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**Midstate Contractors, Inc.**

**Employee Handbook**

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**WELCOME**

As an employee of Midstate Contractors, Inc., you are an important person in our organization, and we want all of our employees to share a sense of pride and accomplishment in everything we do.

The Company is committed to providing the very best products and service possible to ensure a solid future and continued growth. All employees are encouraged to suggest improvements to our operation which will benefit all of us in the long run.

Our Company is defined by the combined efforts of all its employees, therefore, we must always strive to give our best effort. Our customers deserve and expect Midstate Contractors, Inc. to go that extra mile to earn their business and continued loyalty.

By joining our team we recognize and fully appreciate your dedication to excellence, and we know that the feeling of satisfaction which arises from a job well done will continually motivate all of us to succeed.

This handbook is being provided to you as a guideline in doing your job. If you have any questions regarding the information in this handbook, please let us know.

Jerry Hooper, President

# **YOUR JOB**

## **EQUAL OPPORTUNITY**

Since we are an equal opportunity employer, all employees and prospective employees will be recruited, selected and trained without regard to age, sex, race, color, religion, disability, national origin, marital status or veteran status. This same non-discriminatory consideration will be used in all other aspects of the employment relationship.

All applicants are carefully screened and full consideration is given to their training, education, skills, experiences, growth potential and previous work record. All managers and employees of Midstate Contractors, Inc. are charged with fulfilling their responsibilities for the active support of our equal employment opportunity program. Our equal employment opportunity policy applies to all phases of employment.

## **CONFIDENTIAL MATTERS**

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

- Compensation data
- Customer lists and revenue levels
- Financial Information
- Marketing strategies and pricing information
- Pending projects and proposals
- Proprietary production processes

Employees who are exposed to confidential information may be required to sign a non-disclosure agreement as a condition of employment. Any employee who discloses trade secrets or confidential business information will be subject to disciplinary action up to and including possible discharge and/or possible legal action, even if he or she does not actually benefit from the disclosed information.

**TEAMWORK**

We spend many working hours a year in association with our fellow workers. In order to make those hours pleasant, it is necessary for each employee to have the desire to get along with others. All members of the staff, while assigned to specific responsibilities, are expected to assist or help other employees whenever the need arises.

**APPROACH TO THE JOB**

It is essential that staff members maintain an appearance and attitude befitting a business office. The office atmosphere must be one of dignity with a genuine desire to serve all visitors as well as those who contact the office via the telephone. Individuals visiting the office should be served promptly and courteously, without exception.

**PHYSICAL EXAMINATION**

As a condition of employment, you are required to submit to and pass a pre-employment physical examination given by our Company physician at no cost to you. Your good health is important to both of us. As part of our commitment to you to provide a safe and healthy workplace, the pre-employment physical will include a drug screen, with your employment being conditioned upon your passing this examination.

**ORIENTATION PERIOD**

The first ninety (90) days of employment for all new employees is considered an orientation period. During this period of time, new employees will learn not only about their specific job responsibilities, but also the overall mission of Midstate Contractors, Inc. and the responsibilities of the rest of the staff. The orientation period provides new employees with the opportunity to determine whether or not Midstate Contractors, Inc. is right for them, and it also gives Midstate Contractors, Inc. a chance to observe the work habits and performance of new employees. New employees will usually receive an evaluation at the end of their orientation.

If an unexcused absence occurs during your Orientation Period, a new 90 day Orientation Period may begin again. At the end of the 90 day period, your record of performance and employment behavior will be evaluated and usually one of the following actions will be taken: retention with pay advancement; retention with no pay advancement; or termination of employment.

**BENEFIT QUALIFICATION PERIOD**

Before employees become eligible to participate in the Company's Employee Benefits program, they must satisfactorily complete their 90-Day Orientation Period and become a regular full-time employee.

**REGULAR FULL-TIME EMPLOYEES**

Regular full-time employment status is defined as employment with the Company after 90 days where the employee is regularly assigned to work 31 or more hours per week.

**TEMPORARY FULL-TIME EMPLOYEES**

Full-time employees who have not yet successfully completed their initial 90 day orientation period are considered temporary full-time employees. After successful completion of the 90 day orientation period, a temporary full-time employee's status may be addressed in one of three ways: (1) the employee's status may be converted to regular full-time employee status; (2) the employee's orientation period may be extended by the Company; or (3) the employee's employment may be terminated by the Company.

**REGULAR PART-TIME EMPLOYEES**

Regular part-time employees are those employees who are regularly assigned to work fewer than 31 hours per week. Regular part-time employees are eligible to apply for any Company insurance benefits, with the employee paying 100% of the cost.

**TEMPORARY PART-TIME EMPLOYEES**

Temporary part-time employees are those employees who are employed for a specific and limited duration, such as summer help. Temporary part-time employees are not eligible for any company economic benefits, other than salary or wages.

**WORKING HOURS**

A work week is defined as Sunday through Saturday. However, our normal business work week consists of an eight (8) hour work day for five (5) days a week. All hourly employees must check in and out with their supervisor when they arrive for work, at lunch, and when leaving work.

**OVERTIME**

Overtime hours may only be worked on the express approval of the employee's supervisor. Overtime compensation is paid at the rate of 1½ times the employee's regular hourly rate for all hours actually worked in excess of 40 in a work week, which is from 12:01 a.m. Sunday to Midnight on Saturday. Executive, administrative/managerial, and outside sales employees are not entitled to overtime compensation for hours worked in excess of 40 in a work week. Holidays or other days off work during a work week are not calculated for purposes of determining overtime compensation.



