Schmalz Custom Landscaping, Inc.
DBA: Schmalz Custom Landscaping and Garden Center

W2484 County Rd. KK
Appleton, WI 54915

Employee Handbook
04/01/2024

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INTRODUCTION TO SCHMALZ CUSTOM LANDSCAPING, INC.

Hello! We are excited to welcome you to Schmalz Custom Landscaping, Inc. (dba: Schmalz Custom Landscaping and Garden Center, hereinafter called "Schmalz"). Schmalz was founded in 1949. Since that time, we have remained family-owned and operated, helping us maintain a friendly and dedicated work environment. In fact, we are now operated by our 3rd generation!

Here at Schmalz, we pride ourselves on creating a warm, team-focused atmosphere where cooperation and support are central to our operations. We hope that you will find our company to be a welcoming, engaging, and fair place to work!

This handbook presents a number of key concepts for our company. Some of these represent legal standards that we adhere to. Other aspects outline our expectations for employees and what employees can expect from us. We strongly encourage you to read this handbook in its entirety and keep it in a location where you can easily access it as a valuable resource and reference.

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SECTION 1: ADMINISTRATIVE POLICIES AND PROCEDURES

Employment At-Will

Employment with Schmalz is on an at-will basis. Because of this, employment may be terminated by either Schmalz or the employee with or without cause, and with or without notice, at any time.

No one other than the Schmalz owner/president has the authority to create an employment relationship other than on an at will basis, and the owner/president may only do so based upon a signed written agreement between the owner/president and the employee. Nothing contained in this or any other document provided to the employee is intended to be, nor should it be, construed as a contract that employment or any benefit will be continued for any period of time.

Furthermore, the terms and conditions of employment with Schmalz may be modified at the sole discretion of Schmalz with or without cause and with or without notice. Examples of the types of terms and conditions of employment that are within the sole discretion of Schmalz include, but are not limited to,: promotion; demotion; transfers; hiring and discharge decisions; compensation; benefits; qualifications; discipline; layoff or recall; rules; hours and schedules; work assignments; job duties and responsibilities; reduction, cessation, or expansion of operations; sale, relocation, merger, or consolidation of operations; determinations concerning the use of equipment, methods, or facilities; or any other terms and conditions that Schmalz may determine to be necessary for the safe, efficient, and economic operation of its business.

Equal Employment Opportunity

Schmalz provides equal opportunities to all employees regardless of race, color, creed, sex (including pregnancy, childbirth, maternity leave, and related medical conditions), sexual orientation, religion, marital status, age, national origin or ancestry, physical or mental disability, genetic information, arrest or conviction record, military or veteran status, use or nonuse of lawful products off the employer's premises during nonworking hours, or any other consideration made unlawful by federal, state, or local laws. All such discrimination is unlawful and prohibited by Schmalz.

Equal employment opportunity applies to all personnel decisions and actions, including but not limited to: hiring, promotion, termination, compensation, leave of absence, and training.

Immigration Laws

Although Schmalz does not unlawfully discriminate based upon citizenship status or national origin, Schmalz requires that all employees be eligible to work within the United States. In compliance with the Immigration Reform and Control Act of 1986, Schmalz requires that all employees have a completed Employment Eligibility Verification Form I-9, including providing necessary documentation establishing identity and employment eligibility.

If you have any questions regarding employment eligibility verification, please speak with management.

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Reasonable Accommodation for Pregnancy and Disability

Schmalz will make a reasonable accommodation for the known disability of any qualified individual who is otherwise able to perform the essential functions of a position. Reasonable accommodations include those that do not cause an undue hardship on the company or its employees. Any accommodation that creates an unsafe working environment for either the employee, other employees, or customers will be deemed to be unreasonable for the purposes of this policy.

Reasonable accommodations may be available to individuals with both permanent and temporary disabilities, and options may include transfers to positions with less strenuous or hazardous physical requirements.

Employees or applicants who have a disability, including pregnancy, should speak with management regarding any needed accommodations. Management will engage in an interactive process with the employee to determine whether a reasonable accommodation can be made. Management reserves the right to require medical certification of any accommodations required.

Please note: employees who are currently using illegal substances or improperly using restricted substances, such as prescription medication, are excluded from this policy.

Commitment to Diversity

At Schmalz, we are committed to honoring the diverse backgrounds represented by our employees. This diversity is a source of strength, and, as such, we will strive to provide all employees the opportunity to participate and contribute to the success of Schmalz. To that end, Schmalz will accommodate special requests that do not constitute a threat to safety of the employee, other employees, or customers or present an undue hardship on the company or its other employees.

If an employee or applicant requires an accommodation based upon a religious belief or practice, the employee should speak with management immediately to determine whether an accommodation can be made. Similarly, if management becomes aware through other methods that a religious accommodation may be required, management may approach any impacted employee(s).

Similarly, Schmalz strives to make its policies and practices fair to all employees and applicants. However, if any policy or practice of Schmalz impacts an employee or applicant based upon the employee's membership in a particular group or class (i.e., a "protected class"), the employee or applicant should speak with management regarding any concerns. Examples of "protected classes" include, but may not be limited to: race, color, creed, sex (including pregnancy, childbirth, maternity leave, and related medical conditions), sexual orientation, religion, marital status, age, national origin or ancestry, physical or mental disability, genetic information, arrest or conviction record, military or veteran status, and use or nonuse of lawful products off the employer's premises during nonworking hours.

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We encourage all employees and applicants to present their concerns in writing, as this method allows management the greatest opportunity to fully consider the area of concern. However, employees and applicants may also bring their concerns to management verbally. Management will engage in an interactive process with the impacted employee(s) to determine what, if any, reasonable accommodation may be made. If more than one reasonable accommodation exists, management reserves the right to make the final determination regarding the method or accommodation implemented.

Complaint Reporting Procedure

Although Schmalz strives to make our company a professional and friendly place to work, there may be times when an employee feels that this has not occurred. In the event that an employee wishes to place a complaint, either about another employee or about a company practice, the employee is strongly encouraged to do so. Especially when that concern is regarding an incident of unlawful discrimination, sexual harassment, other harassment, retaliation, or denial of accommodation, Schmalz recommends that an employee present a formal complaint to management so that the employee's concern may be thoroughly investigated and, if found to be substantiated, addressed.

If you believe that you have been subject to or witnessed illegal discrimination, including sexual or other forms of unlawful harassment, you should complain directly to your immediate supervisor. If your immediate supervisor is directly involved, does not address your concerns, or you feel uncomfortable presenting your concerns to your immediate supervisor, you should report your concerns to any other member of management.

You are strongly encouraged to present your concerns in writing. A form for submission of a complaint can be obtained through asking your supervisor or any other member of management, and all employees are encouraged, but not required, to use this form if making a written complaint. However, if you are unable to do so, you may also lodge a complaint verbally.

If a supervisor receives a complaint from an employee, the supervisor is required to report the complaint to upper management for investigation. Furthermore, supervisors are required to report ALL suspected harassment, discrimination, or retaliation directly to management, even if no formal complaint has been placed by an employee. Management and supervisors will be held responsible for any discrimination, harassment, or retaliation that they commit or allow subordinates to commit. Failure to report discrimination, harassment, retaliation, or a complaint to upper management will be considered a violation of this policy.

All complaints will be thoroughly investigated by management in a manner ensuring, to the best of management's ability, the confidentiality of all involved parties. Furthermore, all information concerning a complaint or occurrence will be kept on a "need to know" basis, and details will not be shared with uninvolved parties unless required by law.

If the investigation determines that conduct was performed against company policy or legal requirements, management will take immediate and appropriate corrective action, up to and including immediate termination of employment for any offending party.

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Schmalz will not tolerate or permit retaliation for filing a complaint by management, employees, or third parties.

Suggestions and Ideas

At Schmalz, we encourage all employees to present any suggestions or ideas for improvement to their supervisors or management. We firmly believe that sometimes some of the best ideas come from those people who are in the field, day in and day out. As such, management will take any suggestions seriously and investigate which may be practical to implement on either an individual or company-wide basis. We encourage employees to provide a written suggestion; however, verbal discussions are also welcome at any time.

Employment Status

Employee benefits and overtime status are based upon a number of factors, including employment classifications. These classifications are presented below. A specific employee's classification may be changed at any time with or without notice by management, so long as such change is compliant with federal and state legislation.

Exempt – employees whose job duties qualify for overtime and minimum wage regulation exemptions under federal and state law. These employees are normally expected to work full time, and they are ineligible for overtime compensation.

Non-Exempt – employees who are compensated for any overtime worked. Please see the "Overtime" policy below for further details.

Part-Time Employees – employees who are not in a temporary status and who regularly are scheduled to work fewer than 40 hours each week. Part time employees, may, on occasion, be required to work 40 or more hours per week; however, these requirements are considered temporary in nature. Part time employees are generally ineligible for benefits. Any exceptions due to Federal or State law or individual agreement will be discussed related to the specific benefit.

Full-Time Employees – employees who are regularly scheduled at least 40 hours per week. Full time employees are generally eligible for all benefits available for employees but are subject to the terms and conditions presented for each benefit.

Temporary Employees – employees who are hired to fulfill a temporary requirement for Schmalz. These employees are hired for a specific duration or to fulfill a specific need. Temporary employees are not eligible for any benefits unless informed otherwise by management. Employment beyond the initially agreed upon period does not in any way imply a change in employment status without the express notification from management of a change in that status.

Company Waiting Period – the first three months after hire. During this period, employees are ineligible for employment benefits unless specific benefit details require an alternate waiting period duration.

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Performance Evaluation and Merit-Based Pay Increases

We feel that you have the ability to be a strong asset to our company; however, even the best employees have room for improvement. Because of this, Schmalz will create an ongoing dialogue with each employee regarding that employee's performance. This dialogue will include both acknowledging the employee's strengths and a frank and honest assessment of areas for improvement. Formal performance evaluations may also be provided; however, these may or may not occur on a set timetable, and they may or may not be associated with any changes in pay status. This system is designed to provide a basis for better understanding between you, your supervisor, and Schmalz regarding your job performance, potential, and development within the company.

Schmalz reserves the right to establish all pay systems and pay rates. Pay increases occur more regularly in some job descriptions than others. Regardless, pay increases are based on several factors, including the overall success of Schmalz. Other factors that may qualify employees for an increase in pay include: job performance, productivity, your current salary in your position's grade level, and your level of pay relative to what the industry is paying for similar qualities and talent. Please note: pay increases are not made based upon a set timetable.

Separation from Employment

As a reflection of Schmalz's status as an at-will employer, both Schmalz and its employees may choose to end the employment relationship at any time, either with notice or without notice. However, Schmalz requests that employees provide at least a 2-week notice of separation stating the employee's final date of employment and the employee's reason for separation. This notice may impact the employee's eligibility for rehire, as well as any information provided to any future companies seeking employment verification. Similarly, when Schmalz initiates a separation that is unrelated to an employee's conduct, Schmalz will attempt to provide notice to the employee.

Upon separation, employees will be paid for any pay outlined in the employee's pay agreement. This will include all earned forms of non-discretionary pay. However, employees are ineligible for any fringe benefits, including discretionary pay (e.g., year-end bonuses, bonuses based upon overall company success), during the last month of employment.

Employees will NOT be paid for any accrued but unused vacation time upon separation of employment.

