

EMPLOYEE HANDBOOK



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Welcome:

You have joined a great group of people who are dedicated, committed, highly professional, energetic, and self-motivated. You have joined a company with a culture we consider unique. Honor, integrity, respect for others, and dignity are not just terms we print to impress people. We believe they should be part of our everyday activities. We try hard to select employees whom we believe share our values.

We prepared this handbook to provide you with general information about SMI, and to be an information resource for your use. The guidelines we have included are to help us all function better as a team. If anything is not clear, please do not hesitate to ask. If anything seems unclear, or unreasonable, speak up! We want you to be a satisfied employee.

This handbook was initiated by our desire to ensure that everyone is well-informed, and to be sure that we address topics of concern for our employees. It will also be helpful because you will not always have a supervisor close by to remind you of our policies and procedures. You will serve as a representative of SMI and will need to be well-formed. You will be, in effect, your own supervisor, and we must be able to count on you to know the right things to do and how to conduct yourself in such a way that you represent SMI in a way in which we will all be proud.

There is one overall philosophy basic to the development of this handbook: Employees matter at SMI. As a team, again and again, we demonstrate success in fulfilling our mission to provide the most outstanding service possible to our customers. As a well-functioning team, our opportunities are limitless.

Enjoy your work experience with us and let us know what we can do to assure you are able to use your skill and talent in the most effective way.

Sincerely,

MIKE OPATRIL

President/Structural Materials, Inc.



WORKING WITH US

"This Handbook was prepared by Structural Materials, Inc. (SMI) as a guide to employees. It does not represent a contract of employment, and no person in the employ of SMI has the authority to enter into a verbal contract of employment with another employee." Should an employee propose that a contract of employment exist, SMI will not honor it unless it bears the signature of the President of SMI.

HOW TO USE THIS HANDBOOK

The policies, procedures, and operating guidelines covered in this handbook are written in general terms and are a reference to you. They may need to be changed as our business changes. We will do our best to keep you informed. When you are in doubt about the latest information, please ask your supervisor or another member of our management team.

GUIDELINES FOR EMPLOYMENT

SMI expects the following from its employees:

- Maximum effort, skill and ability
- A cooperative attitude with fellow employees
- Compliance with our policies and procedures
- Punctuality and good attendance
- Service that keeps us a premier company
- Ethics and integrity that reflect well on you and on the Company

AFFIRMATIVE ACTION/EQUAL EMPLOYMENT OPPORTUNITY

It is the commitment of [SMI](#), to ensure fair and equal treatment for everyone we employ. We believe employment, training and promotion opportunities should be available to all persons without regard to race, age, religion, gender, color, national origin, creed, disability, sexual orientation or military status.

Our selection, training, promotion, and other employment practices are based on job-related qualifications. Our public newspaper advertisements affirm that we are an equal opportunity employer. We strive to comply with all laws that regulate employment practices.

SMI is committed to compliance with The Americans with Disabilities Act. We conduct all recruitment in an ethical, professional, and non-discriminatory manner. Those requiring assistance in completing an application form or accommodation to participate in employment interviews, because of disability, will be accommodated. Efforts are made to accommodate those who can perform the essential functions of the job to enjoy employment opportunities with [SMI](#).

IMMIGRATION

SMI is committed to complying with the Immigration Reform Act of 1996. All employees will be required to verify their legal status (the right to live and work in the USA). Anyone who cannot provide appropriate verification will not be allowed to work for the company.

Employees are required to provide a document establishing both their identity and employment authorization BEFORE they start work. Documents establishing identity and employment authorization are identified on INS Form I-9.

NEW EMPLOYEE ORIENTATION PERIOD

New employees at SMI will have up to **90** calendar days to familiarize themselves with the job. This is a time for us to evaluate your work. During this time, you will want to demonstrate your ability and desire to become a regular employee. At any time during this time period, of new employee orientation, we can decide you will not be retained as part of our regular workforce. If that is our decision, you will be informed immediately.

You may also decide this is not the right position for you. You will not be expected to serve out your notice if you make your decision during new employee orientation.

During this time, employees are expected to learn every aspect of the job. Those fulfilling this expectation are eligible to be considered regular employees and become eligible for the benefits reserved for regular employees. On occasion, additional time is offered if the job is unusually complex. The decision to extend the time needed to learn the job would require the approval of your department head, and agreement from **your supervisor**.

CLASSIFICATION OF EMPLOYEES

- **INTRODUCTORY EMPLOYEES**
Employees hired within the past **90** calendar days.
- **REGULAR EMPLOYEES**
Employees hired more than **90 days** ago, and have been successful in completing the new employee orientation period
- **PART-TIME EMPLOYEES**
Employees regularly scheduled to work less than full time
- **TEMPORARY EMPLOYEES**
Employees scheduled to work for a limited period of time, on a full or part-time basis. This includes seasonal employees, and employees contracted because of specialized skills, to perform a scope of work without a specified period of time designated.
- **CONSULTANTS/CONTRACTORS**
Individuals with specialized knowledge and skill, who provide services in specific areas for a fee-for-services based on an agreed upon result, are not considered employees of SMI. These individuals, whether or not representing a firm, are not subject to the conditions and/or benefits contained in this handbook.

ANNIVERSARY DATE

Once you have successfully completed your introductory period, your **date of hire** becomes your Anniversary Date at SMI. If you are uncertain of your anniversary date, please check with your supervisor.

SEPARATION AND REHIRE

Should you elect to resign from SMI we request that you give us a two weeks' notice in writing. Your final paycheck will be ready for you at the next regular payday unless otherwise mandated by law that it be provided earlier. Be sure you have returned all SMI property in your possession, such as files, equipment, cell phones, and keys (or pass cards).

There may be an opportunity for rehire at SMI at a later time, if your separation was voluntary and occurred with the required notice.

It is important for you to establish a good work record while you are here. It will be valuable to you in a rehire decision, and as a reference to other employers. Those who apply for rehire will be given consideration equal to other applicants.

Termination of employment is treated in a confidential, professional manner by all concerned. The management of SMI must ensure thorough, consistent and even-handed termination procedures. This policy, and its administration, will be implemented in accordance with our equal opportunity statement.

Since an employee may elect to separate employment with SMI at any time, SMI may terminate the employment of any employee at will. No promises, or guarantees, of permanent or specific term employment will be made to an employee of SMI by anyone except by the company President. Neither will such promises or guarantees, if made, ever be adhered to by SMI, or enforced by an employee. Any employment agreement between SMI, and any specific employee, will be in writing and approved by the President/CEO to be considered valid.

YOUR SUPERVISOR

As an employee, you will be assigned to a position and department. You will learn about the structure of SMI. Your assigned Supervisor is your main source of information and assistance. It is the responsibility of your supervisor to train you [or assign a trainer], communicate with you, and to treat you fairly.

Your immediate Supervisor is the person to help resolve problems, explain policies you do not understand, or direct you to someone else at SMI who can answer your questions. That person may have the job title of Supervisor, Manager, or Director. Titles are less important than recognizing that you came to SMI in good faith, to do a good job. We are here to ensure that you have that opportunity. Your supervisor is vitally interested in helping you do the best job possible.

PHYSICAL EXAMINATION

When you have been absent from work for three [3] days or more due to injury or illness, or are hospitalized for any period of time, you will be asked to provide a physician's statement to determine your *fitness for duty*. You may also be required to provide a

statement of your well-being should you have any condition where your ability to perform the work is in question.

VISITORS TO THE BUILDING

Our office is open to the public; but visitors come and go frequently. They are our responsibility. When you have a scheduled visitor, please have your visitor report to the [Front Desk](#); you will be required to:

- Meet your visitor promptly,
- Make certain your visitor is not left to find his/her way out of the building,
- Make sure your visitor complies with all of our safety rules.

Please inform your visitor of building requirements, such as NO SMOKING.

LOSS OF PROPERTY OR DAMAGE

We all share the responsibility for protecting and preserving employee property. It is important that you protect your personal property and take particular care not to leave a handbag unattended or a wallet in your coat pocket or other highly visible area.

