



**SHEARER SUPPLY, INC.**

# **Employee Policy Handbook**

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SHEARER SUPPLY, INC. Employee Handbook

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**Please Note That All Requests or Questions Regarding  
 Vacation Time, Sick Time, Insurance and Items Covered In  
 This Handbook Should Be Sent Via Email To:**

- [HR@ShearerSupply.com](mailto:HR@ShearerSupply.com)
- **Please Allow 24 Hours or One Business Day For A Response**

## Welcome to SHEARER SUPPLY, INC.

The following pages contain information regarding many of the policies and procedures of SHEARER SUPPLY, INC. These policies are a condition of employment. Labor relation laws require that all employees maintain a written policy that is applied non-discriminately to all employees.

### Dear Employee,

You and SHEARER have made an important decision. The Company has decided you can contribute to our success and you've decided that SHEARER is the organization where you can pursue your career productively and enjoyably.

We believe we've each made the right decision, one that will result in a mutually profitable relationship. The minute you start working here you become an integral part of SHEARER and its future. Every job in our company is important, and you will play a big role in the continued growth of our company.

As you will quickly discover, our success is based on delivering high-quality equipment and supplies and providing unsurpassed customer service. How do we do it? By working very hard, thinking about our customer's needs and doing whatever it takes. We do it by acting as a team.

Should you have any questions concerning this handbook, your employment or benefits, please feel free to discuss them with your supervisor or manager.

Again, welcome!

*Michelle Shearer-Rodríguez*

# SHEARER SUPPLY, INC. Employee Handbook

## **Disclaimer**

This handbook is intended only to outline the employment policies, procedures and benefits of SHEARER SUPPLY, INC. This manual is not intended to be all-inclusive and should not be considered to be an employment contract. SHEARER SUPPLY, INC. reserves the right to change employment policies, procedures, benefits or this manual at any time. Employees will be notified of any policy changes, additions or deletions. Said changes will immediately become a part of this manual.

## **Introduction**

### **SHEARER SUPPLY, INC. Mission Statement**

To provide quality products and services to our customers. To treat our customers and coworkers in a kind and friendly manner. To be a positive influence in the community.

### **Career Opportunities**

It is our desire to see each and every employee achieve their highest potential. We will do our best to provide the opportunity and offer training, education and guidance whenever possible. See your immediate supervisor if you have questions.

### **Open Door Policy**

It is our objective to provide a work environment free from elements that would deter you from doing your best work. All concerns may be expressed through our open door policy. Management at SHEARER SUPPLY, INC. maintains this open door policy to discuss any issues you may have. Feel free to express yourself about work related or personal matters. We welcome your input.

If you feel you have been discriminated against in any way you are encouraged to express concern through this open door policy.

### **Code of Conduct**

Employees of SHEARER SUPPLY, INC. are to conduct themselves in a responsible, professional and ethical manner. Report unethical or dishonest behavior to your immediate supervisor.

Reported activities will be investigated by appropriate SHEARER SUPPLY, INC. management team members. The management team will determine appropriate means for proper resolution. Employees found to be conducting themselves in an unethical manner may be subject to appropriate disciplinary action, up to and including termination.

## Employment

### Equal Opportunity Employment

Employees are hired based solely on SHEARER SUPPLY, INC.'s personnel requirements and the qualifications of each individual candidate.

We will not tolerate nor condone discrimination due to age, race, color, religion, sex, national origin or disability. We will comply with the spirit and letter of all local, state and federal laws pertaining to employment.

Furthermore, we will not discriminate due to age, race, color, religion, sex, national origin or disability when making decisions regarding termination of employees.

Any questions or concerns regarding any aspect of this policy should be directed to the General Manager.

### Eligibility For Employment

Federal law requires both new employees and re-hires to provide documentation of eligibility to work in the United States plus proper identity. A properly submitted form I-9 is required for employment.

### Related Party

SHEARER SUPPLY, INC. does allow family members and relatives of employees to be considered for employment, provided they are qualified for the position and no other conflict of interest exist. Hiring decisions will be the responsibility of the President and Chief Financial Officer.

### Criminal Convictions

Criminal convictions are taken seriously at SHEARER SUPPLY, INC. We reserve the right to disqualify any applicant for employment that has been convicted of a felony criminal offense.

Furthermore, conviction of a crime may result in an automatic termination. SHEARER SUPPLY, INC. will make every effort to evaluate the nature and circumstances of the conviction. With the safety and well being of co-workers at stake, convicted employees may be subject to appropriate disciplinary action, up to and including termination.

### Violence

Threats of violence and acts of violence are strictly prohibited. Employees threatening or committing acts of violence will be subject to appropriate disciplinary action, up to and including termination. Report any such activity to your immediate supervisor or the President.

## **Weapons**

Weapons are generally defined as guns, knives and other objects universally considered a weapon by the vast majority of society. A “weapon” can also be any object which would do harm to another when used as such. SHEARER SUPPLY, INC. shall deem any such object a “weapon” for the purpose of enforcing of this policy.

Possession of weapons is prohibited on company property, including company vehicles, and while on duty performing company business at any location. Any employee on duty or on company premises in possession of a weapon will be subject to appropriate disciplinary action, up to and including termination. Report any weapon possession to your immediate supervisor or the President.

### **Weapons Policy Under The Concealed Deadly Weapon Law**

No one shall carry or possess any weapon, including a firearm, or other deadly weapon, on or about his/her person, while on Shearer Supply, Inc. property.