Upon termination of employment, employees are required to return all issued Schmalz property. Examples of Schmalz property include, but are not limited to, uniforms (including jackets), credit cards, cellular telephones, computers, and keys/access cards. Failure to do so may be considered theft, and Schmalz reserves the right to take any and all legally available measures necessary to obtain stolen property.

An employee's final paycheck may be issued as a paper paycheck, regardless of the employee's participation in any direct deposit programs.

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Work Week Logistics

The official work week for Schmalz is from Sunday at 12:00 am until Saturday at 11:59 pm. The Schmalz hours of operation vary based up on department and season; please speak with a manager for current information. Employees in most departments are normally scheduled for an 8-hour shift with a 30-minute meal period. However, schedules vary based on department and season. Meal periods are unpaid and are not counted towards hours worked. Meal periods may not be used to substitute for late arrival or early departure without specific and rare managerial approval.

An employee's work schedule is likely to vary either seasonally or each week based upon the anticipated and actual workload. Although we attempt to schedule an 8-hour workday, employees are not guaranteed a full 8 hours of work, especially during our slower seasons. In addition, field employees are expected to remain working until their foreman relieves them. Failure to do so will be considered a violation of this policy, and it may result in disciplinary action up to and including termination of employment. Finally, employees may be required to work overtime when requested. Please see the below "Overtime" policy for more information.

Breaks for Nursing Mothers

In accordance with federal legislation, Schmalz will grant sufficient breaks to nursing mothers of infants under 12 months of age in order to express breast milk during the day. Nursing mothers should speak with management for additional information.

Overtime

There may be times when we cannot meet the needs of our customers during our standard business hours. When this occurs, employees may be required to work additional hours. Overtime hours may, at times, be assigned to individuals who volunteer; however, workload may demand that all employees work more than 40 hours in any one workweek. When overtime is mandatory, hours will be distributed as equitably as possible.

If an employee has not been assigned overtime hours, the employee MUST receive managerial approval prior to working overtime hours. Failure to do so will be considered a violation of this policy.

As required by law, all employees will be compensated for overtime based upon hours worked. Any benefit hours, such as vacation, holiday, or other leave of absence time, will not be considered when determining and compensating for overtime.

Overtime is paid to all non-exempt employees according to state and federal regulations. All overtime compensation will be paid at an employee's "regular rate of pay," which includes all non-discretionary forms of compensation. Overtime premium pay will be provided for all hours worked in excess of forty (40) hours in any one workweek, and compensation will be equal to one and one-half times the employee's regular rate of pay.

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On-Call Status

On-Call Status is rarely required of Schmalz employees, especially during warm months. However, some employees may serve in an on-call capacity during winter months in our snow removal department. Employees will be informed, in advance, if on-call status applies to them. The following policies apply to on-call status:

- On-call employees in the snow removal department are expected to monitor weather forecasts to be prepared for needed shifts.
- An employee's supervisor will communicate with the employee regarding when and where to report in the case of winter weather activating on-call employees.
- Employees are expected to wear any assigned uniform when responding to all calls for service, including while on-call.
- Employees on on-call status are expected to respond, via telephone, to their supervisors within 30 minutes of the supervisor's original call.
- An employee who is on-call must notify that employee's supervisor, in advance, if the employee will be unavailable for work for any period of time while designated as an on-call employee.

If any employee is required to work on an on-call capacity and the employee is not part of the snow removal department, the employee's supervisor will provide additional administrative information.

Any violations of this policy may result in disciplinary action, up to and including termination of employment.

Mandatory Company Meetings and On the Job Training

Schmalz conducts meetings and company-wide training programs on a regular basis. When notified by management, employees are required to attend these meetings and programs as a mandatory requirement of their positions. Failure to do so will be considered an absence, and such absence will be evaluated in accordance with Schmalz's attendance policy.

In addition to company-wide training, supervisors are responsible for identifying and ensuring implementation of any needed on-the-job training for all employees who directly report to the supervisor. This type of training is generally based upon an employee's specific need; however, it could also include additional training on new technologies, techniques, or growth opportunities. Examples may include one-on-one training with the supervisor or other employee, safety training in addition to standard safety meetings, participation in off-site training, and continuing education.

Training and meetings, when mandatory, will be conducted during regular working hours whenever possible.

Schmalz will pay for any required training programs, including tuition costs and, unless specifically addressed as part of a disciplinary action, the employee's time while attending mandatory training.

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Employees may be tested from time to time to evaluate the effectiveness of any training program.

If you have any questions regarding mandatory meetings or training, please contact your supervisor.

State of Emergency/Inclement Weather

Management may, at times, choose to temporarily cease business operations due to extreme weather or other event. Examples include, but are not limited to, a blizzard, hurricane, forest fire, or earthquake. If management decides that Schmalz will close, management will inform each employee by contacting the phone number Schmalz has on record and/or the employee's assigned company-owned cell phone. A voicemail or text will be left if an employee cannot be directly reached.

Please note: although management will attempt to notify each employee, it is not management's responsibility to ensure that each employee has actually received notification. Employees are responsible for ensuring that the phone number on file is up-to-date, and employees are also responsible for listening to any voicemails or reading any texts sent.

If an employee has NOT been notified that Schmalz has ceased business operations, the employee should assume that Schmalz will remain open for business. The employee should report to work as normal.

Especially if an employee lives in an area that is distant from Schmalz's main office, management encourages that employee to use discretion regarding the conditions in the employee's area of residence, as well as the areas through which the employee would need to travel. Even when management chooses to still provide standard or reduced/emergency only business operations, employees may request leave if they feel that the conditions in their areas of residence or logical path of travel present a significant safety hazard. However, management reserves the right to also evaluate safety conditions, and employees may be held liable for abuse of the emergency leave policy.

In the event that the mayor, governor, president, or other government official declares a state of emergency or a mandatory evacuation impacting either the employee's home or Schmalz's office, Schmalz will not retaliate in any way against an employee for not reporting for work as scheduled.

Any time taken off based upon inclement weather, states of emergency, or mandatory evacuations will be on an unpaid basis, regardless of whether management closes Schmalz's office. However, employees may choose to use any accrued but unused vacation time during this unpaid leave.

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Contagious Illnesses

Schmalz shares concerns with many of its employees to reduce the chance of transmission of serious illnesses within our company. Because of this, we request that employees do not report to work if they are experiencing any extreme symptoms of illness. Although we request that employees "self-regulate" these symptoms, management may require employees stay home when experiencing symptoms.

Extreme symptoms include, but are not limited to:

- Fever over 100°F
- Vomiting or diarrhea
- Severe sore throat
- Severe headache or body aches not related to overexertion or injury

Please note: if an employee is experiencing the above extreme symptoms and those extreme symptoms are the result of a medical condition that is not contagious (e.g., pregnancy or chronic condition), the employee is not required to stay home.

Management reserves the right to require employees to provide doctor's certification for an employee's fitness to resume full job duties after extended or regular absences. Furthermore, abuse of this policy will be considered a violation and may result in disciplinary action up to and including termination of employment.

Paydays and Time Records

In accordance with all applicable state and federal laws, Schmalz will compensate you for all of your time worked. To help ensure that employees are paid properly and no improper deductions are made, each employee is responsible for:

- accurately recording all time worked, including all travel and training time;
- reviewing time records for any unintentional errors prior to payroll submission;
- ensuring all of the employee's time records are submitted according to procedures established for that employee's department;
- submitting all vacation and/or leave hours based upon procedures established for that employee's department, including all required signatures and/or approvals;
- reviewing received paychecks promptly for any errors; and
- immediately reporting any errors to management.

Please note: employees are strictly prohibited from engaging in "off-the-clock" work.

Time records not submitted on time and according to established procedures may result in errors in the employee's pay, and correction of any errors may be delayed until subsequent pay periods.

Deductions from Pay

Schmalz will automatically comply with all federal and state mandated deductions. Examples include federal, state, and/or local taxes and social security.

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In addition to standard mandatory deductions made for all employees, Schmalz will comply with all valid claims against the wages of employees, such as wage garnishments, child support orders, and other legally valid claims. An employee will be notified about the details of the garnishment or wage order. Please note: even if an employee is attempting to address financial difficulties with a creditor, Schmalz is legally required to comply with all garnishment notices or orders as soon as they are received.

In addition to mandatory deductions, some employees may also elect to have specific voluntary deductions withheld for certain things, such as health insurance premiums or contributions to a retirement plan. All voluntary deductions will be presented to each employee for written approval prior to deductions being made.

Exempt employee deductions

The Fair Labor Standards Act (FLSA) limits the types of deductions that may be made from the pay of an exempt employee. In addition to those deductions outlined above, Schmalz is permitted, by this statute, to make deductions for the following reasons:

- Absence from work for one or more full days for personal reasons other than sickness or disability;
- Absence from work for one or more full days due to sickness or disability of the employee;
- Offset for amounts received as witness or jury fees, or for military pay;
- Unpaid disciplinary suspensions of one or more full days for workplace misconduct;
- During the week an exempt employee begins work for the company or last week of employment, the employee will only be paid for actual hours worked; or
- When the employee is using unpaid leave under the Family and Medical Leave Act (FMLA).

Please note: Exempt employees will be required to use accrued vacation time for full or partial day absences for personal reasons, sickness, or disability. However, an exempt employee's pay will not be reduced for partial day absences if the employee has exhausted all accrued paid time off.

If an employee classified as exempt believes that an improper deduction has been taken, the employee should immediately report the error to management. The situation will be promptly investigated, and if it is found that an improper deduction has been made, Schmalz will reimburse the employee for the improper deduction.

Time Records

Employees are responsible for ensuring that their time records are completed. It is considered a violation of this policy for an employee to:

- Complete another employee's time record when not specifically required as part of your assigned job duties;
- Ask, allow, or require another employee to complete your time record;
- Alter a time record with false information; or
- Conceal or falsify a time record.

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If any manager or employee asks you to violate any of the above policies or you become aware of another employee doing so, report the violation immediately to management.

Any violations of this policy may lead to disciplinary action, up to and including immediate termination of employment.

Paydays

Employees are paid on a biweekly basis, resulting in approximately twenty-six (26) paydays every calendar year. Employees are paid every other Friday for work completed during the previous pay period. Schmalz's official seven-day workweek is from 12:00 a.m. Sunday through 11:59 p.m. the following Saturday.

Normally, an employee's pay is deposited directly into the employee's bank account(s). Employees are eligible for direct deposit immediately upon hire, and they sign up for this program through filling out the appropriate paperwork and submitting it to management. Employees may adjust what bank account(s) are being used at any time through a resubmission of the required paperwork. Employees in the direct deposit program receive a non-negotiable check stub detailing that employee's earnings each payday. For more information, please speak with management.

Traditional paper paychecks may be issued to employees for a variety of reasons. These paychecks are normally available by the end of the business day on the relevant payday, and paychecks may be picked up at the main office. Unless another pickup method is negotiated by management, only the employee is permitted to pick up the employee's paycheck.

If a payday falls on a holiday, paychecks will be available the business day before the holiday unless Schmalz specifies otherwise. Under no other circumstances will checks be distributed early.

Employees should verify all paychecks immediately upon receipt. Any employee who feels that there is an error in pay should report any concerns to the employee's supervisor and/or management. Unfortunately, mistakes can occur, and any allegations of a mistake brought to our attention will be promptly investigated and corrected.

Employees who report a mistake in pay or other violations of this policy or who assist in any investigation of violations will not be subject to any form of retaliation.

