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EMPLOYEE HANDBOOK

This employee handbook (“handbook”) provides general information about ACME Plumbing of Durham, Inc. (“the Company”) human resources policies, practices, and benefits. It does not address every situation that may arise and, therefore, is not intended to serve as an exhaustive set of rules. This employee handbook supersedes all previous employee handbooks and written policies. The Company, at its sole option, may change, modify, alter, delete, suspend, or discontinue any part or parts of the policies, practices, and benefits in this handbook at any time with or without prior notice. Any changes made to this handbook will be distributed, either in hard copy or email, to all the Company employees. This handbook, in its entirety, is available electronically on the Company’s website www.acmeplumbing.com. No oral statements or representations, whether or not in writing, by anyone at the Company can in any way change, modify, or alter the policies, practices, or benefits in this handbook. The policies, practices, and benefits in this handbook may only be changed, modified or altered in writing by the Company.

This handbook and its related policies, practices and procedures are not intended and do not create an employment contract between the Company and its employees. No contract for employment, either expressed or implied, is created. **No one is authorized to provide any employee with an employment contract or special arrangement concerning terms or conditions of employment unless the contract or arrangement is in writing and signed by Larry Tilley. This handbook does not limit an employee’s right or the Company’s right to terminate employment at any time for any reason, with or without cause, and with or without notice. The at-will relationship exists for all employees.**

Should any provision of this handbook be found to be unenforceable or invalid, such a finding does not invalidate the entire handbook, but only the subject provision. Any questions about the handbook or the Company’s policies, practices or benefits should be directed to Lee Ann Tilley.

This handbook nor the official policies referred to within is intended to affect the Company’s right to manage its workplace, discipline its employees, guarantee employment, or guarantee terms or conditions of employment.

Table of Contents

THE HISTORY OF ACME PLUMBING & HEATING	4
A WORD FROM THE PRESIDENT	6
MISSION STATEMENT	7
COMPANY GOAL.....	8
EMPLOYEE RESPONSIBILITIES STATEMENT	10
AT-WILL POLICY.....	11
EQUAL OPPORTUNITY, ANTI-HARASSMENT AND NON-DISCRIMINATION POLICIES.....	12
Americans with Disability Act.....	16
GENERAL POLICIES AND GUIDELINES	18
DRUG POLICIES AND GUIDELINES.....	30
TOOLS	33
MATERIAL	35
WORKING HOURS AND COMPENSATION	36
EMPLOYEE BENEFITS AND LEAVE.....	40
SAFETY.....	44
EMPLOYEE HANDBOOK RECEIPT	48

THE HISTORY OF ACME PLUMBING & HEATING

By Larry Tilley

My grandfather, W.L. Tilley, Sr., (NC Plumbing license #482) started his own Plumbing business in 1947 in a garage behind his home on Duke Street. My father, W. L. "Dub" Tilley, Jr. (NC P#1028) soon joined him as a partner. Most of their work consisted of new residential construction. There are quite a few houses in Durham where Papa put in the plumbing and boilers with baseboard heat. He retired in 1966 and Dub developed the business with my mother Shirley Tilley (Warm Air Heating License), always working beside him.

First year's sales for Tilley's Plumbing & Heating Co totaled \$14,841.00 with \$781.00 profit.

In 1953, the company ventured into the realm of commercial construction, primarily into heating, and the name ACME Plumbing and Heating was established. ACME means the highest point or pinnacle. (The name also assured the business a listing on the front page of the Durham telephone book!)

In 1958 ACME got into the commercial air conditioning business.

In the 1960's ACME purchased Paschall Brothers Plumbing & Heating (NC PH license #2), which was one of the oldest P&H firms in North Carolina. The shop was moved to Paschall's downtown location at 326 W. Geer Street, around the corner from where we are now. We were there for twenty years before moving to 636 Foster Street in 1984.

In 1964 ACME started counter sales of plumbing and heating parts and material and later opened the "Bath Boutique".

In 1978, the HVAC service department was sold to a departing employee.

In 1984 I joined the business full time (P#11524), and my first duty was to oversee the construction and remodeling of the new building. At that time Ken West was a foreman running the Lenoir Hall renovation job. The next year we opened a fixture showroom and my wife, Lee Ann Tilley, came to work here too. Bill Drummond was hired as our Service and Remodel manager in 1987.

ACME Plumbing Durham, Inc

Shirley retired in 1989 and Dub retired in 1992.

In 1995 ACME closed the showroom and discontinued counter sales and kitchen and bath remodeling.

In 1998 ACME re-entered the HVAC service and replacement market. Soon after Switzerland Air was established.

From 2004 through 2013 the service plumbing business was renamed Benjamin Franklin Plumbing. In 2013 it was rebranded simply Acme Plumbing Co.

In 2005 the service HVAC business was renamed One Hour. The HVAC business was sold in 2013. The shift in the heating market away from hydronics has caused ACME to evolve into primarily providing plumbing and piping services.

In 2013 my son Laurence Thornton Tilley (P#35703) came to work for the company and headed the service department before moving to the commercial department in 2021. His wife, Jessica Tilley, started working in the office in 2022.

In 2021, after 37 years downtown, the ACME shop moved to make way for the GeerHouse Apartments. In 2023 the move was made to our current location on Industry Drive.

ACME is organized into two companies representing different profit centers in the business. The two profit centers are commercial plumbing and the service department. Commercial crews are usually composed of a lead plumber and journeyman or apprentice. Projects are staffed as needed by these two person crews. The service company covers the Durham area. Service technicians usually work alone and are supported by the dispatcher and office staff.

A WORD FROM THE PRESIDENT

We at ACME Plumbing work hard to be known as one of the best plumbing contractors in North Carolina. Our reputation is due to the contributions of competent and loyal employees. As a Company we have been able to meet the challenging expectations of our many customers because of the performance of these same employees.

Our emphasis on safety and quality performance are equally key factors in our success. Without dedicated employees communicating together this success could not happen. The future of ACME Plumbing depends on each employee whether they are field, administrative, supervisory or support. It is your responsibility to familiarize yourself with all aspects of this handbook. This important information will help you understand what is expected of you during your employment. Supervisors are able to answer any questions that you may have concerning your employment at ACME Plumbing Co., Inc. Employment with this company is based wholly on qualification, competence and desire to work without regard to race, color, sex, religion, age, national origin, disability or any other status protected by law.

New employees are hired on a 90-day probation period, which allows us to get to know each other, but does not alter the at-will employment relationship. After you have completed your probationary period, you will become eligible for all benefits that pertain to your job classification. This does not mean or imply that you are guaranteed employment for any specified length of time and does not alter that at-will employment relationship.

Please insert any updates or revisions concerning policy changes in the proper sections of this handbook. Keep up with your handbook; however, should you lose or misplace it, please ask for another one, and it will also be on our website for employees.

Sincerely,

W.L. "Larry" Tilley, III
President

MISSION STATEMENT

Our mission is to provide quality mechanical construction and repair solutions to a select market in the Triangle Area. We are committed to providing these services professionally and ethically with customer satisfaction.

We strive to achieve excellence, profitability and growth by seeking out the highest caliber individuals and providing an environment encouraging integrity, professionalism, technical expertise and teamwork.

This business will maintain itself as a respected and integral part of the community.

COMPANY GOAL

Goal #1

STABLE PROFITABLE GROWTH

STRATEGY:

Obtain stable profitable growth by expanding into markets consistent with our expertise along with increasing our share of our current markets.

