

SOUTHWEST HAZARD CONTROL, INC.

EMPLOYEE HANDBOOK

REVISED March 2017



**WHAT YOU NEED TO KNOW TO SUCCEED AT
SOUTHWEST HAZARD CONTROL, INC.**

**Southwest Hazard Control, Inc.
Employee Handbook
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EMPLOYEE HANDBOOK SOUTHWEST HAZARD CONTROL, INC.

INTRODUCTION TO SHC AND PURPOSE OF THIS HANDBOOK

PURPOSE OF THE HANDBOOK:

This employee handbook is intended to provide guidance, direction and information to all Southwest Hazard Control, Inc. (SHC) employees. This handbook shall supersede all prior guides/manuals, written or verbal. Nothing in this handbook shall be construed as contractual in nature. Any of the provisions in this handbook are subject to cancellation or change, in whole or in part, with notice to employees. Any changes to these provisions will be in writing, and all employees will receive copies of any revision.

Employee compliance with SHC policy is a condition of employment. All employees are expected to comply fully and promptly with the policies described in this Handbook and with instructions issued under the authority of this Handbook. Failure to do so can result in discipline, up to and including discharge!

This Handbook will be posted on all job sites and Company locations. Subcontractors, vendors or third parties on any Company property or job site are expected comply with the Harassment, Discrimination, Internet and Computer Use and Electronic Communication Policies, as well as all safety provisions.

HISTORY:

Gerald J. Karches and Chrisann Karches founded SHC in 1982. In January 1996 Chrisann Karches became majority owner and President. This transfer made SHC a certified woman owned business. SHC started as a consulting company, later adding asbestos abatement, and then expanded our services to become one of the most diversified hazardous waste management companies in the Southwest. We are licensed to perform environmental remediation in seven states: Arizona, New Mexico, Nevada, California, Texas, Utah, and Colorado.

PURPOSE OF THE COMPANY:

SHC is an Arizona based corporation whose purpose is to solve environmental concerns for our clients in an efficient, effective and ethical manner that is innovative, dynamic and satisfying to employees both professionally and financially.

WHAT YOU CAN EXPECT FROM SHC:

Your greatest guarantee of economic and personal **opportunity** is a sound and **profitable company**. Thoroughly trained people working together in an enthusiastic and efficient organization equate to success for both employee and company. As a matter of principle, and as an equal opportunity employer, this company strives to:

- Maintain the highest standards of performance in the industry.
- Choose new employees carefully without regard to race, creed, age or sex, but who are well qualified for their work and who have a proven track record and strong work ethic.
- Select those who will be a consistent source of credit to the company in all respects.
- Train personnel in safe procedures and regulatory requirements.
- Provide opportunity for wage and salary improvement on the basis of performance and ability.

- Advance personnel to greater responsibilities based upon the principle of promotion from within the company whenever possible.
- Encourage employees to take an interest in their work and to contribute their best effort and abilities toward successful and profitable operations for both the company and its employees.
- Provide an avenue for employees to address their complaints.

WHAT IS EXPECTED FROM YOU:

- Learn and apply your knowledge to the benefit of SHC and our clients.
- Perform all tasks in the safest manner in compliance with regulations.
- Cooperate with co-workers as part of a team effort.
- Have good work habits and appearance.
- Respect and care for our vehicles and equipment as if they were your own.
- Maintain quality professional standards. Be the best you can be.
- Communicate effectively with clients and co-workers.
- Come to work free from the influence of drugs and alcohol.
- Apply the highest ethical standards to business practices. Be honest and trustworthy.
- Arrive on time to all assigned projects prepared to work.

PHYSICAL EXPECTATIONS:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of their job which includes but is not limited to identifying, removing, packing, transporting, or disposing of hazardous materials, including asbestos, mold, lead-based paint, waste oil, fuel, transmission fluid, or contaminated soil. Some conditions may require the ability to operate earth-moving equipment or trucks.

In consideration of the nature of this work, employees performing the duties of this job must be able to:

- Work in and/or be exposed to strenuous weather conditions.
- Lift up to 50 pounds.
- Stand for long periods of time.
- Must be able to wear a respirator for long periods.
- Use hands to handle, control, or feel objects, tools, or controls.
- Repeat the same movements.
- Kneel, stoop, crouch, or crawl.
- Climb ladders, scaffolds, or poles.
- Bend, stretch, twist or reach out.
- Be knowledgeable of equipment to be able to make quick, precise adjustments to machine controls if necessary.
- See details of objects that are less than a few feet away.
- Speak clearly so others can understand.
- Be able to understand others when directed on site.
- Use fingers or hands to grasp, move, or assemble objects.
- Use muscles to lift, push, pull, or carry heavy objects.
- React quickly using hands, fingers, or feet.
- Use muscles to support the body for long periods.
- Determine the distance between objects.
- Hear sounds and recognize the difference between them.
- Adjust body movements or equipment controls to keep pace with speed changes of moving objects.

- Keep or regain the body's balance or stay upright when in an unstable position.
- Be physically active for long periods of time.
- Determine from which direction a sound came.
- While looking forward, see objects or movements that are off to the side.
- Make fast, repeated movements of fingers, hands, and wrists.
- Occasionally work beyond 8 hours in a day.

To assure that employees are able to physically perform their job, SHC employees and new-hire candidates that will be working at an SHC job site will need to complete a physical exam during the hiring process and once a year thereafter. SHC is responsible for the payment of the physical exam for existing employees and upon hire. For more information on physical exams, please see the *Physical* section in this Handbook (pg. 28).

GENERAL EMPLOYMENT RELATIONSHIP POLICIES AND PRACTICES

RESIGNATION, TERMINATION, LAYOFF AND REHIRE:

Review Policy: Salaried employees will be reviewed annually as a tool for positive reinforcement of work performance and for solving problem areas. All hourly employees will be reviewed depending on the policy of the General Manager in your area. Hourly employees are being reviewed daily by the supervisors. Evaluation Performance Reviews will be sent out to our Clients to evaluate SHC's performance and the Job Supervisors' performance.

Resignation: You may resign from your employment at any time by submitting a signed resignation statement to your supervisor; however a minimum of two-weeks advance written notice must be given with resignation in order for accrued vacation to be paid to salaried employees (Hourly employees do not get vacation paid out). A minimum of two-weeks advance written notice is also necessary to qualify for "leaving in good standing with possibility for rehire." Any employee that voluntarily terminates employment with the Company will receive his or her final check at the time SHC's next regular pay day for the period in which the resignation becomes effective.

All personally issued equipment must be returned and all outstanding debts to the company paid at resignation. SHC shall hold from your last paycheck an amount equal to the value of the equipment, loan amounts that are due or other expenses that may be owed to Southwest Hazard Control, Inc (such as credit card charges, phone over usage and other expenses that may occur that are due and reimbursable to SHC) to the extent permitted by law.

Termination: SHC can terminate any employee's employment at any time, with or without notice or cause. Any employee that is terminated by SHC will receive his or her final check at the end of SHC's next regular period, or within 72 hours, whichever is sooner. You may request that the final check be mailed to the address you have provided SHC. All personally issued equipment must be returned and all outstanding debts to the company paid at termination. SHC shall hold from your last paycheck an amount equal to the value of the equipment, loan amounts that are due or other expenses that may be owed to SHC (such as credit card charges, phone over usage and other expense that may occur that are due and reimbursable to SHC) to the extent permitted by law.

No Employment Agreement: No supervisor or manager has the authority to enter into an employment agreement, written or verbal, for any specific period of time, or to make any agreement contrary to the at-will employment described in this Handbook. SHC will not enter into an employment agreement.

Eligibility for Rehire: Former employees of SHC may be considered for rehire depending on the circumstances from either resignation or termination. To be considered for rehire, an applicant must have been in good standing at the time of his/her resignation of employment with SHC and must have provided at least two weeks advance notice. If you leave our employment and are gone for longer than 3 months and you are rehired your hire date will change to the date you return to work at SHC. As a result your eligibility for your vacation and other benefits will be calculated based on this new hire date, except that any any paid sick leave accrued after July 1, 2017 which was available to the employee at the time of separation will be reinstated to the same extent if the employee is rehired within 9 months of the separation date.

Layoff and Recall Procedures: Generally speaking, location of job, cost benefits, work performance, special skills, and seniority governs which employees will be laid off first and which employees will be recalled first.

CONSTRUCTIVE DISCHARGE AND GRIEVANCE POLICIES:

Grievances: The first step in resolving most disagreements or grievances is to discuss it with your immediate supervisor (all parties will be involved in the discussion). If this step is not effective in resolving the difference or problem, the employee may discuss it with the Operations Manager. If you can not resolve your grievance SHC will ask that you put it in writing and the Division Manager and Owner will meet to help resolve the grievance. Any grievance on hours must be discussed with your supervisor and the supervisor will contact the payroll clerk to make any necessary changes. This policy does not apply to constructive discharge situations or the reporting of discriminatory or harassing conduct. See the reporting policies applicable to those situations below.

Constructive Discharge: Employees are encouraged to communicate to the Company regarding any working conditions that may become intolerable to employee and cause employee to resign. Under section 23-1502, Arizona Revised Statutes, an employee may be required to notify an appropriate representative of the Company in writing that a working condition exists that the employee believes is intolerable, that will compel the employee to resign or that constitutes a constructive discharge, if the employee wants to preserve the right to bring a claim against the Company alleging that the working condition forced the employee to resign.

Under the law, an employee may be required to wait for fifteen calendar days after providing written notice before the employee may resign if the employee desires to preserve the right to bring a constructive discharge claim against the employer. An employee may be entitled to paid or unpaid leave of absence of up to fifteen calendar days while waiting for the employer to respond to the employee's written communication about the employee's working condition.

SOUTHWEST HAZARD CONTROL'S GREAT BENEFITS

HOLIDAYS:

Eligible employees will receive a paid holiday on each of the following holidays:

New Year's Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving Day
Independence Day	Christmas Day
Labor Day	

Employees who are ineligible for paid holidays will receive an unpaid day off for the above holidays.

Considering the nature of our work, it may be possible that projects are ongoing during holidays. At this time, SHC may inquire employees to volunteer to work on the above holidays. Employees who are eligible for holiday pay and work on the above days will be paid double time.

Salaried Employee Eligibility for Holiday Pay: Salaried Employees are eligible for the above paid holidays from date of hire.

Hourly Employee Eligibility for Holiday Pay: Hourly employees become eligible for the above paid holidays after one year of employment provided at least 1500 hours were worked by the employee's anniversary date.

VACATION PAY:

Vacation Notice: Any vacation time must be approved in advance by the employee's direct supervisor. **All employees** must provide 10 day written advance notice to the employee's direct supervisor prior to taking vacation time off. Vacation days must be submitted on the employee's time card and signed by the employee and direct supervisor to then be submitted to the payroll department.

Vacation Scheduling: Department heads will schedule vacations, giving due consideration to staffing requirements, employee's length of service, and employee preference, in the order listed. Summertime (May through July) vacations will be limited and can be denied due to workload.

Non-Supervisory Hourly Employee Vacation Policy: A non-supervisory hourly employee will receive 2 days paid vacation for each full year of service in which the employee worked at least 1500 hours as of the anniversary of the employee's starting date. The 1500-hour requirement must be met every year by the anniversary of the starting date. Hourly employees who have completed 5 or more years of continuous service will receive 5 days of paid vacation for each year the 1500-hour requirement is met. **Please note:** vacation days earned by an hourly employee are not cumulative and must be taken by the next anniversary date or they will be lost.