Take care to protect our equipment, such as computers, calculators etc., whether in the office or in a vehicle. [Although our building is not](#) a public building, non-employees may visit.

SMI cannot accept responsibility for the loss or damage to your personal property. This includes articles left in your car. Because expensive articles are a temptation, don't leave expensive items visible to passersby. Articles found by employees should be turned into a management representative.

PERSONNEL RECORDS

The [controller](#) maintains your employment records. Only such information as is needed by SMI in conducting its business, or is required by Federal, State or Local laws is kept. This information will normally include:

- » Application Form
- » Performance Appraisals
- » Payroll Information
- » Disciplinary Records

From time to time, there may be changes in your status that require a change in your records. When you move, change telephone numbers, change your marital status, gain or lose dependents, change your tax status or complete any outside education or training, you need to notify the [controller](#).

You should be especially careful to keep beneficiaries current and be certain the records administrator has the correct information about whom to contact in the event of an emergency. The most recent address and telephone number(s) on file will be used when

we must contact you.

The employee personnel file is created and maintained by SMI and is considered company property. As an active employee, you may review the contents of your personnel record in the presence of the [controller](#). You may not remove, alter, or photocopy any document in the file. Should you wish to create an addendum to your file, we will accept and include it in your personnel record.

CONFIDENTIALITY

As an employee, you will be required to accept the terms of our confidentiality agreement. Confidential information includes trade secrets, financial, technical and marketing information, and information about other employees. Price lists, product development and business plans are considered proprietary information now and forever. In order to work here you may be asked to indicate such an agreement in writing, at the time of employment.

BULLETIN BOARDS/INTRANET

Bulletin boards and/or SMI intranet are used to keep you informed of change in policy, make announcements, and other SMI business that may be of interest to you. Learn the location of posted internal bulletin boards and check them often for important information. You may not post anything on a mounted or electronic bulletin board without approval by the president.

WEATHER EMERGENCIES

In the event of an emergency or bad weather, you may be asked to report to work. Employees, not essential to the operation, may be instructed to stay at home. The nature of our work means we have deadlines, and our staffing needs will be based on such needs.

When a weather emergency occurs, we may be forced to close our offices. If the weather deteriorates during the day, you may be allowed to leave early, depending on the severity of the weather conditions and the urgency of our work.

If you are asked to report for work, please remember: **UNDER NO CIRCUMSTANCE** should you risk an accident or injury to report to work. Your personal safety is our greatest concern. When hourly employees or salary employees are absent due to a weather emergency, the absence will be unpaid. There may be an opportunity to make up the lost time during the same work week; or you may use PTO or vacation time if available. Those that are able to “work from home” will need approval from their supervisor and phone calls will likely be forwarded to your home.

LAYOFF

The nature of the work of SMI makes it essential that we have employees with certain skills. The management will always maintain its responsibility to determine the size of

the workforce. Layoff, should it be necessary, will be based on maintaining a workforce comprised of highly skilled employees to meet the needs of our customers. Employees in certain job classes are critical to the ongoing operation and, necessarily, will be given preference in any layoff.

NEPOTISM

SMI may employ members of the immediate family to perform work, based on qualifications. Efforts will be made to assure immediate family will not be placed in a supervisor/subordinate relationship. If two employees in a supervisor/subordinate relationship marry, one of the employees will be required to be re-assigned within 10 days. If neither employee agrees to transfer to a different position, the employee with the least service will be re-assigned by SMI.

Disputes or conflicts regarding the employment of relatives will be resolved by the President, in the best interest of SMI.

EQUIPMENT AND SUPPLIES

Our supplies and equipment are part of the operating costs of our business and are very expensive. They must be used only for SMI business. Personal use of stationery, postage, copiers, etc., should be kept to a minimum.

No equipment may be used off site without permission from your supervisor.

TELEPHONES

The telephone is one of our most important business tools. We have a limited number of them in our offices, and a limited number of hours when customers can reach us. We must all strive to keep the telephone lines open for business. From time-to-time, you may have an emergency that requires you to place and/or receive personal calls. Please be time conscious and keep personal calls to a minimum.

No personal long-distance calls may be made, or charged, to SMI without prior permission from a supervisor, and only in the case of an apparent emergency.

Should an employee abuse the telephone calling privilege, thus creating a problem for customers who need to reach us, the employee can expect to have the offending behavior addressed and corrected.

PERSONAL TELEPHONES

SMI provides a cell phone plan to employees with the highest usage. Such as supervisors, outside salespeople, truck drivers and pre-approved staff. All others are expected to answer work-related calls and SMI will pay for overage fees to your personal phone plan caused by SMI. Simply provide proof on your monthly expense report for reimbursement.

Personal telephones have become a serious concern in some areas. You may be required to carry and use a personal telephone as part of your work, and we recognize that the use of a telephone is invaluable in rapid communication.

Some employees have no need to use a personal telephone at work and may not do so if it interferes with the job. It is our request that you keep your personal phone silenced during the workday. You may neither receive, nor place, a call that is not absolutely essential. This also includes text messaging, emailing and social media/networking sites.

If your job requires you to perform a procedure that could be dangerous, operate equipment with an electric motor, or other equipment that can injure or kill, then you may not have a personal cell phone in our possession while on duty. The sudden ring or vibration of the personal phone can be startling or distracting.

No employee may use a personal telephone to take a photograph, even if you are given permission by a co-worker. You may not record any conversation unless it is within your protection under the National Labor Relations Act and directly related to your Section 7 protection regarding discipline. To do so will result in immediate dismissal. You may never upload company documents to a personal phone or store your work there. All company work must be kept on company equipment. You may not share a copy of the company email address list or any other information that could allow a third party to have access to information, such as employee addresses, gender, age, or any other information that could result in identify theft. We are unable to accept responsibility for your personal telephone if it is lost, damaged, or stolen while at work.

When you are traveling on Company business, you may need to place and/or receive business-related calls on your personal phone. Unless it is an emergency, or you have a hands-free telephone, we believe it is in the best interest of your safety, and the safety of other travelers, that you:

- Place all calls while your vehicle is stopped.
- Answer any calls while you are driving, with a request that you return the call as soon as you are able to stop your vehicle.

In certain locations, you are prohibited by law from using a personal telephone while driving. You must obey these regulations. Texting while driving is prohibited at all times. If you violate the company policy for use of a personal telephone, we will revoke your privilege to have a phone with you at work.

OPEN JOBS AND PROMOTIONS

It is our goal to have a qualified person in every job in order to maintain job security and growth. Promotions, or transfers, will be made from within whenever a qualified employee is available, and it is mutually agreeable that the change is beneficial.

It will remain the responsibility of the management to determine the size of the workforce, the number of employees needed, and the overtime hours necessary to achieve job completion.

SOCIAL EVENTS

When SMI hosts a social event for employees, attendance is not mandatory; and no additional compensation is made. Social events are part of our effort to provide opportunities for employees, and their families, to enjoy a time of social interaction. SMI will not be responsible for any wrongdoing which may take place after any after-hours events.

PERFORMANCE REVIEWS

As an employee of SMI, you can expect to have performance reviews at the end of your introductory period, and annually thereafter. Both you, and your supervisor, should be well-prepared by reviewing the goals and accomplishments prior to the interview. You are encouraged to participate actively in the review process.

REPORTING INJURIES / ACCIDENTS

All employees need to complete an accident/injury report if they witness an accident, are involved in an accident, or if asked to assist. The [controller](#) is responsible for administering the paperwork required for workplace accidents.

Call 911 if the injury is severe. Do not try to “doctor” the injured party.

VEHICLE ACCIDENTS

If you are involved in a work-related vehicle accident, it is imperative that you follow procedure:

- Get full identification of any/all witnesses [name, city, state, zip, telephone number, etc.].
- Call the office immediately [or as soon as possible]. We will need all information on the other party involved [including name, complete address, telephone number, contact person, etc.]. As soon as the office receives this information, we will call our insurance company to report the accident and details. It is imperative that you get this information to the office immediately[or as soon as possible] after the accident.
- Be sure to get the Police Report.
- Report location of accident [i.e., locality].