OBJECTIVES:

- 1. Expand into a new market, which would utilize existing resources.**
- 2. Increase commercial job capacity/market.**
- 3. Increase service market share.**
- 4. 6% net operating profit after taxes.**
- 5. 10% growth per year in sales.**

Goal #2

COMPLETE CUSTOMER SATISFACTION

STRATEGY:

Place highest priority on customer service by understanding and anticipating their needs.

OBJECTIVES:

- 1. Reduce number of callbacks**
- 2. Improve and monitor customer satisfaction by follow up telephone calls.**
- 3. Improve warranty policy.**
- 4. Improve customer response.**
- 5. Improve and promote problem solving ability among employees.**

Goal #3

PROVIDE FOR GROWTH AND SELF FULFILLMENT OF EACH MEMBER OF THE ORGANIZATION.

STRATEGY:

Provide an environment conducive to professional achievement and development of team spirit.

OBJECTIVES:

- 1. Develop a teamwork attitude.**
- 2. Develop career planning for all employees.**
- 3. Provide specialized training in areas of employment.**
- 4. Performance evaluations regularly administered.**
- 5. Above market average compensation.**
- 6. Develop an incentive pay plan.**

Goal #4

TECHNICAL EXCELLENCE

STRATEGY:

Develop an in-depth training program and encourage innovative solutions.

OBJECTIVES:

- 1. Develop job classification criteria.**
- 2. Develop a graduated employee personal tool inventory requirement.**
- 3. Develop a tool inventory per employee for company owned tools with accurate inventory.**
- 4. Tool usage and safety program.**
- 5. Truck and tool maintenance program-communicate to all employees.**
- 6. Ensure that the quality of installed material is suitable for the application.**
- 7. Develop a comprehensive safety program.**
- 8. Develop a comprehensive training program.**
- 9. Seek out cross training opportunities.**
- 10. Establish a program that recognizes innovation, excellence, safety, longevity and personal views.**

EMPLOYEE RESPONSIBILITIES STATEMENT

Welcome to the team at ACME Plumbing.

We would like to take this opportunity to inform you of some of the duties and expectations that are conditions of your employment with us. ACME Plumbing is committed to a high standard of excellence from the people we employ and the services we provide to our customers. The cornerstone of our commitment to quality is Safety.

You are expected and required to be a safe worker at our Company. Safety protects you from injury and illness along with your fellow workers. Safety is also the law. Almost every task you perform is the subject of some government regulation.

A safety program can only be effective if every employee makes safety his or her responsibility. You will receive a great deal of specific training on identifying hazards and on safety procedures, and you'll have information and equipment designed to help you stay safe.

Only you can put all of the aspects of our safety program to good use. Keep safety in mind no matter what you're doing. Use your common sense and follow these basic guidelines.

- Report any accident, injury, or illness immediately.
- **STAY ALERT!!** Your life and the life of others may depend on it.
- Be **AWARE** of what is going on around you.
- Be **PREPARED** for the weather and long hours that the seasonal nature of our job sometimes requires. Wear neat and comfortable clothing. Drink plenty of fluids. Bring a good lunch and snacks. Wear protective equipment as required.
- **DO NOT** perform a task unless you know how to do it safely. Ask your supervisor to explain if you do not understand. It is always OK to ask questions.
- **REPORT** any defective, malfunctioning, or "just not right" tool, machine, or protective equipment to your supervisor immediately.
- **WEAR** protective equipment. Ask if you are not sure.
- **PLAN SAFETY** into your every work assignment. The proper safety precautions and equipment is just as important as the right materials and equipment to complete your work.
- Keep all tools, equipment, vehicles and work areas clean.
- **ASK QUESTIONS ABOUT ANYTHING YOU DO NOT UNDERSTAND!!**

As you now recognize, this Company is very serious about preventing accidents, injuries and illnesses. We take your safety very seriously and expect you to do the same. Again, welcome to the team at ACME Plumbing.

AT-WILL POLICY

Employment-At-Will

Employment with the Company is based on mutual consent; both the employee and the Company have the right to terminate employment at any time, with or without notice, for any lawful reason, or for no reason at all. The most common circumstances under which employment is terminated include resignation, discharge, reduction-in-force, or retirement.

No provision in this handbook or any other personnel policy or procedure document shall be construed to the contrary or construed to limit this right in any way. No supervisor, employee or other representative of the Company is authorized to alter the terminable at-will nature of employment with the Company or make any agreement to the contrary. Any agreement altering or modifying the terminable at-will nature of employment with the Company must be in writing signed by the President, Larry Tilley.

EQUAL OPPORTUNITY, ANTI-HARASSMENT AND NON-DISCRIMINATION POLICIES

Equal Opportunity

We want to maintain an employee relations climate, which promotes maximum personal development and achievement. We are an equal opportunity employer and do not discriminate on the bases of age, race, color, national origin, sex, religion, creed, veteran status, disability, sexual orientation or any other characteristic prohibited by law. We are dedicated to ensuring the fulfillment of this policy with respect to hiring, selection for training, promotion, transfer, layoff, termination, leaves of absence, rates of pay or any other term or condition of employment. When necessary, we will reasonably accommodate employees and applicants with disabilities and with religious requirements necessitating accommodation. We expect everyone to show understanding and consideration to fellow employees and to respect and observe this policy.

Employees who believe they are being or have been unlawfully discriminated against should immediately report the incident to their supervisor, any supervisor with whom the employee feels comfortable reporting such information, to Lee Ann Tilley, or the Company President, Larry Tilley. Retaliation against employees who reports perceived discrimination or who participate in investigations as witnesses or in other capacities is also prohibited and must be reported to your supervisor, any supervisor with whom the employee feels comfortable reporting such information, Lee Ann Tilley or the Company President, Larry Tilley. The Company does not authorize or condone unlawful discrimination or retaliation. If any employee is found to have unlawfully discriminated or retaliated against any other employee, appropriate disciplinary action, up to and including termination, will be taken.

Sexual Harassment and Other Forms of Discrimination

The Company prohibits any form of harassment or discrimination (including sexual harassment) on the basis of age, race, color, national origin, religion, disability, sex, sexual orientation or other protected characteristic, whether by a supervisor, co-worker, contractor, or non-employee.

While it is not easy to define precisely what harassment on any of these bases is, it certainly includes slurs, epithets, threats, derogatory comments and unwelcome jokes, sexual advances, requests for sexual favors and other verbal or physical conduct such as uninvited touching or sexually related comments. The purpose of this policy is not to regulate our employees' personal morality. It is to assure that in the workplace, each employee can accomplish their job without being subjected to harassment.

Sexual Harassment

Sexual harassment is a form of discrimination involving unwelcome sexual or sex-based conduct that interferes with the employment of others. Sexual harassment is any unwanted or unwelcomed verbal or physical advances, sexually explicit derogatory statements, requests for sexual favors, or sexually discriminatory remarks made by someone in the workplace which is offensive or objectionable to the recipient or which causes the recipient discomfort or humiliation, or which interferes with the recipient's job performance. Harassing behaviors can be verbal, non-verbal, or physical, and range from subtle innuendo of a sexual nature to coerced sexual activity. Either men or women can be sexually harassed by someone of the same or opposite sex, and the law protects both sexes equally from this discrimination.