Company Credit Cards

Based upon business considerations, some employees are issued company credit cards to use for business-related purchases. Company cards may only be used for authorized purchases.

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Employees must obtain managerial permission prior to making any purchase on a company credit card. Management may, at its discretion, provide blanket authorizations for purchases made for specific products or vendors. However, employees must provide an itemized receipt for ***every*** purchase made on a company credit card, even when that purchase includes only items that fall within blanket authorizations.

Employees may NOT use any company card for personal purchases.

Employees are responsible for any cards assigned to them. Lost or stolen cards must be reported to management immediately. Furthermore, use of credit cards by individuals other than the assigned employee is forbidden without specific managerial authorization.

Violations of this policy may result in disciplinary action, up to and including termination of employment.

Expense Reimbursement

Some employees, through the nature of their work for Schmalz, may be required to initially pay for certain business-related purchases. Although this is likely to be rare, if it does occur, employees must obtain and submit an itemized receipt to management for reimbursement. Purchases must be pre-approved by management, and all receipts must be turned in no more than one month after the purchase.

If incurred expenses are related to employee travel, additional procedures may apply. Management will communicate additional expectations and procedures to impacted employees prior to any relevant company-related travel.

Failure to follow any policies or procedures related to expense reimbursement may result in disciplinary action up to and including termination of employment.

Access to Personnel Files

Employee files are maintained by management and are considered confidential. Employees of Schmalz only have access to personnel file information on a need-to-know basis.

Current and former employees wishing to access their own personnel files may do so by contacting management. Management will generally arrange for a review upon request within 3 days of the request. Personnel files are to be reviewed in the main office at a location provided by management. Employee files may not be taken away from the designated location. Representatives of government or law enforcement agencies, in the course of their duties, may be allowed access to file information.

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Employee Image Use

Schmalz may take photographs and videos during working hours or during work-related functions of any or all employees. Pictures and videos taken of employees while participating in Schmalz functions remain the property of Schmalz. As such, these pictures and videos may be used for business-related purposes, including, but not limited to, the company website, social media, marketing, and training materials. Schmalz is under no obligation to remove any pictures or videos taken of an employee after separation from employment, regardless of whether that separation is initiated by the employee or Schmalz.

The creation and use of pictures and videos of an employee does not create an employment contract and in no way alter the employment at-will policy of Schmalz.

Drug-Free and Alcohol-Free Workplace

Although Schmalz respects an employee's personal choices with respect to drug and alcohol use, Schmalz is concerned about the use of these substances, whether on or off the job, if it adversely affects an employee's work performance, efficiency, safety, or health. As a reflection of this concern, Schmalz has established the following Drug-Free and Alcohol-Free Workplace policy. The following are strictly prohibited by Schmalz:

1. Possessing, using, or being under the influence of alcohol, an illegal substance, or a controlled substance during working hours or while driving a company-owned vehicle. This prohibition includes the use of alcohol within 4 hours prior to reporting to work.
2. Distributing, selling, or purchasing alcohol, an illegal substance, or a controlled substance during working hours or while driving a company-owned vehicle.

"Under the influence of alcohol" shall be defined as the employee having a blood alcohol concentration of .04 or greater. Employees having a blood alcohol level of .02 to .039 may also be considered "under the influence of alcohol" under certain circumstances.

Use of prescription and/or over-the-counter drugs may also affect an employee's job performance and ability to perform the employee's job safely. If an employee is using a prescription medication or over-the-counter medication in a lawful manner, and that medication does not impact the employee's ability to safely and effectively perform assigned duties, the previous restrictions do not apply. However, if an employee is using prescription and/or over-the-counter drugs that may impair the employee's ability to safely perform the job or affect the safety or well-being of others, the employee should notify the employee's supervisor immediately. An employee may be required to provide a doctor's verification regarding the employee's need to take the medication. The employee may be granted a leave of absence for the duration for which the medication will be taken. If available, the employee will be required to use any accrued vacation or sick leave during this time period. If no paid leave is available, the leave of absence may be granted on an unpaid basis.

Violation of this policy may result in disciplinary action, up to and including termination of employment.

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Safety Sensitive Position

If an employee poses a significant risk to the safety of either the employee or the general public due to the employee's required job duties, this position with Schmalz is considered "safety sensitive." This definition of risk includes significant bodily harm, death, and/or significant property damage. Examples of tasks that may qualify an individual's position as "safety sensitive" include:

- frequently driving a vehicle (either company or privately owned) as part of the position,
- use of power tools,
- use of tools involving flame, and
- handling of hazardous materials.

Medical Review Officer (MRO)

As used in this policy, a Medical Review Officer (MRO) is a licensed physician who has completed specific obligations related to drug and alcohol testing, including:

- having knowledge and clinical experience in substance abuse disorders,
- completing qualification training courses, and
- fulfilling legally determined obligations for continuing education courses.

Drug Testing

Each employee, as a condition of employment, will be required to participate in the following types of drug testing:

- pre-employment (unless otherwise notified),
- reasonable suspicion,
- random selection,
- post-accident, and
- post-rehabilitation testing.

All fees associated with a required drug or alcohol test will be paid by Schmalz.

Unless notified otherwise, testing for the presence of alcohol will be conducted by analysis of breath, and testing for the presence of the metabolites of drugs will be conducted by the analysis of urine.

Drug testing will include test for the following drugs/metabolites:

- Marijuana metabolites/THC
- Cocaine metabolites
- Amphetamines (including methamphetamine, MDMA)
- Opiates (including codeine, heroine (6-AM), and morphine)
- Phencyclidine (PCP)

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Please note: the use of marijuana or its chemical derivatives during work hours has been deemed to be a safety hazard to employees, our customers, and the general public. Its use also negatively impacts our employee's ability to provide acceptable levels of customer service. For these reasons, even if the use of marijuana is permitted under state or local laws, Schmalz strictly prohibits the use of marijuana or any of its derivatives during or immediately prior to working hours. Testing positive for marijuana may be considered a violation of this policy, regardless of the employee's possession of a medical marijuana license or the legal status of recreational use of marijuana.

All testing will be conducted according to DHHS/SAMHSA guidelines in order to ensure the accuracy and fairness of our testing program. These guidelines include:

- Collection
  - The employee/applicant's identity will be verified using a valid photo ID.
  - The employee/applicant is required to complete all necessary documentation at the Testing Facility, including providing a list of any prescription and over-the-counter medications that the employee/applicant may be taking.
  - The employee/applicant will be given a copy of all of the forms the employee/applicant was required to complete.
  - Collection site will be secure
    - Only those being tested will have access to the site.
    - All water sources will be properly secured, including any standing water.
    - All cleaning products/fluids at the collection site will be removed or properly secured.
  - Privacy during sample collection will be provided.
    - Exceptions:
      - evidence of attempted adulteration or substitution of a specimen, or
      - general questions of validity arise, like an unusual temperature of the sample.
  - The employee/applicant will remove all unnecessary garments and empty pockets; however, the employee/applicant may retain the employee's/applicant's wallet.
  - The employee/applicant will be required to wash and dry hands immediately prior to providing a sample.
  - A sealed collection kit will be opened in the employee/applicant's presence.
  - A minimum of 45 mL of specimen must be collected
    - The employee/applicant will be required to remain at the testing site, under the supervision of the collection site personnel or the employee/applicant's supervisor, if a large enough specimen is not provided.
    - The applicant/employee will be urged to drink up to 40 oz of fluid, distributed reasonably over a period of up to three hours
    - The applicant/employee will be asked to provide a new specimen in a new collection container
    - Failure to produce a large enough specimen after three hours may result in the applicant/employee being required to obtain a medical evaluation regarding the inability to produce a sufficient sample
  - The urine will be examined for appropriate temperature and color.
  - In the employee's/applicant's presence, the urine will be poured into two separate bottles, sealed with tamper-evident tape, and the employee/applicant will be required to sign the seals after they have been placed on the bottles.

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- Laboratory Testing
  - All specimens will be tested as quickly as possible at a US Health and Human Services (HHS) certified testing laboratory.
  - Laboratory staff will determine if flaws in the specimen exist. If flaws exist, the specimen will be rejected for testing.
  - Laboratory staff will only open one of the sealed bottles and will use that portion of the sample to conduct a screening test.
    - If the specimen tests positive, that same portion of the specimen will be analyzed again using a different testing methodology.
    - The test result will be reported as a negative if the specimen tests negative in either test.
    - The specimen be reported to the MRO as a positive test only if the specimen tests positive under both methods.
  - Laboratory staff will conduct specimen validity tests (SVTs) on the sample to determine if the specimen was adulterated or substituted. Tests found to be adulterated or substituted may be considered a refusal to test.
  - Laboratory staff will report the findings of this first bottle to the MRO.
  - Laboratory staff will store both the open and sealed bottles of any reported positive, adulterated, or substituted samples for at least 12 months.
- Review by the MRO
  - The MRO will review paperwork for accuracy.
  - The MRO will report a negative result to the Schmalz designated representative.
  - If the result is positive or an adulterated or substituted test, the MRO will conduct an interview with the employee/applicant to determine if there is a legitimate medical reason for the result. Based on the results of that interview, the MRO will report all conclusions to the Schmalz designated representative. These conclusions will be reported as:
    - Negative, if a legitimate medical reason is established for the positive result.
    - Positive, if there is NOT a legitimate medical reason for the positive result.
    - Cancelled, if there is a legitimate medical reason for an adulterated or substituted test.
    - A refusal, if there is NOT a legitimate medical reason for an adulterated or substituted test.
    - "Non-negative", if the employee/applicant either refuses to discuss the results with the MRO or does not provide the MRO with acceptable medical documentation to support the employee/applicants' claims for a legitimate medical reason.
  - The MRO will inform the employee/applicant that the employee/applicant has 72 hours from the time of the verified result to request to have the remaining sealed bottle sent to another certified lab for analysis for the same substance or condition that was found in the open/tested bottle.

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Refusal to Test

Refusal to submit to drug or alcohol testing that has been requested by management will result in disciplinary action, up to and including immediate termination of employment. Altered samples, substituted samples, and negative dilutes are considered to be failure to cooperate with a management investigation, and will also result in disciplinary action, up to and including immediate termination of employment. Examples of refusal to test include, but are not limited to,:

- Not going to the testing site for any management-required drug or alcohol test.
- Leaving the testing site before the testing process is complete.
- Not providing a urine or breath sample for any test required by management or federal regulations.
- Not allowing the observation or monitoring of providing a urine sample (please note: most samples are provided in private; however, an applicant/employee may be required to be observed under specific circumstances).
- Providing a urine or breath sample that is too small, and a required medical evaluation establishes that there was not adequate medical explanation for the failure.
- Not taking a second test when directed to do so.
- Refusing to undergo a medical evaluation related to providing a small sample.
- Refusing to complete or sign all required components of all required forms.
- Providing a specimen that is determined to be adulterated or substituted.
- Failing to cooperate with any part of the testing process.
- Possessing or wearing any device that could interfere with collecting the sample.

Refusing to submit to a drug and/or alcohol test will result in disciplinary action, including removal from a safety sensitive position and up to and including immediate termination of employment.

Reasonable Suspicion Testing

If a supervisor witnesses verifiable evidence that an employee is under the influence of alcohol, controlled substances, or other illegal drugs during work hours or while driving a company-owned vehicle, the employee will be required to submit a urine sample and/or blood sample for substance abuse analysis. Evidence of "under the influence" may include, but is not limited to: slurred speech, uneven gait, mood swings, violent temper, and avoidable accidents involving a vehicle or resulting in property damage.