CREDIT AND RETURN PROCEEDURE

All salespeople are authorized to write a credit for unused products in resalable condition, in the original packaging, that are returned within 30 days of purchase. Our standard 15% restocking charge may apply. Items such as stone or any special orders may not be returned without permission from the product manager. The amount of credit may vary due to any freight costs or supplier restocking charges other expenses.

No Credits or Returns shall be written to offset any product failure, warranties, and liabilities or as a payment without the product manager and the factory involved.

ATTENDANCE

Consistent, prompt arrival for work is necessary to ensure proper operation of SMI. Employees must notify their immediate supervisor of anticipated absenteeism or tardiness at the earliest possible time. You will be expected to notify your supervisor each day of your absence, unless you report the total time of your absence on the first day of absence. It is important to talk directly to your supervisor, not just leave a voice mail message. All employees are expected to make every effort to arrive and be prepared to work by their assigned shift time. Avoid leaving early, this puts added stress on your co-workers.

BREAKS

SMI employees are entitled to a 15-minute mid-morning and mid-afternoon break. Scheduling will be necessary to ensure that break times are staggered so that our customers will still receive excellent service. We do recommend that you take advantage of these breaks in order to maintain positive productivity and good health. If you are in an area where employees usually take their breaks, please do your part to keep it clean.

LUNCH PERIOD

All employees are entitled to a 1-hour lunch break. Scheduling will be necessary in order to stagger lunch hours to ensure that our customers will still receive excellent service. We recommend that you take advantage of these breaks to maintain positive productivity and good health. Working through lunch in order to leave early that day will only be allowed five (5) times per year, with prior approval from your supervisor.

During any designated lunch period for which employees are not paid, no work is expected from employees. Salaried employees must have uninterrupted time for lunch and may not perform work unless specifically instructed to do so by the supervisor. Whenever this occurs, alternative arrangements will be made for the employee, and appropriate compensation will be arranged.

COMPENSATION

GENERAL WAGE POLICY

It is our policy at SMI to establish and maintain competitive wages that reflect such factors as general business conditions and wages paid in the area and industry.

TRAVEL & EXPENSES

To receive reimbursement for travel on behalf of SMI, receipts are required for expense. Expenses for vehicle travel are reimbursed at a reimbursable rate of \$0.67/mile. Miles from home to the office, and return, are not considered a legitimate business expense by the Internal Revenue Service and cannot be reimbursed.

After any approved travel, create an accurate Expense Report supported by receipts, and submit it to your supervisor for approval. It is important to submit expense reports within 30 days after the travel is completed, if possible, to assure accurate financial reporting of SMI expenses. Employees who have an occasional mileage expense while on SMI business will also be reimbursed at a rate not greater than allowed by the IRS.

- Motel/hotel lodging
- Expenses incurred for entertainment of customers, such as lunch. Your receipt must include the customer's name and a brief notation as to the nature of the business transaction discussed. Please note, taking a customer out to lunch as a gesture of goodwill is not accepted by the Internal Revenue Service. You must note the particular product or project discussed. Entertainment of customers, in general, at bars or evening dinners is discouraged.
- Any expense incurred not part of a normal nature. Always note on receipt the reason for the expense, and if it is associated with a particular contractor and/or project. Prior approval of these types of expenses is advisable.

TRAINING PAY / TUITION ASSISTANCE

SMI firmly believes in continuing education for our employees. Any employee wishing to continue their education must receive the approval of their supervisor for any leave of absence for a course.

All courses must be business oriented and must be approved by management. All approved courses taken by regular employees will be reimbursed in the following manner: fifty percent (50%) of the cost of tuition, books and fees will be paid upon registration, the remaining fifty percent (50%) will be paid upon the successful completion of the course.

Travel time to a class and time spent in class after working hours will not be paid nor

considered expenses to be reimbursed by SMI.

If SMI requests that an employee take a course/seminar which is conducted during normal working hours, the employee will be paid their normal pay for that period.

Should you decide to stay extra time in a locality after the assigned factory seminar, trade show or training with your spouse, you must have the advance approval of SMI management and this time will be considered a vacation period. All expenses incurred by both you and your spouse will be your responsibility.

Room expense to the employee, when accompanied by their spouse, will be reimbursed at the rate of half the cost of a double room where normally two of our employees would be staying together. Otherwise, the employee would be responsible for just the difference between a single room rate and a double room rate.

Example: Employee A and Employee B attend a seminar. Normally, they would room together, but instead both take their spouses. Single room rate is \$40.00/night; double room rate is \$50.00/night. Both employees would be personally responsible for \$25.00/night for their spouse. If only employee A attends the seminar and takes a spouse, then that employee would be personally responsible for \$10.00/night for their spouse.

Before you invite your spouse to accompany you on out-of-town seminars, etc., be sure to check with your supervisor to see if it is practical. In general, it will probably be your choice, but there may be occasions when it will not be reasonable or practical to do so. Checking first could save you embarrassment.

It is not possible to cover every given situation; we do not intend to try. But we all appreciate that each of us has an obligation to minimize expenses in view of competition and in anticipation of future company growth.

PAYDAY

All hourly employees will be paid every other Friday. Salaried employees will be paid twice a month (15th and the last day of the month).

All hourly employees are required to use timecards and to punch in and out when starting work in the morning, when leaving for lunch, after returning from lunch and when leaving at the end of a workday. Any work time missed/not recorded on the timecard requires an approval slip (I.E., doctor's appointment, vacation, sick days, etc.).

The record of hours worked by hourly employees is used to calculate your paycheck. Please be accurate in recording your time. When you do not properly record your time, it is urgent that you notify your supervisor right away. An incorrect time record may cause you to be paid incorrectly.

You may not record time for another employee, or have another employee record your time. This act of dishonesty may result in disciplinary action, including discharge.

It is present policy, that should an hourly employee work 40 hours (with the approval of the supervisor) before the end of the week, then that employee should arrange with the supervisor to leave earlier on Friday so that the employee will still end up with no more than 40 hours at the end of the week.

OVERTIME DISTRIBUTION AND PAY

The decision to incur the expense of overtime is part of a supervisor's responsibility. Employees may not work overtime unless directly instructed to do so in advance.

All employees classified as *hourly* by the Fair Labor Standards Act must receive overtime payment of time and one-half for all hours worked in excess of forty [40] hours during any workweek.

Overtime pay is received only for time actually worked. Vacation, holiday, sick pay and lunch breaks, are not considered time actually worked and will, therefore, not be included in calculating overtime hours worked.

Hourly employees may receive time off in lieu of extra hours worked when the time off is taken on an hour-for-hour basis and is taken during the same workweek. Any overtime work must be initiated by a supervisor and authorized well in advance.

Overtime hours must be recorded on the appropriate payroll record.

EMPLOYEES SUBJECT TO OVERTIME PAY

Some employees are subject to the overtime provisions of the Fair Labor Standards Act. Whether you are subject to overtime compensation is determined by the kind of work you perform, not by your job title. Employees subject to the overtime provisions of FLSA are considered *hourly*, and SMI is required to keep a record of all the hours you work.

Employees not subject to the overtime provisions of the Fair Labor Standards Act are considered *salaried and* are paid a fixed salary for all work performed.

If you are an hourly employee, you must be paid at an overtime rate for all the hours you actually work, that exceed the number established by federal and/or state law. Thus, before you start to work early, or work beyond the normal workday, you must get advance permission. It is important to be in your work area at the start of the workday but wait until the start of the workday to begin working.

As a salaried employee, you are paid a salary for performing a scope of work. Salaried employees are not paid by the hour and are not subject to the overtime provisions of the Fair Labor Standards Act. Salaried employees are expected to work until the job is finished. Any salaried employee who feels his or her pay has been inappropriately

withheld should notify the controller, who will resolve the discrepancy.