**REPORTING PAY**

Employees who report for work at their regular shift will be paid a minimum of one hour or be given a minimum of four hours of work (which may be any work available), unless the employee has been notified in advance of the employee's shift there is no work available.

This rule will not apply in case of: power failure, fire, flood, major breakdown, the employee's failure to keep his/her address and phone number current, or any other cause over which the Company has no control.

**PAY PERIOD**

Employees are paid by check each week, on Fridays. Paychecks are based on the scheduled hours of employees, as reconciled with the employee's time card. If payday falls on a holiday, payment is made on the preceding work day. If you are absent for any reason on a payday, you may obtain your check from the office when you return. Your paycheck may be picked up by a third party with a signed authorization from you naming the person who is to pick up the check.

**PAY ADVANCES AND LOANS**

Due to government regulations and the method of reporting social security, State, and federal taxes, Midstate Contractors, Inc. will not give advances (pay or per diem) or loans to employees.

**PAYCHECK DEDUCTIONS**

Deductions are listed on your check. All deductions are made in accordance with applicable laws.

**GARNISHMENTS**

A garnishment or wage assignment requires that the Company deduct a specified amount from an employee's salary and forward that amount to the creditor making the assignment. Garnishments and wage assignments are legal liens against an employee's salary, issued to satisfy unpaid debts or judgments. The Company honors only assignments and garnishments that are required by law and properly served by an authorized official. Garnishments or assignments can be a source of embarrassment to the employee, and require considerable time and effort for the Company. Therefore, [as or to the extent allowed by law], the Company retains the right to discipline or terminate any employee whose salary or wages are garnished to an excessive degree.

**WAGE AND SALARY REVIEW**

Your supervisor will meet with you throughout the year to discuss your performance on the job, and you will usually receive a formal performance evaluation every six (6) months. Your performance appraisals must be signed by you and your supervisor. Wage and salary increases are awarded within the limits allowed by Midstate Contractors, Inc. and will be a reflection of your performance and attitude on the job.

**SKILL TESTING**

Section 1. Testing Procedures. In addition to written, oral, and performance tests, the Company may authorize an evaluation of education and experience, medical tests, physical strength and physical agility tests, and other types of tests, singly or in combination, as job-related circumstances warrant. For purposes of promotions, the Company may authorize other performance criteria involving seniority and performance evaluations developed under a uniform system.

Section 2. Test Scheduling. The Company shall give due consideration to the convenience of the applicants in determining dates, times, and locations of tests.

### Section 3. Security.

a. The Company will establish appropriate procedures to ensure that all applicants for a test are given equal opportunity to demonstrate their qualifications, in that:

1. The Company will establish proper precautions to prevent an unauthorized person from securing in advance questions or other materials to be used in a test, unless the questions or materials are available to all applicants; and

2. When the conditions under which a test is held have materially impaired its competitive nature or worth in assessing qualifications, the Company will order that the tests or appropriate sections thereof, if severable, be canceled. New tests or parts of tests may be substituted, if possible.

b. The Company will establish appropriate procedures to ensure that the identity of the applicants in all tests does not adversely affect the objective rating or scoring of test papers.

c. The Company will disqualify an applicant who impersonates another or has another person impersonate himself or herself in connection with a test, or who uses or attempts to use unauthorized aids or assistance, including copying or attempting to copy from or helping or attempting to help another applicant in any part of a test, or who otherwise seeks to attain undue advantage in connection with the test.

d. In taking a test, no applicant shall copy, record, or transcribe any test question or answer, or remove from the testing room any question sheet, answer sheet, booklet, scrap papers, notes, or other papers or materials related to the test's content. Applicants shall be notified of this action and no examiner, proctor, monitor, or other person charged with the supervision of an applicant or group of applicants shall have authority to waive it. The Company may disqualify a candidate or refuse to certify an eligible person who violates this section.

Section 4. Preservation of Test Records. The Company shall ensure that the following documents are maintained as official records:

a. The test's original copy

b. The test's description

c. The test's instructions

d. The scoring keys or other scoring standards used

- e. The examiners' reports
- f. The resulting eligible list.

#### Section 5. Test Paper Inspection.

a. The Company will, upon request of an applicant, authorize the applicant to inspect his or her test documents in the presence of an authorized Company official. The inspection shall not include authorization to copy test instructions, questions, or answers and will be conducted to maintain security of the testing program.

b. The Company may authorize review of the application and test papers of an applicant upon request and for official purposes by law enforcement or other public officials if there are legitimate inspection reasons. Copies of test materials will not be supplied except as provided by applicable statutes or regulations.

c. The Company will authorize the disclosure of applications and test papers to a private individual only when the individual seeking access can demonstrate a clear necessity to pursue a legitimate legal right. The Company will take necessary precautions to avoid disclosure of the identities of the persons whose applications and test papers are being examined. When it is evident that the information release would operate to prejudice or impair a person's reputation or personal security, access to the information shall be denied.

Section 6. Information Regarding Unsuccessful Applicants. Except as provided in Section 5 (Test Paper Inspection), the test papers of applicants who failed all or part of a test or who voluntarily withdrew from the test shall not be exhibited or disclosed nor shall information be released concerning their test participation, commendations, sick days, vacation days, positions held, or performance evaluations.

**PROMOTIONS AND TRANSFERS**

Midstate Contractors, Inc.'s policy is to promote eligible employees from within, wherever possible. Our policy provides all qualified and interested employees the opportunity to be considered for job vacancies before we look to fill them from the outside. When new or better jobs arise, or there is an opportunity for promotion or transfer to another job, primary consideration for the filling of such vacancies will be based on seniority, experience, ability, job knowledge and skill.