Examples of Sexual Harassment. Workplace behavior that is sexually harassing includes but is not limited to:

- Unwanted sexual remarks or inferences;
- Offensive comments about sex or gender-specific traits;

- Unwelcome sexual propositions, threats, bribes, written notes, or phone calls;
- Unwelcome gestures or sounds;
- Unwanted physical contact of a sexual nature (e.g. touching, pinching, kissing, holding);
- Promise of promotion, favorable performance evaluations, etc. in return for sexual favors, known as “quid pro quo” or “this for that”; or
- Threatening or insinuating, whether explicitly or implicitly, that an employee’s refusal to submit to sexual advances will adversely affect the employee’s employment, evaluation, wages, advancement, assigned duties, shifts or any other condition of employment.

Other Types of Unlawful Harassment/Discrimination.

Harassment or discrimination is a verbal, nonverbal, or physical conduct that denigrates, belittles, or puts down an individual or shows hostility, distaste, or aversion toward that individual based on that individual's race, color, national origin, religion, gender, sexual orientation, age, disability, veteran status or participation in a protected activity or any other characteristic protected by law.

Examples of Other Types of Unlawful Harassment.

Other conduct that can be unlawful harassment includes verbal, nonverbal, or physical conduct that shows aversion, denigration, or hostility because of race, color, religion, national origin, gender, age, disability, sexual orientation or any other characteristic protected by law and that:

- Creates an intimidating, hostile, or offensive working environment;
- Unreasonably interferes with an individual’s work; or
- Adversely affects an individual’s employment opportunities.

Reporting Procedure.

If an employee believes that he or she is being unlawfully harassed or retaliated against or if an employee observes or otherwise becomes aware of such conduct in the workplace, the employee should immediately report the incident to one of the following individuals: your supervisor, any supervisor with whom the employee feels comfortable reporting such information, Lee Ann Tilley or the Company President, Larry Tilley. This procedure does not require an employee to report such

conduct to the employee's supervisor or to anyone who the employee believes is participating in the conduct. Instead, the employee may choose to report such conduct to any of the individuals listed above with whom they would be most comfortable speaking to. The greatest discretion will be utilized in investigating and, where appropriate, remedying improper conduct.

Supervisors who become aware of harassment or retaliation either directly or indirectly must immediately report such matters to Lee Ann Tilley or the Company President, Larry Tilley. Disciplinary actions up to and including termination of employment may result against supervisors who fail to respond timely and appropriately to the allegations.

All reports of alleged harassment or retaliation will be investigated. Under no condition will the investigation be conducted by or under the direction of the person reported to have engaged in the alleged harassment or retaliation. Sexual harassment violates the Company's policy as well as Federal law, and employees should be aware that substantiated incidents of such behavior will result in disciplinary action for offenders, up to and including dismissal. There will be no retaliation against any employee who, in good faith, seeks resolution or reports harassment under this policy. Any violation of this policy will result in discipline, up to and including discharge.

Sexual and Other Types of Unlawful Harassment/Discrimination on Company Grounds by Contractors or Individuals Who Are Not Company Employees

The policies contained in this section, including the reporting procedures and no retaliation policy, regarding sexual harassment and other types of unlawful harassment or discrimination, shall also apply to contractors or individuals who are not employees of the Company when such individuals are on Company property or during Company events.

Americans with Disability Act

The Company is committed to providing equal employment opportunities to individuals with disabilities, those regarded as having disabilities and those associated with individuals with disabilities. Accordingly, the Company does not discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training or any other terms, conditions and privileges of employment. The Company complies with all federal and state laws concerning the employment of persons with disabilities including the Americans with Disabilities Act (ADA) and the Americans with Disabilities Act Amendments Act (ADAA) and acts in accordance with regulations and guidance issued by the Equal Employment Opportunity Commission (EEOC).

Eligibility

the Company will engage in an interactive process to find reasonable accommodation for qualified individuals with a disability to enable them to perform the essential functions of a job, unless doing so causes an undue hardship to the Company, or a direct threat to these individuals or others in the workplace, and the threat cannot be eliminated by reasonable accommodation.

When an individual with a disability is requesting accommodation and can be reasonably accommodated without creating an undue hardship or causing a direct threat to workplace safety, he or she will be given the same consideration for employment as any other employee or applicant.

All employees are required to comply with the Company standards. Current employees who pose a direct threat to the health and safety of themselves or other individuals in the workplace will be placed on appropriate leave until the Company can make a lawful and reasonable decision in regard to continued employment. Individuals who are active illegal drug users are excluded from coverage under the Company's Americans with Disabilities Act (ADA) policy.

Applicants and employees are assured that all information regarding a disability shall be kept confidential except that:

- Appropriate supervisors may be informed regarding restrictions on the work or duties of disabled employees and any accommodations that have been made; and
- Government officials investigating compliance with federal laws may be informed.

All employees with responsibilities, which may require knowledge of disabilities, are advised that they are to treat the knowledge with confidentiality.

Procedures

The Human Resources Administrator, Lee Ann Tilley, is responsible for implementing this policy, including requests for and resolution of reasonable accommodations, safety and direct threat determinations, and undue hardship issues. All requests for reasonable accommodation should be presented to Lee Ann Tilley or her designee.

Any employee or job applicant who believes that he or she has been discriminated against on the basis of disability should immediately bring the problem to the attention of their supervisor, or any other supervisor with whom the individual feels comfortable, including Lee Ann Tilley and the President, Larry Tilley. No applicant or employee will be subject to coercion, intimidation, interference, or discrimination for registering a complaint or for assisting in an investigation of any alleged violation of laws prohibiting discrimination on the basis of disability.

GENERAL POLICIES AND GUIDELINES

We are a business with a large investment in tools, materials, equipment and people. Our work is very specialized, and we compete in a very competitive market. Our success depends on the loyalty and productivity of each employee. Everyone is expected to work together and to protect the interests of the Company and our fellow employees at all times. Quality, craftsmanship and customer service is a team effort that each employee must commit to in order to ensure the success of the Company and the individuals in the Company.

PRIDE IN WORK: We should all take pride in a job well done. Quality and craftsmanship is the key to our continued success. We expect all of our work to be completed in a productive and professional manner. Building quality into our projects reduces wasted time, material, callbacks and lost profits. We want you to take pride in each completed task and to take the time to get the job done right the first time.

CUSTOMER RELATIONS: Courteous and professional craftsmen are the best advertising and public relations we can have. Each employee is expected to always treat each customer politely and professionally. We are dedicated to the idea that quality is defined by our ability to meet or exceed our customer's expectations. Our internal customers such as field employees, office staff and supervisors deserve the same respect and politeness as our external paying customers. Contractors, inspectors, fellow employees and the public all have different needs and expectations. They all deserve our best customer service and commitment to quality. Insubordination or refusal to carry out supervisor's instructions will be grounds for disciplinary action, including termination.

EMPLOYEE APPEARANCE: Pride in work and quality customer service also demand that we take pride in our professional appearance. Employees are expected to maintain good personal hygiene and wear appropriate clothing.

- Safety is another consideration for employee appearance. Good work shoes or boots and clothing free of tears and loose ends reduce the risk of accidents.
- Shorts, bathing suits, tank tops, cut offs, sweat suits and similar attire is not permitted.
- Loose clothing is a safety hazard. It can get caught in equipment. Loose clothing such as sweat suits or warm up suits are not permitted.
- Leather shoes or boots with hard soles must be furnished and worn by employees at all times.
- Personal appearance is also important. We ask that all employees report to work clean and well groomed.

Service employees are **required** to wear uniforms and the Company will pay a portion of the cost. Our commitment to quality customer service does not allow objectionable wording or images on hats or clothing. Determination of objectionable wording or images is at the sole discretion of the Company.