Vacation hours may be taken in half days (4 hours) or 1 full day (8 hours). An hourly employee must get approval from the Manager for use of vacation days, and may not turn in vacation days if on disciplinary action status or not in good standing.

Supervisory Employee Vacation Policy: A supervisory employee will receive 2 days paid vacation for each full year of service in which the supervisor worked at least 1500 hours as of the anniversary of the employee's starting date. The 1500-hour requirement must be met every year by the anniversary of the starting date. Supervisors who have completed 4 or more years of continuous service will receive 5 days of paid vacation for each year the 1500-hour requirement is met. Supervisors who have completed 6 or more years of continuous service will receive 10 days of paid vacation for each year the 1500-hour requirement is met. **Please note:** vacation days earned by a supervisory employee are not cumulative and must be taken by the next anniversary date or they will be lost.

Vacation hours may be taken in half days (4 hours) or 1 full day (8 hours). Supervisors must get approval from the Operations Manager for use of vacation days, and may not turn in vacation days if on disciplinary action status or not in good standing.

Salaried Employee Vacation Policy: A salaried employee will receive 10 days paid vacation for each full year of service in which the salaried employee worked as of the anniversary of the employee's starting date. Salaried employees who have completed 5 or more years of continuous service will receive 15 days of paid vacation.

Salaried employees who have completed 10 or more years of continuous service will receive 20 days of paid vacation each year.

Vacation hours may be taken in half days (4 hours) or 1 full day (8 hours). Salaried employees must get approval from the Manager for use of vacation days, and may not turn in vacation days if on disciplinary action status or not in good standing.

Salaried Employee Accumulation of Vacation Days: The number of vacation days available to salaried employees will be reflected on paystubs. The bank of available days is reduced as vacation days are used or cashed in, and any changes will be updated on paystubs at the beginning of each month. The maximum number of hours salaried employees can bank is 200 (25 days). **Please note:** SALARIED EMPLOYEES WHO HAVE THE MAXIMUM NUMBER OF BANKED DAYS AS OF THEIR START DATE ANNIVERSARY WILL CEASE TO ACCUMULATE ANY FURTHER DAYS until and to the extent vacation days are used or cashed in to reduce the bank as of the following start date anniversary.

Salaried Employee Payout of Unused Vacation Days at Separation: Salaried employees who leave SHC will be paid for unused vacation hours up to a **maximum of 80 hours** (this payout maximum is distinct from the number of days salaried employees can accumulate for vacation days to be used as described in the above paragraph). Any days cashed in advance of the employee's separation (see paragraph below) will count toward the maximum of 80 hours.

Please note: Salaried employees who are terminated for cause or who resign without providing at least two weeks advance notice will not receive vacation pay for any days.

Salaried Employee Cashing in of Unused Vacation Pay: Eligible salaried employees may cash in up to 160 (20 days) accumulated vacation days and receive vacation pay at one half the value. A cash-in may be made only if a cash-in is approved in writing by the employee's Manager.

EFFECT OF POSITION CHANGE/STATUS CHANGE ON VACATION ALLOWANCE:

An employee promoted, demoted, or transferred to a position will begin accruing vacation allowance on the basis of the new position immediately following the status change. The number of continuous years of employment and hours worked for vacation allowance purposes is not reset by a change in status and will be computed without regard to changes in the employee's position.

SICK LEAVE (PRIOR TO JULY 1st, 2017)

Full-time salaried employees are entitled up to 3 days sick leave per year if needed. Unused sick time may not be used for vacation time. Any sick time taken over the 3 days will be applied to vacation days or treated as leave without pay. Only half and full days will be allowed for sick time off. On your anniversary date the sick days will be reset to 3 per year. You may not turn in sick days if you are on disciplinary action status.

SICK LEAVE (JULY 1st, 2017 AND THEREAFTER)

Accrual and Maximum Use of Sick Leave: Beginning on July 1st, 2017 (or commencement of employment, whichever is later), all SHC employees are entitled to earned paid sick time which will be earned at the rate of one hour of leave for every 30 hours worked. Employees may use a maximum of 40 hours of sick leave per year regardless of the number of hours accumulated. For employees with SHC as of July 1st, 2017, each sick leave year will be the consecutive twelve month period measured from July 1st. For employees joining SHC after July 1st, 2017, each sick leave year will be the consecutive twelve month period measured from such employee's start date. Sick leave earned on or after July 1st, 2017 will carry over to subsequent sick leave years; however the 40 hour maximum applies to each year. The amount of accrued sick leave shall not be affected by changes in assignment or location. Employees who separate from SHC and are re-hired by SHC within nine months of the separation shall have their unused sick leave (in the amount accrued as of the date of separation) reinstated. Accrued sick leave is not paid out at separation. Sick leave may be used in hourly increments.

SHC will also provide employees with the following information either in or on an attachment to the employee's paycheck:

- The amount of earned paid sick time available to the employee;
- The amount of earned paid sick time taken by the employee to date in the year; and
- The amount of pay time the employee has received as earned paid sick time.

Purposes for Which Sick Leave May be Used:

Sick leave may be used in the following circumstances:

The employee's own physical or mental illness, injury or health condition,

The need for medical diagnosis, care, or treatment of the employee's own physical or mental illness, injury or health condition,

The employee's need for preventive medical care,

The care of the employee's family member with a physical or mental illness, injury or health condition,

The care of Employee's family member with need for medical diagnosis, care, or treatment of Employee's physical or mental illness, injury or health condition,

The care of Employee's family member with need for preventive medical care,

The closure of the employee's place of business by order of a public official due to a public health emergency,

An employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency,

The care for the employee or the employee's family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or the employer's family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or the employee's family member has actually contracted the communicable disease

Absence necessary due to domestic violence, sexual violence, abuse or stalking, **provided** the leave is used to obtain any of the following for the employee or the employee's family member:

- (a) medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual violence, abuse or stalking;
- (b) services from a domestic violence or sexual violence program or victim services organization;
- (c) psychological or other counseling;
- (d) relocation or taking steps to secure an existing home due to the domestic violence, sexual violence, abuse or stalking; or
- (e) legal services, including but not limited to preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual violence, abuse or stalking.

Family Members:

For purposes of this sick leave policy, "Family member" means:

1. Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

2. A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or a person who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;
3. A person to whom the employee is legally married under the laws of any state, or a domestic partner of an employee as registered under the laws of any state or political subdivision;
4. A grandparent, grandchild or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or
5. Any other individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

Requesting Paid Sick Leave:

A request may be made orally, in writing, or by electronic means. When possible, the request shall include the expected duration of the absence. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to SHC in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of SHC. Where the need is not foreseeable the employee shall provide notice to SHC by calling, leaving a voicemail or emailing the employee's direct supervisor as soon as practicable.

Documentation of Purpose for Sick Leave of Three or More Consecutive Work Days:

For paid sick time of three or more consecutive work days, SHC requires reasonable documentation that the earned paid sick time has been used for a purpose; documentation signed by a health care professional indicating that earned paid sick time is necessary will be considered reasonable documentation. In cases of domestic violence, sexual violence, abuse or stalking, one of the following types of documentation selected by the employee will be considered reasonable documentation:

1. A police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual violence, abuse or stalking;
2. A protective order; injunction against harassment; a general court order; or other evidence from a court or prosecuting attorney that the employee or employee's family member appeared, or is scheduled to appear, in court in connection with an incident of domestic violence, sexual violence, abuse, or stalking;
3. A signed statement from a domestic violence or sexual violence program or victim services organization affirming that the employee or employee's family member is receiving services related to domestic violence, sexual violence, abuse, or stalking;
4. A signed statement from a witness advocate affirming that the employee or employee's family member is receiving services from a victim services organization;
5. a signed statement from an attorney, member of the clergy, or a medical or other professional affirming that the employee or employee's family member is a victim of domestic violence, sexual violence, abuse, or stalking, or

6. An employee's written statement affirming that the employee or the employee's family member is a victim of domestic violence, sexual violence, abuse, or stalking, and that the leave was taken for one of the purposes listed as (a) through (e) above. The employee's written statement, by itself, will be considered reasonable documentation for absences under this paragraph. The written statement does not need to be in an affidavit format or notarized, but shall be legible if handwritten and shall reasonably make clear the employee's identity, and if applicable, the employee's relationship to the family member.

Please note: SHC will to the greatest extent treat the information and documentation provided in connection with paid sick leave as confidential. SHC does not require that the documentation provided under this policy explain the nature of the health condition or the details of the domestic violence, sexual violence, abuse or stalking.

Retaliation against employees who request or use earned paid sick time is prohibited and a violation of SHC policy. Interference with any employee's ability to use earned paid sick leave is prohibited and a violation of SHC policy. Employers may not discriminate or retaliate against any person for (1) asserting any claim or right under the Act, including requesting or using earned paid sick time; (2) assisting any person in doing so; or (3) informing any person of their rights under the Act.

Each employee has the right to file a complaint if earned paid sick time as required by law is denied by the employer or the employee is subjected to retaliation for requesting or taking earned paid sick time. The contact information for the Arizona Industrial Commission where questions about rights and responsibilities under Arizona's paid sick time benefits can be answered is:

www.azica.gov or contact the Industrial Commission's Labor Department: 800 W. Washington, Phoenix, Arizona 85007-2022; (602) 542-4515.

SHC will post a notice approved by the Arizona Industrial Commission regarding Arizona's Paid Sick Time benefits on or before July 1st, 2017 in both English and Spanish.

GROUP INSURANCE/DENTAL HEALTH INSURANCE IS SUBJECT TO CHANGE EVERY YEAR IN JANUARY SHC will follow all rules and regulations based on the Health Care law. Please see Human Resources Julie Blancas if you have questions on coverage.

All Employees: All full-time employees, after 60 days of employment, are eligible for group insurance if you work over 30 hours per week. The company pays 75% (PERCENTAGE WILL BE SUBJECT TO CHANGE EACH YEAR IN JANUARY) on your **individual** group medical and dental insurance plan. If you would like to purchase insurance for your eligible spouse and/or dependents, it is available for an additional charge, which is employee paid.

HSA (Health Savings Account) is available to all SHC employees if you sign up for the high deductible plan. This is tax-free money set aside to pay for future health expenses. SHC will randomly contribute to everyone's HSA when profits are good. It is recommended that you sign up for this. For any any questions regarding an HSA account you can contact your payroll department or Office Manager.

BENEFITS AT TERMINATION OF EMPLOYMENT

All terminating employees and eligible spouse and/or dependents are entitled to continue the medical and dental benefits they were enrolled in during their employment with SHC. **EXCEPTION:** Termination of employee for gross misconduct (gross misconduct is characterized by theft, drug and/or alcohol use in the workplace, and/or violent behavior). Upon terminating your employment, you must complete the COBRA applications for the benefits you wish to continue. You must send your check for the monthly premium to SHC by the first of every month. Failure to do so will result in the cancellation of benefits. Please contact the Human Resources/Payroll department if you wish to apply for benefits following your termination.

REHIRED BENEFITS STATUS

If SHC rehires you after you were laid off due to a lack of work, your benefits will continue on as continuous service. If you quit on your own, or if you are fired from SHC and you are rehired at a later date, all benefits will start as if you are a new hire and have never worked for SHC before.