When possible, a job opening will be posted on the plant bulletin boards. If you are interested in a particular job, notify the Human Resources Department. Usually, preference will be given to employees in the Department where the job opening exists. Ordinarily, employees in their first six months of employment are not eligible to bid on new jobs.

Not all jobs can be filled from within or posted for job bid because some are special in nature and may require someone trained to do the job in a short period of time. But, whenever possible, we give present employees an opportunity to advance within the Company.

Where possible, it is Company policy to staff shifts on a voluntary employee selection basis. When it is necessary to change the skill level on a shift and a voluntary transfer is not available, the least senior qualified employee will be selected so as to maintain a proper balance of skill.

Employee requests for shift or department transfer must be submitted in writing to the Human Resources Department and the present supervisor informed. When an opening occurs which will not interfere with the required skill balance, the most senior employee's request will customarily be honored.

If you have an interest in being transferred to another department, submit it to the Human Resources Department.

**SMOKING POLICY**

Smoking is known to be a hazard to both life and property, and it is also hazardous to non-smokers. Smoking is, therefore, limited to designated smoking areas on the Company premises.

**DRUG AND ALCOHOL POLICY**

Section 1. **PURPOSE.** The Company is committed to protecting the health and safety of the public and its employees. This policy supports that commitment by maintain an alcohol- and drug-free workplace.

Section 2. **APPLICABILITY.** This policy has Company-wide applicability.

Section 3. **DEFINITIONS.**

- a. *Alcohol.* Any beverage that may be consumed and that has an alcohol content and any other substance containing alcohol.
- b. *Disciplinary Action.* Action taken against an employee whom the Company has found in violation of Company policies.
- c. *Drug.* Any physical or mind altering substance or any “controlled substance” or “controlled dangerous substance.” These include but are not limited to any nonprescribed drug, narcotic, heroin, cocaine, or marijuana or a prescribed drug which is abused or not used as directed by a physician.
- d. *Employee.* All employees regardless of position or work location.
- e. *Responsible Supervisor.* The supervisor to whom the employee directly reports.
- f. *Drug and Alcohol Policy Coordinator* (the “Policy Coordinator”): Cindy Kemper

Section 4. **REQUIREMENTS.** Employees will not consume alcohol or alcoholic beverages during regular or overtime working hours, during paid or unpaid meal periods if returning to work following the meal period, or during working hours when representing the Company away from Company facilities. Additionally, employees will not report to work under the influence of alcohol or alcoholic beverages or possess alcohol or alcoholic beverages on Company property.

The use, possession, sale or purchase of other substances which may alter mental or physical capacity while on the job or on Company property is prohibited. Employees will not report to work under the influence of these substances. For a list of these substances, see Section 3c of this Policy.

The unlawful involvement with alcohol or drugs on or off the job is a serious breach of conduct. Each employee has an obligation to advise the Company of any known violations of this policy. Failure to report known violations will result in disciplinary action up to and including termination.

To protect the intent of this Policy to maintain a safe work environment free of alcohol and drugs, the Company applies this Policy to all contractors, business invitees, visitors, and guests to Company property.

Section 5. **DRUG AND ALCOHOL TESTING.** To help ensure an alcohol- and drug-free workplace, the Company may search employees' work areas and employees' personal effects located on Company property. The Company also may require physical examinations and/or clinical tests of employees for the presence of alcohol or drugs during working hours:

- a. if there are reasonable grounds for believing an employee is either under the influence of alcohol or drugs;
- b. as part of any Company-required medical examination; and
- c. as a follow-up to a rehabilitation program.

If the alcohol or drug test reveals positive results, the employee will be suspended pending an evaluation by an independent medical professional to whom the employee will be referred. Employees whose physical examinations and/or test results are positive are subject to disciplinary action up to and including termination. If the test results are negative, the matter will be closed.

All applicants whose assignment will make them employees will be physically examined and/or chemically tested for the presence of alcohol and drugs. The hiring process will be terminated for all applicants whose examinations and/or test results are positive. Employees who test positive will be terminated unless they seek voluntary assistance.

Section 6. **VOLUNTARY ASSISTANCE.** Employees who voluntarily seek assistance on a timely basis for an alcohol or drug-related problem, prior to the Company identifying the problem, may do so without jeopardizing their employment status provided that prescribed treatment is followed and work performance is acceptable. In some cases temporary reassignment may be necessary.

Section 7. **PRESCRIBED TREATMENT.** Employees who are undergoing prescribed medical treatment with a substance that may alter physical or mental capacity must report this to the Policy Coordinator.

Section 8. **REPORTING VIOLATIONS.** Any supervisor who observes a violation or receives a violation report must, as soon as practicable, report the information to the Policy Coordinator

Employees who observe or have knowledge of a violation by an employee or another in the workplace have an obligation to promptly report this to their supervisor and/or the Policy Coordinator

Section 9. **IMMINENT THREAT TO SAFETY.** In any instance where employees feel there exists an imminent threat to safety of persons or property, they must immediately contact the responsible supervisor and/or the Policy Coordinator

Section 10. **RESPONSIBLE SUPERVISOR ACTION.** Supervisors must notify the Policy Coordinator, of any known or suspected violation. When a responsible supervisor observes or receives a report of a possible violation, he or she will:

- a. confirm that the Policy Coordinator, has been advised;
- b. follow further directions of the Policy Coordinator;
- c. recommend any proposed disciplinary action and ensure that the recommendation is reviewed, approved, and implemented by the Policy Coordinator

When a supervisor observes or receives a report of a possible violation by an outside party, including contractors, business invitees, visitors or guests, he or she will:

- a. advise the individual's responsible supervisor if that individual is a contractor. If the individual is a business invitee, visitor, or guest, the supervisor will advise the sponsor of the individual's access to the facility;
- b. advise the Policy Coordinator, and
- c. provide further assistance or cooperation as may be requested.