RESPECTING OTHERS' WORK: It is not unusual to encounter obstacles and interference to our work. Other trades work is frequently involved and often one trade must wait, move or compromise in order to solve a problem. Common sense and courtesy will usually resolve any problem. Situations that cannot be resolved between parties on the job site that will result in additional significant time, material or rework need to be reported to the appropriate supervisor prior to that work taking place.

DISAGREEMENTS: Disagreements are an inevitable part of doing business. Disputes, misunderstandings and disagreements with other trades, inspectors, coworkers and others deserve the same quality customer service as our other work. Each employee is expected to protect the interests of the Company in a professional, courteous and positive manner. Fighting, horseplay, disorderly, unsafe, or immoral conduct will not be tolerated, and will be grounds for discipline, including immediate termination. Again, common sense and courtesy will resolve most problems.

OPEN-DOOR POLICY: Acme is committed to fair and equitable treatment for all employees. Good-faith complaints, grievances, questions, comments, suggestions, or ideas are of interest to Acme. Acme encourages its employees to communicate such good-faith complaints, grievances, questions, comments, suggestions, or ideas to their supervisor, Lee Ann Tilley in Human Resources or the President, Larry Tilley.

COMPLAINT PROCEDURE: All employees are urged to discuss any workplace problems or complaints with their immediate supervisor. We believe in an open door policy that allows all problems and concerns to be openly and objectively discussed. The following procedure should be used.

Step 1. Discuss the problem with your supervisor. You may also bring another employee with you to help explain your concern. The next level of supervisor can be contacted in case of any discomfort with an immediate supervisor.

Step 2. Allow your supervisor at least 5 working days to resolve your complaint. If you then feel that the problem has not been satisfactorily resolved then discuss the complaint with the next level management. You may also bring another employee with you to help explain your concern.

Step 3. Allow 5 working days for their supervisors to satisfy your complaint. If you feel that the matter is still unresolved then their supervisor will arrange for you to talk directly to the Department Manager or the President of the Company.

SMOKING: Employees are encouraged not to smoke due to health reasons.

Smoking is not allowed in posted areas, while refueling, within 50' of flammable materials or any other time that it could jeopardize personal or property safety. Dispose of butts in proper containers.

Smoking is never allowed in private homes or owner-occupied buildings. Many public and private owners restrict or ban smoking on their property. Their rules are our rules. Common courtesy should prevail for situations that allow smoking but is objected to by others.

MEDIA CONTACTS: Employees shall not give interviews to, make comments to, or address inquiries from the media for any reason regarding Acme, its business activity, company policy, customers or vendors. All such communications should be directed to the President, Larry Tilley.

TELEPHONE: Courteous telephone skills require that each call be answered politely. Attention should be paid to speaking clearly and to taking a legible and complete message if needed. Personal phone calls during working hours are discouraged and will be kept brief if required.

ATTENDANCE: Excessive absenteeism or lateness will not be tolerated and is ground for discipline including immediate termination. It is vital to the success of the Company and other employees that each person shows up for work on time each day. Company profitability and the job security of all employees require dependable and productive performance by everyone on the team. One person late or absent

can delay the entire crew. Always keep in mind that your actions have an impact on the entire team.

Advance notice is required as early as possible when you are going to be late or out for the day. Always call in immediately if an unscheduled emergency, sickness or personal reasons cause you to miss work. The crew may need to be rearranged or delayed if you are going to miss work. Try to call in or text at least one hour before the time you are supposed to report to work.

Commercial employees must talk to your PROJECT COORDINATOR or Larry Tilley 919-422-1217 to report an absence.

Service employees must talk to Norm Sidik or Anthony Rogers (919-688-1348) to report an absence. You must call in and report to one of the people named above. Unexcused absences will not be tolerated, and the Company reserves the right to implement any discipline up to and including immediate termination.

TARDINESS: Frequent tardiness will not be tolerated and is ground for discipline including immediate termination. You must report to work on time and be at your appointed workplace ready to work at the designated starting time. This means you will have to arrive to work early enough to be completely ready for work at the designated starting time. You must call in if you are going to be late. Take the time to call in and report your lateness even if it is going to delay you for another 5 or 10 minutes. We must know who to expect to properly schedule the different crews. Regular or persistent tardiness or failure to call in and notify us that you are going to be late is grounds for disciplinary action up to and including termination.

VISITORS: Employees are discouraged from having visitors during working hours. Visitors must report to the main office and will not be allowed in shop or work areas without specific permission. Visitors are not allowed on job sites without specific permission from the owner or contractor. Employees are not to be on Company

property or in Company vehicles unless the employee is there for scheduled work or otherwise authorized by management.

WEAPONS: It is against ACME’s company policy to possess or carry – whether openly or concealed – any weapon on ACME property including any property owned, controlled, used, or operated by ACME, or on any job site or in vehicles. The prohibition also extends to the possession or carrying of a weapon to an ACME sponsored employee off site event. Employees are prohibited from possessing weapons of any kind during working hours.

The definition of the term “weapon” as used in this policy statement includes not only all firearms, but also powerful explosives and devices such as knives, clubs, paintball guns and other instruments intended for use in personal combat.

VIOLENCE IN THE WORKPLACE: ACME is committed to providing a safe and healthy workplace for all employees. To that end, it is the policy of ACME that workplace violence in any form is unacceptable and will not be tolerated in any form. Any form of violence by an employee against another employee, vendor, customer, other tradesman, or visitor of ACME, including but not limited to physical attack, intimidation, threats, or property damage, will be cause for disciplinary action up to and including immediate termination. This prohibition extends to any work site.

Any ACME employee who experiences or observes an act believed to constitute workplace violence is to report such immediately to their supervisor and/or to Lee Ann Tilley or Larry Tilley.

SECURITY: Employee safety and Company profitability require all employees to remain alert and aware of security at their workplace. Proper procedures for storing and protecting tools, equipment and materials are everyone’s responsibility. Each employee is to make sure that tools, equipment and materials assigned to him or her are properly used and secured at the end of the workday or before leaving a

work site. Theft of Company, employee or client property is grounds for immediate termination of employment. Theft will not be tolerated in any form.

SOLICITATION AND DISTRIBUTION OF LITERATURE OR MERCHANDISE:

Solicitation and distribution of literature during working hours is not permitted. Merchandise solicitation for specific community or charitable projects is allowed with specific approval from the President of the Company. Merchandise solicitation by employees, for personal gain, is not allowed during working hours or on Company property.

PROPRIETARY INFORMATION: Most of Acme Plumbing's business is generated from the bidding process or in competition with other regional companies. Certain Company information, including customer lists, customer information, pricing, bidding, profitability and Company operating procedures are valuable, special and unique assets of the Company. The Company considers such information confidential proprietary, information of Acme Plumbing. Employees are expressly prohibited from discussing or disclosing such confidential, proprietary information with anyone outside of the Company. Any employee found to have violated this policy will be disciplined up to and including immediate termination.

COMPANY PROPERTY: Employees are responsible for items issued to them by ACME or ACME property that is in an employee's possession or control. Employees are responsible for returning all ACME-owned property immediately upon request or upon termination of employment. ACME reserves the right to take all actions deemed appropriate to recover and protect its property.

PERSONNEL RECORDS: Acme has a policy of maintaining records for applicants, employees and past employees for business and legal reasons. Lee Ann Tilley, Human Resources, is responsible for overseeing and maintaining the record keeping for all personnel information, including employment and benefits, and is responsible for storing

and securing these files. Records include both “hard copy” documents and data entered into the Payroll System.