MILITARY LEAVE

Employees called into military training [U.S. Military Reserves/National Guard] will be provided unpaid leave time to meet the commitment. Unpaid leave will also be offered to employees called to active duty due to a declared emergency. Reinstatement will be granted according to the regulations for veterans returning to the workplace (see the Family & Medical Leave Act Policy for more information).

JURY DUTY

Your income will be protected for **two (2) months**, while serving on a jury. Thereafter, it will be reviewed on an individual basis. To be eligible for jury duty pay, you must notify your supervisor, in advance, that you have been summoned for jury duty. SMI pays your regular base pay, provided you have reported to work as required, when not serving on the jury, and provide proof of service. You must work those hours you are not required to serve as a juror. If you elect to take the day off when you have been released from the jury pool, hourly employees will not be paid for that time or can take PTO/Vacation and salary employees must take PTO/Vacation. The amount of compensation from jury service will be deducted from the pay while on jury service if the compensation exceeds the expense of serving.

BEREAVEMENT / FUNERAL PAY

We express sympathy to employees, by continuing the pay of an employee who must be absent due to a death in the immediate family. Pay may be continued for up to **three (3)** days for full-time employees. Immediate family is considered to be an employee's spouse, child [including stepchild], sibling [including stepsibling], grandchild, parent and grandparent [including in-laws] or any other person who permanently lived at the employee's residence.

Leaves of absence to attend other funerals may be allowed without pay, subject to management approval.

Attendance at the service is mandatory to be considered for paid absence. The employee must notify the supervisor as soon as possible of the need for funeral leave. All requests for leave should be made on the proper form provided and need to be approved by your supervisor in advance of the leave.

MANDATORY PAYROLL DEDUCTIONS

Each pay period, when the payroll is calculated, we will make certain deductions from your pay. These include Federal tax, State tax, any Local taxes mandated, and your FICA [Social Security] contribution. We make mandatory deduction for taxes based on the information you have supplied through your W-4 forms. When your status changes, you should complete new W-4 forms for withholding purposes. The forms are available

from the controller. We will also honor any court orders that mandate a deduction from your pay.

Payroll Deductions:

First check of the month: FICA
Withholding
Money owed to SMI

Second check of the month: FICA
Withholding
Insurance

VOLUNTARY DEDUCTIONS

When you want money deducted from your pay, for such things as health insurance premiums, or other non-mandatory withholdings, you must sign an authorization for the deduction. Please contact the controller to obtain the appropriate form(s).

BENEFITS

SOCIAL SECURITY

You and SMI, as your employer, each pay fifty percent [50%] of the cost of your Social Security contribution, as determined by Federal Legislation. Your contribution is made through payroll deduction. The tax-free benefits from this contribution are a major part of your retirement plan.

Social Security benefits are administered by the Department of Health and Human Services. Only that agency of the Government makes a final determination as to whether, and in what amount, benefits may be received.

Specific questions concerning Social Security benefits should be directed to your Social Security Administration Office. Benefits under Social Security may be available at normal retirement, early retirement, disability retirement, and to the surviving spouse and dependent children of a deceased employee. There may also be a death benefit paid to the survivors.

UNEMPLOYMENT INSURANCE

You may become eligible for unemployment insurance benefits should you lose your job through no fault of your own. The decision regarding your entitlement to unemployment benefits is made by representatives of the state.

WORKER'S COMPENSATION

While you are actively at work, you are protected under the Worker's Compensation Program in the event of a work-related injury or illness. On-the-job safety is a part of every employee's responsibility.

You must remember to be safety conscious every day. Should you have an injury or illness directly related to your work, and incur medical expenses, these may be covered by the Worker's Compensation Program.

The method for handling Worker's Compensation claims, and the amount of the benefit, is based on your rate of pay and the standards set by the state in which you work. Should you incur a work-related injury or illness, you must report it immediately to your supervisor. Failure to report a work-related injury or illness may cause your claim for benefits to be delayed or completely denied. When a work-related injury or illness occurs, there is a specific procedure to be followed, including an official report (available from your supervisor) that must be filed within 24 hours of the incident. It is essential to comply with all requirements under the Worker's Compensation Program to ensure that you receive the benefits to which you are entitled.

HEALTH INSURANCE BENEFIT

SMI provides for its employees a group health plan. All full-time, permanent employees who work over 30 hours per week are eligible to join the plan upon their hire or at the

end of their three-month probation period, without completing a health questionnaire and, therefore, the insurance company could deny coverage.

In order to be added to the plan, an employee must complete an enrollment form. Should an employee choose not to join our health plan, a waiver card must be completed. This shows that you are aware of our coverage and choose not to take it. It also prevents the insurance company from charging you for coverage you do not need or want. If you choose to take the insurance later, you must wait for SMI's anniversary date.

Should an employee wish to change their coverage (ex. Single to family; birth; death), a change form must be completed. Notify human resources in advance of when you want the coverage effective so the form can be sent in before the new coverage is needed.

LIFE INSURANCE/ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT

SMI provides for its employees, a life insurance and accidental death and dismemberment benefit, payable to whomever the employee designates as beneficiary. All permanent employees who have completed their three (3) month probation, and who work at least 40 hours per week are eligible for and are required to participate in this plan.

This plan consists of, but is not limited to:

<i>Benefit amount:</i>	Basic Life \$15,000.00	Basic AD&D \$15,000.00
<i>Life reduction schedule:</i>	35% at age 65 50% terminate at retirement	
<i>AD&D Coverage:</i>	24 hour	

Contact human resources for claim forms or further information. The company sponsored Life & AD&D premium is provided by SMI at no cost to the employee.

HEALTH CARE INSURANCE CONTINUATION [COBRA]

Upon separation of employment, you may be entitled to continue your group medical coverage at your own expense. A COBRA notice will be mailed to you at the last address you have on record, if you are eligible for continuation of benefits.

HOLIDAYS

SMI observes the following holidays:

- **Memorial Day**
- **Independence Day**

- If the 4th of July is on Thursday, then Friday is included.
- If the 4th of July is on Tuesday, then the Monday before it is included.
- If the 4th of July is on Saturday or Sunday we will split up half-staff on Friday and Monday.

➤ **Labor Day**

➤ **Thanksgiving Day** (Friday after Thanksgiving - ½ workforce alternate yearly).

➤ **Christmas Day** if Christmas day is on:

- Monday: we will be closed on Saturday and Monday
- Tuesday: we will be closed that day and the Monday before
- Wednesday: we will be closed that day and ½ the day before
- Thursday: we will be closed that day, ½ of the day before and the Friday after will be ½ workforce alternated from New Years
- Friday: we will be closed that day, ½ the day before and Saturday
- Saturday: we will be closed all day the Friday before
- Sunday: we will be closed all day the Monday after

➤ **New Year's Day** and one-half of the day before.

- If New Years Day falls on Thursday, we will include the Friday after at ½ workforce alternate from Christmas
- If New Years Day falls on Friday or Monday we will be closed on Saturday
- If New Years Day falls on Sunday we will be closed on Saturday and the following Monday.

Each full-time employee who worked the full scheduled workday before the holiday and the full scheduled workday after the holiday (or who had a pre-excused absence), will be paid their regular rate for the holiday. Employees will not receive holiday pay if they call in sick before or after the holiday. Full-time, regular employees are those regularly scheduled to work at least 30 hours per week and who have completed three months of work (either since they were hired last or during a previous employment period).

Full-Time, temporary summer employees will not be eligible for the paid holiday benefit the first summer they work. However, they will receive paid holidays their second and following summers.

For all hours of work on a holiday, an employee will be paid straight time.

SMI recognizes that some employees may wish to observe, as periods of worship or commemoration, certain days that are not included in the holiday schedule. Employees may request a day off for such occasions. The time off may be unpaid or charged to any available vacation time.