Section 11. **OTHER RESPONSIBILITIES.** The following are other responsibilities for administration of this policy and are not intended to supersede other requirements.

- a. All employees shall:
  1. become informed of and comply with the policy;



2. cooperate with investigations;
  3. report any known policy violation; and
  4. respond immediately to any threat to the safety of person or property caused by another individual's impairment.
- b. Supervisors shall:
1. ensure that all subordinates are conversant with and comply with the policy and
  2. review the investigative reports and disciplinary action recommendations.
- c. The Company President shall:
1. communicate policy to all employees, including new hires;
  2. arrange for alcohol and drug testing; and
  3. review investigative reports and recommend disciplinary action.

## **ATTENDANCE/PUNCTUALITY**

Midstate Contractors, Inc. needs the combined efforts of all employees to ensure uninterrupted, efficient operation. Absenteeism and tardiness place burdens both on the Company and your fellow workers. Employees who must be absent must call their supervisor before 7:00 a.m. to report their absence and provide the estimated date they expect to return to work.

Excessive absenteeism or tardiness, as determined by management, may result in disciplinary action, including an employee's dismissal. It is in your own interest to come to work, each day, on time.

## **DISCIPLINARY ACTION, DISMISSAL AND RULES OF CONDUCT**

Midstate Contractors, Inc.'s employment procedures are aimed at hiring people who will become reliable and well-satisfied employees. Day-by-day training, counseling, and application of human relations principles by supervisors is the most important key in developing good, stable employees. Nevertheless, employees may resign or be dismissed for various reasons. Disciplinary terminations may or may not be preceded by a warning, depending on the nature of the offense.

In all businesses, it is necessary to have certain rules and regulations. These rules and regulations are not meant to restrict the rights of any one person, but are to protect the rights of all. We, therefore, have provided for your guidance some of the reasons for disciplinary action or dismissal:

1. Deliberate or reckless destruction or damage to Midstate Contractors, Inc.'s property.
2. Theft, attempted theft, or unauthorized removal of Company property from the Company's premises, or allowing it to happen.
3. Negligent, careless, unsafe, or inefficient performance of duty.
4. Failure to observe safety rules and/or instructions.
5. Failure to promptly report to your immediate supervisor an on-the-job injury or accident involving an employee, visitor, customer, Company equipment, or property.
6. Intentional falsification of payroll records or other records required in the transaction of Midstate Contractors, Inc.'s business.
7. Absence without proper notification to immediate supervisor, excessive absenteeism, or insufficient reasons for absenteeism.
8. Insubordination, including refusal or failure to perform assigned work.
9. Possession, use or sale of illegal drugs or alcohol on Midstate Contractors, Inc.'s premises and/or project sites.
10. Reporting to work or being on the job under the influence of alcohol, illegal drugs, or other medications which could impair judgment.
11. Commission of unlawful or immoral acts either on or off duty which may, in the judgment of Company management, injure the Company's reputation, even if such acts do not lead to a criminal conviction.

12. Sleeping or loafing while on duty.
13. Making malicious, false, or derogatory statements that may damage the integrity or reputation of the Company, its employees, or customers.
14. Fighting, either orally or physically, on Company premises.
15. Unauthorized distribution or publication of literature in the workplace.
16. Intimidation of other employees or management.
17. Walking off the job without permission.
18. Not signing required company documents such as job descriptions, job evaluations, written warnings, etc.
19. Misrepresentation or withholding of pertinent facts in securing employment or during employment.
20. Tardiness.
21. Improper personal use of Company telephones.
22. Abuse of lunch or break periods.
23. Smoking in a "No Smoking" area.
24. Personal use of Company property, supplies or equipment without proper approval.
25. Unauthorized absence from work.
26. Discourteous or otherwise unprofessional treatment of customers.

Although the above are specific reasons for dismissal or disciplinary action, it is not an exhaustive list, and there may be other reasons for dismissal or disciplinary action, at the sole discretion of management.

Following termination, employees should consult with their supervisors regarding options potentially available under the law for continuation or conversion of their medical insurance benefits.

## **HARASSMENT PROHIBITED**

Midstate Contractors, Inc. is committed to providing a work environment that is free of discrimination and unlawful harassment. Actions, words, jokes, or comments based on an individual's sex, race, ethnicity, age, religion, disability or any other legally protected characteristic will not be tolerated. As an example, sexual harassment (both overt and subtle) is a form of employee misconduct that is demeaning to another person, and undermines the integrity of the employment relationship.

Sexual harassment is any deliberate or unsolicited verbal comment, gesture, or physical contact of a sexual nature which is unwelcome. It refers to behavior which is personally offensive, that disables morale, creates an intimidating, hostile working environment, and interferes with the work effectiveness of its victims and their co-workers. Compliments of a socially acceptable nature do not constitute sexual harassment.

All employees who believe themselves to be victims of unlawful harassment are strongly urged to bring these violations to the immediate attention of a Company manager who is not involved in the harassment. Do not suffer in silence -- we cannot take corrective action unless we know about the inappropriate conduct.

All members of management and employees are charged with the responsibility to maintain a work relationship free of all forms of unlawful harassment. Management will take swift action to investigate all complaints of harassment and will take immediate and appropriate remedial action as needed to terminate the harassment. The Company will not take adverse action against any employees because they have made good faith complaints about harassment.