No employee shall carry or possess any weapon, including a firearm, or other deadly weapon, on or about his/her person, while on company property, or in a company owned/leased vehicle except where:

- The employee has express written permission from the Abel Rodriguez and/or Michelle Shearer-Rodriguez to carry or possess a weapon to fulfill required job duties (e.g. security officer, etc.).

Any person who is in violation of this policy will be denied entry to or will be removed from the property. Any employee in violation of this policy will be subject to disciplinary action, up to and including discharge. If the weapon owned by an employee, on company property, is in a vehicle and it is used in the commission of an unlawful act, the company will not accept liability for any resulting damage, and will not participate in the legal defense of the employee.

## **Alcohol, Drugs & Illegal Substance Abuse**

This company is committed to providing a safe and efficient workplace for all employees. Experience has shown that the abuse of alcohol, drugs, illegal inhalants, and other intoxicants is harmful to individual and Company goals and productivity. The following policies apply to all current and future employees of the Company, and violations may result in disciplinary action up to and including termination.

The possession, sale or consumption of alcohol on Company premises and/or working under the influence of alcohol is absolutely prohibited. The possession, sale, or use of illegal drugs, or controlled substances without a prescription (or in amounts exceeding one prescription), at any time is

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prohibited. Applicants and employees may be requested at any time, without notice, to search vehicle, container, information storage or retrieval system, personal effects, or area located on Company property for company property, contraband and/or prohibited substances. The Company has the right to seize and confiscate any unauthorized company property, contraband, and/or prohibited substances. Refusal to cooperate with or submit to a search may be treated as serious insubordination warranting immediate discipline including termination.

Tests that may be used include (but are not limited to) urinalysis or other scientific procedures. Any measurable amount of illegal drugs in an employee's system is a violation of this policy.

Off-duty use, sale, or other illegal involvement with drugs or alcohol in any manner which could cause adverse impact on community good-will toward the Company, or result in decreased ability of the Company to conduct business will also be considered a serious violation of Company policy, and result in disciplinary action deemed appropriate by Company management.

Employees who are experiencing personal problems related to the use of drugs, alcohol, or other substances are encouraged to initiate a discussion with Company management. Employees who initiate such discussions are assured that the information will be held confidential, and only those persons with a legitimate need to know will have access to the information. Management will, in such cases, advise the employee in obtaining professional assistance in overcoming the problem. Such assistance may include providing a Leave of Absence, lists of organizations to contact, possible treatment facilities, and alternatives that may be available under insurance policies. Active cooperation with such assistance as may be made available may be considered as grounds for the Company to exercise leniency in disciplinary measures, or to actively participate in the rehabilitation effort. Failure or unwillingness to comply with rehabilitation assistance, including timely reporting of progress as may be required, may be considered as willful misconduct and/or abandonment of employment.

### **Sexual and Other Unlawful Harassment**

It is SHEARER SUPPLY, INC.'s objective to provide a working environment free from discrimination and conduct commonly referred to as sexual harassment.

The E.E.O.C. (Equal Employment Opportunity Commission) has provided a broad definition of sexual harassment. It is general in nature and may not always be clear when evaluating everyday situations.

“Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when

1. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment,
2. submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or



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3. such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment."

Sexual harassment refers to behavior inappropriate in the workplace because it is offensive, unwelcome behavior which would not occur but for the sex of the offended person. Both sexual harassment, and accusations of sexual harassment, are disrupting to the work environment.

If you or a co-worker experience what you believe to be sexual harassment or accusations of sexual harassment, report it promptly to your immediate supervisor or the Human Resources department. SHEARER SUPPLY, INC. will investigate any employee, regardless of job position when such allegations are made. Based on available information, SHEARER SUPPLY, INC. will take appropriate action and communicate on a need-to-know basis.

Appropriate disciplinary action, up to and including termination will be taken against any individual for sexual harassment charges determined to be valid.

### Employment Evaluation

All employees will be under "evaluation" for the first three months of employment. Your immediate supervisor will be responsible for evaluating your performance, aptitude and compatibility with co-workers. At the end of the evaluation period, you may be invited to become a full time employee which may entitle you to additional benefits. In the event your evaluation information indicates you do not qualify, your employment will be terminated.

## Policies

### Attendance

Punctual attendance is mandatory for efficient job performance. In cases of absence for any reason notify your immediate supervisor as soon as reasonably possible. If your supervisor is unavailable you must reach a member of upper management. If one or more of these persons are not directly contacted you will be expected at work. Poor attendance, unexcused absences or habitual tardiness will be subject to appropriate disciplinary action, up to and including termination. If an employee is absent without calling in for three (3) days, we will assume the employee has voluntarily quit.

Employees should call in themselves if at all possible, not parents or spouses.

Normal hours of operation are 8:00am to 5:00pm Monday thru Friday for stores in Texas and Oklahoma. Normal hours of operation in Arkansas, Tennessee and Louisiana are 7:30am to 4:30am.

In the months of June through August select branches are open on Saturday 8:00am to 12:00pm for Counter and Warehouse personnel only. Specified

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branches during June through August will also be open from 7:30am to 5:30am.

All employees are asked to arrive 15 minutes prior to the beginning of the business day.