Employees are responsible for notifying Human Resources immediately whenever there are changes in home address, telephone number, marital status, number of dependents, or insurance beneficiary. Incorrect information could cause problems concerning pay, benefits, or state and federal taxes. If an employee acquires additional education or training, he/she should notify Human Resources and the information will be entered in the personnel record.

All information in the personnel records is considered confidential and only authorized personnel are permitted access to an employee’s records. No records can be removed from Human Resources without the approval of Human Resources or the President, Larry Tilley.

Any employee may inspect his/her personnel records in the presence of Human Resources. Human Resources will arrange, during normal business hours, a mutually convenient and expeditious time for the review. The employee has a right to receive a copy of all information in his or her personnel records that contains his/her signature. Employees may request correction of information they believe to be inaccurate. Employees are not allowed access to their former employer references as this information is obtained confidentially.

Human Resources is authorized to release information regarding current and former employees with authorization from the employee. Except as required by law, no information will be released from the employee’s personnel records other than: verification of employment, salary/wages, last position held, and dates of employment. If Acme is officially served a subpoena or court order to disclose specific employee information, Human Resources will attempt to notify the employee of the subpoena or court order and Acme will comply with that court order.

CONDUCT AND WORK PERFORMANCE: **Employee** conduct and work performance should support and promote the Company's goals. Employees are provided with annual performance evaluations by their supervisors. Employees who exhibit inappropriate conduct or unsatisfactory work performance are subject to appropriate disciplinary action, up to and including termination. Inappropriate conduct is behavior for which a reasonable person would expect to be forewarned that such behavior is wrong and subject to severe penalty. Examples include, but are not limited to, insubordination (willfully refusing to carry out a reasonable work assignment), stealing company property, fighting, or involvement with illegal drugs. Inappropriate conduct includes activities both on and off the job that may affect an employee's ability to perform duties according to the expected standards. Unsatisfactory work performance includes lack of quality, quantity, or timeliness in work assignments, irregular and inconsistent attendance, and failure to observe safety and operational rules and practices. This policy in no way limits or alters the at-will employment relationship between Acme and its employees.

DISCIPLINARY ACTION/TERMINATION: **Acme** seeks to resolve performance and conduct problems in a constructive manner and in accordance with the law.

Unacceptable conduct or work performance, whether covered by examples above, may be grounds for disciplinary action up to and including termination in Acme's sole discretion. Disciplinary action may range from verbal, written or final warnings to suspension or immediate termination, depending on the facts of the case and the employment history of the employee involved. Acme does not employ a system of progressive discipline and Acme, at its sole discretion, may utilize whatever form of discipline is deemed appropriate under the circumstances, up to and including immediate termination. Employees understand that Acme may initiate any type of disciplinary action, up to and including termination, at any point. This policy in no way limits or alters the at-will employment relationship between Acme and its employees.

An employee who voluntarily resigns his or her position or fails to report to work for three (3) consecutive scheduled workdays without notice to or approval by the

employee's supervisor will be considered to have voluntarily terminated his or her employment relationship with Acme.

VEHICLES: Company vehicles are one of the most expensive costs of doing business. We spend a lot of money each year on buying, maintaining, fueling, insuring, and stocking the various Company vehicles. Employees that are assigned as drivers of vehicles are trusted and expected to do everything possible to help maintain and protect their assigned vehicle.

All company drivers are subject to a Motor Vehicle Record check and driver's license verification.

The following rules govern the use of Company vehicles at ACME Plumbing Co., Inc.

1. Vehicle drivers must be properly licensed prior to operating any Company vehicle.
2. Company vehicles are to be used for Company business only.
3. All federal, state and local traffic laws must be observed at all times.
4. Legal load limits must be observed. Truck weight violations resulting in fines will be paid by the driver of the vehicle.
5. The driver of the vehicle will pay fines for traffic violations.
6. Only employees and passengers on official Company business are permitted as passengers in Company vehicles.
7. Seat belt use is required at all times for drivers and passengers.
8. The vehicle driver is responsible for the operating condition and cleanliness of the vehicle. **Cleaning up and maintenance is to be performed by the driver on personal time as a condition of the privilege of driving a company vehicle.**
9. The driver is responsible for securing the vehicle load.
10. Vehicles should be parked to avoid backing up if at all possible.
11. A spotter should always be used to help back vehicles if possible. Get help from the shop in backing vehicles in the yard area.

12. Vehicles are not to be operated without a supervisor's permission.

13. Vehicles are not to be used for personal business after working hours.

Vehicle is to be driven directly to employee residence and safely locked and parked for the night. Insurance requirements are very strict on this issue.

Violation is grounds for immediate dismissal.

14. Drivers are prohibited from texting or talking on cell phones while operating a vehicle.

15. In accordance with state and federal law and with the Company's policies, the Company prohibits driving any vehicle or operating any machinery while under the influence of drugs or alcohol.

TRAFFIC ACCIDENT PROCEDURE:

If you are involved in traffic accident while driving a Company vehicle, follow this procedure:

1) Call Highway Patrol, 911 or local police to investigate accident. Acme requires all accidents to be reported and for the police to issue an accident report.

2) Call Laurence Tilley at 919-201-0049 or the Company office at 919-688-1348 immediately after calling the police.

3) If after hours, employees should call Laurence Tilley at 919-201-0049.

4) Do not leave the accident scene until you have received permission from local law enforcement and have spoken to a company official.

5) Exchange the following information with all other drivers involved in the accident.

- All information on driver's license and phone number.
- All information on vehicle registration, vehicle color and description of damage.
- All insurance information available.
- Collect witness information in applicable.

6) Failure to follow this procedure can result in immediate termination.

DISCIPLINE FOR DRIVING VIOLATIONS AND PREVENTABLE ACCIDENTS:

- A) Drivers violating vehicle rules will have violations documented in their employee records.
- B) Drivers that are involved in a preventable accident that results in cost to the Company will be responsible for paying the costs for damages to the vehicle up to the deductible amount to the extent permitted by law and may be disciplined up to and including immediate termination. Determination will be based on the accident's circumstances and is entirely at the discretion of the Company.
- C) Preventable accident is defined as any accident resulting from an error in driver actions or judgment that results in cost to the Company. Identification of a preventable accident is at the sole discretion of the Company.

DRUG POLICIES AND GUIDELINES

Drug-Free Workplace: As a Company, Acme is concerned about the adverse effects that drugs and alcohol can have upon its employees' safety and health. Alcoholism and the illegal use of drugs lead to increased accidents and medical claims and can lead to the destruction of an employee's health and adversely affect his or her family life. Acme maintains a drug-free workplace. Employees are strongly encouraged to notify management if they become aware of any alcohol or drug-related activity, which may put others at risk. Individuals who suspect they may have a drug or alcohol problem are encouraged to seek help before the problem affects their work performance or conduct. Acme prohibits the following:

- 1.) Being under the influence of an illegal or controlled substance, including prescriptions drugs illegally used, while on the job.
- 2.) Driving a vehicle, including a rental car or company vehicle, while under the influence of alcohol or drugs while on the job.
- 3.) The illegal use, sale, manufacture, distribution, possession, transfer, or purchase of any illegal or controlled substance or alcohol while on the job.