401K RETIREMENT PLAN

SHC has a great 401K retirement plan and does match a portion of your contributions. Information is always available to you at www.fidelity.com or by calling (800) 294-4015 or if you prefer Spanish you can call (800) 587-5282. SHC has adopted automatic enrollment into the 401K plan after 6 months of employment. If you wish to opt out, you can contact the website or contact information listed above. If you leave SHC, you must move your money out of the 401K within 6 months or SHC will have Fidelity close out your account and mail you the balance.

LEAVE POLICIES

FAMILY AND MEDICAL LEAVE:

Eligible employees who have worked 1,250 hours in the 12 months prior to the request for leave may qualify for 12 weeks of unpaid, job-protected leave. The leave may be taken for the following reasons:

- To care for a newborn child, provided the leave is taken within a 12-month period following the child's birth (available to a mother or a father)
- To adopt a child or to care for a child placed with you for adoption or foster care, provided the leave is taken within a 12-month period following placement (available to a mother or a father)
- An expectant mother may take FMLA leave before the birth of the child, for prenatal care, or if her condition makes her unable to work, for example. Similarly, employees may take FMLA leave before the actual placement or adoption of a child if an absence from work is required for the placement to proceed. For example, the employee may be required to attend counseling sessions, appear in court, consult with an attorney or doctor, or travel to another country to complete an adoption
- The mother is entitled to FMLA leave for any period of incapacity due to pregnancy, for prenatal care or for her own serious health condition following the birth of a child. The husband is entitled to FMLA leave if needed to care for his pregnant spouse who is incapacitated or if needed to care for her during her prenatal care, or if needed to care for the spouse following the birth of a child if the spouse has a serious health condition
- To care for your child, spouse*, or parent, when that child, spouse, or parent has a qualifying serious health condition
- When you have a serious health condition that prevents you from performing one or more essential functions of your position
- If you need leave to care for a close relative who is a member of the armed services, National Guard or Reserves and is injured during active duty, or a veteran undergoing medical

treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list for a service-related serious injury or illness** during the 5 years preceding the date of treatment ("Care Leave") OR

- If you have a close relative who is on active duty or has been called to active duty in the armed services, National Guard or Reserves and need leave to assist with family duties associated with that call up for active duty ("Duty Leave").

* Spouse is defined by the law of the state where the ceremony took place; if the state recognizes the marriage then the other person is deemed a spouse for FMLA leave purposes including same sex marriages.

**The FMLA definitions of "serious injury or illness" for current service members and veterans are distinct from the FMLA definition of "serious health condition."

You are entitled to up to 12 weeks of job-protected unpaid leave, with the exception of "Care Leave," which can be up to 26 weeks. Each time you take FMLA leave, the remaining entitlement would be any balance of the applicable leave that has not been used during the immediately preceding 12 months. The 12-month period is a rolling period measuring backwards from the last date you use any FMLA leave, with the exception of the 12-month period for "Care Leave," which begins on the first day leave is taken for that purpose. Upon return to work within the 12-month period, you shall be restored to the same position held with the leave commenced, or, if such a position is no longer available, shall be restored to an equivalent position, except that "key" employees who are in the highest paid 10% of all employees in a 75-mile radius may not be entitled to reinstatement if it would cause substantial and grievous economic injury to the Company. Key employees will receive notice of this status at the time of the request for leave, or at the start of the leave where the leave was unforeseeable.

An employee does not need to use leave in one block. When it is medically necessary or otherwise permitted, employees may take leave intermittently or on a reduced schedule. However, the Company does not extend intermittent or reduced schedule leave after the birth or placement of a child, except where leave is required by a serious health condition of the mother or child.

Employees are required to use any accrued paid vacation leave while taking FMLA leave. If an employee substitutes accrued paid leave for FMLA leave, the employee must comply with the Company's normal paid leave policies.

The Company will not interfere with an individual's FMLA rights or retaliate against someone for using or trying to use FMLA leave, opposing any practice made unlawful by the FMLA, or being involved in any proceeding under or related to the FMLA.

All requests for FMLA require supporting documentation from an appropriate authority (licensed physician, legal authority, etc.). Approval of FMLA leave is communicated in writing to you, specifying the dates and conditions of the leave. If you anticipate the need for FMLA that will exceed six days, you should discuss this with your Manager or the Human Resource department at 520-622-3607 and obtain the appropriate forms.

MILITARY LEAVE:

The Company is committed to protecting the job rights of employees absent on military leave. In accordance with federal and state law, it is the Company's policy that no employee or prospective employee will be subjected to any form of discrimination on the basis of that person's membership in or obligation to perform service for any of the Uniformed Services of the United States. Specifically, no person will be denied employment, reemployment, promotion, or other benefit of employment on

the basis of such membership. Furthermore, no person will be subjected to retaliation or adverse employment action because such person has exercised his or her rights under this policy. If you believe that you have been subjected to discrimination in violation of this policy, you should immediately contact your Supervisor or President of the Company at 520-622-3607.

You will be granted a military leave of absence to attend scheduled drills or training or if called to active duty, active duty for training, initial active duty for training, inactive duty training, or full-time National Guard duty with the uniformed services or National Guard (when ordered by the Governor) or absence for an examination to determine fitness for any of the above types of duty. Leave may not exceed five years cumulatively (fewer periods excluded by federal law). To receive a military leave of absence, you must give reasonable advance notice of military service unless notice is impossible or unreasonable due to military necessity or other legitimate reasons. A copy of the service member's orders should be shown to your manager.

A military leave of absence will be unpaid. However, you may use any available paid time off for the absence. Subject to the ordinary terms, conditions and limitations of the applicable plans for which an employee is otherwise eligible, if the duration of your military leave will be less than 31 days, you may maintain health insurance by paying the regular employee share for such coverage during the period of leave. If the duration of the military leave is 31 days or more, you will become responsible for up to 100% of the full cost of the coverage if you wish coverage to continue during the period of leave, for either (1) twenty-four months; or (2) the period beginning on the date on which your absence for the purpose of performing service begins, and ending on the date on which you fail to return from service or apply for a position of employment as required by the Uniformed Services Employment and Reemployment Rights Act, whichever is shorter.

At the expiration of military duty, you must seek reinstatement in accordance within the deadlines established by applicable state and federal laws; failure to do so will be treated as an unexcused absence and may result in non-employment. If your leave was 31 days or more, you must provide the Company with documentation establishing the timeliness of your application for reemployment, and the length and character of your service. Federal law provides that your reemployment rights may terminate with certain types of separation from service. As an eligible employee returning from military leave, you will be treated as though you were continuously employed for purposes of determining benefits based on length of service, such as the rate of vacation accrual and job seniority rights, and the absence will not be considered an interruption of employment.

BEREAVEMENT LEAVE:

All SHC employees will be allowed up to three days paid leave in the event of the death of an immediate family member which consists of spouse or significant other, children, siblings, parents, grandparents, or grandchildren. Employees will be allowed up to one day paid in the event of the death of an extended family member, which consists of father in law, mother in law, brother in law, sister in law, aunts, uncles, nieces and nephews.

VOTING LEAVE:

You may take paid leave at the beginning or end of your shift for the purpose of voting in a primary or general election held within this state on the day of the election for the purpose of voting if:

- 1) There are less than three consecutive hours between the opening of the polls and the beginning of his regular work shift; **or**

2) There are less than three consecutive hours between the end of his regular work shift and the closing of the polls;

and

3) You have contacted your manager to request such leave prior to the day of election

If you are eligible under the above requirements your manager will tell you the amount of time and which hours you may be gone for this purpose. The amount of time eligible employees may take off to vote is amount of time at the beginning or end of his work shift that, when added to the time difference between work shift hours and opening or closing of the polls, will provide a total of three consecutive hours.

CRIME VICTIM LEAVE:

Employees who are crime victims or victims of a juvenile defense are entitled to attend all court proceedings involving the accused perpetrator of the crime or accused juvenile offender and may take time off from work to do so. "Victim" means a person against whom the delinquent act or criminal offense was committed, or if the person is killed or incapacitated, the person's spouse, parent, child, grandparent or sibling, any other person related to the person by consanguinity or affinity to the second degree or any other lawful representative of the person, except if the person or the person's spouse, parent, child, grandparent, sibling, other person related to the person by consanguinity or affinity to the second degree or other lawful representative is in custody for an offense or is the accused.

Prior to taking such leave, you must provide the Company with a copy of the notice received from the law enforcement agency or the prosecutor regarding your status as crime victim and your rights or other appropriate documentation, and a copy of the notice of any scheduled proceeding if applicable. Generally the Company will grant such leave, however the Company is permitted by law to limit the leave an employee takes if the leave creates an undue burden to the Company's business. Undue burden is defined as "a significant difficulty and expense to a business and includes the consideration of the size of the employer's business and the employer's critical need of the employee.") Documents received or created in connection with this section will be maintained by Human Resources in a confidential file.

Employees who are crime victims are entitled to take time off from work to obtain or attempt to obtain an order of protection, an injunction against harassment or any other injunctive relief to help ensure the health, safety or welfare of yourself or your child.

You are not entitled to compensation for leave under this section. You must use any accrued paid vacation time for leave under this section.

The Company may not dismiss an employee who is a victim of a juvenile offense or crime because the employee exercises the right to leave work described in this policy. You will not lose seniority or precedence while absent from employment. The Company will not refuse to hire or employ, to bar or to discharge from employment or to discriminate against an individual in compensation or other terms, conditions or privileges of employment because the individual exercises the right to leave work under this provision.

JURY DUTY LEAVE:

Salaried employees called for Jury Duty will receive full pay for one-day service. You may use vacation or sick pay for the remaining time on the jury. When you serve on a Jury you will be issued paperwork showing the number of days you served. This must be submitted for payment. Hourly employees who are serving on jury duty will not lose their position with SHC.

UNPAID LEAVE OF ABSENCE:

An unpaid leave of absence for personal reasons not covered by SHC's other leave policies may be requested and will be granted at the discretion of the employee's supervisor and for such duration as determined by the supervisor. All supervisors must have an unpaid leave of absence request approved by the Divisional Manager. All unpaid leave of absence approvals shall be in writing.

POLICIES REGARDING ACCOMMODATIONS AND PROHIBITED CONDUCT

POLICY PROHIBITING HARASSMENT, INCLUDING SEXUAL HARASSMENT:

This Policy applies to all employees, including supervisors, managers, visitors, vendors, and customers. This Policy applies to the workplace, as well as Co-worker interactions at any work-related social functions or activities and electronic communications directed at employees outside the workplace or outside working hours.

It is the Company's policy to provide a workplace free from free from discomfort or pressure resulting from jokes, ridicule, slurs, threats and harassment relating to race, creed, religion, color, sex (sexual or non-sexual), national origin, ancestry, ethnicity, sexual orientation (including gender identification), age (40 years or older), marital status, disability, veteran, military or National Guard status, current, past, potential, or intended pregnancy, childbirth, or related medical conditions, public breast-feeding, genetic testing or information, reprisal or any other basis or characteristic protected by law.

Harassment of any person related to such factors is a violation of the Company's Harassment Policy and is strictly prohibited.

One type of prohibited harassment is sexual harassment. With respect to sexual harassment, the Company prohibits the following:

Unwelcome sexual advances, requests for sexual favors, and all other verbal or physical conduct of a sexual or otherwise offensive nature, especially where:

- Submission to such conduct is made, either explicitly or implicitly, a term or condition of employment (such as continued employment, wages, evaluation, promotion, time off, or assigned duties or shifts) (called quid pro quo);
- Submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment (called quid pro quo); or
- Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive working environment (called hostile work environment).