VACATION – PERSONAL TIME OFF

SMI believes that quality of work is enhanced by annually providing employees an adequate time for rest and relaxation away from the daily routine. All employees are expected to take their vacation and vacations are not intended to be carried over into the next year. With special provisions, a maximum of ten (10) days can be carried over into the next year if they are used by March 15th. This will alleviate understaffing and will allow extended winter vacations.

Employees are reminded that vacations are for rest and relaxation. SMI cannot stop you from taking alternate employment during your vacation, but this employment should not affect your work when you return, nor should it compete with the company.

To ensure that SMI will not be excessively understaffed at any time during the year, it is necessary for the supervisor and management to have final say as to how many employees may be gone at any given time. In the case of conflict, seniority will determine vacation periods. No one may take more than two (2) weeks vacation at any one time without supervisors' approval. The third week of vacation in any one year must be taken between January 1 and March 15. The fourth week of vacation should be broken down into individual days, unless prior approval from your supervisor. To maximize your holiday and vacation days off, the Holiday will not affect the number of vacation days.

Employees receive vacation according to the following schedule:

Your 3-month probation period must be fulfilled

For Regular, Full-time employee:

Full Time employees become eligible for and begin to receive vacation leave after 3 continuous months of employment with Structural Materials Inc. Eligible full-time employees will have the 40 hours of vacation leave prorated back to their start date.

For example, your start date is July 1. Once you complete your 3 months of work, we would prorate your vacation time back to July 1st and receive 20 hours vacation for the remainder of the year. If your 3-month probation ends in the following year – you will only receive the vacation hours for that new year.

Length of Employment	Vacation for the Year
3 Months to 1 Year	Prorated
1 Year to 2 Years	40 hours
2 Years through 9 Years	80 hours
10 Years through 19 Years	120 hours
20+ Years	160 hours

If the employment is terminated with a two-week notice, all vacation pay, and PTO will be prorated. If excess vacation and PTO has already been taken, vacation pay, and PTO pay will be deducted from their final paycheck.

All vacation requests should be made on the proper form provided and need to be approved by your supervisor in advance of the vacation.

No vacations will be granted for the period during which the annual inventory is taken (normally in December).

Pay for each week vacation will be at that employee's normal rate of pay for their normally scheduled work week.

In case of death of an employee, unused vacation will be treated as wages owed and will be paid accordingly.

SICK LEAVE – PERSONAL TIME OFF

FULL-TIME employees will be given up to three paid sick days per year (prorated from date of hire) which will be added to PERSONAL TIME OFF. SMI allows its employees a reasonable amount of leave for medical appointments, but PTO will apply to family appointments or home sick. PTO cannot be carried over into the next year.

FAMILY AND MEDICAL LEAVE ACT

This policy serves to provide you with important guidelines regarding the Family and Medical Leave Act (FMLA) and to inform you that Structural Materials Inc. falls under FMLA coverage. It is crucial for all employees to be aware of their rights and responsibilities under this act to ensure that we maintain compliance and support our team members effectively.

FMLA Poster Guidelines:

As part of our commitment to adhering to the Family and Medical Leave Act (FMLA), we have displayed the FMLA poster in prominent and accessible locations within the workplace.

These locations include:

SMI Fargo: On the poster board by the timeclock & in the HR office
SMI Grand Forks: On the poster board by the warehouse timeclock
SMI Bismarck: On the poster board in the warehouse office

Please take a moment to review the poster, which outlines your rights and responsibilities under the FMLA. This poster provides essential information on eligibility, coverage, and employee rights to job-protected leave for specified family and medical reasons.

Essential Information About FMLA:

Eligibility:

- You must have worked for the company for at least 12 months.

- You must have logged at least 1,250 hours of service in the 12 months preceding the leave.
- You must work at a location where the company employs 50 or more employees within a 75-mile radius.

Covered Reasons for Leave:

- The birth and care of your newborn child.
- The placement of a child with you for adoption or foster care.
- To care for an immediate family member (spouse, child, or parent) with a serious health condition.
- If you have a serious health condition that makes you unable to perform your job.
- Any qualifying exigency arising out of the fact that your spouse, child, or parent is a covered military member on "covered active duty."

Duration of Leave:

- Eligible employees are entitled to up to 12 weeks of unpaid, job-protected leave in a 12-month period.
- For military caregiver leave, employees may take up to 26 weeks of leave in a single 12-month period to care for a covered service member with a serious injury or illness.

Health Benefits:

- During FMLA leave, your group health insurance benefits will be maintained under the same terms as if you continued to work.
- Please discuss your health insurance premium payment options with HR.

Job Protection:

- Upon return from FMLA leave, you are entitled to be restored to your original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions.
- If your FMLA leave extends beyond the 12-week allotted leave provided, please contact HR to discuss further options.

Notification and Documentation:

- You must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable.

- When 30 days' notice is not possible, you must inform the employer as soon as practicable.
- You may be required to provide medical certification to support a request for leave due to a serious health condition.

Employee Requirements:

If you need to request FMLA, here are the steps you should follow:

- **Notify HR:** Contact your supervisor/branch manager as soon as possible to inform them of your need for leave. Advance notice is required when the need for leave is foreseeable.
 - Your supervisor will get in contact with HR, to inform them of your need for FMLA.
 - HR will be in direct contact with the employee needing FMLA.
 - HR may be in contact with an employee who may need FMLA, even if the employee has not requested FMLA.
- **Complete Necessary Forms:** HR will provide you with the required forms and documentation that need to be completed. This may include medical certification from a healthcare provider.
- **Submit Documentation:** Ensure that all required documentation is submitted in a timely manner to avoid delays in processing your leave request.
- **Maintain Communication:** Keep HR updated on any changes to your situation and your expected return-to-work date.
- **Health Insurance Premium Payments:** Discuss payment options with the HR department. Once determined, continue to make timely payments.

401 [k] PROFIT SHARING

The Company offers a 401[k] profit sharing to all qualified employees. To participate in the 401[k] Plan, you must meet both the service requirement and the age requirement. There is a booklet available to explain all of the details of the Profit Sharing 401[k] Plan. It is available from the controller, and will be made available to you upon request, or when you are eligible to participate. Read the Summary Plan Description carefully. You will be required to make a decision about participation, and you will want to be well- informed.

EMPLOYEE DISCOUNTS

Full-time employees may purchase company merchandise at a discount of ten percent(10%) above our true cost. Any purchases on this discount program must be

for your personal use. Purchases must be paid with cash, check or on account.

UNIFORMS

Personnel are encouraged to wear SMI uniforms, or SMI apparel. SMI will pay fifty percent (50%) of all approved uniforms minus alterations. All uniforms must be approved by your supervisor before purchasing.

PARKING

Parking is free and available to employees. Your vehicle must be parked in a designated area. SMI cannot accept responsibility for the loss, theft, or damage to vehicle. Please remember to lock your vehicle and do not leave any expensive items in your vehicle.

PROFESSIONALISM

PROFESSIONAL BEHAVIOR

The management philosophy of SMI is to be a quality-focused organization. In order to achieve that goal, there are specific behaviors that need to be reflected in our performance.

Here is how we define a quality employee:

- Provide the highest quality service to all customers.
- Considers your colleagues as customers.
- Work to improve upon every activity you perform.
- Works as a team player. Your work must be planned and implemented in collaboration with other departments.
- Embraces new ideas, at the same time, considers adverse consequences.
- For Supervisors, it is important to manage creatively, maintaining SMI's mission, while meeting schedules and budgets and always be a good coach to your subordinates.

RESOLVING DIFFERENCES

SMI is a reflection of you, and you are a reflection of SMI. Please make every effort to be a willing SMI employee. It creates a productive workforce and a more pleasant work environment. Our success depends on it. Should you find that your work environment is offensive, hostile, or creates a decline in your productivity, talk it over with your supervisor.

SMOKING

A mutually comfortable environment for SMI employees is dependent upon the thoughtfulness and cooperation of both non-smokers and smokers. Please observe the rules regarding smoking wherever you work. Please remember that our workplace is smoke-free and there are no exceptions. Smoking is allowed outside of the office and warehouse during your break time only.