The prohibition against working under the influence of drugs extends to alcohol, prescription and nonprescription drugs that could impair judgment or motor functions and place persons or property in jeopardy. While the Company identifies and helps those employees with substance abuse problems and encourages them to seek help on their own, violations of this policy will lead to disciplinary action, up to and including immediate termination. Applicants identified as being drug abusers will be denied employment and encouraged to seek help. To enforce this policy, Acme reserves the right of access to all Company-owned or controlled areas, including desks, lockers, cabinets, drawers, etc. as well as the right to search employee personal property on Company premises or Company vehicles. Acme reserves the right to implement other measures necessary to deter and detect abuse of this policy.

COUNSELING AND REHABILITATION: Employees are encouraged to voluntarily request counseling or rehabilitation before their substance abuse leads to disciplinary or other work-related problems. A request may be made by contacting the Safety Director. No employee will have job security jeopardized by such a good faith request.

TESTING OF APPLICANTS: Acme complies with all applicable local, state and federal laws pertaining to the drug testing of employees, including N.C.G.S. §§ 95-230 *et seq.* and North Carolina Administrative Code, Title 13, Chapter 20.

Job Applicants: All applicants who have been offered employment with the Company will be required to undergo a drug-screening test as part of the hiring process. The Company will withdraw an offer of employment made to any applicant whose drug screen test reveals the presence of illegal drugs or drugs without a valid prescription.

Testing Of Employees: Reporting for duty or working with drugs present in the body or while affected by alcohol will be handled as a disciplinary matter, up to an including immediate termination, or by referral for counseling or rehabilitation, as the Company determines. Drug and alcohol testing shall be consistent with applicable state and federal laws may be required under the following circumstances:

1. When an employee is involved in an accident or incident.
2. As required by Company's contractual obligations to customers.
3. Random testing as deemed necessary by the company.
4. When the Company has reasonable cause and suspicion.
5. When employee has had a positive test and been referred for counseling/rehabilitation per this Policy.
6. When an employee requests a test (if approved by management).

No employee will be requested to submit to a drug or alcohol-screening test unless a Company official has granted specific authorization for such a test. The Company intends to utilize the most accurate and reliable testing method available consistent

ACME Plumbing Durham, Inc

with applicable state and federal law. Failure or refusal by an employee to cooperate with the program or to submit to such a test when requested will be grounds for termination of employment.

CONFIDENTIALITY: All information concerning medical examinations, drug or alcohol testing results, or rehabilitation and treatment of an individual employee will be treated as confidential information.

TOOLS

COMPANY: Employees are responsible for tools assigned to them. Company tools lost, damaged or abused will be replaced at employee expense. Employees are expected to provide their own tools other than the ones provided by the Company. The Company's insurance policy does not cover employee-owned tools. Employees are encouraged to insure their tools and take steps to secure them. Employees are responsible for wearing and using personal protective equipment as required by use of their tools. Eye, face, head, hearing and other protective equipment must be used as required by OSHA standards.

PERSONAL TOOLS: Mechanics must provide a full set of hand tools as needed to perform their duties. Tools may be purchased by payroll deduction. Employees are responsible for maintaining and securing their tools. Company will not pay for personal tools that are lost, damaged or stolen. Payroll deduction plan for tools is available. See your supervisor for details. Employees should keep records and receipts of personal tools that they buy.

RENTAL: Rental tools are often expensive and time consuming to pick up and take back. Tools will only be rented on an as needed basis. Prior authorization must be obtained before renting the tool. Damage insurance on rental tools shall not be included as part of rental because the company insurance policy does include rental tools.

Employees should not use rental or any other equipment if they are not properly trained to do so. Safety is part of the operation of any tool or equipment. Proper safety procedures and protective equipment will always be used.

MAINTENANCE and REPAIR: Damaged tools shall be taken out of service and repaired or replaced immediately. There is no excuse for using a broken or dangerous tool. Broken or damaged tools must be immediately returned to the Tool Manager for repair or replacement.

LOANING OF TOOLS: Employees are responsible for the tools and equipment assigned to them. Tools are not to be loaned to other trades or borrowed from them. **Backhoes, forklifts, bob cat (skid steer loader) and trenchers are not to be used by anyone other than ACME Plumbing Co., Inc. employees trained and approved as operators. There will be no exception to this rule without specific permission from the Department Manager.**

SIGN-IN SIGN-OUT: Company tools are to be checked out by the Tool Manager. Tools are to be promptly returned to the Tool Manager upon completion of work. Any problems, damage or repairs to the tool should be identified upon check-in. **DO NOT** return a broken or damaged tool without reporting it to the Tool Manager. Unreported damage could result in serious injury or delay to the next person using the tool and may result in disciplinary action up to and including immediate termination.

COMPANY TOOLS PURCHASED ON COMPANY PURCHASE ORDER: Tools purchased must include project number, phase number and project name or coded to the company tools account. Tool price must be included in the purchase order. Employees are expected to get the best price possible. Purchases over \$100 must be pre-approved by Norm Sidik, Larry Tilley, Corey Jacob, Seth Lubinski or Laurence Tilley.

All company tools purchased must have a model #, serial #, manufacturer and purchase price recorded by Tool Manager.

PERSONAL TOOLS PURCHASED ON COMPANY PURCHASE ORDER: Company Purchase Orders written for Employee personal tools must include Employee name and amount to be payroll deducted. (Not less than \$20 per week) Tool price must be included in a purchase order. Purchases over \$100 **must be pre-approved** by Norm Sidik, Larry Tilley, Corey Jacobs, Seth Lubinski or Laurence Tilley.

MATERIAL

ORDERING: Plumbing foremen are responsible for ordering material for assigned projects. Foremen will complete final takeoff after reviewing plans and specifications. Project pre planning meetings with Estimator, Project Manager, Project Coordinator and Foreman is held for all large projects. Delivery, schedules, submittals and responsibilities are determined at this meeting.

PURCHASING IN FIELD: Proper take off and ordering procedure should eliminate most field purchases. When field purchases are required, the items must be included in a purchase order. The purchase order must include the project name and number along with the phase number. Purchase orders should be turned in to the main office the next day and in no case later than one week. Purchases over \$100 must be pre-approved by the Project Manager.

SECURITY: Project foremen are responsible for maintaining the security of all tools, equipment and materials assigned to them. Material should be ordered by phase and used as quickly as possible. Good common-sense lockup and security procedures should be used. Projects that are particularly vulnerable to theft or vandalism must have specific security measures taken to reduce the risk. Any case of theft or vandalism must be reported to the office immediately.

DAMAGE: Damaged material must be reported to the warehouse manager as quickly as possible. Returnable damaged material should be given to the warehouse manager along with a completed material return sheet.

RESTOCKING: The foreman must notify the project manager of the return and arrange for help if an additional truck or manpower is needed. The foreman must take time to properly ensure that proper credit is given to his project for all returned material.

WORKING HOURS AND COMPENSATION

PAY BASICS: Your rate of pay will be determined at time of hire based on experience and position and communicated to you. Acme's pay policy is intended to comply with the Fair Labor Standards Act ("FLSA") and shall be construed to be in accordance with the FLSA. Employees are encouraged to bring any questions regarding their pay to Human Resources, Lee Ann Tilley.

WORK HOURS: Seasonal and schedule changes to our workload require flexibility in our work hours. Hours are subject to change without notice to meet seasonal and schedule requirements. Overtime hours are required and are expected as a condition of employment. You should be prepared to work overtime as required. Overtime hours are paid at 1 1/2 x the regular hourly rate after 40 hours.