Random Selection Testing

Each calendar quarter, Schmalz will conduct random selection testing. Approximately 15% of eligible employees will be selected for testing using a random selection process. All employees in safety sensitive positions and supervisors of safety sensitive employees are eligible for random selection drug testing. Employees selected will be given additional procedural information after being notified of their selection.

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Post-Accident Testing

After a workplace accident, employees may be required to submit to a drug and alcohol test. For the purposes of this policy, a "workplace accident" shall include any vehicular accidents involving a company-owned vehicle, whether the employee is on-the-clock or not. Furthermore, it will include any vehicular accident when an employee is on-the-clock, even if the employee was driving a personally-owned vehicle. Finally, a "workplace accident" will include all other types of accidents that happen in the course of an employee carrying out assigned duties for Schmalz.

If a workplace accident occurs, management will analyze the incident to determine if drugs or alcohol could have impacted the incident. This analysis will be made based upon the incident, not the employees involved. All employees involved in the incident will be required to submit to the test, regardless of who was "at fault."

If management determines that a drug and alcohol test should be performed following an incident, the drug and alcohol test will be completed within a close time proximity to the incident. Involved employees will be informed of the requirement and provided with administrative details regarding obtaining the drug and alcohol test.

Test Results

All drug and alcohol test results will be kept confidential, and only those employees with a bona fide need to know the results will be provided with this information. The employee may submit a written request to receive a copy of the employee's substance abuse test results.

If an employee chooses to leave Schmalz, and that employee seeks employment with an employer that is regulated by a United States Department of Transportation (DOT) agency, that employee's drug & alcohol testing history will be provided to that future employer.

An employee may challenge a positive drug or alcohol test by requesting a retest of the sample that tested positive. The employee shall pay all costs of such retest. However, if the retest reverses the results of the initial positive test, Schmalz shall pay the costs of the retest.

A positive test result to a company-mandated drug and alcohol test may result in disciplinary action, up to and including immediate termination of employment. Schmalz reserves the right to require, as a condition of reinstatement and continued employment, completion of an approved rehabilitation program, at employee expense, which shall include but not be limited to:

- A period of inpatient care
- Return to work tests, which will include one test prior to beginning work, and may include unannounced follow-up testing at least 6 times in the first 12 months following return to work.
- Follow up testing, which may include recommendations from a Substance Abuse Professional (SAP) and may continue for up to 5 years.

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Return to work and follow up testing, when applicable, is required in addition to all other drug testing programs. An employee who is required to complete return to work and follow up testing will be subject to follow-up, reasonable suspicion, post-accident, and random testing as part of the employee pool.

Any employee testing positive during or subsequent to a rehabilitation program will be subject to immediate termination of employment.

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SECTION 2: EMPLOYEE CONDUCT

Customer Service and Ethical Conduct

Customers are the root of what we do – without them, we no longer have a reason or purpose for existing as a company. Ultimately, their satisfaction is what will keep us in business. Even in the middle of unexplained situations that cause customer property damage or would otherwise cause friction, the way we conduct business and the professionalism that we bring to each situation (especially the difficult ones) will have a greater impact on customer satisfaction than any other factor. And, when one customer is satisfied, that customer will let friends and acquaintances know, which will, in turn, help Schmalz.

The importance of professional conduct when working with our customers cannot be emphasized enough. Because professional conduct is a broad term that is open to many interpretations, we have provided the following guidelines for appropriate conduct:

- Company problems may not be discussed with customers. This includes discussing any conflicts between employees and management.
- Do not talk negatively about customers, discuss their oddities, or discuss their personal matters, especially in front of other customers or in public.
- Providing customer information to anyone who is not an employee is strictly prohibited. This includes other customers, third parties, and individuals of one's own family.
- Borrowing money from a customer is not permitted, nor is trying to sell a customer something that is not company-related (such as Girl Scout cookies).
- Schmalz employees may not solicit customers for charitable donations unless it is part of a management-sanctioned, company-wide charitable drive.
- Schmalz employees may not conduct themselves inappropriately with customers.
- Employees should always speak in a professional manner when speaking with customers. Profanity or rude language is strictly prohibited.
- Employees may not conduct business with customers outside of official work duties.

In general, ethical behavior is a key element to Schmalz's continued success. Each employee must remain committed to certain additional ethical standards and principles while performing on the job. These include:

1. Adherence to all applicable federal, state, and local laws and regulations.
2. Protection of Schmalz reputation and assets.
3. Responsible action that avoids conflicts of interest and other situations potentially harmful to Schmalz.
4. Being ethical and honest, including providing truthful information in response to any management inquiry or investigation.

If an employee has any concerns about a customer service situation or how to approach a situation in an ethical manner, the employee should speak with the employee's supervisor or another member of management.

Any violations of this policy may result in disciplinary action, up to and including termination of employment.

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Prohibited Conduct

Schmalz considers work rules, guidelines, and work performance important employee responsibilities. They are essential to the proper functioning of our business and ensure that employees work together effectively. When these rules and guidelines are not followed, or an employee's work performance is below Schmalz standards, disciplinary action, up to and including termination of employment, may be taken.

The following is not meant to be a total list of all work rules; they are only examples of the type of conduct that will not be tolerated by Schmalz. This policy of prohibited conduct does not alter Schmalz's policy of at-will employment.

1. Making false statements or omitting pertinent information on Schmalz documents, including applications or when responding to management inquiries.
2. Insubordination: Refusal to obey work orders of supervisors, refusal to perform job assignments, or the use of abusive or threatening language toward a supervisor or member of management.
3. Bullying: acts or verbal comments that could mentally hurt or isolate a person in the workplace, especially involving repeated incidents or a pattern of behavior that is intended to intimidate, offend, degrade, or humiliate a particular person or group of people. Please note: comments from an employee's supervisor that are objective and are intended to provide constructive feedback are NOT considered bullying.
4. Gossiping: discussing another individual's personal life, particularly when that individual is not an active part of the conversation.
5. Theft, unauthorized removal, or willful damage of property or resources belonging to Schmalz, Schmalz employees, or customers.
6. Obtaining sales of service or product through false or fraudulent statements to the customer.
7. Disregard of safety rules and practices and security regulations, including horseplay, wrestling, dangerous practical jokes, or throwing objects.
8. Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.
9. Committing any act of violence, threats or intimidation, or fighting.
10. Using abusive or profane language on Schmalz or customer premises.
11. Unauthorized operation of machinery and equipment, or operation of any machinery or equipment that you are not trained and authorized to operate.
12. Being on Schmalz or Schmalz's customers' property outside of assigned work duties.
13. Leaving any workplace, including a jobsite, without properly notifying your supervisor.
14. Excessive absences or tardiness.
15. Unacceptable or poor work performance.
16. Gambling, in any form, on Schmalz premises.
17. Littering.
18. Solicitation of or by employees during working time in the workplace without managerial authorization.
19. Sleeping or deliberately disregarding assigned work tasks during working hours.
20. An unacceptable DMV report that changes the insurability status of the employee.
21. Failure to fully cooperate with any Schmalz investigation as required by management.
22. Any conduct that is prohibited by federal, state, or local laws.

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Duty to Report

Due to the nature of the business and the liabilities that Schmalz assumes, an employee has a duty to report to Schmalz all convictions of or citations for any crime, whether the law violation was federal, state, or local. The following provisions apply to this policy:

- Convictions or citations must be reported regardless of the severity of the crime.
- Convictions or citations must be reported regardless of whether the violation occurred while the employee was "on-the-clock."
- Field employees must report all traffic violations, whether on Schmalz or private time, and regardless of their severity.
- If an employee is required to maintain a driver's license as a job requirement, the employee must report to Schmalz if the employee's driver's license is revoked.
- An employee must report knowledge of a warrant being issued for the employee's arrest.
- An employee must report any civil lawsuits filed against the employee.

Failure to report convictions, citations, or warrants may result in disciplinary action, up to and including termination of employment. At Schmalz's discretion, violation of federal, state, or local laws may also result in disciplinary action, up to and including termination of employment.

Prohibition Against Harassment

It is Schmalz's policy to ensure that its employees have a workplace free of sexual and other types of harassment. Harassment based upon any protected class, such as: race, color, creed, sex (including pregnancy, childbirth, maternity leave, and related medical conditions), sexual orientation, religion, marital status, age, national origin or ancestry, physical or mental disability, genetic information, arrest or conviction record, military or veteran status, use or nonuse of lawful products off the employer's premises during nonworking hours, or other characteristic protected by local, state, or federal law is strictly prohibited by Schmalz. This prohibition includes inappropriate actions and statements made by management, supervisors, employees, and nonemployees who are present in the workplace. Schmalz will take all steps necessary to prevent and eliminate unlawful harassment.

Furthermore, any employee who places a complaint about sexual or other harassment in the workplace will not be retaliated against for lodging that complaint. Furthermore, retaliation against individuals for cooperating with an investigation of a harassment complaint is unlawful and will not be tolerated.

Definition of Prohibited Harassment

Prohibited harassment is conduct that, because of the individual's membership in a protected class,:

- has the purpose or effect of creating an intimidating, hostile, or offensive work environment;
- has the purpose or effect of substantially and unreasonably interfering with an individual's work performance; or
- otherwise adversely affects an individual's employment opportunities.

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Prohibited harassment includes, but is not limited to, epithets; slurs; jokes; pranks; innuendo; comments; written or graphic material; stereotyping; or other threatening, hostile, or intimidating acts based on membership in a protected class as outlined by local, state, or federal laws.

Definition of Sexual Harassment.

While all forms of harassment are prohibited, sexual harassment is further outlined by additional laws. "Sexual harassment" is generally defined under law as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature where:

- Submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of any individual's employment or as a basis for employment decisions; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

Below are some examples of conduct that, if unwelcome, may constitute sexual harassment (Please note: this list should not be considered exhaustive):

- Unwanted sexual advances, whether they involve physical touching or not;
- Sexual epithets, jokes, written or oral references to sexual conduct, gossip regarding one's sex life, comments about an individual's body, comments about an individual's sexual activity, deficiencies, or prowess;
- Displaying sexually suggestive objects, pictures, or cartoons;
- Unwelcome leering, whistling, brushing up against the body, sexual gestures, or suggestive or insulting comments;
- Inquiries into one's sexual experiences; and
- Discussion of one's sexual activities.

Sexual harassment (and other forms of harassment) can occur between any individuals, regardless of each person's sex, gender, or other membership in a protected class. It can also occur regardless of each individual's position within the organization or related to the other individual. Harassers can be a superior, subordinate, co-worker, or anyone in the workplace, including an independent contractor, temporary employee, vendor, customer, or visitor.

Furthermore, sexual harassment can occur both inside and outside the immediate work environment or workday. Harassment can occur while employees are traveling for business or at company-sponsored events or parties. In addition, calls, texts, emails, and social media usage by employees can constitute unlawful harassment, even if they occur away from the workplace, on personal devices, or during non-work hours.

Complaint Procedure

Employees who believe they have been subject to or witnessed illegal discrimination, including sexual or other forms of unlawful harassment, should file a complaint following the procedures outlined in the "Complaint Reporting Procedure" policy presented in Section 1 of this handbook. All complaints will be investigated promptly and, to the extent possible, with regard for confidentiality.