### Work Schedule Requirements

With variations in work load based on demand from our customers, it is our responsibility to meet critical deadlines, sometimes with little notice. As a result, you may be required to work overtime be it pre-planned or spontaneous. Overtime is mandatory when required, it is a condition of employment. Overtime must be approved in advance, no exceptions.

### Lunch Break

Regardless of shift worked, all employees are required to take a lunch break. Lunch breaks are for 30 minutes. Schedules may vary from employee to employee based on work schedule. It is the responsibility of your immediate supervisor to establish your lunch break schedule.

### Breaks

SHEARER provides two breaks from work during the business day. The breaks are each limited to 15 minutes, one before and one after the meal break. The meal and two rest breaks are the only authorized periods for smoking (outside of the building) that the company offers. Schedules may vary from employee to employee based on work schedule and from one department to another. It is the responsibility of your immediate supervisor to establish your break schedule.

### Workplace Dress Code

It is our company goal to always look as nice as possible. We will have a uniform look at all times and including Saturdays. Only the garments listed below are deemed acceptable wear.

#### ➤ Shirts

- Branch Employees: Shearer Supply uniform shirts must be worn at all times
- Branch Employees/PPT-Sales-FSR: New shirts will be issued twice a year. September and March
- Warehouse and Drivers: May wear Shearer Supply short/long sleeved collarless shirts.
- Inside sales, FSR, BM's, ABM's, TM's, FSR, PPT: must wear Shearer Supply issued shirts with collars, can be either long/short sleeved shirts.

#### ➤ Hats

- Hats are optional, but if worn should **only** be an Shearer Supply issued hat

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- Pants/Shorts (for Branch Employees only)
  - You have \$120 pant/shorts allowance each fiscal year to purchase Dickie's brand, Dark Navy Blue pants or shorts
  - These will be the only pants/shorts allowed
  - Submit your scanned receipt to [delizondo@shearersupply.com](mailto:delizondo@shearersupply.com) and you will be reimbursed
  
- Shoes (for Branch Employees only)
  - Steel Toed shoes are to be worn by all warehouse and inside personnel
  - You have a \$70 allowance to purchase steel toed shoes.
  - Submit your scanned receipt to [delizondo@shearersupply.com](mailto:delizondo@shearersupply.com) and you will be reimbursed
  
- Outer Cover (for Branch Employees only)
  - If a coat is needed please only wear an Shearer Supply issued jacket
  
- Appearance
  - It is Shearer Supply's desire that everyone look professional.
  - Please tuck shirts in if possible
  - Please wear belts on pants if possible 🏢BM's, Operations Managers and VP's have the responsibility of making sure everyone is in compliance

SHEARER SUPPLY, INC. encourages employees to dress comfortable, with consideration given to maintaining a professional appearance. Appropriate attire should be worn at all times in keeping with commonly recognized "business casual" standards for all employees in Administrative positions. "Casual Friday" is recognized as acceptable under accepted guidelines for those working in administrative roles in the corporate office. Torn denim or backless shirts are deemed inappropriate and will not be permitted. If you interface with clients or are scheduled to meet with clients on an occasional basis, be prepared and dress appropriately. Be considerate of the company's image as well as your image with customers and your co-workers. Only hats issued by SHEARER SUPPLY, INC. may be worn during work hours or on company trips/outings.

Due to the seasonal temperatures in the warehouse, said employees are permitted to wear shorts April thru September. At no time are sandals, open or closed toed, permitted in the warehouse. Steel toed shoes are required for Branch Managers, Inside Sales, FSR's, Warehouse and Drivers along with summer or part time warehouse help.

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### **Medical Attention**

SHEARER SUPPLY, INC. requires employees to notify a supervisor when medical attention is required for any reason, accident or illness. Employees requiring transportation to a medical facility must be taken by trained medical personnel. SHEARER maintains Worker's Compensation Insurance for job related injuries. All other medical attention required at the job site for nonwork related illnesses is the employee's responsibility, and as such will be handled under each individual health insurance plan. SHEARER strongly recommends each individual to enroll in the Health Insurance Plan.

### **Compensation**

Compensation for employment is based on performance. Rates are established by mutual agreement between the employee and SHEARER SUPPLY, INC. Raises also, are based on performance, growth and productivity. All requests for salary increases and/or promotion will be fairly considered by the President and CFO. Employment is based on an as-needed basis. Employees are not guaranteed tenure.

### **Commissioned Sales**

Sales personnel who are compensated based on commissions are responsible for the entire sales process. This responsibility includes all communication with the client throughout the life of the project and including collection of all invoices related to the project. Commissions may be paid as an advance, however, commissions are not earned until all phases of the project are completed and all invoices are paid in full. Commission rates are negotiated based on the terms of the sale and the accuracy of the bid versus actual task required to complete the project.

### **Wage and Salary Disclosure**

Compensation programs are confidential between the employee and SHEARER SUPPLY, INC. Disclosure of wages or compensation to any third party or other employee is prohibited and could be grounds for termination.

### **Payroll Schedules**

Employees are paid bi-monthly. Paydays are the 15<sup>th</sup> and the last day of the month. In the event payday falls on a holiday or weekend, paychecks will be distributed the day prior.

### **Your Paycheck**

Payroll checks shall be distributed on payday as established in the Payroll Schedule section of this handbook. Federal, state and any other required taxes will be withheld from wages as will any voluntary deductions.