Employee Classification: Acme classification of employees is done pursuant to the FLSA and should be construed according to the FLSA and are classified as follows:

- Full-time employees are those normally scheduled to work at least 30 hours per week.
- Part-time employees are those normally scheduled to work less than 30 hours per week. Part-time employees may not be eligible for all Acme benefits.
- Exempt employees are supervisors, executives, professional staff members, technical staff members, outside sales representatives, officers, directors, or other employees whose duties and responsibilities allow them to be exempt from payment of overtime.
- Non-Exempt employees are those not determined to be exempt from overtime. Payment of overtime for hours worked over 40 within a workweek is made in accordance with the Acme overtime policy, the FLSA, and any other applicable state or federal law.

- Regular employees are hired to work regularly for an indefinite period. They can be full-time or part-time, exempt or non-exempt.
- Temporary/Contract employees are those employed for an indefinite period or for the completion of a specific project or short-term assignment.
Temporary/Contract employees are not Acme employees and are not eligible for Acme employee benefits.

PAY PERIOD: Pay period begins on Monday and ends on Sunday at midnight. Wages for the week are paid on the following Friday. Timesheets for the previous week must be processed in-house on Monday to be submitted to Acme's payroll service on Tuesday. The service department pay period begins on Saturday and ends on Friday with deposits also made on Fridays.

CHECK DELIVERY/DIRECT DEPOSIT: Acme uses an outside payroll service (CBiz) to prepare weekly deposits. Paper paychecks are cut for those employees who decline the direct deposit option. Payroll deposits are made into employee accounts each Friday afternoon. Paper pay stubs and paychecks are mailed to the employee's home. Pay stubs can be viewed on the BBIZEMS phone app.

DEDUCTIONS: Standard state, federal and social security taxes are deducted based on the information provided on the applicable tax forms. Deductions for insurance, personal tools, credit union or other Company approved items are provided as required or requested. Employees are encouraged to advise Human Resources immediately whenever there are changes regarding payroll deductions.

DEPOSIT FOR TOOL/UNIFORM/INSURANCE: All employees are required to establish a \$100 deposit for company tools, uniforms and/or insurance. The deposit is accumulated by deducting \$10 per week from your paycheck until your deposit reaches \$100. The deposit is returned in full at the end of your employment, after all company property is returned.

INCOME ASSIGNMENTS AND GARNISHMENTS: Acme complies with and processes income assignments or garnishments from government agencies. Garnishment of wages for taxes, child support, judgments etc. will be as directed by the appropriate legal authorities.

LUNCH: A 30-minute lunch break is provided during each workday. Lunch break is not necessarily at a specified time each day. Employees may be asked to take an early or late lunch to meet job conditions. Employees are encouraged to bring their lunches, drinks and snacks. Job sites are often remote and make leaving for lunch impractical. The 30-minute lunch break includes any travel time to buy lunch and drinks. You are better off bringing your lunch and using your 30 minutes to eat and rest instead of traveling.

TRAVEL TIME: The Company begins your pay period from the time you begin work until the time you stop work for the day. Travel time to and from the work site is paid if you are required to begin and end the day at the main office. Commuting time to and from home to the main office or to job sites is not paid.

TEMPORARY LAYOFFS: The Company's business is a seasonal business. There are fluctuations in the amount of work under contract at any given time, along with effects of bad weather. Accordingly, employees are subject to temporary layoffs sometimes. The Company makes every effort to have 40 weekly hours of work available for all employees. Temporary layoffs have been extremely rare during the history of the company but always remain a possibility.

TERMINATION OR SEPARATION: **Employees** who resign their employment or who are terminated by the Company will receive their final paycheck at a regular pay period. Employees are expected to return all Company property, including keys, gas credit cards, tools or any other Company property. If such Company property is returned within four weeks of employment termination or separation, the Company

will refund the employee the \$100 deposit. Proper notice (2 week minimum) must be given by the employee to receive compensation for any accrued benefits such as vacation.

REVIEW, ADVANCEMENT AND PAY INCREASES: We are a Company with all employees sharing many different duties as the job may require. Employee performance is monitored by supervision and management. Changes in pay or position are based on merit, performance, market conditions and Company profitability. Changes in rate may be discussed with the appropriate supervisor as needed.

All new employees will receive a pay evaluation after completing their probationary period of 90 days (about 3 months). Increases or decreases in pay will be determined at that time. Cost of living raises are generally given at one time during the year, usually April, when justified by Company profitability and market conditions. However, cost of living raises are not guaranteed and the Company expressly reserves the right not to provide cost of living raises. Merit raises at other times of the year are handled on a case-by-case basis and can be discussed with your supervisor or management.

EMPLOYEE BENEFITS AND LEAVE

Questions about employee benefits should be directed to Lee Ann Tilley 919-688-1348 or **919-599-1551 cell**.

ACME Plumbing Co., Inc. is proud to provide the following paid benefits for all eligible employees. We expect loyalty, hard work and productivity from our employees. Our benefit package is one way we share the success of the Company with our employees. We thank you for a job well done.

INSURANCE: The Company invests in your health and wellbeing with the following insurance benefit package.

- 1) Major Medical and Hospitalization insurance
- 2) Basic Life insurance
- 3) Dental insurance
- 4) Long-term Disability Insurance

You will receive the details on each coverage when you become eligible. Coverage begins on the first day of the first month after you have completed 90 days. The Benefits Specialist will explain the plan in more detail after you have become eligible.

SOCIAL SECURITY, WORKERS COMPENSATION AND UNEMPLOYMENT

INSURANCE: These benefits are provided for all employees as required by law. These are benefits to help all employees plan for retirement, compensate for work related injury or death, and to soften the burden of involuntary unemployment.

HOLIDAYS: After 90 days of satisfactory employment, all employees will be eligible for the following paid holidays when they occur during a normal work week:

New Years Day - January 1

Memorial Day—Last Monday in May

Independence Day - July 4

Labor Day - 1st Monday in September

Thanksgiving Day - 4th Thursday in November

Christmas Day - December 25

Holidays listed above will be observed on a day announced in advance for holidays that occur on a weekend. Employees must work the scheduled workday before and the scheduled workday after a holiday to be eligible for holiday pay. Employees required to work on any of the paid holidays will receive 8 hours of regular pay in addition to their wages for that day's work.

VACATION: Employees will become eligible for paid vacation after completion of 1 year of satisfactory employment as follows:

- After one (1) year of service, you will have one (1) week (40 hours) of vacation.
- After three (3) years of service, you will have two (2) weeks.
- Beginning with the 6th anniversary, you will receive two (2) weeks plus an additional day (8 hours) for each year of service up to three (3) weeks total. (It takes ten (10) years to get there but you will have three (3) weeks of paid vacation plus five (5) paid holidays per year.

Vacation must be taken at the convenience of the Company and should be requested at least 30 days in advance. ACME Plumbing Co., Inc. will make every effort to schedule work in such a manner that all employees will be able to use their vacation when requested, but this may not always be possible.

The procedure for requesting vacation days or unpaid time off is to submit a vacation/unpaid time off request form to your direct supervisor at least 30 days in advance. The request will be approved or disapproved and returned to you within five working days.

Vacation days not used can be carried over to the following calendar year with permission from the President and Department Manager. The Company, in its sole discretion, may require that vacation pay be reimbursed to the employee instead of being carried over to the next year. Employees that voluntarily quit must give at least two weeks' notice or any accrued vacation will be forfeited. Employees that are terminated for violation of Company policies, or the law will not receive any vacation pay.