## **ACCOMMODATIONS FOR DISABILITIES**

If you have a disability which affects your ability to perform your job duties, please contact your supervisor to discuss the appropriate accommodations we can make for you to safely and effectively perform your job. A statement from your physician describing the extent of your disability and limitations may be necessary in order for us to make the proper accommodations.

## **SAFETY RULES**

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**A Safe, Modern Work Environment**

A large portion of each week is spent on the job. That's why we do our best to provide as pleasant and as clean a place in which to work as possible. We also try to abide by all safety laws and the principles of safe working conditions. Tell us of any condition that you believe to be unsafe.

**Safety Regulations**

We cannot list *all* safety regulations which apply to our plant and project sites because each department has specific procedures. Read over the general rules listed below. Our safety program adheres to all applicable federal, state and local safety and health laws.

Part of your job at our plants and project sites is to help in the prevention of accidents. The right way to perform your job is the safe way.

In the course of your work, when you see a dangerous working practice or safety hazard, report it immediately to your supervisor. If you experience a "near miss" due to an unsafe condition or practice, don't delay in reporting it. Your attention in reporting could prevent someone's future injury.

**Signs**

Signs have been posted in the plant and at project sites for your protection. Signs such as NO SMOKING, EYE PROTECTION MUST BE WORN IN THIS AREA and others are important. You must adhere to them.

**Eyes**

Protect your eyes -- they can't be replaced! Safety glasses or eyeshields must be worn when working on any operation or when in any area which presents an eye hazard.

**Ears**

Certain areas of our plants and project sites are designated high noise areas in which hearing protection must be worn. The Company supplies you with hearing protection. Please adhere to these hearing protection rules.

### **Safety Packs**

The Company supplies you with a safety pack. You are required to bring your safety pack with you when you report to a project site. **You will not be permitted to work if you do not have your safety pack with you.**

You are responsible for the items in your safety pack. While the Company will replace items which are worn out due to ordinary wear and tear, employees are responsible for replacing all lost and damaged safety pack items at their own cost.

### **Clean Work Area**

Dirty and disorderly conditions cause many accidents. Keep yourself and your work area clean.

Our plants and project sites are modern facilities. We know you will share our pride in their good housekeeping. If you keep your work place clean at all times you will be following the strict code of cleanliness so carefully guarded by your fellow employees.

Restrooms should be kept clean and orderly. Defacing walls and untidiness is unappreciated by your fellow employees.

Trash containers are located throughout the plant and at project sites. Use them! Neither your company nor the people with whom you work will excuse you for any poor housekeeping.

### **Reporting Injuries and Illness**

The purpose of First Aid is to treat all injuries occurring on the job. If you become ill or injured while at work you must let your supervisor know AT ONCE. All injuries, no matter how slight, must be reported immediately. Each shift has trained personnel for emergency first aid. If the injury is of serious nature and requires further attention, you will be sent to a doctor or hospital.

### **Compressed Air**

To safeguard yourself and others from the danger of flying chips you must exercise caution when cleaning your machine with compressed air. You must exercise extreme caution where others are concerned. Never direct an air hose toward another employee and above all do not use an air hose for horseplay.

### **Machines**

Safety guards on your machinery and equipment are installed for your protection. Do not remove them without your supervisor's permission. Inspect your machine for defective or worn parts. Never try to repair machines, electrical equipment or tools unless that is your job. Report any broken equipment to your supervisor. He/she will see that the proper person adjusts or repairs it. You will be properly trained in the machinery operation prior to operating the machinery. You must report to your supervisor if you feel you have not been trained on an assigned machine.

### **Horseplay**

We aren't trying to dampen anyone's spirits, but too many serious accidents can result from running, throwing, scuffling or playing practical jokes. Don't indulge in horseplay during rest and lunch periods or during working hours.

### **Running**

Running on Company property, particularly in aisles or on stairs, is extremely dangerous and is strictly prohibited.

### **Dress**

For your own safety, all employees should be certain that clothing is sufficiently restricted so it will not become entangled in operating machine parts (no floppy sleeves for example). Hair longer than collar length must be tied back and clipped up. Beards must be neatly trimmed and short enough not to cause a hazard when working on or near operating machinery. Solid footwear with a good grip sole (definitely no sandals, open toes, or canvas sport shoes) must be worn at all times. We recommend that jewelry not be worn because rings, watches, etc., can increase the risk of serious injury should an accident occur.

### **Your Right to Know**

Midstate Contractors, Inc. complies with the occupational health and safety regulations in general and, specifically, the federal Hazard Communication regulations.

We do have a formal written program which is available in the Midstate Contractors, Inc. Human Resources Department for review by any interested employee. Material Safety Data Sheets (MSDS's) are available to all employees, 24 hours a day in the Midstate Contractors, Inc. Human Resources Department. You should see your supervisor if you want to review a copy or have any questions concerning a substance you may be using.

## **Fire**

A fire could burn us all out of a job. Help prevent fires by being careful with matches, cigars, and cigarettes. Sand-filled boxes or ashtrays for butts and matches are scattered throughout the work area. Be sure to use them. Be sure you are familiar with the location of the phones and fire procedures near your work area.

In case of fire, follow the posted procedure and then proceed to the exit marked on your floor plan fire routing. See your supervisor for the evacuation meeting places outside of our plant. It is important that you go to this designated area so supervisors can make sure that all employees are out of the building.

In case of fire in another part of the plant, do not leave your department until ordered to do so, unless you have been designated to handle fire equipment. When ordered to leave your place of work, leave in an orderly manner. Use only regular exits, which must be kept clear of obstructions at all times.

## **Small Appliances**

The use of coffee pots, hot plates, fans, etc., in the plant pose serious safety problems. Safety laws are enforced to prevent these problems. Therefore, no personal appliances are permitted in the plant.