Examples of the types of conduct expressly prohibited by this policy include, but are not limited to:

- Touching, such as rubbing or massaging someone's neck or shoulders, stroking someone's hair, or brushing against another's body

- Sexually suggestive touching, grabbing, groping, kissing, fondling
- Whistling, lewd, off-color, sexually oriented comments or jokes
- Foul or obscene language
- Offensive comments, jokes, innuendos and other sexually oriented statements.
- Leering, staring, stalking, or gesturing in a sexual manner
- Suggestive or sexually explicit posters, calendars, photographs, graffiti, cartoons
- Offensive or unwelcome e-mail, pictures, voice-mail or other messages
- Sexually oriented/explicit remarks about sexual conduct, body, sexual deficiency or prowess
- Repeated requests for “dates”
- Conditioning terms of employment on the provision or non-provision of sexual favors or acts
- Sexual assault or rape
- Sexually oriented kidding or teasing

Note that sexual harassment may be committed by males or females, and may be committed against a person of the same or different gender.

Note that conduct has the purpose or effect of unreasonably interfering with a person’s work performance or creating an intimidating, hostile or offensive working environment (called hostile work environment) is not limited to sexual conduct, but may also be related to the other characteristics listed above in this policy.

Violations of this Policy should be immediately reported using the procedure described in the Reporting Discrimination or Harassment section of this handbook below. **Anyone found to have violated this Prohibition Against Harassment is subject to discipline, up to and including termination.**

SHC EQUAL OPPORTUNITY EMPLOYER AND ANTI-DISCRIMINATION POLICY:

The Company is committed to equal employment opportunity and is committed to treating all employees and applicants without regard to race, creed, religion, color, sex (sexual or non-sexual), national origin, ancestry, ethnicity, sexual orientation (including gender identification), age (40 years or older), marital status, disability, veteran, military, or National Guard status, current, past, potential, or intended pregnancy, childbirth, or related medical conditions, public breast-feeding, genetic testing or information, reprisal or any other basis or characteristic protected by law.

This policy covers treatment of applicants and employees in various aspects, including but not limited to: employment opportunities/failure to hire, compensation, hours of work, conditions of employment, promotions, demotions, training, transfers, recruitment, advertising, reductions in force, discipline, termination, harassment, disparate treatment, accommodation of disabilities, leave for pregnancy, leave for pregnancy-related disabilities consistent with other kinds of permitted absences, and leave granted for non-pregnancy-related conditions.

Discrimination against any employee or prospective employee related to such factors is a violation of the Company’s Harassment Policy and is strictly prohibited.

Violations of this Policy should be immediately reported using the procedure described in the Reporting Discrimination or Harassment section of this handbook below. **Anyone found to have violated this Equal Opportunity/Anti-Discrimination Policy is subject to discipline, up to and including termination.**

ADA ACCOMMODATION:

If you are a qualified person with a disability and wish to receive a reasonable accommodation, you should immediately contact your Supervisor or the president of the company at 520-622-3607. The Company can then discuss the possibilities of providing a reasonable accommodation to allow you to perform the essential functions of your job which can be accomplished without undue hardship to the Company. If you are still unable to perform the essential functions of your job with the accommodation, you should contact your supervisor or the president regarding the possibility of other reasonable accommodations or identifying and applying for another position that is or may become available and for which you may be qualified. Retaliation against any person requesting an accommodation under this policy is strictly prohibited. **Anyone found to have retaliated in violation of this ADA Accommodation Policy is subject to discipline, up to and including termination.**

RELIGIOUS ACCOMMODATION AND RELIGIOUS HOLIDAYS:

Unless it would be an undue hardship on the Company's operation of its business, the Company will reasonably accommodate an employee's religious beliefs or practices. This applies not only to schedule changes or leave for religious observances, but also to such things as dress or grooming practices that an employee has for religious reasons. An employee or applicant needing a dress or grooming or other accommodation for religious reasons should notify the Company that such an accommodation is needed for religious reasons. If the Company reasonably needs more information, the Company will discuss the request further with the applicant or employee. An accommodation may not be granted if it causes an undue hardship, for example if it is costly, compromises workplace safety, decreases workplace efficiency, infringes on the rights of other employees, or requires other employees to do more than their share of potentially hazardous or burdensome work.

If you plan to be absent due to the observation of special religious holidays not listed in this Handbook, you must notify your supervisor ten (10) days in advance and upon hiring, which special religious holidays you wish to observe. The absence may be handled in one of the following ways:

1. Unpaid personal leave as authorized by policy; or
2. Working an equal amount of compensation time during the same payroll period.

Retaliation against any person requesting an accommodation under this policy is strictly prohibited. **Anyone found to have retaliated in violation of this Religious Accommodation Policy is subject to discipline, up to and including termination.**

POLICY FOR REPORTING DISCRIMINATION, HARASSMENT, OR RETALIATION:

If you believe that you or any other employee has been discriminated or harassed against by anyone including a supervisor, employee, or customer you have both the right and the obligation to report the incident immediately. Likewise, if you believe that you or any other employee has been retaliated against for reporting or participating in an investigation of a report or complaint of discrimination or harassment, or for requesting an accommodation for a disability, you have both the right and the obligation to report the incident immediately.

You should not tolerate conduct that violates the Harassment Policy or Equal Opportunity/Anti-Discrimination Policy. If possible and safe, you should ask the individual to stop the conduct. In any event, you should immediately report the matter to the Company promptly before it becomes severe or pervasive.

To make a report, file a formal complaint, or ask a question or to obtain information about the Equal Opportunity/Anti-Discrimination Policy, you must 520-622-3607 to speak to any upper personnel with whom you are comfortable speaking with or contact the president or HR at 520-622-3607. You should be prepared to provide details of the incident, including names of individuals involved, date(s) and time(s) of the incident, location(s) of the incident, and type of harassment or discrimination you believe has occurred. If the President or Supervisor is the subject of your complaint, you may contact any upper personnel with whom you are comfortable with. If for any reason you are not satisfied with any report option first chosen, you should raise the matter with one of the other individual's designated in this paragraph to receive such reports and complaints. The Company will not permit retaliation against employees or applicants for reporting, testifying, assisting, or participating in any way in any investigation, proceeding or hearing conducted by the Company or a state or federal enforcement agency when such actions are taken in good faith, regardless of whether the complaint is determined to be substantiated or unsubstantiated. If you believe that you or any other employee has been retaliated against by anyone including a supervisor or co-worker, you have both the right and the obligation to report the incident immediately using the above procedure.

Any employee found to be violating the Prohibition against Harassment, Including Sexual Harassment Policy or Equal Opportunity and Anti-Discrimination Policy will be subject to disciplinary action up to and including termination of employment.

Upon receipt of any complaint, we will promptly conduct a thorough and impartial investigation. Supervisors receiving a complaint must report it to the President who will take steps in consultation to stop any additional harassment while the allegations are investigated and shall document the complaint. SHC shall promptly, thoroughly and impartially investigate any complaint received directly or indirectly through a manager/supervisor, write a summary of the investigation promptly and determine the discipline to be imposed on the person found to have committed harassment (unless the manager and/or supervisor are the subject of the complaint in which case such functions will be performed by a third party or a non biased person. The Company will not disclose the complaint or investigation, investigation summary except as necessary, keeping in mind the need to conduct a full and fair investigation and needs determined on a case by case basis. After investigation has been completed, the Company will take prompt and corrective action against anyone found to have violated the Harassment Policy or Equal Opportunity and Anti-Discrimination Policy, up to and including termination of any person who violates this policy.

The federal Equal Opportunity Commission (EEOC) and Arizona Attorney General, Civil Rights Division also investigates complaints of discrimination and harassment in employment. Employees who believe they have been harassed or discriminated against may file a complaint with these agencies in addition to a report to the Company.

EEOC Phoenix District Office:

3300 North Central Avenue
Suite 690
Phoenix, AZ 85012-2504
Phone: 1-800-669-4000
Fax: 602-640-5071
TTY: 1-800-669-6820
ASL Video Phone: 844-234-5122
<https://www.eeoc.gov/field/phoenix/charge.cfm>

Arizona Attorney General
Phoenix Office:

1275 West Washington Street
Phoenix, AZ 85007-2926
(602) 542-5025
Fax (602) 542-4085
<https://www.azag.gov/civil-rights>

While the Company welcomes informal communications and discussions regarding any concerns you may have such informal communications are not considered formal complaints and you should not assume that the Company is aware of or will take formal action regarding a problem **unless and until you use the above procedures to notify us**. If you believe that you or any other employee has been harassed or discriminated against, you have both the right and the obligation to report the incident immediately.

ANTI-RETALIATION POLICY:

The Company prohibits any form of retaliation against any person making a good faith complaint or assisting in any investigation under the above reporting policy. Any employee who the Company in its judgment determines to have participated in any action to hinder an investigation or to retaliate against any person making a complaint or participating in an investigation regarding discrimination or harassment will also be subject to disciplinary action up to and including termination. This means you have the right to notify your supervisor of any problems you have while working, without worry of any adverse action against you for alerting management of the problem.

CONFLICTS OF INTEREST, THEFT, AND USE OF COMPANY FUNDS, PROPERTY AND INFORMATION POLICIES

STATUS OR CONDUCT CREATING CONFLICTS OF INTEREST:

It is the policy of SHC that all personnel will conduct their affairs to avoid any of the following types of conflict between their personal or outside interest and the interest of SHC. ***Action up to and including termination will be taken against an employee in the following situations:***

- Ownership by any employee, or financial interests in an outside concern that does business with or competes with SHC. This does not include ownership of stock shares in publicly-held companies. Financial interests held by immediate family members in such businesses must be disclosed to SHC so that a determination may be made as to whether a conflict exists. Undisclosed family interests may lead to disciplinary action up to and including termination.
- Acceptance by any employee of any gifts of more than modest value, (\$50 at the most) loans other than those from established banking or financial institution, excessive entertainment, or other substantial favors from any outside concern, their agent or employees, who do or are seeking to do business with SHC or our competitors of the company may lead to disciplinary action up to and including termination.
- Disclosure or use of proprietary company information for personal gain.

ROMANTIC, MARITAL AND FAMILY RELATIONS CREATING CONFLICTS OF INTEREST:

An Employee should refrain from dating, having a relationship that is romantic in nature with, or marrying anyone that works for the employee or in the same department at Southwest Hazard Control, Inc.

Family, marital, and romantic relations could cause a conflict of interest and must be disclosed to the Company. SHC will work with you and may reassign employees in such relationships to different departments. Failure to disclose such a relationship may result in termination.

A family member may be hired only with written approval from the President of the Company is given.

OUTSIDE EMPLOYMENT CREATING CONFLICTS OF INTEREST:

Employees shall not, directly or indirectly engage in outside employment that is in direct competition with SHC or be perceived by members of the community to discredit SHC. Employees shall not take outside employment if it prevents or conflicts with employees being available for work when needed or during scheduled hours. Any outside employment must not interfere with the employee's ability to perform the employee's job at SHC. Employees shall not utilize company telephones, computers, supplies or any SHC facilities or equipment for outside employment.

THEFT AND DAMAGE POLICY:

There will be no removal of company property from the offices or job sites without written authorization from your supervisor. Theft, whether it be from the company, your co-workers, or a client will not be tolerated under any circumstances. Company property, equipment bags, and automobiles on company property may be inspected at any time by management when accompanied by another staff member. Theft of hours or submitting false time card hours is theft and will be prosecuted. Anyone caught stealing will be prosecuted and discharged. ***SHC does not assume any responsibility or liability for damage or loss to employees' personal property on company property or worksites. Employees are encouraged to leave personal property at home when possible and to take precautions to safeguard property brought to work.***

PURCHASING PROCEDURES:

Most purchases including supplies, equipment, tools, etc. must be pre-authorized or purchased only by your supervisor. Your supervisor must get a P.O. number or a job number from the office. If a purchase is not authorized you will not be reimbursed for the item. Employees shall present detailed receipts and justification for all purchases to be reimbursed. Providing false claims for reimbursement is cause for immediate dismissal.