Leave Without Pay (LWOP): Leave Without Pay (LWOP) may be granted to an employee for various reasons not covered by any other Company policy. LWOP may be available for extended family and medical leave, extended educational purposes, vacation, illness, personal reasons, or parental leave. At the end of the approved leave, ACME will attempt to reinstate the employee to his/her prior position, or one of like status and pay. Subject to the terms, conditions, and limitations of the applicable plans for which an employee is otherwise eligible, health benefits will be continued during an approved LWOP but the employee will be required to pay both the employee and employers' portion of the premium where LWOP is equal to four (4) or more weeks. The decision to grant LWOP is made by management. Factors in deciding whether to approve a written request include the employee's needs, workload, need to fill the employee's job, and chances of the employee returning to work.

Other Leave Required By Law: Acme provides employees with any other leave as required by state or federal law, including leave to exercise voting privileges, jury duty and attendance at their child's school conferences.

Inclement Weather: In case of inclement weather, Acme asks all employees to assess their personal situations and err on the side of safety. If the Company is not closed due to inclement weather, but individual employees cannot get to work safely due to weather issues, they must notify their supervisor immediately. In these instances, employees will have to use personal time off or unpaid leave for the days/hours that they are not at work.

PROFIT SHARING RETIREMENT PROGRAM: ACME Plumbing Co., Inc. has established a 401 K Retirement Plan for the benefit of all eligible employees. The plan is administered by the Company and all administration expenses are paid by the Company. All employees are eligible and encouraged to participate in the plan after they have met the following requirements:

- Employee must have attained the age of 21.
- Employee must have completed 12 months of service. Enrollment can begin at any time.

When an employee meets the above requirements, he or she will be given a Plan Summary Description, which explains the profit-sharing plan in detail.

SAFETY

WRITTEN PROGRAM: ACME Plumbing, Inc. cares a great deal about the safety and health of all employees. Acme makes significant efforts to provide safe, healthy working conditions because of its genuine interest in the continued well-being of employees and in accordance with legal requirements. Employees are expected to obey safety rules and to exercise caution in all work activities. Employees should become aware of possible hazards in their workplace and use prescribed safety equipment to protect themselves and their fellow employees. Employees are to be watchful for unsafe conditions and immediately report any on-the-job accident, potential safety issues, or unsafe conditions, no matter how slight, to the appropriate supervisor. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report, or, where appropriate, remedy such situations, may be subject to disciplinary actions, up to and including termination. The formal Company safety program includes:

1. All injuries shall be immediately reported to the supervisor so that medical and /or first aid treatment can be provided. The Safety Director should be notified as soon as possible.

- Life threatening emergencies should always be handled through the 911 Emergency Response System or the most appropriate method.
- First aid supplies are in each job trailer and truck.

The Safety Officer, Lisa Armour or Lee Ann Tilley will arrange authorized medical treatment during 1st shift. If the Safety Officer is unable to be reached, Larry Tilley, Laurence Tilley, Seth Lubinski or Corey Jacobs may arrange treatment. During 2nd /3rd shifts, holidays and weekends, medical emergencies will be referred to the closest emergency room.

- Following an accident, an employee may be required to be tested for the presence of illegal drugs and or alcohol.

2. Employees will follow established practices and report any unsafe conditions to their supervisor or to a member of the Safety Committee.

3. Supervisors shall insist that their employees observe and obey company Safety Rules and common safety practices.

4. Employees in specified areas will wear approved protective equipment and clothing.

- Safety glasses and gloves by all employees handling and discarding potentially hazardous chemicals.
- Safety glasses for all employees while operating potentially dangerous machinery and power tools.
- Protective gloves by employees authorized to use hook blade or straight edge knives.
- Hard hats will be worn in all required areas.

5. Employees working with machinery should dress to avoid risk of any part of clothing or jewelry becoming entangled with mechanical devices. Work boots must be worn in all work areas, tennis shoes are not acceptable.

6. Hands and feet must be kept clear of all equipment, machinery, or vehicles (forklifts, trucks, etc.).

7. Any hair longer than shoulder length must be confined as close to the head as possible.

8. Never attempt to clean or repair machinery while it is in motion

9. Employees shall not handle or tamper with any electrical equipment and machinery in a manner not within the scope of their job requirements.

- All power tools must be properly grounded or double insulated. The damaged cords must be returned to the Safety Officer. The Safety Officer will repair or replace the cord.
- All power and hand tools must be used in a safe manner. Know the correct use of tools before using.

10. Chemicals are to be properly labeled. Appropriate personnel must be trained in the proper chemical handling procedure

11. Employees must stay at their workstations at their respective job sites unless permission is received from your supervisor to leave or at officially declared break time.
12. Employees must not remove or render defective safety devices or guards. Missing safety guards must be reported to your supervisor. No machine will be operated with missing safety guards or devices.
13. Employees are required to use handrails where provided and use caution when walking certain areas (catwalks, ladders, machine platforms).
14. Lockout procedures are required when repairing any type of equipment.
15. Trained operators will operate forklift only. When leaving forklifts unattended, safety procedures including lowering forks and turning off power will be followed.
16. Passengers will not be permitted on power-driven equipment. (Driver and rider share equal responsibility).
17. All employees driving company vehicles must wear seat belts, as are passengers in said vehicles. Malfunctioning seat belts must be reported immediately for repairs.
18. All emergency exits, aisles, passageways and fire extinguishers will always be accessible.
19. All employees will keep the work area and aisles clear of trash, clutter and other obstructions.
20. Employees shall exercise great care when lifting objects by bending knees and using large muscles of legs instead of smaller muscles of the back and requesting assistance when required to lift any heavy or awkward object.

HAZARD COMMUNICATION STANDARD: ACME Plumbing, Inc. has prepared a written program to comply with the federal OSHA Standard to ensure that information necessary for the safe use, handling and storage of hazardous chemicals is provided to and made available to employees.

This program includes guidelines on chemical inventory, container labeling, MSDS sheets, employee training, personal protective equipment, emergency response, hazards of non-routine tasks, informing other employers and posting of information.

Notebooks containing the written program along with chemical information sheets and material safety data sheets are kept in all Company vehicles, jobsite storage trailers and at the main office.

EMPLOYEE HANDBOOK RECEIPT

I have received my copy of the Company’s Employee Handbook (“handbook”) and the following documents and information:

- **New Employee Orientation Handout**
- **Safety Orientation Video**
- **Written Safety Program**
- **Hazard Communication Orientation Training**

I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures contained in the handbook.

I understand that except for employment at-will status, any and all policies or practices can be changed, deleted, suspended or discontinued at any time by the Company. Any such action shall apply to existing as well as future employees. The Company reserves the right to change my hours, wages and working conditions at any time. I understand and agree that other than the President, no manager, supervisor or representative of the Company has authority to enter into any agreement, express or implied, for employment for any specific period of time, or to make any agreement for employment other than at-will; only the President has the authority to make such agreement and then only in a writing signed by the President.

I understand and agree that nothing in the handbook creates or is intended to create a promise, representation or contract of or for continued employment and that employment at the Company is at-will. Employment with the Company may be terminated at the will of either the Company or me. My signature below certifies that I understand that the foregoing agreement on at-will status is the sole and entire agreement between the Company and me concerning the duration of my employment and the circumstances under which my employment may be terminated. This handbook supersedes all prior handbooks, agreements, understandings and representations concerning my employment with the Company. Should any provision in this handbook be found to be unenforceable and invalid, such a finding does not invalidate the entire handbook, but only the subject provision.

Employee Printed Name

Employee’s Signature

Date