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Fraternization

Relatives and/or individuals in a romantic or other close relationship may be hired by the company if the relationship does not impact the work environment in a negative manner. However, if a problem were to develop, Schmalz reserves the right to take whatever action is appropriate, in its discretion, to protect Schmalz's interest. This may include transfer of one or both parties from a department, reassignment of position, or other action up to and including termination of employment.

Conflicts of Interest

Schmalz expects all employees to conduct themselves and company business with the highest ethical standards in addition to adhering to all federal, state, and local laws and regulations. Although Schmalz recognizes and respects an employee's right to engage in activities outside of employment, adhering to the highest ethical standards includes, among other things, avoiding real and potential conflicts of interests in both workplace and personal time.

A conflict of interest exists when an employee's loyalties or actions are divided between Schmalz's interests and those of another person or entity, such as a competitor, supplier, or customer. An employee who is unsure as to whether a certain situation constitutes a conflict of interest or the appearance of a conflict of interest should discuss the situation with the employee's immediate supervisor or management for clarification. If an employee suspects or is aware of a conflict of interest, the employee should speak with management, and management will have the final authority to determine when a conflict of interest interferes with an employee's responsibilities at Schmalz.

It is not possible to define all the situations that might create a conflict of interest. The list below suggests some types of activity that indicate a conflict of interest resulting in improper behavior, unacceptable personal integrity, or unacceptable ethics:

1. Simultaneous ownership of, management of, or employment by another company that is a competitor of Schmalz.
2. Being an owner, manager, or employee of a company that is a Schmalz supplier or vendor.
3. Engaging in "side work," "moon-lighting," or self-employment while employed by Schmalz.
4. Using company assets, such as company-owned computers and tools, or labor for personal gain.
5. Having a direct or indirect financial interest in or relationship with a competitor, customer, or supplier, except that ownership of less than 1% of the publicly traded stock of a corporation will not be considered a conflict.
6. Borrowing money from customers or companies, other than recognized loan institutions, from which our company buys services, materials, equipment, or supplies.
7. Accepting gifts or entertainment in excess of $25 in value from an outside organization or agency.
8. Committing Schmalz to give its financial or other support to any outside activity or organization except within the ordinary course and scope of employment.
9. Participating in civic or professional organization activities in a manner that divulges confidential company information.

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10. Misusing privileged information or revealing confidential data, including customer information, to individuals not employed by Schmalz.
11. Using one's position in the company or knowledge of its affairs for personal gains.
12. Developing a personal relationship with another employee of Schmalz that might interfere with the exercise of impartial judgment in decisions affecting Schmalz or any employees of Schmalz.
13. Engaging in practices or procedures that violate antitrust laws, commercial bribery laws, copyright laws, discrimination laws, campaign contribution laws, or other laws regulating the conduct of company business.

Please note: it is not a conflict of interest to engage in protected concerted activity that includes joining with other employees for your mutual aid and protection. Nothing in this policy should be interpreted to limit an employee's rights under the National Labor Relations Act (NLRA).

Confidentiality and Trade Secrets

As a condition of initial and continued employment with Schmalz, all current employees are expected to protect and preserve Schmalz's proprietary, confidential, and trade secret information. This information is valuable to all employees, as it is what helps our company stay in business. Furthermore, former employees are reminded that proprietary, confidential, and trade secret information is protected under federal and state laws, and Schmalz may take any and all legal means available to protect its trade secrets. "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

- Derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and
- Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

The following are examples of trade secret information that is protected by this policy and related laws:

1. Marketing concepts, labor and material costs, and pricing methods of Schmalz.
2. The contents of private written or oral contracts or understandings between Schmalz and a third party, including customers, suppliers, and vendors.
3. The details of any statistical data, training manuals, financial statements, forms, techniques, methods, or procedures not generally known to competitors of Schmalz.
4. Long-range plans, budgets, acquisition strategies, methods of operations, and financial performance belonging to Schmalz and not generally known to the public.
5. Names and addresses and any related information pertaining to Schmalz's customers that are not generally known to the public.
6. Confidential employee information, such as medical information, performance review details, and social security numbers.
7. All Information protected by the Uniform Trade Secrets Act and any state version thereof.

An employee who improperly uses or discloses trade secrets or confidential business information will be subject to disciplinary action up to and including termination of employment and legal action, even if the employee does not actually benefit from the disclosed information.

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If an employee is approached by an individual representing either law enforcement or the media requesting information, the employee should refer all inquiries to Schmalz ownership.

Employees are not prohibited by this policy from engaging in activities for their mutual aid and protection. Employees have the right, without violating this policy, to discuss among themselves issues relevant to their pay, benefits, and working conditions, or otherwise legally engage in concerted activity.

Security

The security of our office, company-owned vehicles, and worksites, as well as the welfare of our employees, requires that every individual be constantly aware of potential security risks. You should immediately notify your supervisor if you notice persons acting in a suspicious manner in any workspace, or when keys are lost or misplaced.

Employees entrusted with keys to the office, other company facilities, and company-owned vehicles are responsible for the safekeeping of the keys and the security and protection of company property. This includes any time the employee is present, regardless of whether the office is closed or customers are present.

Furthermore, employees are responsible for the security of company-owned vehicles assigned to them at all times. Although we realize that some things are out of an employee's control, an employee is responsible for taking all prudent and responsible actions to ensure the security of company property, including ensuring that all company vehicle doors are closed and locked at all times when the employee is not present.

Workplace Violence Prevention

Schmalz is committed to providing a safe, violence-free workplace for our employees. Because of this commitment, Schmalz strictly prohibits and will not tolerate any act of aggression or violence made toward or by any employee. An act of aggression may include, but is not limited to:

- any verbal or physical harassment or abuse,
- attempts to intimidate others,
- menacing gestures,
- stalking,
- or any other hostile, aggressive, and/or destructive actions taken for the purposes of intimidation.

This policy applies to all work sites, including customer property and the main office, as well as all company-sponsored functions.

All employees are considered responsible for keeping our work environment free from violence or potential violence. Although management discourages employees from engaging in any physical confrontation with a violent or potentially violent individual, employees are encouraged to take actions necessary to ensure their safety.

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If a threat is imminently dangerous, the employee should immediately contact law enforcement and emergency services. In addition, all employees who witness or are the recipients of violent behavior should promptly inform their supervisor. All threats will be promptly investigated, and any individual engaging in violence against the company, its employees, or its property will be prosecuted to the full extent of the law. No employee will be subject to retaliation, intimidation, or discipline as a result of reporting a threat in good faith under this policy.

Firearms and weapons **cannot** be brought into the workplace at any time. Schmalz's workplace includes all offices, warehouses, workshops, company-owned vehicles, Schmalz's customers' property, and any other location in which Schmalz business is conducted. For the purposes of this policy, the workplace does not include the company parking lot. An employee with a valid permit to carry a concealed firearm may have a firearm in their personally-owned vehicle, so long as the vehicle is locked and the firearm is not visible, except where specifically prohibited by law. For the safety of Schmalz employees and to limit the liability of Schmalz, management has the right to verify that employees who bring a firearm in their personally-owned vehicle into the company parking lot have a valid concealed weapon permit. Management also retains the right, upon reasonable suspicion, to inspect an employee's personally-owned vehicle parked on company property and other company property for weapons improperly stored and brought into the workplace.

In addition, any violations of this policy by an employee may result in disciplinary action, up to and including termination of employment.

Commitment to Safety

Protecting the safety of our employees and visitors is highly important to Schmalz. All employees have the responsibility to ensure a safe working environment by following all safety guidelines, using commonsense rules and safe practices, and by notifying management when any health or safety issues are present. In the event of an emergency, notify the appropriate emergency personnel and management immediately.

Furthermore, employees are required to report any work-related injury or illness, no matter how small, to their immediate supervisor. With the assistance of the employee's supervisor (if necessary), the employee will complete all required incident reporting forms, including all necessary forms for Worker's Compensation filing. The employee will be kept informed at all stages of the Worker's Compensation process in accordance with any related laws.

Attendance, Absence, and Punctuality

Based on the needs of Schmalz and its customers, each employee is expected to be present at work for all of the employee's scheduled hours on a consistent basis. These hours are scheduled based upon Schmalz's expected call volume, and any deviations from the schedule result in hardship for our customers and other employees. This should be avoided in most circumstances.

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Schmalz expects each employee to report to work prepared to start work. Employees are also expected to remain at work for their entire work schedule, except for meal periods or when required to leave on Schmalz authorized business. Late arrival, early departure, or other absences from scheduled hours are disruptive and must be avoided.

If an employee anticipates being late for work, the employee must notify the employee's supervisor at least 30 minutes before the start of the employee's scheduled work time. For any absence that was not pre-approved, the employee must notify Schmalz of any continued absence each day of the absence unless an emergency prevents such notification. Management recommends that employees provide their supervisors with an honest reason or explanation for any absence not pre-approved. To obtain pre-approval for any leave of absence, including vacation, an employee should submit a leave request to the employee's immediate supervisor for approval at least three weeks prior to the scheduled leave date.

An employee who does not call or report to work for three consecutive workdays will be considered to have voluntarily resigned employment with Schmalz, unless there are extenuating circumstances. Supervisors experiencing such absences should contact management immediately.

Please note: excessive absenteeism or tardiness (excused or unexcused) will not be tolerated. Excessive absenteeism may result in disciplinary action, up to and including termination of employment.

Professional Appearance and Uniforms

Each employee is a representative of Schmalz in the eyes of our customers and the public, so it is important that all personnel dress in a professional manner while working. Being dressed in a professional manner includes appropriate dress, as outlined below, proper hygiene, and being properly groomed. Employees who report to work inappropriately dressed or groomed may be asked, among other options, to leave and return in acceptable attire.

Appropriate attire is based upon your job title. Please note: employees are prohibited from wearing items of clothing that display sexual or other potentially offensive statements, logos, or designs at any time while representing Schmalz, driving company-owned vehicles, or on Schmalz property.

Violations of this policy may result in disciplinary action, up to and including termination of employment.

All personnel are expected to wear the provided uniform pieces specific to the brand. Schmalz will provide shirts, sweatshirts, and jackets to all personnel. If an employee wishes to wear a shirt other than those provided by Schmalz, the employee may purchase a similar style of shirt to those provided. This shirt should be given to management, who will arrange for a logo to be added to the shirt. Schmalz will pay for adding a logo; however, employees are responsible for the cost of the shirt.

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Please note: Schmalz will provide employees with an initial outlay of uniform shirts. If an employee wishes additional pieces or needs replacement pieces, he/she will be responsible for 50% of the cost of those additional pieces. Management may, at its discretion, provide additional uniform shirts at no cost to employees periodically after extended employment with Schmalz.

Contracting employees must wear navy or gray pants or shorts. Garden center employees may wear pants or shorts of any color. All pants and shorts must be in good repair, free from any rips, tears, and stains. Jeans and denim of any sort are considered unacceptable for work attire.

All personnel must wear the provided uniforms at any time while representing Schmalz. This includes any time while on-the clock, such as normal working hours, responding on-call, and representing Schmalz in other locations (e.g., training seminars). Please contact your supervisor if you have questions as to what constitutes appropriate attire for a given situation.