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### **Payroll Deductions for Federal Tax, State Tax, FICA and Medicare**

As required by law, SHEARER SUPPLY, INC. withholds taxes from employee earnings, as well as social security (FICA) and Medicare. SHEARER SUPPLY, INC. also participates in matching programs as required.

### **IRA's - Individual Retirement Accounts**

SHEARER SUPPLY, INC. encourages employees to plan for retirement. IRA saving programs offer the employee advantages for retirement as well as tax savings at the time of purchase. Contact the General Manager for details and information regarding automatic payroll deductions.

### **Working Away From the Office**

At no time, nor under any circumstances, may an employee of SHEARER SUPPLY, INC. solicit business as an American Standard dealer or installer. It is a direct conflict of interest for SHEARER employees to compete with dealers and sub-contractors in the sales and installation of American Standard equipment.

### **Performance & Evaluation Reviews**

Performance and evaluation reviews outline the competencies you need to perform your job functions successfully. Contributions to your department and SHEARER SUPPLY, INC. are also reviewed and documented. Your supervisor will discuss job requirements for your duties and identify your specific skills. Together you will establish plans for your growth and development.

Performance reviews and merit increases are at the discretion of management.

### **Reimbursement of Expenses**

Expenses to be reimbursed by SHEARER SUPPLY, INC. must be approved prior to expenditure. To receive reimbursement you must furnish the Accounting department with two items: receipts for all expenses (other than per diem or mileage) and a properly completed expense report (available from your immediate supervisor).

Expense reports for the reimbursement of prior month expenses must be submitted to the Accounts Payable department by the first business day of the new month. Expense checks will be processed by the sixth day of the subsequent month.

Any advance for expenses must be approved by the CFO.

### **Reporting Personal Information Changes**

Employees must notify SHEARER by emailing [hr@SHEARERsupply.com](mailto:hr@SHEARERsupply.com) whenever there is a change in their personal information on file with SHEARER SUPPLY, INC. This includes address, phone number, income tax

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withholding information, emergency contacts and if applicable, any information which may impact your insurance coverage's.

### **Gifts, Entertainment & Meals**

SHEARER SUPPLY, INC. employees and their families are not allowed to give or receive business gifts, favors, meals or entertainment to or from any customers or suppliers of SHEARER SUPPLY, INC., except as approved by the President.

If you or a co-worker are approached to give or receive such gifts you are required to request permission from the President.

### **Personal Property**

SHEARER SUPPLY, INC. is not responsible for personal property of employees in facilities, vehicles or parking areas. Any personal items brought on premises deemed inappropriate by SHEARER SUPPLY, INC., will be removed without notice. Items included, but not limited to, are candles, radios, personal televisions and space heaters. As always, be considerate of the company's image as well as your image with customers and co-workers.

### **Personal Safety**

At SHEARER SUPPLY, INC. the safety of our employees is a top priority. We will make every effort possible to ensure the safest working environment possible. If you have suggestions or concerns discuss them with your immediate supervisor or the President. If you feel you are in danger performing your job duties, stop working and report the hazard to your immediate supervisor.

### **Food & Beverage**

Without exception, food and beverage is strictly prohibited within immediate proximity of any computers, servers, related hardware or application storage. In all other areas, employees should be mindful of potential business visitors within the work area. Meals should be eaten in the specified lunch area.

### **Smoking**

Smoking is not allowed in SHEARER SUPPLY, INC. facilities. Smoking is allowed only in designated areas outdoors and at least 10 feet from the entrance to the warehouse. While smoking, please be considerate of others. All smoking materials must be extinguished properly and disposed of in appropriate receptacles.

## **Company Property**

### **Confidential Information Security**

As a matter of course employees of SHEARER SUPPLY, INC. will have access to confidential and proprietary information. This information includes,

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but is not limited to, personnel information, pricing, client lists, contractual agreements, intellectual property and marketing/sales strategies. It is a condition of employment that you not disclose this information to third parties during or after employment. Disclosure of SHEARER SUPPLY, INC. confidential information without express written approval is prohibited.

### **Inventions of Employees**

During your employment with SHEARER, you will, without additional compensation, promptly disclose and, to the full extent allowed by law and subject to creation of such property, do hereby assign to SHEARER, all rights to which you may be entitled with respect to patents, trade secrets, copyrights, trademarks, inventions, discoveries, manufacturing techniques, training and or sales documents which may have developed through computer programs, improvements and other intellectual property which (a) relates to SHEARER' past, present or demonstrated or reasonably foreseeable future business or research, whether or not developed during normal working hours; or (b) is developed with the use or aid of any SHEARER equipment, supplies or facilities; or (c) uses or is based on or is developed from any proprietary or confidential information of SHEARER, or of a third party, access to which I obtain through SHEARER or in the course of my duties at SHEARER; or (d) results from any work, service, or duty I perform for SHEARER, and I agree to waive any pre-emptive or other rights that I may have in such property.

### **Facilities Security**

It is the responsibility of all employees to make sure the facilities and work areas are secure. Any employee entrusted with facility keys shall make certain the facility is secure when that employee is the last to leave. See your immediate supervisor if you will be left with this responsibility. This includes, but is not limited to, turning off appropriate lights and closing and locking all doors and windows and turning off coffee makers.

Report any potential security risks to your immediate supervisor.

