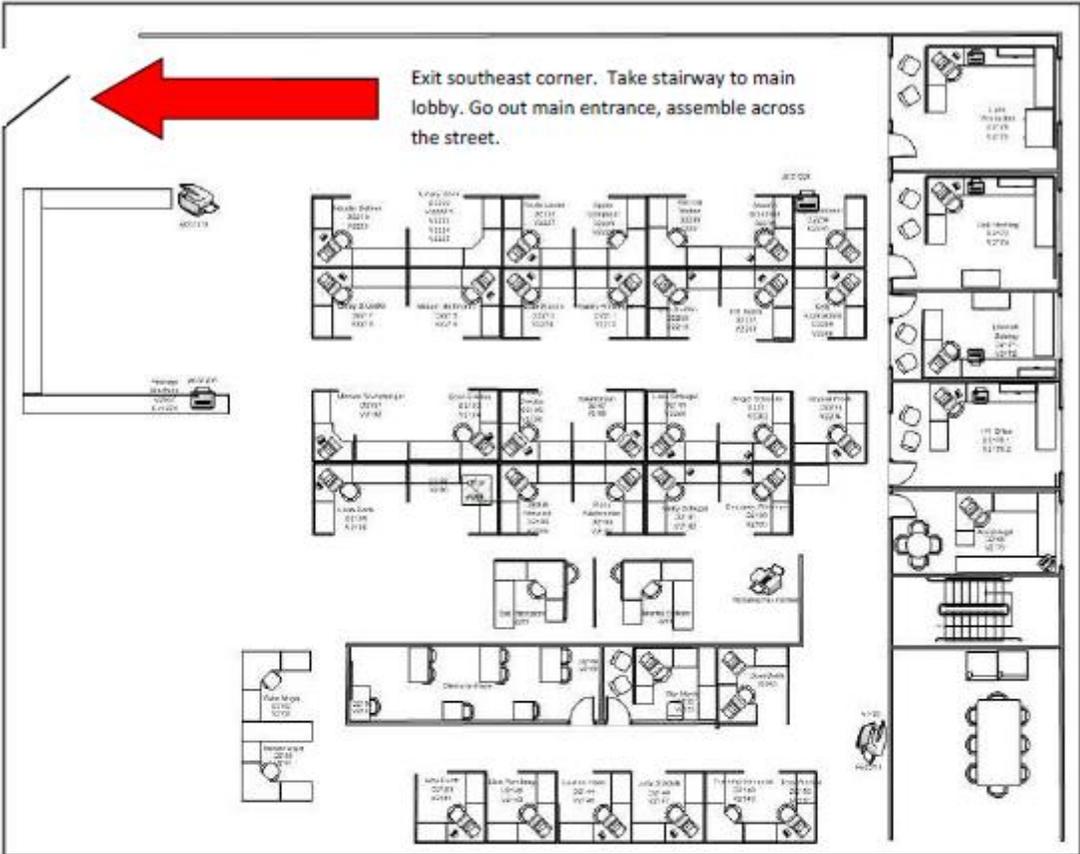
Fire Extinguisher Instruction

All able employees must view the training materials on fire extinguisher use found at the following location in the shared files: **S:\Training\new employee training\7.3 fire training.pdf** If you are unable to locate or use the file as training material, notify your supervisor.

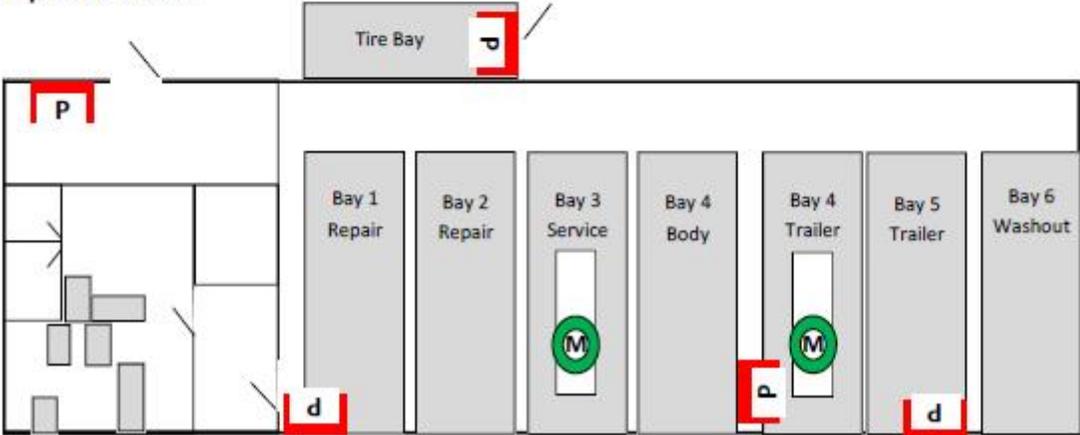


Operations Area

-  **Evacuation** Exit toward southeast corner to main lobby. Exit main entrance, assemble across the street.
-  **Severe Weather Shelters**
A = Accounting, O = Operations S = Safety, Recruiting, Trainer & NND L = Logistics
-  **Emergency Pull Stations** - To set off alarm, grasp lever, pull downward.



Upstairs offices



Maintenance Department

Employee Acknowledgement Form

The employee handbook describes important information about my employment, and I understand that I should consult the Human Resources Department regarding any questions not answered in the handbook. I have entered into my employment relationship voluntarily and acknowledge that there is no specified length of employment. Accordingly, either I or the company can terminate the relationship at will, with or without cause, at any time, so long as there is no violation of applicable federal or state law.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions to the handbook may occur, except to the policy of employment at-will. Only the President or the Human Resources Department has the ability to adopt any revisions to the policies in this handbook. All such changes may be communicated through official notices, and I recognize that revised information may supersede, modify, or eliminate existing policies.

I understand a new Employee Acknowledgement Form may not be obtained for any subsequent changes. Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document. I have received access to the handbook, and I understand that it is my responsibility to read and comply with the policies contained in the handbook and any revisions made to it.

Employee's Signature

Date

Employee's Name (typed or printed)