Uniforms must be neat and in good repair at all times. Stains; tears; missing buttons, patches, and pockets; and other damage will not be tolerated. Informal inspections will occur on an ongoing basis, and any deficiencies will result in the employee being asked to change. Replacement uniform pieces will be provided by Schmalz as needed. Although Schmalz understands that some damage as a result of wear and tear will occur, misconduct or unreasonable wear and tear on the uniform may result in disciplinary action, up to and including termination of employment. Disciplinary action may include the employee being required to pay for replacement pieces. Final determination between normal wear and misconduct/unreasonable wear and tear will be made by management.

Cleaning and costs associated with cleaning are solely the employee's responsibility. Each employee has the option of having the provided uniforms laundered and cared for however and wherever the employee wishes.

Smoking and Tobacco Use

Although Schmalz does not take employment action based upon an employee's choices during the employee's personal time, smoking and using other tobacco-based products while on the clock or in Schmalz's uniform can have a significant impact on Schmalz, its customers, and its other employees. Because of this, smoking or using other tobacco-based products by Schmalz employees during work hours, in Schmalz uniform, or while otherwise representing Schmalz is governed by the following rules:

- Smoking and tobacco use are strictly prohibited in all company buildings.
- Littering will not be tolerated. Employees must properly dispose of all smoking or tobacco product-related trash.
- Employees are prohibited from smoking on customers' property.
- All above regulations apply equally to all types of smoking, including traditional cigarettes, electronic cigarettes, cigars, pipes, and other smoking products.

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Smoking and using other tobacco products while in uniform can impact our company's image in our customers' eyes. If Schmalz receives a complaint from a customer regarding a tobacco or smoke-related odor in the customer's home because of an employee, it will be considered a violation of this policy.

Violations of this policy will result in disciplinary action, up to and including termination of employment.

Tools

Field employees of Schmalz are most successful when they have a variety of well-maintained tools available. These tools are provided by a combination of two sources: Schmalz and the employee. All Schmalz-owned tools will be in safe working condition and will be periodically inspected for your safety. Specific company-owned tools will be issued to employees as part of their standard truck inventory. In addition to standard issue company-owned tools, other tools will be available for employees to use for specific job types. Employees must check out these Schmalz-owned tools prior to use and check in those tools after completing the project.

Employees will be held liable for the responsible use and security of all company-owned tools issued to them. Employees must immediately notify the employee's supervisor if the employee becomes aware of any company-owned tools that are missing or damaged. Schmalz understands that accidents can and do happen; however, carelessness and negligence with company property will not be tolerated. Failure to treat company-owned property with due care will be considered a violation of this policy.

In addition to company-owned tools, Schmalz will provide all field employees with a list of tools that employees are required to provide. All personally-owned tools used for Schmalz purposes must be in safe working order. Failure to provide all required tools in a well-maintained manner will be considered a violation of this policy. All personally-owned tools being used for Schmalz purposes will be subject to periodic inspection for safety reasons.

Utilization of personally-owned tools is at the employee's own risk. Schmalz will not be responsible for any monies associated with damage to or loss of personally owned tools caused by normal wear and tear or through carelessness or negligence.

Violations of this policy may result in disciplinary action, up to and including termination of employment.

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Vehicles

Personal Vehicles

Schmalz provides a parking lot at the main office location for employees' personal vehicles. Employees are prohibited from parking vehicles in the company parking lot that are not in working condition. Furthermore, employees must follow all laws concerning safe parking in the office parking lot. Failure to do so will be considered a violation of this policy, and Schmalz reserves the right to contact either local law enforcement or have a vehicle towed at employee expense.

Schmalz is not responsible for any loss to, damage to, or theft from your personal vehicle at any time, including while parked on company premises. Therefore, we recommend all unattended personal vehicles are locked and valuables are removed from sight.

Company-Owned Vehicles

Certain employees of Schmalz will be required to operate vehicles as a mandatory job function. To facilitate the employee's successful completion of mandatory job functions, Schmalz owns a number of vehicles for these employees to use. The following provisions apply to employee use of these company-owned vehicles:

- Based upon certain factors, such as but not limited to job description, Schmalz has instituted a vehicle take-home benefit program. When this program applies, an employee is permitted to drive an assigned company vehicle to the employee's home at the end of the employee's shift.
- Company-owned vehicles may NOT be used for personal business unless specific and special permission is given by management. This includes driving to the employee's home during a scheduled shift even when an employee is part of a take-home privilege program.
- Company-owned vehicles are for employee use only. Individuals who are not Schmalz employees are strictly prohibited from riding in company-owned vehicles at any time. This includes, but is not limited to, an employee's spouse, children, and any other dependents.
- Employees are responsible for ensuring that the employee's assigned vehicle is maintained in a clean, stocked, and organized manner.
- Employees are responsible for tracking the mileage in any assigned vehicles. When the employee's assigned vehicle is due for maintenance, such as an oil change, the employee is responsible for notifying management. Employees will be given a specific schedule of maintenance for the assigned vehicle in a separate document.

Traffic Violations and Insurability

In addition, specific Schmalz employees are required, as a condition of employment with Schmalz, to maintain a valid state driver's license. For these employees, any traffic violations must be reported immediately to management, even if that violation occurs when an employee is not working and driving the employee's personal vehicle. Any traffic violations or revocations of a driver's license that result in Schmalz vehicle insurance rate increases or an inability to insure a specific employee may result in disciplinary action, including job reassignment or termination, as determined by management.

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Due to both customer service implications and safety concerns, employees must follow all traffic laws and safe driving techniques at all times. Speeding, running red lights or stop signs, unsafe lane changes, and other inappropriate driving actions are incredibly dangerous, and they reflect poorly on Schmalz's image within the community and potential customer base. As a result, these behaviors are strictly prohibited. Employees will be financially responsible for all traffic fines incurred, regardless of whether they are driving Schmalz-owned vehicles or personally-owned vehicles on company time.

Furthermore, all employees of Schmalz are required to wear seatbelts at all times while driving Schmalz-owned vehicles or on company time. Failure to do so will be considered a violation of this policy.

If an employee is involved in a vehicular accident in either a company-owned vehicle or on company time, the following regulations apply:

- The accident must be reported immediately to management, regardless of time of day. At management's discretion, management may respond to the scene of the accident immediately, regardless of time of day, in order to make sure that proper company procedures are followed.
- The employee will be required to immediately call the local police department, regardless of the severity of the accident or the individual suspected to be "at fault" for the accident.
- If Schmalz determines that damage to a company vehicle was the result of a violation of any company policy or traffic law, it may result in disciplinary action against the employee.
- If damage to a company-owned vehicle is the result of an employee's negligent or criminal behavior, the employee may be held liable for any deductibles associated with repairing company-owned vehicle.

Electronic Device Use and Vehicles

Schmalz has a zero-tolerance policy regarding the use of cellular telephones while operating a vehicle. This zero-tolerance policy applies to all driving while an employee is "on-the-clock" or driving a Schmalz-owned vehicle. Employees may not use a cell phone in any manner, even using a hands-free device, under these circumstances. The one and only exception is contacting emergency services.

Violations of any aspect of this vehicle policy will result in disciplinary action, up to and including termination of employment.

Business Telephones

Schmalz maintains company telephones at its main office location. These lines are for the benefit of our customers, suppliers, and business associates. Employees are expected to answer all phones rapidly and in accordance with all procedures presented.

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Management understands that employees may need to occasionally make personal telephone calls using the business telephones. Although employees are allowed to use the business lines for personal purposes when workload permits, lengthy or frequent calls are prohibited. If personal calls interfere with an employee's productivity or the functioning of company business, disciplinary action, up to and including termination of employment, may be taken.

Cellular Telephones

Based upon business-related reasons, such as job description, Schmalz provides specific employees with company-owned cellular telephones. These cellular telephones remain the property of Schmalz. As such, they must be returned upon an employee's separation from employment or at any time requested by management.

Employees are responsible for any issued company-owned cell phones. While we understand that accidents happen, if a cell phone is either misplaced or damaged due to negligent or careless behavior on the part of the employee, it will be considered a violation of this policy. Management will have final say as to whether damage to a cell phone was the result of careless or negligent behavior.

All company-owned cell phones are intended for business use, and the employee must keep it accessible at all times while working.

Assigned cellular telephones may be used for personal calls; however, if management finds that excessive personal calls are interfering with Schmalz work, it will be considered a violation of this policy. In addition, employees will be held financially responsible for any overage charges resulting from personal usage of company-owned cell phones.

Downloading unauthorized applications onto cell phones owned by Schmalz, regardless of the application's type or function, is strictly prohibited. Employees who wish to download a business-related application should ask management for permission. Permission will only be granted after management establishes that the application is safe and business-related.

If management requires certain applications be downloaded for business reasons, management will inform employees regarding any necessary procedures related to the download process. Please note: exempt employees are required to use the Corenexa app linked to their desk phones.

Personal cell phones may be kept on an employee's person during work hours. However, just like with the cell phones provided by Schmalz, excessive use will not be tolerated.

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Employees are prohibited from using any cell phone (even with a hands-free device) while operating any motor vehicle on Schmalz business. Exception: in an emergency situation, an employee may use a cellular phone for the purpose of dialing 911 or another number to reach an emergency services provider (i.e., police, fire, ambulance). Employees are also prohibited from sending or receiving text messages while operating a motor vehicle. For the purposes of this policy, "operating a motor vehicle" shall include any time a vehicle's engine is running, regardless of whether the vehicle is in motion. In addition, any vehicle operated for Schmalz purposes or while you are "on the clock" is included in this policy, regardless of whether the vehicle is Schmalz-owned or your personal vehicle.

Employees who are in violation of this policy will be subject to disciplinary action, up to and including termination of employment. Disciplinary action may, at the discretion of management, include financial responsibility for damage or replacement of a cellular telephone if it is determined that damage or loss of a cellular telephone is the result of negligence or criminal misconduct.

Computers, Internet, Email, and Other Resources

Schmalz provides its employees with a wide variety of communication tools to assist them in effectively completing their work tasks. These resources may include, but are not limited to, computers, faxing, scanners, Internet, intranet, and e-mail. All communication using these tools should be handled in a professional and respectful manner.

All computers and systems, including email, are considered company property. Because of this, employees do not have a right to privacy in their use of these tools. All company property and communications made using company-provided equipment or services are subject to inspection by the company at any time, with or without notice. In addition, even after an email, voicemail, or other communication is deleted, a copy may still be on the company's systems. Finally, all e-mails and other forms of stored communication are considered business records. All business records may be subject to federal and state recordkeeping requirements, and they may be needed in the event of a lawsuit involving the company.

All passwords and security codes involving technological equipment remain the property of Schmalz. Employees are forbidden from changing any passwords or codes without managerial authorization, and the employee must immediately provide any new passwords or codes to management after they have been created.

Schmalz purchases or licenses the use of various computer software programs. Neither Schmalz nor any of Schmalz's employees has the right to duplicate this computer software or its related documentation. Schmalz does not condone the illegal duplication of software. You must use the software in accordance with the license agreement. This policy applies not only to individual desktop computers and laptops, but to local area networks as well.

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Employees should keep in mind that information transmitted through email and the internet may contain viruses or malware, and information an employee transmits and receives on company property could damage the company's property, as well as the reputation and/or competitiveness of Schmalz. To protect against possible problems, employees must be vigilant for risky communication from unknown senders and advertisers. When confronted with suspicious communications, employees should bring it to the attention of management prior to opening the communication and any attachments. It also is against company policy to turn off antivirus protection software or make unauthorized changes to system configurations installed on company computers.