### **Office Supplies, Postage & Company Accounts**

SHEARER SUPPLY, INC. postage, postage systems, shipping accounts and accounts with various vendors and suppliers are to be used for company business purposes only. This includes the use of the office supply credit cards, management credit cards and the Diesel Fuel Card. Improper use of these items may result in appropriate disciplinary action, up to and including termination.

### **Company Vehicles**

Company vehicles are provided for all Branch Managers and Outside Sales employees provided employee is insurable through Company policy. No other driver other than a SHEARER employee is allowed to drive a company vehicle.

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Concerning SHEARER vehicles and alcohol:

### During business hours

At no time during business hours should there be any consumption of alcohol or controlled substances.

After business hours The following excerpt is taken from Chapter 49 of the Penal Code for the state of Texas concerning operating a motor vehicle after drinking and will be used for all employees in any state in order for the employee to distinguish his/her ability to drive.

- A. Intoxication is not having the normal use of mental or physical faculties by reason of the introduction of alcohol, a controlled substance, a drug, a dangerous drug, a combination of two or more of those substances, or any other substance into the body; or
- B. Having an alcohol concentration of 0.08 or more. Simply stated if you have lost any of your normal mental or physical capabilities after drinking and/or taking legal or illegal drugs you should not drive. These losses often occur at alcohol levels below 0.08. Scientific research has not shown an alcohol concentration level at which it is safe to drive.

The best rule of thumb to follow is, "If you drink don't drive!"

Concerning SHEARER vehicles and cell phones:

SHEARER strongly discourages the use of cell phones while driving company vehicles.

SHEARER bobtail drivers are forbidden to use cell phones while operating the moving vehicle. The vehicle should be parked in order for the driver to use the phone.

Territory Managers are asked to purchase hands free devices, but SHEARER maintains its current policy of discouraging the use of cell phones while operating a moving vehicle.

While in the possession of a Company vehicle you are required to perform standard maintenance (see below) and follow all operating instructions, safety standards and guidelines.

The following maintenance suggestions are not totally inclusive and are to be considered general guidelines only.

Anti-freeze-Check at least twice per year. Usually in October and April you should flush systems and put in new antifreeze. Check radiator cap and hoses.

Oil Change-You should change your oil and filter every 5000 miles. Be sure to lube at every oil change. Have rear differential, transmission fluids, power steering fluid and brake fluid checked at every oil change. The oil pan should be dropped and cleaned out at 60,000 miles.



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Tires-Normal life of a set of tires is about 40,000 miles. You need to inspect your tires regularly.

50,000 Mile Check Up-Usually around 50,000 miles your vehicle will need some or all of the following: brake job, new hoses and belts, new shocks, new tires and a tune up (usually every 25,000 miles).

Notify your supervisor if any Company vehicle appears to be damaged, defective or in need of repair. This prompt reporting could prevent the vehicles deterioration and could also help prevent injury to you or others.

If you use or operate Company vehicles improperly, carelessly, negligently or unsafely, you may be disciplined or even terminated. In addition, you may be held financially responsible for any loss to SHEARER because of such mistreatment.

Drivers and all passengers are required to wear a seatbelt at all times when operating or riding in any company owned, rented, borrowed or leased vehicle.

SHEARER SUPPLY, INC. insures its vehicles and drivers with liability, comprehensive and collision coverage.

Accidents – Company Business-Normally SHEARER will pay deductibles. However, if “gross negligence” on your part is a significant contributing factor you may be expected to pay deductible and face disciplinary action.

Accidents – Personal Business-You are totally responsible for deductibles and for providing a replacement vehicle at your expense.

SHEARER will not pay any of the following traffic tickets on your behalf:

1. Moving violations
2. Negligence
3. Seat Belts – Proof of Insurance – License Plates – Inspection Sticker
4. Driving Under the Influence
5. Drive While Intoxicated
6. Any others if you are at fault

SHEARER will pay if defective equipment, however, if you know equipment is defective do not take it on the road except in an emergency situation.

Items required in each Company vehicle:

1. Spare Tire and Jack
2. Flashlight
3. Fire Extinguisher
4. Current Insurance Card
5. Current License Plate
6. Current Inspection Sticker
7. Current Registration Slip

### **Company Equipment**

Company property, such as laser printers, copiers, computers and all production tools, are to be used for SHEARER SUPPLY, INC. business purposes. Personal use of said equipment is permitted within reasonable consumption. Personal use is limited to before or after regular business hours.

The personal use of any company bobtail is strictly prohibited with no exceptions.

### **Phone Systems, Voice Mail and Personal Calls**

Telephone systems and equipment are in place to provide business services of the company. Employees are to limit the personal use of these items. Personal use of company phones should be used primarily to insure "safe arrival" of children and emergencies. All personal calls should be limited to two to three minutes in duration. Other calls should be made during breaks away from the work area.

The use of personal cellular phones is permitted on a very limited basis and should be used during breaks away from the work area. At no time are ear jacks allowed to be used.

Long distance calls for personal use are prohibited.

## **Computer Related**

### **Computers and Related Equipment**

SHEARER SUPPLY, INC. provides employees access to computers, printers and other equipment on an as-needed basis, to perform their job requirements. Personal use of company computers is acceptable before and after normal business hours.

Employees are required to maintain their computers and related equipment in good working order. If any of your equipment needs service, repair or maintenance, notify your immediate supervisor.

Employees shall not use company systems to knowingly violate any city state or federal laws.

Computer games and personal software may not be installed on company equipment.