CLEANLINESS

It is important to have a clean and professionally maintained office and work area. Desks, and other work surfaces, must be clean and orderly. Please do not allow coffee cups or soda cans to accumulate in your work area. If you are assigned and use a SMI vehicle, it must be kept clean and in good repair. The interior should be clean and orderly.

Keep food items in the refrigerator stored properly. Unless essential, meals may not be eaten in any work area in the building. Foods left in the refrigerators more than 48 hours will be disposed of [including containers].

At the end of the workday, put away your work before leaving the building. If you are the last employee to leave your area, be certain the lights and appliances [such as coffeepots] are turned off.

EMPLOYEE HARASSMENT

Our workplace benefits from having a diverse group of employees. Diversity brings strength to the workplace. You will work with other employees who are different from you, based on culture, gender, religion, national origin, race, and other differences.

Any form of harassment of employees, vendors or customers is forbidden. **SMI strongly opposes any form of harassment by any employee.** This includes harassing behavior based on religion, national origin, culture, race, gender, sexual orientation, color, or other differences. Harassment may include sexual harassment, such as requests for sexual favors, obscene or profane language, and any unwanted action of a sexual nature by employees, co-workers, or visitors. Harassment may also include disparaging comments about another person's appearance, manner of dress, religious affiliation, accent or any behavior that is abusive or offensive to another person and creates a hostile work environment. Comments made in a joking manner may easily be viewed to have a hostile intent. It is wise to refrain from this behavior.

You are encouraged to report any act of harassment at once. Any employee found to have engaged in harassing conduct will be severely disciplined up to, and including, discharge. No employee will suffer retaliation in any form connected with work for reporting acts of harassment.

It is appropriate to file a report with your supervisor (see attached form), or any other member of management. The President is also eager to help you. Every complaint will be promptly investigated. We will follow a specific list of criteria when investigating a complaint, to be certain we have been thorough and fair. We may invite a neutral third party, who specializes in the investigation of discrimination and harassment matters, to assist us. We may also require all parties to participate in alternative dispute resolution. As much as is possible, we will protect the identity of the charging party. When the investigation is complete, appropriate remedial action will be taken. The charging employee will be informed that a resolution has been reached.

Please recognize that an accusation of discrimination or harassment is very serious. Any employee, who knowingly files a false claim against another person, will face severe discipline.

HARASSMENT/DISCRIMINATION COMPLAINT FORM

Complainant _____

Employee _____ Other _____ If other, please specify _____

Home Address _____ Home phone _____

Specific Date(s) of alleged Incident(s) _____

Name of person(s) you believe harassed you _____

List any witnesses that were present _____

Where did the incident occur? _____

Describe the incident(s) as clearly as possible including such things as threats, requests, demands, offensive language, or intimidation. Also describe the severity of the incident(s) as well as the number of times it (they) occurred. (Attach additional pages if necessary.) _____

If you are requesting that specific action be taken, please describe that action:

ACKNOWLEDGEMENTS

I understand the following:

1. I have the right to be free of retaliation for filing this grievance. I agree to report any conduct that I believe is motivated by retaliation for filing this complaint. I understand, however, that if this statement contains accusations that I know are false, I may be subject to disciplinary action within SMI and/or external legal action from those I have falsely accused.
2. SMI will try to protect my identity from public exposure. The respondent, however, will be given a copy of this grievance in order to have an opportunity to respond to it.
3. I may have the right to file a complaint with civil rights agencies or to file legal actions in a court of law.
4. I understand that the investigating personnel are advocates for neither the grievant nor the respondent. Their responsibility is to investigate complaints from a neutral position to determine whether violations of the district's discrimination and harassment policy have occurred.

This complaint is filed based on my honest belief that _____ has harassed me. I hereby certify that the information I have provided in this complaint is true, correct, and complete to the best of my knowledge and belief. I have read and understand the statements made in this acknowledgement section.

Signature of Complainant

Date

Received by

Date

Action taken _____

By _____

Signature of Supervisor

Date

TECHNOLOGY & INFORMATION SECURITY POLICY

The use of technology is important to the efficiency of our work. To ensure we have reliable equipment, and to use it properly, you must adhere to the following policy.

Equipment

- The electronic equipment [computers, fax, telephone system, etc.] is sensitive. Only those trained and assigned may engage in repair work or authorized service.
- No equipment may leave SMI property without specific approval from your immediate Supervisor.
- No software may be placed in computers that has not been authorized or is not work-related.
- No employee may copy computer programs or other files from SMI equipment for personal use, or to be transmitted to an unauthorized third party. This includes correspondence, price lists, databases, formulae, customer files, and custom or commercial computer software.
- Unauthorized duplication of computer records will be considered theft and may cause termination and/or prosecution.
- Tampering with, damaging, or disabling equipment is forbidden and may result in termination or prosecution for illegal acts.
- No employee may enter or attempt to enter the operating system of SMI's computers for the purpose of altering the system functions. This includes efforts to disable or suspend any program, including filters and firewalls.

E-Mail/Voicemail

- The E-mail and voicemail system is provided for efficient conduct of business. It is SMI property.
- All compositions and messages sent or received on the E-mail and voicemail system become the property of SMI.
- The E-mail and voicemail system is solely for SMI use.
- No person may use the E-mail or voicemail system for business ventures [except SMI business], for religious, political, or other non-job-related purposes.
- Messages sent through E-mail and voicemail must not be disruptive, defaming, or offensive. This includes profanity, racial slurs, and derogatory comments about gender, age, sexual orientation, religious beliefs, political affiliation, national origin, disability, accent, or manner of dress. SMI is committed to a workplace free of hostility and offensive behavior.

- The E-mail and voicemail system may not be used to send or receive copyrighted materials, trade secrets, proprietary financial information, or other unauthorized or illegal documents.
- Passwords will not guarantee confidentiality. All passwords must be reported to the controller to be considered valid.
- SMI reserves the right to access any computer at any time to see any and all information created, sent, received, or stored.
- Erasing files does not guarantee they will not be retrieved.
- Employees may not enter unauthorized files [including E-mail boxes]. When access occurs, whether intentional or not, the information must be treated with confidentiality.
- No employee may create, send, receive, or store information using a password that has not been approved by SMI.
- Employees who discover a violation of this policy should notify management.
- Employees who violate the E-mail policy may face severe consequences, including termination or prosecution [for illegal acts].

Internet

- SMI access to the Internet is for business purposes.
- Employees may not access the internet for personal reasons (to browse, research, buy, sell, trade, or to be entertained), unless it is during a break or after business hours, or SMI specifically grants permission for non-work use. Under such circumstances, access is specific and must never be used for any unlawful or inappropriate purpose.
- No employee may access a website that is not authorized.
- Under no circumstance may employees' access and/or display a website that could be offensive to a reasonable person.
- Printing or downloading unauthorized information from websites is strictly forbidden.
- No employee may create an Internet blog that involves the use of SMI's name in any way.

Acceptable Use

The Management's intentions for publishing an Acceptable Use Policy are not to impose restrictions that are contrary to SMI's established culture of openness, trust, and integrity, management is committed to protecting the employees, partners, and the Company from

illegal or damaging actions by individuals, either knowingly or unknowingly.

- Employees are responsible for exercising good judgment regarding the reasonableness of personal use.
- Employees should ensure that they have appropriate credentials and are authenticated for the use of technologies.
- Employees should take all necessary steps to prevent unauthorized access to confidential data, which includes cardholder data.
- Employees should ensure that technologies are used and set up in acceptable network locations.
- Keep passwords secure and do not share accounts.
- Authorized users are responsible for the security of their passwords and accounts.
- Because information contained on portable computers is especially vulnerable, special care should be exercised.
- Postings by employees from a Company email address to newsgroups should contain a disclaimer stating that the opinions expressed are strictly their own and not necessarily those of SMI, unless posting is in the course of business duties.
- Employees must use extreme caution when opening e-mail attachments received from unknown senders, which may contain viruses, e-mail bombs, or Trojan horse code.