CREDIT CARD PROCEDURES:

Credit cards are issued to assist employees in doing their jobs at SHC in a more efficient manner. The credit card is to be used for work related charges only. The credit card is not to be used to put gas in your private vehicle. Gas purchases are only for company owned vehicles. All charge receipts must be submitted to the office bookkeeping with a job number noted, in a timely manner and always within two days after the end of each month. Unauthorized charges or any charges without a receipt will be deducted in full from your payroll check after the statement is reconciled and will incur a \$25.00 administration fee. All employees will be required to sign an agreement before being issued a company credit card. If you misuse your credit card it will be taken away.

CONFIDENTIALITY OF COMPANY INFORMATION AND RETURN OF COMPANY INFORMATION AND PROPERTY:

As an employee of SHC you are not to disclose or use, either during or subsequent to your employment, any information, knowledge or data which you received or develop during your employment which is considered to be proprietary to SHC or SHC clients or which are related to trade secrets of SHC or SHC's clients. You are to return to SHC or SHC's clients, any and all documents or materials containing information, knowledge or data relating to SHC or SHC's clients. All property and materials, which are the property of SHC or SHC's clients, are to be returned to SHC or SHC's clients immediately upon termination of employment for any reason.

GENERAL EMPLOYEE POLICIES

BREAKS:

In the field: Employees are given not less than one-half hour lunch break, which is not paid, per each 8 hour work shift, plus two 15-minute breaks which are paid. Time of the lunch break and the two 15 minute breaks will be determined to best accommodate the work being performed. This leaves the decision up to the Supervisor. During break periods, no employee shall engage in the use of alcohol or drugs. Employees may be required to remain on the jobsite during their lunch break.

In the office: Employees must work an 8-hour day, which does not include lunch. Normal office hours are 8:00 A.M. to 5:00 P.M but you can work anywhere from 6:00 am to 5:30 pm in the office. When you are in the office you should have an agreed upon set schedule that totals 8 hours working per day. Two paid 15-minute breaks are allowed during the day. Lunch schedules vary and will be set by your supervisor. Please use your cell phones to call and text message on your break time and not during work time. Emergency personal and brief family calls are excluded from this.

ATTENDANCE:

If an employee expects to be LATE or MISS WORK, they are expected to notify their immediate supervisor, or if unable to notify their immediate supervisor, call the branch office and leave a detailed message. There will always be an answering service, or an answering machine at each SHC location to take your call before or after office hours. If you are LATE and/or MISSED WORK, more than two times, without calling in, you will be **dismissed**. You must come in on time with the start time approved by your supervisor or you may be terminated. Being chronically late is not acceptable. Employees will be required to produce doctor's note, court hearing or jury duty paperwork for the absence to be excused. All exempt (salaried) employees are expected to complete an average of 43 hours per week.

VISITOR POLICY:

At no time are unauthorized visitors allowed to enter any work site. Visitors are welcome at our offices from 8:00 A.M. to 4:30 P.M. Monday thru Friday.

PUBLIC RELATIONS-MEDIA:

Due to the sensitive nature of our business, *it is imperative that only designated management speak for the Company to deliver an appropriate message and to avoid giving misinformation in any media inquiry.* **Every employee is expected to adhere to the following policy: Answer all media/reporter/visitor questions like this: "I am not authorized to comment for SHC (or, I don't have the information you want). Let me have our management contact you."** Employees may not speak on behalf of customers and should refer inquiries regarding the customer's business or property to the customer's management.

DRESS CODE:

Employees must dress appropriately for their job function. No facial piercings, hardware or jewelry items are to be worn on project job sites. Baggy fitting clothing such as pants sagging or hanging below the waistline will not be allowed to be worn on project job sites. It is up to the management to determine if dress attire is appropriate. Any piercings, accessories, or clothing items that pose a safety concern, will not be allowed under any circumstance while on an SHC job site. If your dress attire is deemed inappropriate you will be required to meet requirements before you will be able to report to the project job site. All employees are expected to maintain proper personal hygiene and must convey a clean, neat appearance at all times on the job. You must report to the job site with long pants, steel-toed shoes, and shirts with sleeves. Under no circumstances will any employees be allowed on the job site wearing any clothing that conveys any messages that are offensive or derogatory to any persons or group (i.e., ethnic origin, religious, etc.) protected by SHC's harassment policy. Image is important. It is recommended that "SHC" shirts and hats be worn whenever possible. These shirts and hats are available at all offices. PLEASE WEAR APPROVED SHC PROVIDED SHIRTS AND SAFETY VESTS AT ALL TIMES, CLEAN AND IN GOOD CONDITION! SOME JOBSITES MAY HAVE JOB SPECIFIC REQUIREMENTS. YOU WILL BE INFORMED OF ANY SPECIFIC REQUIREMENTS BEFORE STARTING THE PROJECT.

SMOKING POLICY:

Smoking in the workplace has been and continues to be a controversial issue. SHC employees must comply with smoking policies at all client job sites. This includes no-smoking policies that ban the use of E-Cigarettes or similar items. The Surgeon General of the United States and other research scientists have concluded that smoking poses potential dangers to the health of both smokers and non-smokers. It is the policy of SHC that smoking is prohibited except in each Division's designated areas for smoking but always outside. Smoking in all other areas is strictly prohibited.

Any employee may object to the Company about smoking in his or her work area. Employees and customers are entitled to a smoke-free work environment and no person may retaliate in any manner against any employee, applicant for employment, or customer because such employee, applicant, or customer exercises any right to a smoke-free environment provided by state or local law or complains about smoking or non-smoking in the workplace.

Upon either observing or being advised of a smoking violation, employees are responsible to inform any person (including a customer) who is smoking tobacco on the premises or otherwise violating state or local anti-smoking laws of the appropriate provision thereof and politely request the person to stop smoking or stop other conduct violating the law. If the person refuses or objects you should immediately notify your supervisor. State and local laws regarding smoking are available from your supervisor.

DRUG FREE WORK PLACE POLICY:

It is a violation of SHC's policy for any employee to possess, sell, offer to sell, transfer, distribute, use or be under the influence of alcohol or any drug while on SHC property during working hours.

Each employee shall notify his or her supervisor of any criminal drug statute conviction for a violation occurring while the employee was working on SHC property. Any employee who violates the terms of this SHC policy shall be subject to discipline, including but not limited to termination.

An exception to this policy is that an employee may use, possess, and/or be under the influence of medication for proper medical purposes.

IF IT IS NOT SAFE, DON'T DO IT!!!!

SAY NO TO DRUGS

INTERNET AND COMPUTER USE AND ELECTRONIC COMMUNICATION POLICY:

Employees should use SHC computers and the Internet to increase productivity and solely for business purposes, including emails. Use of SHC computers and company email for for personal purposes or communications is prohibited. If you are using an Internet site paid for by the company, you are expected to only use it for business purposes. Company facilities (including phone lines, modems, hard drives, and the like) are to be used only for company purposes. SHC will keep copies of computer, Internet and e-mail passwords, and that the existence of such passwords is not an assurance of the confidentiality of the communications.

Under no circumstances are pornographic or other materials which would violate SHC's harassment policy or other inappropriate materials or messages to be sent or received using company facilities at any time or by using personal facilities during working hours. Employees are also prohibited from accessing any Internet sites that are pornographic, unprofessional, or in violation of SHC harassment or discrimination policies using company facilities at any time or by using personal facilities during working hours. In addition, employees are prohibited from engaging in any conduct or communication (electronic or otherwise) outside the workplace directed at an SHC employee, contractor, vendor or customer which would violate SHC's harassment or discrimination policies. Employees are expected to comply with all company policies set forth in this Handbook which may be applicable to the Internet, which include SHC's confidentiality of company information policy, harassment policy, and discrimination policy. Employees are also expected to exercise good judgment in the use of computers, including an appropriate scanning for viruses, encryption of data sent across the Internet, and appropriate handling of suspicious looking emails.

Company cell phones are for business purposes. It is recognized that some personal telephone calls are necessary, but these should be kept as brief as possible and employees should refrain from speaking loudly during personal calls. Personal calls, emails, and texts should be limited to serious matters and should be limited in duration. When possible, such communications should be made and received during an employee's break or lunch time. Employees are to use all cell phones in a safe manner. Employees must pull to the side/shoulder of the road when making and receiving cell phone calls and must continue to follow safety guidelines related to phone use while driving company vehicles or on jobsites. Employees should not use the other features of a cell phone for recreation or entertainment unless on break or lunch. **If you are using a personal cell phone, all activity should consistent with the above policies.**

All SHC cell phone records are subject to audit. SHC will pay the monthly fee charged by the Phone Company. If the charges go over the monthly fee allowable, the person assigned to that phone is responsible for the excess charges unless justified as a necessary business expense. When using a company phone, you are allowed 2GB of data which is to be utilized for business purposes **only**. Do not use your cell phone for person to person/collect/credit card/bill to third number/ excessive personal calls. Please report if it is stolen. Personal long distance calls must never be made without specific approval from your supervisor. You are not allowed to buy phone accessories for a company phone without prior

authorization. All personal phone charges will be deducted from your check. Cell phones that are company property must be turned in upon termination and resignation. All employees will be required to sign an agreement on the number of usage charges and overage charges, including data overage. If you are approved for a smart phone you are responsible for purchasing the insurance or you are responsible for replacing the phone if lost, stolen or damaged. If you choose to use your personal phone and decline having a company phone, SHC can reimburse you up to \$55.00. If your personal phone is stolen, gets lost or damaged, you will be responsible for any replacement or repair costs.

The company does monitor its phone system, voicemail, network, and computers including business email, and may do so for any purpose including materials sent or received through, created, stored, or viewed on company-owned electronic devices, including phones and computers and email system. Employees have no right of personal privacy or confidentiality in any matter stored in, created on, received from, or sent through or over the Company's computers, email system, or computer system including files stored on company computer hard drives. SHC reserves the right to in its sole discretion review, monitor, access, retrieve, copy, delete, or the disclose such messages, materials or files to other authorized persons within SHC or law enforcement or other government entity without the permission of any employee, and without notice. This policy applies to any matter stored in, created on, received from, viewed from, or sent through SHC facilities or equipment whether from work, work site or home. By signing this handbook you authorize SHC to monitor the foregoing emails, files and materials on SHC equipment and acknowledge your awareness of this policy.

KEYS:

Keys to Southwest Hazard Control, Inc. property are issued to employees for official SHC business only. Employees shall not loan or make their keys available to any other person without the express written permission of your supervisor. Any lost key should be reported immediately to your supervisor. Violations of this policy may constitute willful and negligent misconduct and that key replacement, regardless of whether the lock cylinders have been changed or not, is subject to minimum charge of \$25.00 per key. Instances where more than one lock must be changed, the cost of labor and materials will be taken into consideration in computing the final charge.