Company equipment shall not be used to store or display images depicting violence, sexually explicit material or are racially offensive material.

Employees found in violation of this policy may be subject to appropriate disciplinary action, up to and including termination.

Software installed on company computers must be properly licensed and installed at the direction of the computer systems supervisor. Employees are prohibited from installing any password protected software.

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Employees are not permitted to download any software (free or otherwise) without express permission from the CFO.

Each company computer is password protected and may not be changed without the expressed written consent of the computer systems supervisor.

### Internet

Company computer systems, connected to the internet, are connected for business purpose only. Accessing the internet for personal use is prohibited. Employees are expressly prohibited from allowing any third party to use company provided computers or internet services.

Conducting company business on the internet must be done following all guidelines and policies for conducting business in conventional settings.

Do not expect privacy on company computers. Our software and systems have the capability of tracking each visit, each email, each chat and each file transfer, by every computer on the system.

SHEARER SUPPLY, INC. maintains the right to limit internet access.

SHEARER SUPPLY, INC. will comply with any reasonable requests from law enforcement to review internet activities of any employee.

Employees are responsible for keeping software protection programs such as Kaspersky updated on their computers and laptops. Damage caused to such devices because Kaspersky was not installed may result in the employee paying for such damages.

While accessing the internet, employees should be fully aware of the global reach of the media. Employees are required to maintain a high level of dignity and be mindful that they represent SHEARER SUPPLY, INC. to the world at large while online.

For protection of SHEARER SUPPLY, INC.'s network and proprietary information, security measures have been installed on the system. No employee shall, under any circumstances, attempt to disable or circumvent these security measures.

### E-Mail & Electronic Communication

Company provided email is provided for business purposes only. Personal use should be kept to an absolute minimum.

All emails, sent or received, are company records and as such, are accessible to appropriate staff members.

Emails from SHEARER SUPPLY employees should include the following notice at the bottom of each email:

The information contained in this message is privileged and confidential and intended only for the recipients named. If the reader is not a representative of the intended recipient, any review, dissemination or copying of this message or the information it contains is prohibited. If you have received this message in error, please immediately notify the sender, and delete the original message and attachment

No anonymous emails can be sent from company systems. All employees are required to identify themselves by name and email address.

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Chat room participation is prohibited except for business related forums which require approval from your immediate supervisor.

### SOCIAL MEDIA POLICY

Employees use social media for a variety of reasons related to both work and personal lives. It is important to recognize that using social media presents risks and requires the use of responsible behavior. We created this policy to provide you with guidelines to help you exercise responsible, mature judgment when you use social media. It applies to all employees.

Social media, as we use the term in this policy, includes all methods of communicating and posting information on the Internet. It includes any web log or blog, journal, diary, personal web site, social network or affinity web site, web bulletin board, chat room or any other form of electronic communication that exists as of the publication of this policy, or will be created in the future.

You are solely responsible for whatever you post online. You should consider the risks and the rewards. You should think about who might see your post and the impact it may have on everyone involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of your co-workers or otherwise adversely affects any stakeholder working on behalf of our legitimate business interests, may result in disciplinary action up to and including termination. If you become the subject of legal action as a result of your post(s), the company will not participate in your defense.

## Trips and Outings

Please note the following when asked to host a SHEARER SUPPLY, INC. outing/trip/dealer meeting.

- Make sure you meet **all** customers and introduce customers to each other.
- Make sure all dealers are accounted for especially boarding planes and planned activities
- Help with luggage
- Make sure everyone is comfortable.
- You are a host for this trip, it is 50% vacation and 50% business as you are debited at 50% for your time off. Ex. If you are on a SHEARER SUPPLY sponsored trip for 4 business days you will be debited 2 vacation days unless otherwise noted by MLSR.

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- Hotel rooms are often times not all ready for occupancy upon arrival. Give available hotel rooms to customers first, SHEARER SUPPLY employees will wait.
- Please refrain from out of control drinking, and/or loud, obnoxious behavior.
- **All** planned events must be attended by SHEARER SUPPLY employees and their spouse/guest...no exceptions.
- Dress appropriately for all events, this includes your travel mate (spouse). Travel mates (spouse) should understand that you are hosting the trip and therefore much of your time should be spent with various dealers.
- No complaining...you may hear complaining from a dealer, see what you can do to help but do not fuel the fire.
- Dealers go first, in food lines, baggage pick up etc.
- Expenses...your personal expenses are that, your own. SHEARER SUPPLY pays for the same things we pay for the dealers, airfare, hotel, planned meals, usually breakfast and dinner as well as transfers. Lunch, drinks, incidentals are on your own as well as any side trips you take.
- Dealer Expenses...these are the responsibility of the dealer. SHEARER SUPPLY will not pay for picking up any drink tabs for dealers or for you.
- Keep things calm...we want everyone to have a good time, but rowdiness that effects the enjoyment of others on our trip cannot be allowed. So if you have a group that is "excessive", move them over to another area so they can enjoy themselves without intruding on others.
- Do things with dealers...some dealers may not want you around during the day, but would enjoy meeting you for dinner. But I don't expect SHEARER SUPPLY people to dine alone or take excursions alone, you should be with customers.

## Policies for Leave of Absences

### Sick Leave

Following one full year of employment eligible employees will receive one paid personal day per calendar year and two paid sick days (for use with a Doctor's excuse). These days are available for illness or injury, not as additional vacation days. Unused personal and sick leave may not be carried to the next year. At the end of employment with SHEARER SUPPLY, INC., employees will not be paid for unused personal or sick leave days.