## **OUTSIDE EMPLOYMENT**

Employees may hold outside jobs as long as they meet the performance standards of their job with Midstate Contractors, Inc. and are not working for a business which competes in any way with our Company. Employees should consider the impact that outside employment may have on their health and physical endurance. All employees will be judged by the same performance standards and will be subject to Midstate Contractors, Inc.'s scheduling demands, regardless of any existing outside work requirements.

If it is determined that an employee's outside work interferes with performance or the ability to meet the requirements of Midstate Contractors, Inc. as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with Midstate Contractors, Inc..



Outside employment that constitutes a conflict of interest is prohibited. Employees may not receive any income or material gain from individuals outside the organization for materials produced or services rendered while performing their jobs.

### **TAKE GOOD CARE OF TOOLS & EQUIPMENT**

Practice the Golden Rule in this matter. It is a virtue we all admire in our friends and neighbors. We know you will extend to us the same courtesy that you expect from those entrusted with anything that belongs to you.

### **DRESS AND GROOMING**

You are expected to maintain appropriate standards of cleanliness, grooming, and personal hygiene at all times during working hours, as determined by your supervisor. Closed toed shoes must be worn at all times in the plant and at project sites, and safety glasses must be worn in designated areas.

### **DRIVER'S POLICY**

All persons whose essential job functions require driving or maintaining a valid driver's license and valid insurance at all times. No persons other than on the job employees and authorized security personnel are permitted to ride an employee vehicle, either company owned or personal while on company time. Drivers will immediately report:

- Any and all traffic infractions and accidents for which they are ticketed during working or non-working hours;
- Any and all traffic infractions for which they are convicted, or plead guilty or no contest;
- Any change in driver's license status, including suspension, revocation or restriction; and
- Any lapse, change or termination of automobile insurance coverage.

Any incident involving the use of a car while working, whether not it results in any injury to any person or damage to any vehicle or property irregardless of who is at fault must be reported immediately to the manager.

There will be no personal use of company owned vehicles. No company owned vehicle is to be taken home overnight without prior supervisor approval.

## **LAYOFF POLICIES AND PROCEDURES**

1. Seniority. Seniority means a preferred position for specific purposes that one employee may have over another employee because of a greater length of continuous Company service.

2. Service Break. The following shall constitute a break in continuous service: resignation, separation, retirement, absence without leave for five working days, failure to report within five working days of recall, failure to report after leave, and acceptance of other permanent employment while on leave. This shall not restrict the Company's right to take whatever personnel action it deems warranted for any of the above. If continuous service is broken by any of the above, the employee shall lose seniority credits. If an employee is returned within one year after a break in service, he or she shall be entitled to credit for seniority purposes the time accrued up to the time break in service occurred, but shall not be entitled to any credit for the time represented by the break in service.

3. Seniority Lists. Seniority lists shall be prepared and revised as necessary every six months. Appropriate service information shall be shown thereon to permit application of various seniority provisions. Lists shall be posted on the appropriate bulletin boards.

4. Layoff Order. Layoffs of employees shall be made in the inverse order of seniority.

5. Recall. The Company shall establish a preference list for those persons who have been furloughed or laid off in the inverse order of layoff. This list shall remain in effect for a one-year period and shall be used in the order of seniority to fill vacancies within a classification from which the persons on the preference list may have been laid off. In the event a person refuses an offer of a position, he or she shall be dropped from the list. Seniority for the purpose of this Section shall be deemed to be length of continuous service within the classification series.

6. Transfer. Employees desiring to transfer to other positions shall submit a written request to their immediate supervisor, stating the reasons for the requested

transfer. If the Company in its sole discretion agrees to the transfer, the employee shall be entitled to maintain whatever seniority rights that are appropriate.

7. Work Assignments. In making work assignments, preference shall be granted on a seniority basis unless the Company feels it is necessary to assign otherwise to protect the efficiency of operation.

8. Job Elimination. In the event of the consolidation or elimination of jobs, the Company shall reassign the affected employees to positions for which they are qualified insofar as positions are available. If positions are not available, the employees will be laid off.

9. Seniority Calculation. The commencement of continuous service shall be calculated from the date of last hire by the Company.

## **YOUR BENEFITS**

### **HOLIDAYS**

The Company observes the following paid holidays each year:

New Years Day  
Memorial Day  
Independence Day  
Labor Day  
Thanksgiving Day  
Day after Thanksgiving  
Christmas Eve  
Christmas Day

All full-time regular employees who have been employed by the Company for at least ninety (90) days will receive pay for these holidays. Payment will be made based on the employees' hourly rate at the time of the holiday, multiplied by the employees' regularly scheduled daily work hours for the week during which the holiday occurs, not to exceed eight (8) hours of pay. Employees must work their scheduled work days before and after the holiday in order to receive holiday pay, unless other arrangements are approved in advance by the employees' supervisor.

### **EMPLOYEE RECOGNITION PROGRAM**

**Policy**

It is the policy of the Company to provide a special award to employees who make specific, extraordinary, and measurable contributions to Company profitability, productivity, or efficiency. Employees may be nominated for a special cash award as recognition for job performance that is significantly above and beyond the normal scope of job duties. Approval of the award rests with the management.

**General Guidelines**

A special cash award shall be granted to nominated and approved employees who, through an extraordinary, measurable effort, contribute to the Company's profitability, productivity, or efficiency.

All regular, full-time, non-represented employees, other than those eligible for bonus compensation, are eligible for nomination for a special cash award.

Nominations for special awards may be made by supervisory or managerial personnel. The nominations must be accompanied by written documentation indicating the contribution made and the degree of effort expended.