Accessing pornographic, offensive, or other inappropriate information in violation of Schmalz policy is expressly prohibited. This prohibition includes, but is not limited to:

- Use of personal equipment while on-the-clock.
- Use of personal equipment while on company or customer property, including company-owned vehicles, regardless of whether on or off the clock.
- Use of company-owned equipment, including cell phones, tablets, and computers, regardless of whether on or off the clock.

Please note: all policies and procedures of Schmalz apply to all of an employee's work-related behavior, including use of email and the internet. Violations of any company policy, including harassment, customer service, and trade secrets policies related to electronic communication will be investigated and may be considered a violation of both this policy and any other relevant policies.

Employees are required to immediately report loss of any company-owned devices or computers, compromised passwords, or devices that are not functioning properly. Failure to report lost or potentially compromised equipment will be considered a violation of this policy.

Nothing in this policy is designed to interfere with, restrain, or prevent employee communications regarding wages, hours, or other terms and conditions of employment as protected under the National Labor Relations Act. Employees have the right to engage in or refrain from such activities.

Violations of this policy may result in disciplinary action, up to and including termination of employment.

Use of Company Property

Schmalz provides furniture, desks, storage areas, work areas, and other Schmalz-provided equipment/facilities. These assets are referred to collectively as "Schmalz assets." These Schmalz assets are provided to employees at Schmalz's expense to assist you in carrying out Schmalz business.

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Schmalz reserves the right to inspect any employee's work area, assigned company-owned vehicle, locker, desk, or any other enclosed container kept by the employee on the work premises or in a company vehicle. Schmalz also reserves the right to inspect all belongings of employees on its premises, including packages, briefcases, purses and handbags, gym bags, and personal vehicles on company property. Such inspection may be done with or without notice and with or without cause. Schmalz may choose to remove all company property and other items that are in violation of Company rules and policies that are discovered through any such inspection.

If the employee has a lock on a storage area, the employee shall open the area upon request. Failure to unlock a storage area shall be deemed an act of gross insubordination and shall be grounds for immediate termination.

Items or information of a personal nature may be discovered in the course of any inspection conducted in accordance with the exercise of Schmalz's rights if you use Schmalz assets for personal purposes. You consent to such access by accepting and using Schmalz assets.

Furthermore, all documentation related to business processes and responses to customer calls for service are considered Schmalz property. As such, this property may not be used by employees for their personal gain. For the purposes of this policy, photographs taken during calls for service are included within the scope of "documentation."

Schmalz property may not be removed from Schmalz premises without the proper authorization of management. If an employee loses, breaks, or damages any property, the employee should report it to the employee's supervisor immediately.

Failure to respect Schmalz property and use it with due care will result in disciplinary action, up to and including termination of employment. Failure to use assets with proper care may be considered a violation regardless of whether damage to assets occur.

Social Media

Note: As used in this policy, "social media" refers to blogs, forums, and social networking sites, such as Twitter, Facebook, LinkedIn, YouTube, Instagram, and SnapChat.

On-duty Use of Social Media

Unless use of social media is required as part of an employee's job duties, employees are prohibited from engaging in social media use while working or on company-owned equipment. Employees are reminded that all company-owned and provided equipment remains company property, and Schmalz has the ability and right to monitor all use of company-owned equipment.

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Off-the-Clock Use of Social Media

Schmalz does not prohibit employees from maintaining personal websites, social media accounts, or weblogs on their own time using their own devices. However, employees must ensure that social media activity does not interfere with their ability to work. In general, Schmalz considers social media activities to be personal endeavors, and employees may use them to express their thoughts or promote their ideas.

Although Schmalz does not prohibit social media use during personal time on personally-owned equipment, the following conduct is prohibited:

- Knowingly making false statements that are intended solely to harm the reputation of Schmalz products, services, employees, managers, supervisors, senior management, officers, and/or owners.
- Disclosing Schmalz's trade secrets or other confidential proprietary information, including private and/or personal information, related to customers, vendors, employees, supervisors, managers, or owners.
- Using social media in a way that creates a conflict of interest, such as placing false reviews of either Schmalz or its competitors, or advertising for a competitor.
- Making discriminatory or harassing comments that violate federal, state, or local laws or are otherwise prohibited by Schmalz's Prohibition Against Harassment policy.
- Making threats to any customer, vendor, employee, manager, or owner, including threats concerning their respective family members or personal property.
- Posting images, including photographs or drawings, depicting the confidential, personal, and/or health-related information of our customers.
- Making an endorsement in support of Schmalz, its products or services, even if using a personal account, without disclosing your relationship with Schmalz.
- If an employee identifies as an employee of Schmalz, the employee must ensure personal profile and related content is an accurate and fair representation of the employee's relationship with Schmalz.

Violations of this policy may result in disciplinary action, up to and including immediate termination of employment.

Note: Nothing in this policy is meant to, nor should it be interpreted to, in any way limit your rights under any applicable federal, state, or local laws, including your rights under the National Labor Relations Act to engage in protected concerted activities with other employees to improve or discuss terms and conditions of employment, such as wages, working conditions, and benefits.

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SECTION 3: EMPLOYEE BENEFITS

Vacation Leave

Schmalz provides paid vacation leave to employees in specific job categories who have successfully completed twelve months of continuous, full-time employment with Schmalz. Schmalz will notify each employee if the employee's position is eligible for vacation leave. Vacation leave is intended to give employees pre-planned time away from work to unwind, such as vacations; however, Schmalz does not limit employee's use to this purpose.

No paid vacation is available in an employee's first twelve months of employment with Schmalz. If an employee has an emergency or otherwise needs to take time away from work during this time, the employee should speak with management regarding unpaid leave.

Vacation leave is accrued each year on the first day an employee works of each calendar year. Each calendar year, each eligible employee will receive 48 hours of paid vacation leave.

Any accrued but unused vacation will be paid out to employees who return to work for Schmalz the following calendar year. Payouts will be processed during the second pay period in April. Speak to management for additional information.

An employee's pay while using vacation will be based upon the employee's pay agreement with Schmalz at the time of the leave. Please refer to that document or speak with management for more information.

Vacation may be taken in 4-hour increments.

Vacation may NOT be taken until after it has been accrued. Employees will not be permitted to carry a negative vacation balance. If an employee does not have enough accrued vacation to address a request or unplanned emergency, the employee should speak with management regarding unpaid leave.

When an employee wishes to use vacation, the employee must submit a leave request to management for approval. Scheduling, including planned leaves, is normally performed at least 3 weeks in advance, and all requests for vacation should be submitted prior to this time. You are encouraged to submit your request early. Management will consider all vacation requests based upon business necessity, and management will grant all vacation requests that will not significantly hinder the company's ability to meet those needs. Vacation requests may be denied based upon business necessity at any time.

In the event that you and another employee select the same time for your planned vacation and both of you cannot be off at the same time, day the request was made will be the determining factor. If both employees requested the leave on the same day, length of service will be the determining factor.

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Employees will NOT be paid for any accrued but unused vacation leave upon separation of employment.

Holidays

Schmalz observes 3 paid holidays per year. Schmalz paid holidays include:

Memorial Day (Last Monday in May)
Independence Day (July 4)
Labor Day (First Monday in September)

If an employee wishes to observe a religious holiday that is not already scheduled by Schmalz, the employee should speak with the employee's supervisor regarding transferring holiday pay from a normally scheduled holiday, use of vacation leave, or unpaid leave. In accordance with business necessity, Schmalz will seek to reasonably accommodate individuals' religious observances.

Regular full-time employees who have completed the company waiting period receive pay for holidays in accordance with their pay plan. Employees should refer to the provided pay plan document or speak with management for more information. Full-time employees will not receive holiday pay before completing the company waiting period. Part-time employees are not eligible for holiday pay.

Unless dictated otherwise by state or federal law, an employee is ineligible for holiday pay if the employee has an unexcused absence on the workday immediately prior or after a holiday. To retain eligibility for holiday pay, an employee who becomes ill or injured and is unable to work one of these days must confirm the need to be away from work through submitting a doctor's note. An employee retains eligibility for holiday pay if a holiday falls during approved pre-planned vacation leave. An employee will NOT receive holiday pay if the employee is on an unpaid leave of absence.

If a holiday falls on a weekend, it will normally be observed on the closest normal business day. However, Schmalz may close on another day, grant holiday pay in lieu of closing on any day, or grant a floating day off instead of closing. Employees will be notified of relevant procedures prior to any weekend holiday.

Please note: holiday benefit hours are NOT considered "hours worked" for the purposes of establishing an employee's standard rate of pay or hours worked for overtime.

Family Medical Leave Act (FMLA) Leave

Eligible employees will receive unpaid leave in accordance with the Family Medical Leave Act (FMLA). Please see the below provisions or speak with management for more information regarding this type of leave.

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Eligibility

To be eligible for FMLA Leave, an employee must meet ALL of the following requirements:

1. Worked for Schmalz for at least 12 months;
2. Worked at least 1,250 hours in the 12 months before the requested leave; and
3. The requested leave is for one or more of the following reasons:
    - Birth of a child to the employee or to the employee's spouse.
    - Placement of a child with the employee for adoption or foster care.
    - To care for a spouse, child, or parent who has a serious health condition.
    - A serious health condition of the employee.
    - To care for a spouse, child, parent, or next of kin who is a covered military service member or veteran and who is undergoing medical treatment, recuperation, or therapy for an injury or illness incurred while on covered active duty.
    - Qualifying exigency arising out of the fact that the employee's spouse, parent, or child is on covered active duty or has been notified of an impending call or order to covered active duty, requiring deployment to a foreign country.

Requesting FMLA Leave

An employee must grant Schmalz at least at least 30 days' advance notice when such notice is possible. When 30 days' notice is not possible, the employee must provide as much notice as is possible given the specific situation.

Proper notification should be in writing, when possible. It should include the reason for the leave, the date the leave will begin, and the anticipated length of leave needed. Notification must also include medical certification for the need for leave as outlined below.

Management will respond to all FMLA leave requests within five calendar days. Management's response will include a determination of the employee's eligibility for FMLA leave, whether the leave will carry job-protection status, and how much leave will be counted against the employee's FMLA leave entitlement. Denied FMLA leave claims will include a reason for the denial.

Certification Requirements

Certification of the need for FMLA leave must be provided from a healthcare provider each time an employee applies for FMLA leave. This requirement includes FMLA for either the employee or the employee's family member, including military caregiver leave. Although Schmalz does not require disclosure of any protected personal health information, failure to provide certification from a healthcare provider in a timely manner may impact an employee's FMLA leave approval.

Schmalz reserves the right to require any employee to provide a second opinion regarding the employee's need for leave. When a second opinion is required, Schmalz will cover any associated medical costs.

In addition, Schmalz also reserves the right to require periodic updates and recertification of an employee's continuing need for FMLA leave.

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Amount and Timing of Leave

The amount of FMLA leave is subject to the following provisions:

- 12 workweeks of unpaid leave in a 12-month period related to:
  - The birth of a child to the employee or to the employee's spouse,
  - The placement of a child with the employee for adoption or foster care,
  - Caring for a spouse, child, or parent who has a serious health condition, or
  - A serious health condition of the employee.
- 26 workweeks of unpaid leave in a 12-month period to provide care to a covered family member who becomes ill or is injured in covered military active duty.

FMLA leave may be taken on an intermittent basis when medically necessary. Medical certification must outline the requirements for intermittent leave. Even when intermittent leave is required and outlined through medical certification, FMLA leave may not exceed the total for amount of protected leave as outlined above.