Notify your immediate supervisor or the CFO in advance when you plan to use personal or sick leave for scheduled medical procedures or doctor's appointments. Appointments are strongly urged to be scheduled at the end of the work day to minimize the disruption to the work schedule.

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If you must leave before the end of your shift because of illness, notify your immediate supervisor as early as reasonably possible.

### **Funeral Leave**

SHEARER SUPPLY, INC. provides personal time off for employees to attend funerals of immediate family members. Contact the President or CFO concerning your specific needs.

### **Jury Duty**

Notify your immediate supervisor if you are summoned for jury duty. Time off from work will be granted as necessary in compliance with applicable law.

### **Military Duty**

In accordance with requirements of law, SHEARER SUPPLY, INC. will provide military leave of absence and reinstatement for qualifying employees.

### **Severe Weather Closings**

In the event the company must close for the day due to severe weather or emergencies, the company will make every reasonable effort to notify you.

If weather conditions are so severe that you are unable to travel to work, contact your immediate supervisor.

## **Benefits**

### **Overview**

Benefits provided to employees are provided at the will of SHEARER SUPPLY, INC. and SHEARER SUPPLY, INC. reserves the right to modify or eliminate benefits without notice under conditions of law. The benefits listed herein are intended to be a general description only. Details of specific benefits are outlined in the documentation for the benefit program.

### **Eligibility**

To qualify for most benefits a full time employee must have completed one full year continuous employment. Full time employees are employees who have been assigned a regular 40 hour per week work shift. Employees scheduled for less than 40 hours weekly are not eligible. SHEARER SUPPLY, INC. reserves the right to, without notice, revise these eligibility requirements.

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If you have questions contact the General Manager.

### **Group Medical Insurance**

SHEARER SUPPLY, INC. pays the substantial portion of premium costs for coverage of eligible employees. Coverage is available through the current plan for dependents. Any additional premium cost for the employee or dependent coverage are the responsibility of the employee. Employee portion of premiums must be paid through payroll deduction. Details of the plan are available through the General Manager. Notice: Plan details may change without notice.

### **Retirement**

SHEARER' Board of Directors and Management have established the Shearer Supply, Inc. 401(K) Plan effective January 1, 2017 because we feel that it is extremely important that each of you make adequate financial preparations for your future.

### **401(K)Plan**

#### **Eligible Employee:**

You are an "Eligible Employee" if you are employed by Shearer Supply, Inc. or any affiliate who has adopted the Plan.

#### **401(K) Contributions Safe Harbor Matching Contributions**

You are eligible to make 401(K) contributions and receive Safe Harbor Matching Contributions on the date you first perform an Hour of Service as an eligible Employee.

More information regarding the 401(K) plan can be found in the 401(K) Summary Plan Description.

### **Worker's Compensation**

State and federal law governs eligibility requirements. All premium costs are paid by SHEARER SUPPLY, INC. Claims are paid directly to employees. All employees are expected to return to work immediately upon release by their physician.

Employees are required to report job-related injuries immediately. Failure to comply could result in difficulty with the employee's claim.

Report all accidents or injuries to your immediate supervisor.

### **Holidays**

SHEARER SUPPLY, INC. will provide a holiday schedule for all employees at the beginning of each calendar year.

## Vacations

SHEARER SUPPLY, INC. provides paid vacation time for all eligible employees. To qualify for vacation benefits a full time employee must have completed one full year of continuous employment. At the employees anniversary he/she will be awarded 80 hours vacation to be used in the next 12 months. Employees completing 10 consecutive years of employment with Shearer Supply will be awarded 40 additional hours vacation for a total of 120 hours.

All vacation must be used in the year designated. There is no carryover to the next year and there is no pay in lieu of vacation. Vacation is an active employee benefit. It is not earned wages and does not have cash value during or after employment.

SHEARER strongly encourages vacation time to be taken between October 1 and April 30 of each year.

Vacations between May and September (the busy part of our year) must meet the following criteria:

1. Requested, approved and scheduled before March 31.
2. Family vacations (children out of school) will be given priority.
3. Maximum is 5 working days.
4. No vacation time granted the week prior to the announced inventory date or the day of inventory.

You may not attach vacation days to Memorial Day, July 4<sup>th</sup> or Labor Day.

## COBRA

SHEARER SUPPLY, INC., in accordance with federal law offers continued medical benefits to employees who lose eligibility for coverage via termination or other circumstances. COBRA (Consolidated Omnibus Budget Reconciliation Act) provides employees and their qualified beneficiaries the opportunity to continue health coverage under the company's health plan. The employee pays full cost for coverage at our group rate, plus an administration fee.

The CFO will provide details of COBRA coverage and procedures for applying at the time an employee loses eligibility.



## Discipline Policies

### Problem Resolutions

The solution to most problems is often found through communication. We will make every reasonable effort to assist in solving problems or disputes amongst employees. We recommend the following:

For disputes between employees, first discuss the problem between the two employees and make every attempt to resolve it. If no resolution is reached, both employees together should approach a supervisor and allow the supervisor to participate in the resolution. If a resolution is not reached, it should be turned over to the General Manager. The General Manager will gather and review all information and provide a solution with the best interest of all parties.

If a supervisor is involved as a party in the initial dispute, it must be turned over to the President at the outset. Decisions of the President will be final.