Nominations and supporting documentation must be reviewed and approved by management.

The employee's contribution may be either within or outside the employee's scope of operation and responsibility, but it must be significantly and substantially beyond the normal work effort required in the job.

Nominations for awards to eligible employees may be made under the following circumstances:

- For a single unique project or outstanding accomplishment, whether or not included within the scope of the employee's job;
- For ideas, recommendations, or suggestions, including a plan of action for implementation or completion.

The award will be presented to the recipient as soon as practicably possible after the contribution is made.

The award is not to be used to supplement the merit increases program, which recognizes and rewards continuous superior job performance.

**Amount of Awards**

The amount of award should be judgmentally proportionate to the contribution, and sufficient to stimulate future contributions.

The minimum award amount is \$50 and the maximum award amount is \$500. All recommended awards will be reviewed and approved by management.

**PERSONAL LEAVE**

Unpaid personal leaves of absence for good reasons may be granted to you after you have completed one year of continuous service. Personal leaves usually may not exceed one per year. Customarily, leaves are not granted for more than 60 days. However, depending upon the nature and expected duration of your need to be absent, Midstate Contractors, Inc. may, at its discretion, grant a longer leave not to exceed 12 weeks. Your current position, or a comparable one, will be available if you return to work on or before the end of 12 weeks. Please also refer to the Family and Medical Leave policy in this handbook to see if you might be eligible for that type of leave and the corresponding benefits provided by the Company.

Under certain circumstances, leave may be granted on an intermittent basis, whereby the employee can reduce work hours in accordance with one of the above requirements. This situation must be discussed with your Supervisor to establish a proposed schedule of working hours.

If you wish to apply for personal leave, submit your request to your Supervisor, in writing, detailing the reason for the leave. There are many factors to consider in granting leaves of absence. When the company can do so without interrupting its operations and if you have a good reason, the Company will make every effort to grant your request. An employee on a personal leave of absence may add earned vacation time to the leave. If you do not return to work by the time your leave of absence, plus earned vacation time, if applicable, expire, you will be terminated.

During a personal leave of absence, you are responsible for paying ALL monthly insurance premiums until you return to work. Premiums are due no later than the 1st of each month of leave.

**MILITARY LEAVE**

Employees who are members of the U.S. Military Reserve or National Guard are eligible for leave for reserve training or emergency military duty. A long-term leave of absence will be granted to employees who enter active full-time military service, up to the limits provided by law.

**BEREAVEMENT LEAVE**

If you are scheduled to work and receive news of a death in your immediate family, you may arrange for an unpaid bereavement leave of up to three consecutive days in order to make the necessary arrangements, attend the funeral, or handle other affairs associated with the funeral. Bereavement leave may commence with the day of death, or, if requested by the employee, with the day following the death. Additional time off may also be granted as needed. Immediate family is defined to include your spouse, child, stepchild, parent, grandparent, grandchild, brother, sister (or the spouse of any of them). Time off without pay may be granted by an employee's supervisor, upon request, for an employee to attend the funeral for other relatives or friends.

## **JURY DUTY**

The Company will grant employees a leave of absence, without pay, to serve jury duty. Employees are expected to call in to their supervisor daily to report their status while on jury duty, and should report to work on non-jury days or on days when the jury is dismissed early, unless instructed otherwise by their supervisor.

## **GROUP MEDICAL INSURANCE**

Midstate Contractors, Inc. will provide group medical insurance protection to all hourly full-time employees subject to acceptance by the insurance carrier. Employees are eligible for coverage after ninety (90) days of continuous full time employment.

Midstate Contractors contributes \$52.00 per month towards the cost of each full-time employee's insurance coverage. Employees should consult their plan documents for more details regarding the group medical insurance plan.

## **BUSINESS EXPENSES**

Midstate Contractors, Inc. will reimburse employees on a per diem basis for job-related hotel and food expenses. Your supervisor will document approved per diem expenses on your time card. Per diem expenses will be paid one week in arrears.

## **WORKERS' COMPENSATION**

It is expected that all employees will exercise caution to protect themselves as well as their fellow workers. Employees injured on the job must report the injury immediately to

their immediate supervisor and fill out an injury report as soon as possible. An employee's failure to promptly report an injury in the workplace may result in disciplinary action against the employee. Employees who witness an injury for an employee or visitor must also promptly complete an injury report. Employees who are injured on the job must submit for a drug and/or alcohol test.

All of Midstate Contractors, Inc.'s employees are covered by Ohio's Workers' Compensation Act. If you are injured in the course of your work, it may be considered an industrial accident and processed under Ohio's workers' compensation system. On allowed claims, the Bureau of Workers' Compensation pays for lost work time, medical bills, and disability claims based on a formula set by State law.

## **SOCIAL SECURITY**

Federal law requires that employees set aside a certain percentage of each paycheck for social security (FICA). This amount is automatically withheld from your paycheck by Midstate Contractors, Inc., as required by law. Midstate Contractors, Inc. also matches the employees' social security contributions, dollar for dollar. The total amount of the contribution is forwarded to the federal government and placed in the employees' social security accounts. After retirement, employees will receive social security benefits. These benefits will be determined by the Social Security Administration, at the time of retirement, based on earnings and contributions during working years.

## **PENSION PLAN**

Employees are eligible to participate in pension plan benefits on prevailing wage jobs. Employees should consult the appropriate prevailing wage and plan documents for more details.

## **MISCELLANEOUS**

### **PERSONNEL RECORDS**

It is important to both you and Midstate Contractors, Inc. that personnel records be complete and current. Please be certain to notify your Supervisor or the Human Resource

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Department of any change in your home address and telephone number, marital status, number of dependents, names of beneficiaries, etc.