MISCELLANEOUS POLICIES

PRIVACY OF PERSONNEL FILE:

It is SHC's policy to respect the privacy of its employees, especially where matters regarding medical and personal information are involved. An employee's personnel file shall be maintained in confidence, and only persons with the 'need to know' may have access to the files. Information may be released to governmental entities, outside agencies or individuals upon the receipt of a signed release from the employee or as required by law. SHC maintains a personnel file for each employee. You may review materials placed in your file after employment in the presence of Human Resources. However you may not remove any material from the file as it is property of SHC.

IMMIGRATION LAW COMPLIANCE:

SHC Participates in E-Verify. We will provide the Social Security Administration (SSA) and, if necessary, the Department of Homeland Security (DHS), with information from each new employee's Form I-9 to confirm work authorization. If the government cannot confirm that you are authorized to work we will provide you written instructions and an opportunity to contact SSA and/or DHS before taking adverse action against you, including terminating your employment.

SHC is committed to employing only United States citizens and foreign nationals who are authorized to work in the United States and who comply with the Immigration Reform and Control Act of 1986. Newly hired employees have three days in which to supply proof of authorization to work in the United States. If an employee is unable to supply this, he or she must provide a receipt showing that it has been applied for. If a receipt is supplied, the actual paperwork must be provided within 21 days. The employee is allowed to work during the 3 and/or 21 day waiting period, but they will not be allowed to work beyond that time if the paperwork is not provided.

UNEMPLOYMENT INSURANCE:

Unemployment insurance benefits may be payable to you when you become unemployed. If you become unemployed, contact your local unemployment insurance office for further information regarding unemployment benefits.

WORKER'S COMPENSATION:

Workers' Compensation, required by state law and paid by SHC, provides insurance coverage for job-related injury or illness. Report any on the job injury, no matter how minor, to your supervisor immediately. If you don't, you may lose any benefits to which you might be otherwise entitled.

PAYROLL POLICIES

PAYDAY:

All SHC employees are paid on a weekly basis. The pay week ends Sunday night at the end of your shift. ***Payday is the following Friday. We will send out payroll check stubs by regular mail or email to the divisions each week.***

PAYROLL DEDUCTIONS:

Certain deductions will be made from your payroll check. These deductions are the amounts required by the Federal and State Governments. In addition, the following deductions will be made when you authorize them or by court order: IRS payments, medical insurance premiums, housing, T-shirts, pension plan contributions, savings bonds, credit union, advances, garnishments, child support and group life insurance. If you do not understand the deductions, ask a payroll representative.

SHC reserves the right to make deductions from payroll checks (i.e., hotel, telephone, tools, surcharges, lost petty cash or credit card receipts, or any other unauthorized expenses incurred by the employee) to the extent permitted by law. A **TWENTY-FIVE DOLLAR (\$25.00)** surcharge will be added to each unauthorized deduction to cover the paperwork. This will be strictly enforced.

It is SHC's policy to comply with the salary basis requirements of the FLSA. Therefore, SHC prohibits all supervisors from making any improper deductions from the salaries of exempt employees. We want employees to be aware of this policy and that the company does not allow deductions that violate the FLSA.

WHAT TO DO IF AN IMPROPER DEDUCTION OCCURS:

The Company makes every effort to ensure our employees are paid correctly. Occasionally, however, inadvertent mistakes can happen. Please review your pay stub when you receive it to make sure it is correct. If you believe that an improper deduction has been made to your salary or have questions about your pay or deductions, you should immediately contact your direct supervisor, or call HR/Payroll at 520-622-3607.

WITHHOLDING TAX (PAY AS YOU GO):

The Federal Government requires employers to deduct from all wages and salaries, a certain amount as installments on the current year's income tax. There are two factors which affect the amount withheld: the amount earned and the number of personal exemptions. All employers use the same government regulations deducting the same amount under similar conditions. The amount deducted is a payment on your income tax, and does not take the place of any income tax return. The money withheld is deposited to the government each payroll period; SHC does not hold your money. If you claim "tax exempt", SHC must, by law, send a copy of your W-4 to the IRS.

SOCIAL SECURITY TAX:

Social Security tax is withheld from each paycheck at the rate prescribed by law. SHC must match this amount and deposit it to the IRS weekly.

TIME CARD FALSIFICATION:

It is illegal to falsify employee time cards. Anyone caught falsifying time cards or reporting hours when they were not at work will be subject to prosecution for falsification of payroll records and will be terminated immediately. The Project Foreman is responsible for verifying hours worked on their projects, and then submitting the verified hours to Division Manager for final approval.

TRAVEL PAY AND REIMBURSEMENT POLICIES:

Employees must repay any overreimbursement. Documentation should be turned in to your direct supervisor or manager to be submitted to the payroll department as soon as possible to receive reimbursement on the next regular payday.

TRAVEL PAY:

Travel to worksites remote from employee's home SHC office is a regular aspect of the job for field workers. SHC will provide transportation to most remote worksites more than 60 miles from the home office, and to many local work sites. Employees may ride in the SHC vehicle from the home office or may choose to provide their own transportation. Travel time to the initial worksite or from the final worksite within 60 miles for passengers is not paid; the driver will be paid for travel time. Passengers traveling during normal working hours will be compensated for those hours regardless of whether the travel occurs on a regular working day or the corresponding hours on nonworking days. Employees riding in the SHC vehicle are not permitted to load or unload any material or tools into the vehicle or perform any other duties at the home office prior to departure from or upon return to the home office. No instruction or discussion of work-related matters is permitted during travel or at the home office before and after travel. The driver is responsible for the conduct of others inside the vehicle at all times; please follow the procedures listed in the vehicle if you are driving the vehicle. **NO SMOKING IN SHC VEHICLES. KEEP THE VEHICLES CLEAN. Please Note: SHC DOES NOT ALWAYS PROVIDE TRANSPORTATION TO THE JOBSITES.**

Mileage will not be reimbursed for travel from home to the first job site or from the last job site to home. An employee choosing to drive a personal vehicle between job sites during a workday will be reimbursed for such mileage at the standard IRS rate (If you use your personal vehicle it must be preapproved by management before reimbursement for mileage is granted).

Incurring unnecessary or exorbitant expenses or failing to properly document expenses for which reimbursement is sought may result in discipline up to and including termination.

PER DIEM

Hourly All hourly employees will receive \$20.00 per day for per diem for over 5 hours worked. If you work under 5 hours you will receive \$10.00 per diem for that day. You must be 60 *miles from your home office to receive per diem*. If you are traveling over 60 miles from your home office you will receive per diem for hours traveled and worked. No one gets per diem unless the jobsite is over 60 miles from your home base. If the jobsite is less than or equal to 60 miles from your home office and you spend the night out of town you will get per diem for hours worked but not traveled. You will not be prepaid for per diem

Hotel expenses will be paid by the SHC when employees are required to stay overnight. Two workers of the same gender must share a room. If SHC has not reserved lodging for you, you must receive approval from your supervisor before incurring a lodging expense.

Davis Bacon Wages of \$30.00 per hour for hourly employees will not receive per diem but will still have their hotel paid. For those paid Davis Bacon wages over \$35.00 per hour, neither hotel nor per diem will be paid. With the Davis Bacon Wage you only receive overtime on the base wage. Fringe benefit is only paid on regular time.

Salaried Supervisor or Overhead Personnel All salaried supervisors and 1099 subcontractors will be paid \$30.00 per day for per diem for over 5 hours worked. If you work under 5 hours you will receive \$15.00 per diem for that day. You must spend the night out of town. Supervisor should drive the vehicles. SHC does not want anyone driving the company vehicles if you are overtired. Please be responsible. Please submit the per diem amount on your time card. Reasonable hotel, car expense and other related expenses would be turned in as receipts to be reimbursed. Per Diem will be adjusted if it is an unusually high priced area. No one will receive any travel time or per diem within a 60 mile radius from your home office. If the jobsite is less than or equal to 60 miles from your home office and you spend the night out of town you will get per diem for hours worked but not traveled.

Supervisors on jobsites. All supervisors will receive \$30.00 per day for per diem for over 5 hours worked. If you work under 5 hours you will receive \$15.00 per diem for that day. You must be 60 *miles from your home office to receive per diem*. If you are traveling over 60 miles from your home office you will receive per diem for hours traveled and worked. No one gets per diem unless the jobsite is over 60 miles from your home base. If the jobsite is less than or equal to 60 miles from your home office and you spend the night out of town you will get per diem for hours worked but not traveled. You will **not** be prepaid for travel expense or per diem.

OVERTIME POLICIES:

Overtime pay of one and one half times the regular pay rate will be paid for any hours worked over 40 hours per week. Overtime hours may not be worked unless authorized in advance by your supervisor. All Division Managers must clear overtime with the President. On Emergency Response jobs when an SHC employee is called out between 5:00 PM and 8:00 AM overtime pay will apply. Drive time counts towards overtime.

MISCELLANEOUS PAY POLICIES:

Garnishment: By law, the company is required to honor legal garnishment of employee's wages or salaries. The bookkeeping department will give the employee written notification of any garnishment received by the company.

Unclaimed Paychecks: Paychecks that employees do not claim within four weeks of the date issued must be returned to the Accounting Department.

Lost Paychecks: Employees should report lost or missing checks to the payroll department immediately so that a stop payment order may be initiated. The employee will be responsible for the stop payment charge. The check will be replaced after a stop payment has been confirmed.

FIELD EMPLOYEE POLICIES

PHYSICAL:

Every SHC employee who works at a SHC job site must have an annual physical which will include drug and alcohol screening. SHC is responsible for maintaining the records on every employee's physical and for payment of the physical on existing employees and new hire candidates. Employees will get reimbursed for the time spent at the clinic at minimum wage. New hire candidates and SHC employees must complete their physical exam at a clinic chosen by SHC. All SHC employees who leave the employment of SHC may get an exit physical. You will not get paid for an exit physical. SHC will pay for the exit physical. Please ask your department Administrative Assistant/Managers to schedule the physical.

"RIGHT TO KNOW" PROGRAM (HAZCOM):

The employee is entitled, by law, to have access to information about the hazardous chemicals they may work with and/or be exposed to. In conjunction with the above-stated law, SHC has developed a HAZCOM Program, complete with a training module, for SHC to use in training all workers involved with any SHC work site where chemicals are in use. The SHC HAZCOM program and copies Safety Data Sheets (SDS) for all chemicals that employees can be found at each jobsite where the specific chemical is being used and at each office location.

TEAMWORK:

Due to the nature of our work, it is important that the employees strive for an above average level of team effort. In a work environment where workers often depend on one another, it is important that safety is highly emphasized. **SAFETY IS NUMBER ONE AT SOUTHWEST HAZARD CONTROL.**

TOOLS FOR THE JOB:

All employees are expected to bring the proper tools of their trade to the job site daily. A list of the necessary tools **for each job** will be given to you by your supervisor. If you do not bring your issued tools to the jobsite you will be sent home of the rest of the day. Do not take anyone else's tools. If you lose your tools you must replace them at your own cost. If the tools break or get worn please submit for a replacement at no cost to you.

You will be asked to sign an agreement that you understand the responsibility of caring for tools and equipment provided by SHC. SHC will keep records of the tools that are distributed to employees. If any tool is lost or stolen, the cost of replacement tool *may* be deducted from your check. Upon

resignation or termination, all tools issued by SHC, need to be returned prior to the release of your final check.

The following is a list of tools that you must have in your gear bag:

- (1) 5-in-1 Paint Scraper
- (1) Claw Hammer
- (1) Screw Driver Set (Phillips and Flat Head)
- (1) Flat Crowbar
- (1) Pair of Wire Cutters
- (1) Pair of Pliers
- (1) Crescent Wrench
- (1) Pair of Vice Grips
- (1) Tape Measure
- (1) Hand Held Hatchet
- (1) Hand Held 4in Scraper
- (1) Utility Knife
- (1) Pair of Rubber Boots and Gloves

SHC will issue a 1/2 face respirator. When needed, SHC will issue PAPR's or full face respirators.