### Violation of Company Policy

Employees found to be in violation of company policy will be given official notice of the infraction. All reasonable attempts to resolve the problem will be made to constructively resolve the situation. Appropriate disciplinary action, up to and including termination, may be taken if the violation continues.

Employees who believe they have been falsely charged with an infraction can appeal the charge to the President. All appeals must be in writing clearly defining the reason you believe the charge was false. The President will review all available information and make a ruling. All decisions of the President are final.

Notices of violation, appeals and final disposition documentation will become a permanent record in the employee's personnel file.

## Termination of Employment

### Termination

Employees of SHEARER SUPPLY, INC. are not given tenure. The employee of SHEARER SUPPLY, INC. may choose to terminate employment at any time.

Employees choosing to terminate their employment with SHEARER SUPPLY, INC. are required to return all company property to their immediate supervisor before leaving the premises on their final day of employment. Upon receipt of all company owned property, the employee will receive their final paycheck.

SHEARER SUPPLY, INC. may terminate employment at any time for any reason. If an employee is terminated for a severe violation of policy they will be escorted from the premises immediately.

## SHEARER SUPPLY, INC. Drug Testing Policy

Current and prospective employees may be asked to submit to drug and alcohol testing. Negative test results for drugs and/or alcohol are a condition of employment. This policy is intended to comply with all state laws governing drug and alcohol testing and is designed to safeguard employee privacy rights to the fullest extent of the law.

Any drug and/or alcohol testing requested by SHEARER SUPPLY, INC. will be paid for by SHEARER SUPPLY, INC. and conducted by a laboratory licensed by the state.

Each employee asked to submit to a drug or alcohol test will be notified of their results by SHEARER SUPPLY, INC. 7 days of receiving the lab results. Every reasonable effort will be made by SHEARER SUPPLY, INC. to maintain confidentiality regarding results.

If the test results are confirmed positive, the employee will be given the opportunity to explain. The employee may also have the same sample retested at a laboratory of the employee's choice, providing the lab is licensed by the state.

SHEARER SUPPLY, INC. does not tolerate the use of the excessive use of a prescribed drug. Additionally, SHEARER does not tolerate the use of alcohol on company premises or during work hours.

If an employee is suspected of working while under the influence of illegal drugs and/or alcohol, the employee may be suspended and required to submit to a drug and/or alcohol test. Suspension shall be without pay until the results of the test are obtained by SHEARER SUPPLY, INC. If the results are negative, the employee will be reinstated and compensated for normal hours of work missed as a result of the suspension. Positive test results may result in termination of employment.

All employees and prospective employees are hereby notified that test results may be used in arbitration, administrative hearings and court cases arising as a result of the employee's drug testing. Results will be sent to federal agencies as required by federal law. In all other instances every reasonable effort will be made by SHEARER SUPPLY, INC. to protect the confidentiality of the information.

**Drug Test Consent Form for a New Hire**

I, \_\_\_\_\_ have applied for employment with SHEARER SUPPLY, INC. I understand that as a condition for my being considered for employment at the position for which I am applying, I may be required to undergo drug and/or alcohol testing. I willingly agree to this testing and understand that if my test results are positive, I shall not be considered further by SHEARER SUPPLY, INC. for this position.

I hereby authorize any laboratory, physician or medical professional retained by SHEARER SUPPLY, INC. to conduct such testing and to provide the results to SHEARER SUPPLY, INC. I further release SHEARER SUPPLY, INC. and any person affiliated with SHEARER SUPPLY, INC. and any such institution or person conducting the testing, from liability therefore.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant Name (Please print)

**Drug Test Consent Form for an Existing Employee**

I, \_\_\_\_\_ currently employed with SHEARER SUPPLY, INC., understand that as a condition of my continued employment at the position for which I hold, I may be required to undergo drug and/or alcohol testing. I willingly agree to this testing and understand that if my test results are positive, I may be relieved of my position at SHEARER SUPPLY, INC.

I hereby authorize any laboratory, physician or medical professional retained by SHEARER SUPPLY, INC. to conduct such testing and to provide the results to SHEARER SUPPLY, INC. I further release SHEARER SUPPLY, INC. and any person affiliated with SHEARER SUPPLY, INC. and any such institution or person conducting the testing, from liability therefore.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant Name (Please print)

**Acknowledgement**

SHEARER SUPPLY, INC. Employee Handbook

I have read the policies outlined in this handbook dated January 1, 2016. I understand that while this is not an employment contract I am bound to abide by the policies set herein.

I further understand that SHEARER SUPPLY, INC. may modify, revise and update this manual at any time. I am also aware that this updating may include additions or deletions.

I also certify that I have had ample time to discuss this handbook and its contents with SHEARER SUPPLY, INC. representatives and I fully understand the contents.

With this knowledge I accept the policies outlined herein as a condition of employment.

My initials here indicate I have read this handbook printed in English, a copy has been provided to me in a language I understand, or I have had this handbook explained to me by a third party in a language I understand.

\_\_\_\_\_ (Initial here)

Employee signature \_\_\_\_\_

Date \_\_\_\_\_

SHEARER SUPPLY, INC. reserves the right to make changes to this handbook for the purpose of modifying, revising and updating company policy and this manual. Notice of changes will be posted on the bulletin boards and become a part of this manual. Violation of any company policy may result in immediate termination.