Protecting Stored Data

- All sensitive cardholder data stored and handled by SMI and its employees must be securely protected against unauthorized use at all times. Any sensitive card data that is no longer required by SMI for business reasons must be discarded in a secure and irrecoverable manner.
- If there is no specific need to see the full PAN (Primary Account Number), it has to be masked when displayed.
- PAN's which are not protected as stated above should not be sent to the outside network via end user messaging technologies like email, WhatsApp, messenger, signal, and other chat programs.

It is strictly prohibited to store:

1. The contents of the payment card magnetic stripe (track data) on any media whatsoever.

2. The sensitive authentication data in the form of CVV2/CVC2/CAV2/CID (the 3- or 4-digit number on the signature panel on the reverse of the payment card) on any media whatsoever.
3. The PIN or the encrypted PIN Block under any circumstance.

Protecting Data in Transit

All sensitive cardholder data must be protected securely if it is to be transported physically or electronically.

- Cardholder data (PAN, track data, etc.) must never be sent over the internet via email, instant chat, or any other end user technologies.
- If there is a business justification to send cardholder data via email or via the internet or any other modes, then it should be done after authorization and by using a strong encryption mechanism (i.e. – AES encryption, PGP encryption, IPSEC, GSM, GPRS, Wireless technologies, etc.).
- The transportation of media containing sensitive cardholder data to another location must be authorized by management, logged, and inventoried before leaving the premises. Only secure courier services may be used for the transportation of such media. The status of the shipment should be monitored until it has been delivered to its new location.

Access and Security of Sensitive Information

Access to sensitive information in both hard and soft media format must be physically restricted to prevent unauthorized individuals from obtaining sensitive data. Hard media includes but is not limited to printed or handwritten paper, received faxes, floppy disks, back-up tapes, and computer hard drives. Soft media includes but it is not limited to digital files, emails, electronic databases, cloud storage, flash drives, and SSDs.

- Employees are responsible for exercising good judgment regarding the reasonableness of personal use.
- Employees should ensure that they have appropriate credentials and are authenticated for the use of technologies.
- Employees should take all necessary steps to prevent unauthorized access to confidential data, which includes cardholder data.
- Employees should ensure that technologies are used and set up in acceptable network locations.
- Personnel using the devices should verify the identity of any third-party personnel claiming to repair or run maintenance tasks on the devices, install new devices, or replace devices.

- Personnel using the devices should be trained to report suspicious behavior and indications of tampering of the devices to the appropriate personnel.
- Keep passwords secure and do not share accounts. Authorized users are responsible for the security of their passwords and accounts.
- Media containing sensitive cardholder information must be handled and distributed in a secure manner by trusted individuals.

Violations of this policy can result in severe consequences, including discharge. Criminal prosecution may result if illegal acts occur using SMI equipment or telephone service.

***A “visitor” is defined as a vendor, guest of an employee, service personnel, or anyone who needs to enter the premises for a short duration, usually not more than one day.

*** Media is defined as any printed or handwritten paper, received faxes, floppy disks, back-up tapes, computer hard drive, etc.

CONFLICT OF INTEREST

You are employed in a position of trust. As a result, even the appearance of a conflict of interest is serious. Any conduct considered to be unethical will constitute grounds for disciplinary action up to, and including, dismissal. It is impossible to cover all of the circumstances that may be called a “conflict of interest,” however, some of them are:

- Ownership, in whole or in part, either directly or through a relative, of a vendor company or competing enterprise
- Relatives employed by, or owning vendor companies or competing enterprises
- Direct employment or retention, as a consultant, by a vendor company or competing enterprise
- Officer-ship, or directorates, in vendor companies or competing enterprises
- Using your position within SMI to avoid meeting any legal, financial or moral responsibility for which you are responsible
- Accepting gifts, gratuities or rebates from vendors or customers
- Any breach of integrity, such as falsifying timecards, sales records, customer complaints

If you are concerned that a transaction in which you are involved may be a conflict of interest, please discuss it with your supervisor. Your supervisor will have the transaction reviewed by the President. This procedure is designed to help avoid problems that can arise from unintentional impropriety.

SOLICITATION

Solicitation of employees, for any reason, is not allowed on SMI premises during work time. Solicitation by non-employees is not allowed at any time. Employees will not be permitted to distribute circulars, handbills, or literature of any type during their working time, or any other time, on SMI premises. Many employees feel solicitation by co-workers and/or Managers is intimidating and job-threatening. Solicitation often causes ill will among employees. It is for these reasons SMI takes a strong position regarding solicitation. Employees may not engage in selling anything on SMI property that will result in personal gain. Any acceptable solicitation will be for charitable purposes only and must be approved by the President.

APPEARANCE

Please use good judgment in your grooming habits. Your appearance should reflect your professional status as an employee of SMI. We expect all employees to dress in a manner that reflects well on SMI. If you are required to wear a uniform, keep it clean and in good repair.

We do not allow employees to wear clothes designed for activities other than work. Heavily applied perfumes, colognes, and/or after-shave lotions may be harmful to other employees with allergies, or offensive, especially in closed offices.

Jewelry must never interfere with equipment handling. Body pierced jewelry, other than earrings, is forbidden. Tattoos, with a message offensive to a reasonable person, must be kept covered.

If your workplace approves any other dress or grooming code, it cannot be inconsistent with our expectations that your appearance be professional in the presence of our customers. At no time should your manner of grooming or dress be such that you will subject yourself to ridicule.

DRUG FREE WORKPLACE

No employee may bring alcoholic beverages, or any illegal substance, onto SMI property, or report for work under the influence of any intoxicant. This includes prescription drugs not prescribed for the user. Employees who are found manufacturing, using, distributing, possessing or selling an illegal substance or intoxicant will be immediately disciplined up to, and including, discharge. Employees who recognize the presence of a personal problem from alcohol and/or substance abuse, and wish to seek help, may contact their supervisor.

As concerned employees, we must have a drug-free workplace. We will vigorously enforce policies that keep our workplace drug free. We will always reserve the right to require a drug/alcohol test if we have reason to believe an employee is impaired, or if a test is implemented at random. For more details see our "Drug and Alcohol Policy" found at the end of this handbook.

COMPLAINT PROCEDURE

Should you have a problem that interferes with your ability to do a good job, a solution is essential. Your supervisor is available, and willing, to help solve any problems. Keep in mind that conflict is normal. Failure to resolve conflict is non-productive to all concerned. First, it is appropriate to discuss problems with your immediate Supervisor. If the problem cannot be resolved at this level, you may make an appointment with the next level of management, through your immediate Supervisor, to discuss the problem. When other efforts are unsuccessful, any unresolved complaint will be referred, in writing, to the supervisor for resolution. When the supervisor is unable to resolve the problem, the President will meet with those affected, to discuss the problem. The decision of the President is final.

The Complaint Procedure does not change the at-will relationship that exists between you and SMI. We are including this information as a guideline to the orderly resolution of problems.

CONSTRUCTIVE DISCIPLINE

Everyone at SMI has a responsibility to our customers, and to fellow employees. This responsibility is, that our work helps ensure that our customers receive the highest quality service every day.

If you violate a work rule or established policy that is detrimental to our success, you may be subject to constructive discipline.

Constructive discipline is designed to re-establish your positive relationship to SMI. It may include counseling, reprimand, pay reduction, demotion or disciplinary suspension. Should the circumstances of the violation require discharge, a policy has been adopted by SMI to ensure fair treatment of every employee.

When you are given a copy of a disciplinary action taken, it is to be certain you understand the problem that made disciplinary action necessary, and to serve as a reference for improvement.

Disciplinary actions are subject to the approval of the President.

OUTSIDE EMPLOYMENT / MOONLIGHTING

Employees are reminded that they are paid a full day's wages for a full day's work. Employees must notify SMI in writing if they have outside employment. The employee should state the nature of the outside employment, as well as the name and address of the outside employer. Outside employment cannot interfere with regular SMI employment, responsibilities and performance. No SMI equipment is to be used for any outside employment or non-SMI employment.