SHC will issue safety equipment such as Hard Hats, Safety Vests and Safety Goggles upon employment and as needed.

You will be responsible for providing your own Steel Toed Boots.

*Not having the proper tools when you report to work is **unacceptable!** You can and will be asked to leave and not return until you have the proper tools, including assigned PPE.*

COMPANY VEHICLES POLICY:

The company provides employees use of vehicles for the purpose of company business and/or on-site work. The following will pertain to the use of company-owned vehicles:

1. All employees will fill out the vehicle logs in the vehicles to keep track of the mileage. Mileage is also to be recorded at refueling time. Documented gas expenditures will be reimbursed on the next paycheck.
2. As required by law, all employees driving company vehicles or riding as passengers, must wear seat belts.
3. All drivers must provide a copy of their license to the business office. No one may drive a company vehicle without being approved by our insurance company. You must be on the approved list of drivers to drive a company vehicle and be insured by SHC. This list is updated annually and upon hiring.
4. In the event any employee, by necessity, drives any company vehicle to and from his residence, said vehicle is not to be used for personal reasons or to transport unauthorized

passengers or make deliveries (i.e. family members or friends without approval in advance). It is the responsibility of the employee to replace fuel used at his/her own expense.

5. A commercial driver's license is needed for truck drivers. Also, a DOT certification is required for all drivers when driving certain Hazmat Vehicles, or for drivers carrying hazardous waste.
6. Any employee operating or traveling in a company vehicle is specifically required to adhere to the following policy relating to drugs and alcohol:

Drivers or passengers found to be under the influence of any amount of alcohol or drug substance is cause for immediate termination. Any employee who is aware of or witnesses such behavior must report this to SHC management or risk disciplinary action up to including termination.

NO drugs or illegal substance or open containers of intoxicants shall be transported in any company vehicle.

7. Any employee whom the Company reasonably believes may have contributed to an accident which causes damage to company or private property shall undergo an immediate drug screen in accordance with SHC's drug and alcohol policy. **Damages will come directly out of employee's paycheck to the extent permitted by law.**
8. All drivers must be safe and defensive drivers. It is your responsibility to be familiar with the Federal Motor Carrier Safety Regulations.
9. Always balance the loads in the trailers. Place heaviest material or equipment near the front - approximately 60% of weight, must be in the front half of trailer.
8. If any employee is involved in an accident with a company vehicle, he/she must first offer assistance to any injured person; second, if the accident involves any possible release of hazardous materials, steps must be taken to contain the release of hazardous materials and notify emergency/rescue assistance. Third, a mandatory notification of police is required regardless of fault or size of accident to file a company report. Fourth, no driver or passenger will make any admission of guilt or financial liability.
9. Traffic violations are the responsibility of the person(s) operating the vehicle. The vehicle operator will be required personally to pay for any traffic violation citations the/she may receive.

The supervisor is responsible for the safe and clean return of the vehicle/trailer under his/her charge. Abuse of this responsibility will require the supervisor to clean and restore the vehicle to original condition on his/her own time. The driver will be responsible for any physical damage done to the vehicle if it is determined that the driver was reckless or under the influence of drugs or alcohol. **NO** smoking or chewing in company vehicles. Sunflower seeds also a big **NO**. **NO** exceptions. Vehicles must be checked out through a manager. Company vehicles are not to be used without prior approval for personal use. A \$50.00 fine and possible termination will be imposed if a vehicle is taken home without approval. All employees who drive company vehicles must fill out a "New Driver" information form. This must be submitted to the insurance company before anyone can drive a company vehicle. Once the insurance company approves the SHC employee he/she may then drive a company

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vehicle. All Southwest Hazard Control, Inc. employees will have a DMV check run on them every six months as well as upon hire. If an employee has a DWI or three speeding tickets or more in one year's time they will be disqualified from driving a company vehicle.

PROJECT LOGS:

There will be check-in logs on every job site. Workers are required to check in and check out each and every time he/she leaves the project. These logs are used in confirming actual work time and are mandatory. If you do not sign in or out you will not be paid. Project specific site safety plans should be on every project. Safety meetings will take place at the beginning and during each project.

APPLICANT PROCESS:

Offers of hire to employee positions working in the field will be contingent offers. Employment status will be contingent on the offeree completing and passing a drug test, a physical exam, and required training. Applicants must first pass their drug test before being scheduled to complete their physical exam. Once the new hire candidate passes their physical exam, they will be scheduled for necessary training. (Please see the *Physical Expectations* and *Drug and Alcohol Policy* sections of this Handbook for further information)

TRAINING PROCESS:

If an SHC employee is instructed to attend a training class or the training class is required for them to continue working at their current position, they will receive the approved hourly rate of 20% less than that hourly rate for the time spent in the class as compensation. If an SHC employee must attend training on a Saturday, they will be paid their regular wage for the time spent in class. If an SHC employee voluntarily attends a training class that is not required for them to continue working at their current position, SHC is not required to provide them compensation for their time spent in class. SHC will pay for time spent in MSHA class at regular wage.

YOUR CERT & MEDICAL EXPIRATION DATES ARE YOUR RESPONSIBILITY. WATCH THE DATES, IF YOU NEED A REFRESHER CLASS SCHEDULED IT IS YOUR DUTY TO WORK WITH THE OFFICE TO GET THAT SCHEDULED. YOU CANNOT BLAME SHC IF IT EXPIRES!

SHC participates in the training programs listed below.

- 32-hr AHERA Worker Training
- 8-hr. AHERA Worker Refresher
- 40-hr. AHERA Supervisor Training
- 8-hr. AHERA Supervisor Refresher
- 40-hr. Hazardous Waste Handling Training
- Mold Supervisor Training
- Hazmat Supervisor Training
- Lead Training 32 hour

PRICES CAN CHANGE DEPENDING ON MARKET PLACE

HEALTH AND SAFETY POLICY STATEMENT:

We are committed to comply with all applicable safety and health legal requirements. We are committed to our guiding principles which include ensuring that Safety, Health and Environment is

First – never compromise on the health and safety of our customers and our people and to manage responsibly the impact that our business has on the environment.

All Southwest Hazard Control Managers and Supervisors are committed to take ownership of their areas of responsibility by ensuring that the following important activities occur:

- Accept direct responsibility and accountability for all matters relating to Health and Safety for the employees and/or contractors they supervise directly and/or indirectly.
- Deal promptly with employees' Health and Safety concerns and advise employees of actual and potential hazards that are known by the manager or supervisor.
- Maintain and ensure transfer of knowledge of all duties and obligations under all relevant legislation, client requirements and Southwest Hazard Control policies and procedures.
- Ensure that employees use Personal Protective Equipment as prescribed in addition to following all safety procedure and practices.
- Provide appropriate training in use of equipment, safe work practices and procedures and handling of hazardous materials.
- Ensure that all contractors, suppliers, vendors and other visitors adhere to all Southwest Hazard Control policies and procedures.
- Investigate accidents/incidents and perform workplace inspections.
- Review any accident investigation and facilitate the corresponding corrective action plan.
- Assist any injured employee to the fullest possible extent including facilitating the Return to Work process in accordance to the Federal and Worker's Compensation process.
- Continue to improve our safety and health management system and operational standards in all sites.
- Take every other reasonable precaution to protect employees.
- Implement and enforce Health and Safety rules, regulations, policies, procedures and prescribed instructions.

SAFETY RULES:

The following points summarize our employees' commitments to Health and Safety:

1. Practice cleanliness and orderliness. They are the first principles of safety. Employees must dress appropriately for their job function. All employees are expected to maintain proper personal hygiene and you must convey a clean, neat appearance at all times while on the job.
2. Comply with Health and Safety regulations and related Southwest Hazard Control policy and safety procedures and practices.
3. All employees have the responsibility to attend and take an active part in all health and safety training meetings and to actively support the company's safety program. Read and abide by all safety materials made available to you. They concern your safety and health as well as the safety and health of your fellow workers.
4. Practice good housekeeping methods on the jobsite. Follow safe work instructions and assist in prevention.
5. Use all required personal protective equipment where indicated and as prescribed for each job. (Respirators, steel toed boots, safety glasses, safety belts, hard hats, etc.).

6. Decline to operate any machinery or equipment without proper instruction regarding safety and general operation.
7. Report all unsafe practices or conditions to your Supervisor immediately.
8. Immediately report all injuries/incidents and work related diseases to your Foreman no matter how slight the condition and actively participate in accordance with our Return to Work Policy.
9. Horseplay and physical fights are strictly prohibited.
10. Never use compressed air or spray guns for blowing off dust/dirt from clothing or body.
11. Possession or use of intoxicants (alcohol/drugs) on job sites is prohibited and employees reporting for work in an unfit condition will not be allowed to work.
12. There will be no eating, drinking, smoking or gum and/or tobacco chewing allowed in the work area.
13. Employees performing physical work or operating equipment or vehicles should not use or hold a cell phone or other device while performing such activities to reduce the risk of accident or injury to the employee or others.
14. Be alert of hazardous conditions and work processes in surrounding areas so that you can foresee and avoid dangers. Be aware of the presence of other employees and equipment.
15. When working around power shovels, cranes, trucks or dozers, be sure that the operator knows you are in the immediate area and has visual contact with you at all times.
16. Never work aloft if you are afraid to do so, are subject to dizzy spells, or if you are nervous or ill. Report the problem to your supervisor immediately. Obey all fall protection regulations.
17. Be mindful of floor openings, particularly when working on roofs and decking. If an unguarded opening is discovered, immediately notify the site supervisor and warn your fellow workers.
18. When working on roof decks, be alert to floor openings, loose sheeting or areas where sheeting has not been installed over insulation. Watch footing on plastic covering and on ice or frost covered surfaces. OSHA now requires that you be tied off -- check with your supervisor.
19. Throwing or dropping materials from one area or level to another is prohibited.
20. Heed all warning signs and tags. No electrical wire will be cut by anyone other than an authorized Electrician or SHC Supervisor. This is for your protection.
21. **NEVER** remove warning or danger tags on any apparatus, valves or switches unless you have been instructed to do so by your supervisor. To do otherwise may cost a life.
22. Inspect tools and equipment prior to use. If equipment is found to be defective, immediately take the equipment out of service and label it as such.

23. Never use defective tools, scaffolding, ladders etc. Label DEFECTIVE and take from service to be returned to warehouse to be fixed or thrown away.
24. Use only the designated entrances to gain access to the job site. The same rule applies to exiting the site, unless there is an emergency.
25. Heed all warnings, tags, barricades, signs, or other markings on all jobsites. Do not go into any area with such markings without authorization. Barricaded or "Roped off Areas" are considered to be danger zones and shall be respected as such. Admittance to such areas is prohibited without authorization.
26. Do not enter any confined spaces without authorization. All workers must be properly trained in Confined Space Entry procedures, have appropriate air monitoring equipment, and have sufficient support personnel prior to entering any confined space.
27. To avoid cross-contamination and promote safety, personal items may not be brought into containment.
28. Follow instructions on shoring of trenches to avoid danger to yourself or your fellow workers. Collapsing soil can be fatal. Sides of trenches in unstable or soft material five feet or more in depth must be shored, sheeted, braced, sloped or otherwise supported.
29. Excavated soil and materials must be stored and retained at least two feet or more from the edge of the excavation.
30. Follow instructions on the checking of oxygen content, flammability or toxicity of the atmosphere of any vessel, tunnel or soil opening which you must enter. Use the equipment provided in the manner in which you have been instructed. Do not enter a confined space without proper training and back up.