The involved healthcare provider determines the duration and frequency of leave.

An employee is required to attempt to schedule planned, foreseeable leave for medical treatment in such a way as to reduce its impact on Schmalz's operations.

Benefits during FMLA Leave

FMLA leave is an unpaid leave; however, an employee may choose to use accrued but unused vacation leave for some or all of the employee's FMLA leave. Use of vacation leave does not increase the total time available for leave beyond 12 weeks.

Accrual of certain benefits, such as vacation leave, will cease when an employee is on any extended leave, including FMLA leave.

An employee may continue on Schmalz' group medical insurance benefits while on FMLA leave; however, an employee is still responsible for the employee's share of medical insurance premiums. Any impacted employees should speak with management prior to going on FMLA leave to discuss payment of premiums to ensure continuation of coverage.

Returning to Work

When completing an FMLA leave, an employee will return to the employee's previous or similar position with Schmalz. When a different position is granted, it will be with equivalent pay and benefits. An employee will retain all previously earned benefits and seniority; however, benefit accrual will cease while an employee is on an FMLA leave.

If an employee takes FMLA leave because of the employee's own illness or injury, the employee must submit a medical release from a qualified medical authority prior to returning to work. For more information, please refer to the "Return to Work" policy presented in this handbook. This requirement may be waived by management in certain circumstances.

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Unpaid Leave

Schmalz may grant unpaid time off for personal reasons, such as vacations or illness. When an employee wishes to take leave for a known, planned event (e.g., vacations), the employee must submit a leave request to management for approval. Pre-approval from management is required for any event that may be logically planned in advance. Scheduling, including planned leaves, is normally performed at least 2 weeks in advance, and all requests for time off should be submitted prior to this time. You are encouraged to submit your request early. Management will consider all time off requests based upon business necessity, and management will grant all time off requests that will not significantly hinder the company's ability to meet those needs. Time off requests may be denied based upon business necessity at any time. Based upon business necessity, leave requests are less likely to be approved during our busiest times of May through September.

Schmalz may also grant a personal unpaid leave of absence based upon specific circumstances. Unpaid leaves of absence are normally reserved for extended leaves in excess of two weeks. Requests for personal leaves of absence should be limited to unusual circumstances. Employees may be required to use any available paid sick leave before beginning an unpaid leave of absence.

In some cases of illness or injury, an extended unpaid leave of absence may be governed by federal, state, or local laws. Schmalz will grant leaves in accordance with any relevant laws.

Unpaid leaves of absence may impact an employee's eligibility for other employee benefits. Management will discuss any impact with an employee when discussing approval of an extended leave. Schmalz will not pay the Health Care premiums of any employee or, if applicable, an employee's dependents during an extended leave of absence unless such payment is required by state or federal law.

Employees should refer to the below "Return to Work" policy for more information following an extended leave of absence for medical purposes.

Return to Work

Unless informed otherwise by management, employees are required to submit the treating physician's release before returning to work after any medically related leave of absence of 3 days or longer. This requirement includes workplace accidents. This release must detail any medically advised restrictions based upon the doctor's analysis of the employee's abilities and job duties.

Because employees may lose eligibility for many benefits, including medical insurance, if they are away from the workplace for extended periods, employees are strongly encouraged to return to work as soon as possible.

If an employee's attending physician recommends any restrictions or accommodations, management will work with the returning employee to determine if a reasonable accommodation is feasible. Accommodations may include alternative job assignments, and some alternative job assignments may have a different pay structure. All related details will be discussed with an employee prior to the employee's return.

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Active communication between employees and management while the employee is on a medical leave of absence is strongly encouraged. This communication will help facilitate an employee's return to work, and it should include medically-based expectations for when the employee will be able to return.

Bereavement Leave

In the event of the death of your current spouse, partner in a civil union, child (including adoptive, foster, step, and in-law children), parent (including parents in-law and legal guardian), sibling, grandparent, or grandchild, you may take unpaid leave. Bereavement Leave and its length are at management's discretion.

Jury Duty or Witness Leave

Schmalz supports its employees in their civic duties, including serving as jurors or as subpoenaed witnesses. If an employee receives a notice of summons to serve as a juror, the employee should notify the employee's supervisor of the need for time off. Employees may be asked to provide the summons as proof of the need for jury duty leave. This may take the form of requiring an employee to provide written verification from the court clerk after serving.

If jury or witness service does not take the entire workday, the employee is expected to call the employee's supervisor to see if the employee should report to work for the remainder of the shift.

If an employee receives a summons to serve as a witness in a legal proceeding, the employee should follow the procedures outlined above for jury duty. Witness Leave may not be granted if you volunteer to be a witness.

Jury duty and witness leave is an unpaid leave. An employee may choose to use any accrued but unused paid leave while serving on jury duty. An employee may keep any monies paid by the court for jury or witness service.

Voting Leave

Employees are encouraged to vote outside of business hours when possible. However, Schmalz will arrange work assignments so that each employee has up to 3 hours of unpaid leave to participate in a primary or election, general or special. Voting leave is an unpaid leave; however, if an employee wishes, the employee may use any accrued but unused paid leave during Voting Leave. Employees must notify management of their need for voting leave prior to the day of the election so that management may effectively schedule employees' leaves. Please see management for more information.

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Election Judge Leave

In accordance with state law, Schmalz will grant unpaid leave to an employee who has been selected to serve as an election judge. Schmalz may, at its discretion, require proof of the employee's selection. Although this type of leave is unpaid, if you have any accrued paid leave available, you may elect to use it during Election Judge Leave.

Military Leave

In accordance with state and federal laws, Schmalz guarantees reemployment and other rights to any employee returning from active military service, assuming that the employee complies with all notification requirements. Notification requirements are dependent upon the duration of military service. Please see management regarding further details.

An employee's military service may impact various employee benefits in various ways. Please speak with management regarding all details regarding how benefits will be impacted in a specific situation.

Volunteer First Responders Leave

Employees who are first responders or emergency personnel will be granted an unpaid leave of absence if they are required to respond during an emergency. Although Volunteer First Responders Leave is an unpaid leave, employees may choose to use any accrued but unused paid leave while on Volunteer First Responders Leave.

Employees must notify management as soon as possible of their need for Volunteer First Responders Leave. Their notification must include the planned date of departure and predicted duration of their need for leave.

Please note: management may require any employee to provide proof of the employee's need or eligibility for Volunteer First Responder Leave.

Social Security & Worker's Compensation Insurance

Schmalz will automatically deduct from each employee's paycheck that employee's responsibilities under the Federal Insurance Contribution Act (FICA, also known as Social Security). Employees will not be required to sign a payroll deduction form related to this requirement.

In accordance with state legal requirements, Schmalz also provides workers' compensation insurance coverage for all employees at no charge to its employees. Workers' compensation is a "no-fault" system that provides financial assistance for medical and rehabilitation expenses and a portion of lost wages to employees who become injured at work.

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If an employee sustains a job-related injury or illness, the employee must **immediately** notify the employee's supervisor. If emergency medical assistance is required, the employee should seek assistance immediately. The employee's supervisor will ensure that all appropriate paperwork is filled out with the employee's assistance. Management will submit all initially required forms to the insurance company.

Medical Insurance

Schmalz provides eligible full-time employees with access to medical insurance. Contracts are available for single, couple, or family plans. Employees may begin the enrollment process after completing 60 days of full-time employment with Schmalz. Information and enrollment forms may be obtained from management.

Schmalz pays a portion of the cost of a single contract. If an employee chooses to add dependents to our group membership, the employee is responsible for any additional premiums. The employee's portion of the premiums will be deducted directly from the employee's paycheck.

In accordance with applicable laws, an employee may be eligible for a continuation of medical insurance coverage upon termination of employment.

For more information regarding medical insurance, please contact management.

Additional Insurance Benefits

Schmalz provides employees in certain job categories with basic term life insurance in the amount of $20,000 and certain types of disability insurance at no cost to the employee. Eligible employees will be enrolled in basic term life insurance coverage after completing their waiting period.

Schmalz provides access to dental insurance. Schmalz does not contribute towards the costs of this benefit; the employee is solely responsible for paying all premiums. These premiums will be deducted directly from an employee's paycheck.

For additional information regarding these benefits, please contact management.

Retirement Plan

Eligible employees may choose to participate in the 401(k) Qualified Retirement Plan provided by Schmalz. A Qualified 401(k) Retirement Plan meets the special requirements required by law for a tax-deferred profit sharing plan. Through this plan, you and Schmalz are both able to invest in a fund available for income after you retire. You are eligible to participate in the 401(k) Plan if you are at least 21 years old and you have completed twelve months of continuous employment and 1000 hours of work in one year with Schmalz. Schmalz will provide more information regarding the 401(k) Plan in a separate document.

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EMPLOYEE HANDBOOK ACKNOWLEDGMENT

I hereby acknowledge receipt of the **Schmalz Custom Landscaping, Inc. Employee Handbook**. I understand that it is my responsibility to become familiar with the contents of this handbook, and I agree to follow the policies and procedures contained therein. For those employees not fluent in reading English, this acknowledgement includes utilizing any and all available company or outside resources to ensure understanding of company policies in this handbook.

I further acknowledge and agree that this Employee Handbook supersedes all other handbooks, policies, and practices, both oral and written, that I may have previously received. I understand that, except for the employment at-will policy, Schmalz Custom Landscaping, Inc. can change any and all policies or practices at any time.

I also understand that my employment and compensation can be terminated, with or without cause, and with or without notice, at any time, by either Schmalz Custom Landscaping, Inc. or me. I understand that only the President/Owner has the authority to enter into an agreement for employment for any specified period of time, or to make any agreement contrary to the employment at-will policy, and that such agreement must be in writing.

_____ Date: _____

Employee Signature

_____

Print Name

_____ Date: _____

Witness Signature

_____

Print Name

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RECONOCIMIENTO DEL RECIBIMIENTO DEL MANUAL DE EMPLEADOS

Por medio de este reconozco el recibimiento del Manual de Empleados de **Schmalz Custom Landscaping, Inc**. Entiendo que familiarizarme con los contenidos de este manual es mi responsabilidad, y estoy de acuerdo a seguir las políticas y procedimientos contenidos en este. Para aquellos empleados que no leen ingles con fluidez, este reconocimiento incluye utilizar cualquier y todos los recursos disponibles de la compañía o externos para asegurar el entendimiento de las políticas de este manual.

Además, estoy de acuerdo y reconozco que este Manual de Empleados remplazara todos los otros manuales, políticas, y prácticas, ambas orales y escritas, que haya podido recibir anteriormente. Entiendo que, con excepción de la política de empleo por voluntad propia, Schmalz Custom Landscaping, Inc. puede cambiar cualquier y todas las políticas o prácticas en cualquier momento.

También entiendo que mi empleo y compensación puede ser finalizado, con o sin causa, y con o sin aviso, en cualquier momento, por cualquiera de partes; Schmalz Custom Landscaping, Inc o por mí. Entiendo que solo el Presidente/Dueño tiene la autoridad de establecer un acuerdo laboral por una temporada especifica de tiempo, o de hacer cualquier acuerdo contrario a la política de empleo por voluntad propia, y que dicho acuerdo debe ser establecido por escrito.

_____ Fecha: _____

Firma del Empleado

_____

Nombre Impreso

_____ Fecha: _____

Firma del Testigo

_____

Nombre Impreso

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