Employees have access to their confidential personnel files to view and/or make copies ONLY of medical claims and workers' compensation claims. The employee must make their requests to view any of these documents in writing to Human Resources.

### **POLICY CONCERNING THE COMPLETION AND SIGNING OF FORMS**

All businesses use forms and other documents to conduct their business, and Midstate Contractors, Inc. is no exception. Some of our forms and documents are used in determining and providing employee wages and benefits, such as timecards, insurance applications, and claim forms. Others help us to evaluate performance, such as performance appraisals and warning notices. Still others are required by federal, state, and local governments, such as tax withholding forms and retirement account reports.

Whenever you are presented a form or document and asked by the Company to complete or sign it, please read it carefully, complete it accurately and sign it. Company policy prohibits employees from refusing to complete or sign any of these important records and documents. And please note that your signature on any form of discipline does not necessarily indicate that you agree with the discipline; it just means that you have read and received it.

### **OPEN DOOR POLICY**

In any complex operation problems or differences of opinion regarding work matters will occasionally arise between employees and their supervisors or fellow employees. We encourage you to bring any problem you might have to the attention of your supervisor. If your supervisor, after a reasonable amount of time, is unable to resolve the problem to your satisfaction, Midstate Contractors, Inc.'s President has an open door policy to discuss any matter.

This open door policy and problem review procedure is designed to resolve problems quickly and is based on the following principles.

- . We encourage you to bring your problems and questions to the supervisor's attention.
- . Your problem will be thoroughly discussed and evaluated on its merits.

- . If possible, any necessary corrections to resolve the problem will be made.

Obviously, we cannot correct a problem unless we know about it. Therefore, you are encouraged to use Midstate Contractors, Inc.'s open door policy to air any problems or grievances you may have regarding your job.

## **BULLETIN BOARDS**

A bulletin board is located on the wall of the Plant Area is provided for special notices, work schedules and employee use. Items posted on this board must first be submitted to the office, which will then post the item, subject to approval by the Office Manager. The Company reserves the right not to post inappropriate materials, including materials submitted anonymously, and to remove dated materials.

## **SECURITY AND VISITORS**

In order to maintain security, only authorized employees are permitted to enter the premises after regular working hours. Anyone wishing to enter the plant or office before or after the stated hours must have authorization from management.

**PERSONAL BUSINESS AND TELEPHONE CALLS**

Personal business is to be kept to a minimum. As a business, deadlines and performance standards must be met on a daily basis. Due to the fact that telephone usage is a major aspect of the Company's business, use of the phones for personal reasons must be held to a minimum. Personal calls should be limited to the employee's lunch period. Only local, toll free calls are permitted. Excessive use of phone lines for personal business will be viewed as behavior requiring disciplinary action.

**E-MAIL**

Always use discretion and proper judgment when sending e-mail to users within or outside the Company. Never use profanity or improper language. E-mail is the property of the Company.

**SOLICITATIONS AND CONTRIBUTIONS**

Persons who are not employees of Midstate Contractors, Inc. will not be permitted to come upon or remain on the premises for the purpose of making solicitations or posting or distributing cards, notices, or any other material of any kind.

This rule is not intended to prevent Midstate Contractors, Inc. from carrying on its normal community relations/employee relations programs or activities, which may, from time to time, necessitate management approval and direction of distributions and solicitations on the Company's premises.

**QUESTIONS**

This material probably has not answered all of your questions. Special needs, circumstances, and problems of individual employees require special responses. As questions arise, contact your supervisor first. If he/she is unable to help or answer your questions, contact the President. You and your needs are important to the Company.

**EMPLOYEE HANDBOOK AND AT-WILL POLICY**

The full content of this Employee Handbook is presented only as a matter of information. The language used in this material and in all other Company policies, is not intended to create, nor is it to be construed to constitute, a contract between Midstate Contractors, Inc. and any one or all of its employees. The Company reserves the right to change, suspend, or terminate without notice any of its plans, policies, or procedures whether they be contained in this handbook or in other documents of Midstate Contractors, Inc. These policies supersede any and all prior policies previously issued by Midstate Contractors, Inc.

All employment with Midstate Contractors, Inc. is for no definite period of time and may be terminated at any time, without prior notice by either the Company or the employee. Employees are expected to give two weeks advance notice of a resignation in order to receive a favorable reference upon employment termination. Oral modification of the contents of this material is not authorized or allowed, and such representations are to be of no effect.

#### **EMPLOYEE HANDBOOK RECEIPT AND ACKNOWLEDGMENT FORM**

I acknowledge that I have received the Midstate Contractors, Inc. Employee Handbook, that I have familiarized myself with its content, and that I will comply with the policies contained therein. I understand that the policies in the Employee Handbook do not constitute a contract, express or implied, of any kind between Midstate Contractors, Inc. and me. I understand that my employment by the Company is on an at-will basis, and that either Midstate Contractors, Inc. or I may terminate the employment relationship at any time and for any reason. I understand that no oral statements can modify the employment-at-will relationship, and that all Company policies are subject to change or elimination at any time, without advance notice.

Also, should I ever leave employment with Midstate Contractors, Inc., I agree to return all Company property in my possession, and that the value of any property which I fail to return may be reduced from any pay due and owing to me. I further release Midstate Contractors, Inc. from any liability for providing a reference for me to any subsequent employer to whom I may hereafter apply for employment.

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Date \_\_\_\_\_ Employee \_\_\_\_\_

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Date \_\_\_\_\_ Supervisor \_\_\_\_\_