PUBLIC BEHAVIOR

All employees must refrain from any public behavior that would bring discredit to SMI. This includes employees in the local area and those who travel on behalf of SMI.

PERSONAL USE OF TOOLS AND / OR EQUIPMENT

Removing SMI equipment from the property is prohibited without written permission, which states the use and length of time needed, by a supervisor. When an employee is using equipment during non-work time, with permission from [SMI](#), SMI will not accept responsibility for any mishap, including injury or death. At the time of separation of employment, all SMI equipment must be returned.

WORKPLACE SAFETY

SAFETY POLICY

There is no area of activity of greater importance to SMI than SAFETY. We believe that all work-related injuries and illnesses can be prevented.

SAFETY is everyone's responsibility everyday. Safety must be fostered by continuous control efforts, teamwork and innovation. Experience has proven that success of even the most complete safety programs is dependent on the attitudes and working habits of each individual employee.

While SMI has the primary responsibility for establishing safety policies and procedures, it is the responsibility of all employees to work in a safe manner. This requires the cooperation and commitment of everyone.

RIGHT-TO-KNOW [HAZARDOUS MATERIALS]

Your health and safety are a primary concern. We are not the kind of business that has regular contact with hazardous materials; but should it be brought to our attention that we have hazardous materials in our workplace, you will be provided with training and information. It is our goal that you are not exposed to conditions that may be hazardous to your health and safety.

You will also be informed of the location of the Material Safety Data Sheets, how to read the labels using the MSDS format, and what to do in the event of an emergency involving hazardous material.

THREATS AND VIOLENCE

We strive to maintain a work environment free from intimidation, threats or violent acts. Examples are intimidating, threatening or hostile behavior, verbal abuse, physical abuse, vandalism, arson, sabotage, use of weapons, carrying weapons of any kind onto private SMI property or any other act which, in the opinion of the management, is inappropriate in our workplace. In addition, jokes or offensive comments regarding violent events will not be tolerated and may result in disciplinary measures.

Employees, who feel they have experienced any of the behaviors listed above, or other intimidating or threatening behaviors, are requested to report the incident immediately to their supervisor. All complaints will be investigated. Based upon the results, disciplinary action will be taken against the offender[s], if appropriate.

Employees who observe, or have knowledge of any violation of this policy, should report it immediately to a member of management. We will take action when unforeseen events transpire and look to employees for support of this policy. If employees believe a threat exists to their safety or the safety of others, they are empowered to contact the proper law enforcement authorities without first informing management. The telephone number is **911**.

SMI reserves the right to conduct searches and inspections of employees' personal effects, or SMI-provided materials such as desks, lockers, computer equipment, cabinets, file drawers, packages or vehicles with appropriate notice, with the assistance of law enforcement authorities.

Any illegal and unauthorized articles discovered may be retained by SMI and/or may be turned over to law enforcement representatives. Any SMI employee who refuses to cooperate, or is found in possession of prohibited articles, will be subject to disciplinary action up to, and including, termination.

BUILDING EMERGENCIES

In the event of a building emergency, you will be expected to follow emergency instructions promptly. Should you be hosting any visitor[s] in the building, you are responsible for making certain your visitor[s] follow the instructions of any management person handling a building evacuation emergency.

An evacuation plan is posted on the bulletin boards. Review it often until you are comfortable with the evacuation route that will allow you to leave the building safely during an emergency.

EMERGENCY TELEPHONE NUMBERS

Emergency Medical Services [EMS]	911
Police Department	911
Fire Department	911

FIRE EMERGENCY

Remember: Your role in an emergency is determined by WHERE you are not what you do!

Things to do:

- Remain calm.
- Exit the building calmly, checking for visitors and other staff as you leave.
- Take visitors with you.
- Close all doors behind you.
- Inform firefighters of any place in the building where a wheelchair user is located.

Things not to do:

- Don't use elevators NO MATTER WHERE YOU ARE.
- Don't return for personal items.

Fire extinguishers are located in each building. If you have a reason to use a fire extinguisher, do not return it to its holder. Be certain it is given to a member of management to be certain it is re-charged.

SEVERE WEATHER

In the event of a tornado, you may not have ample warning to reach a safe place. We may learn of a tornado warning from different sources: employees' personal radios, special weather radios, the internet, or civil defense warning. A power outage is probable during severe weather. Follow all emergency instructions provided during a Tornado Warning.

Remember: Your role in an emergency is determined by WHERE you are, not what you do.

Things to do:

- Always remain calm.
- Get everyone in the building to the designated safe area.
- Avoid all windows. They can be a source of flying glass.

Things not to do:

- Don't return for personal items.
- Don't go near windows or exterior doors.

BASIC SAFETY RULES

As part of the general safety policy on the job, all employees will be expected to exercise good judgment in all work performed. All employees have an obligation to always work safely and be concerned for the safety of all other employees. The following general safety list was created to immediately acquaint employees with the things we believe employees should NEVER DO.

- Never ignore an unsafe condition; report it at once to a supervisor.
- Never fail to report an injury on the job, no matter how minor, to your supervisor.
- Never lift equipment, materials, or supplies that may cause injury to your back.
- Never use a forklift without proper training or without the proper safety equipment.
- Never enter a room carrying something hot without announcing your presence.
- Never return a fire extinguisher to its mounting after use; notify the supervisor that it needs to be recharged.
- Never allow your work area to become cluttered with things which could ignite and cause a fire, such as paper or oily rags.

- Never leave partially consumed food where it can be spilled and cause someone to slip and fall.
- Never work without eye protection, foot or hearing protection where required.
- Do not allow anyone except trained and authorized personnel to treat a work injury.
- Never put flammable liquids in unapproved containers.
- Never pour oil, flammable liquid, or any chemical into any sewer or drain.
- Never ignore requirements for special safety protection, such as face shields, goggles, gloves, and aprons, which must be worn when working in operations using acids, caustic, or other dangerous chemicals.
- Never remove a Lock Out tag placed on equipment by another person.
- Never try to enable a piece of equipment that has been locked out by another person, unless you have been personally authorized to enable it.
- Never attempt to repair a piece of equipment unless you have been designated as the qualified person to repair it. Only qualified employees are permitted to install, service, or maintain electrical equipment.
- Never use a defective tool or piece of equipment, report the hazard at once to a supervisor.
- Never allow the floors to become cluttered with paper, forms, books, extension cords, or other things that cause someone to trip.
- Never abuse tools or equipment. Return them to the appropriate storage places.
- Never bring alcohol, firearms or illegal drugs into any building.
- Never operate a vehicle while you feel ill, or you are under the influence of alcohol or any drugs that keep you from safely performing your job.
- Never ignore the information or instructions on the Material Safety Data Sheet (MSDS) attached to hazardous material.
- Never remove yellow hazard tape being used to identify hazardous conditions.

- Never fail to wear the safety clothing and equipment assigned to you.
- Never wear loose clothing around or near moving machinery.
- Never wear a necktie that is not securely clipped or tucked inside of your shirt.
- Never wear rings or jewelry when working on machinery.

PERSONAL PROTECTIVE EQUIPMENT

SMI requires personal protective equipment to protect employees from potential health and safety hazards.

EYE/EAR/HEAD PROTECTION

Eye, ear and head protection must be worn at all times in hazardous areas.

FOOT PROTECTION

All manufacturing employees are recommended to wear safety shoes to protect their feet and toes. All safety shoes must meet Federal standards and can be purchased through several local suppliers. New employees must come to work prepared with these shoes on the first day of work.

SECURITY

Keys or codes for entry into the office are distributed to those who need them. Keys and codes, used to access secured areas, will be issued as needed. Employees are required to return issued keys with a job change, or when employment has been terminated. Unauthorized duplication of SMI keys or revealing an assigned code is considered a breach of security and will result in disciplinary action.

Any employee who finds it necessary to enter the building after normal working hours must have authority to do so.