PERSONAL PROTECTIVE EQUIPMENT:

All employees shall use the personal protective equipment prescribed by the government and/or SHC's Rules and Regulations to control or eliminate any hazard or other exposure to illness or injury. Any employee who willfully refuses to use the prescribed personal protective equipment designed to protect him or her or willfully damages such equipment shall be subject to disciplinary action, up to and including termination.

RESPIRATOR POLICY:

SHC, Inc. will provide you with training on how to properly use and maintain your respirator. It is your responsibility thereafter to follow the company's regulations and standards when it comes to doing everything in your power to properly use, care for, and maintain your respirator. One of the regulations that you must comply with is being properly groomed **everyday**. Per OSHA and as an SHC standard, all employees that are assigned a respirator must abide by the following:

There must not be any hair growth between the skin and the facepiece sealing surface. This includes stubble beard growth, beard, mustache or sideburns which cross the respirator sealing surface or that interferes with valve function.

DRUG AND ALCOHOL USE AND TESTING POLICIES

INTRODUCTION:

Employees are the Company's most valuable resource, and for that reason, their health and safety are a primary concern. With that commitment SHC made the decision to implement the following Company policy statement regarding drug and alcohol abuse in the work place. This policy is intended to support the Company's safety programs and avoid drug and alcohol related work performance problems by striving for a drug and alcohol free working environment.

PROHIBITED CONDUCT INVOLVING SUBSTANCES:

It is the Company policy that each employee is entitled to work in an environment that is free from alcohol and drugs. It is in the interest of the Company, its employees, and its customers that employees be able to perform their duties in a safe and efficient manner. The Company expects employees to report to work in a proper condition to perform their duties and to remain in such condition while in the workplace. If you appear to be under the influence of alcohol or illegal drugs, you will not be allowed to work. Use and abuse of these substances poses a threat to employee health and safety. Employees are encouraged to seek professional assistance for personal problems, including alcohol and/or drug dependency, which may impair their ability to perform their duties. This policy applies to all employees and contractors.

This Policy prohibits employees from engaging in any of the following:

1. The use, possession, distribution, dispensation, receipt, solicitation for, manufacture, transportation, sale, or attempted sale of any illegal drug, alcohol, or prescription medication without a prescription while on the Company premises or any other property where Company business is conducted, including traveling to and from such locations while on duty. This does not include legal prescription medication prescribed to the employee and used as prescribed, unless the employee is impaired; employees are prohibited from working while using prescription medication that cause drowsiness or may impair the ability to perform duties properly and safely. Employees must inform their supervisor of the use of any substance including over-the-counter or prescribed medications that may cause drowsiness or affect the ability to effectively and/or safely perform their job duties or which may affect the safety of others. You should consult with your physician about any prescription medication that has been prescribed or over-the-counter medication and the effect of those medications on fitness for duty, and your ability to work safely and carry out the essential functions of your position. If your physician has placed work restrictions related to such medications, these medical restrictions must promptly be disclosed to your supervisor. If an employee must use or be under the influence of any medication during work hours, the employee must report such use or being under the influence, to his/her immediate supervisor upon reporting to work.
2. Being impaired on under the influence of legal or illegal drugs (or their metabolites) or alcohol at any location if such impairment or influence adversely affects the employee's work performance, the safety of the employee or of others, or puts the Company's reputation at risk.
3. The use, possession, solicitation for, distribution, dispensation, receipt, manufacture, transportation, sale, or attempted sale of any illegal drug, alcohol, or prescription medication without a prescription if such activity adversely affects the employee's work performance, the safety of the employee or of others, or puts the Company's reputation at risk. This does not include legal prescription medication prescribed to the employee and used as prescribed.

“Illegal drug” as used in this policy means any controlled substances (which may be found in prescribed and non-prescribed medications), including but not limited to THC (tetrahydrocannabinol, the psychoactive ingredient in marijuana), cocaine, opiates (opium and codeine derivatives including heroin), amphetamines, PCP (phencyclidine), and Ecstasy (3,4-methylenedioxy-N-methylamphetamine), barbiturates, benzodiazepines, methadone, methaqualone, propoxyphene, and/or methamphetamines, or any substance considered unlawful under the schedule of controlled substances of the federal Controlled Substance Act (21 U.S.C. §812) and/or Arizona’s schedules of controlled substances (A.R.S. §§36-2512 through 36-2516) or the metabolite of such substance.

Note: The Company does not tolerate the possession, use of or impairment from marijuana on the premises of the place of employment or during the hours of employment regardless of whether the person is a registered medical marijuana cardholder.

Disciplinary action up to and including termination may result if you violate any portion of this Policy. Violations of the prohibition on illegal drug use or impairment may be established by a positive drug test or by other evidence. Violations of the prohibition on alcohol use or impairment may be established by an alcohol test result reflecting a blood alcohol concentration of 0.04 or higher or by other evidence. The Company may refuse to hire an employee who tests positive for marijuana on this basis, unless the person is registered medical marijuana cardholder.

All new hire candidates who are made a contingent offer of employment are required to submit to and pass a pre-hire drug screening exam prior to employment.

Notwithstanding any other provision in this handbook, SHC does not discriminate against a person in hiring, termination or imposing any term or condition of employment or otherwise penalize a person based upon either the person's status as a medical marijuana cardholder or positive drug test for marijuana components or metabolites and prohibits any such discrimination or penalty, unless the individual used, possessed or was impaired by marijuana on the premises of the place of employment or during the hours of employment.

DRUG AND ALCOHOL TESTING:

All compensated employees including officers, directors and supervisors and contractors are uniformly subject to this testing policy. Employees are subject drug and alcohol tests and all prospective employees who receive a contingent offer of employment are subject to drug tests. (Note: discipline may be imposed for violation of any other Company policy irrespective of whether drug or alcohol testing is conducted and irrespective of the test result if testing occurs. Similarly, failure to test or a positive or inconclusive test result does not insulate an employee from discipline nor alter your at-will status or the Company’s ability to terminate an employee for any reason or no reason at all.)

Testing may be conducted under the following circumstances:

1. Investigation of possible individual employee impairment.
2. Investigation of accidents in the workplace. Employees may be required to undergo drug testing or alcohol impairment testing for accidents if the test is taken as soon as practicable after an accident and the test is administered to employees who the Company reasonably believes may have contributed to the accident.
3. Maintenance of safety for employees, customers, clients or the public at large.

4. Maintenance of productivity, quality of products or services or security of property or information.
5. Reasonable suspicion that an employee may be affected by the use of drugs or alcohol and that the use may adversely affect the job performance or the work environment. Reasonable suspicion means a supervisor reasonably believes or suspects that you are under the influence of drugs or alcohol based on observations and/or reports about your appearance, behavior, speech and smell that show signs usually associated with drug or alcohol use.
6. Pre-employment test of applicants made an offer contingent on passing the test (drug test only). If an employee or contractor seeks to return to work following an absence of more than 90 days a return to work shall be contingent on passing a drug test.
7. Random testing. All employees are subject to unannounced random drug & alcohol testing. This involves a truly random selection process. Each employee has an equal chance to be selected and tested. Employees will not be subject to a test just because a supervisor wants you to be tested (except for the grounds listed above).
8. All employees, who are mandated by law to submit to an annual physical exam specific to their job classification, will have a drug-screening exam as part of their regular exam. These exams are paid for by SHC.

Testing may be required as to any and all of the following substances: alcohol, THC (tetrahydrocannabinol, the psychoactive ingredient in marijuana), cocaine, opiates (opium and codeine derivatives), amphetamines, PCP (phencyclidine), and Ecstasy (3,4-methylenedioxy-N-methylamphetamine), barbiturates, benzodiazepines, methadone, methaqualone, propoxyphene, and/or methamphetamines.

Upon notification that you are subject to a drug/alcohol test, you must immediately report to the collection site identified in the notice. The Company's Director of Operations will direct you to the proper laboratory in your area. Any drug testing or alcohol impairment testing of employees normally will occur during, or immediately before or after, a regular work period. The testing will be considered work time for the purposes of compensation and benefits for current employees. The Company will pay all actual costs for drug testing and alcohol impairment testing required of employees and prospective employees. The Company will also pay reasonable transportation costs to current employees if their required tests are conducted at a location other than the employee's normal work site.

Drug testing will be conducted by a lab certified by the U.S. Department of Health and Human Services, the College of American Pathologists or the Department of Health Services. The Company may require urine samples from employees and prospective employees for drug testing and may require presentation of reliable individual identification from the person being tested to the person collecting the samples. The company may require breath and saliva samples from its employees for alcohol testing and identification from the person being tested to the person collecting the samples.

The collection of samples shall be performed under reasonable and sanitary conditions. Sample collections shall be documented and these documentation procedures shall include both of the following:

- (a) Labeling of samples in order to reasonably preclude the possibility of misidentification of the person tested in relation to the test result provided.
- (b) An opportunity for the person to be tested to provide notification of any information that may be considered relevant to the test, including identification of currently or recently used prescription or nonprescription drugs or other relevant medical information.

Sample collection, storage and transportation to the place of testing shall be performed in a manner reasonably designed to preclude the possibility of sample contamination, adulteration or misidentification. Drug testing shall include confirmation of any positive drug test results for employees. Confirmation of positive drug test results for employees shall be by use of a different chemical process than was used in the initial drug screen. The second or confirmatory drug test shall be a chromatographic technique such as gas chromatography-mass spectrometry or another comparably reliable analytical method.

An employee's refusal to comply with a request for alcohol or drug testing under this policy will be grounds for discipline including termination. A prospective employee's refusal to comply with a request for drug testing under this policy will be grounds for refusal to hire. Refusal includes any interference with the testing process, such as alteration of sample, refusal to complete paperwork, allow followup tests, failure to provide a sufficient sample size without a sufficient medical explanation established through a medical evaluation, and refusal to cooperate with the collector or follow the collector's directions. No employee may leave the scene of an accident before a supervisor has communicated a testing decision, unless the employee leaves to obtain necessary medical care or to obtain assistance to respond to the accident. No employee shall consume alcohol after an accident and before a testing decision is communicated by a supervisor.

Drug or alcohol test results that indicate a violation of the Company's Drug and Alcohol Policy by an employee may result in suspension of the employee, with or without pay, for a designated period of time; and discipline up to and including termination of employment. In the case of drug testing, the Company may refuse to hire a prospective employee who tests positive for an illegal drug.

The results of all drug and/or alcohol tests are reviewed by a medical review officer before they are reported to SHC. An employee has the right to obtain the written test results on request, subject to the maintenance of confidentiality for other individuals. An employee also has the right to explain a positive test result in a confidential setting on request; irrespective of this right, the Company may suspend of the employee, with or without pay, for a designated period of time; and impose discipline up to and including termination of employment.

Your test results are confidential. All communications received by the Company are relevant to drug test or alcohol impairment test results and received through the Company's testing program are confidential communications and may not be used or received in evidence, obtained in discovery or

disclosed in any public or private proceeding, except in a proceeding related to an action taken by an employer or employee under Arizona Title 23, Article 14 or except disclosure to:

1. The tested employee or prospective employee or any other person designated in writing by that employee or prospective employee.
2. Any individuals designated by Company to receive and evaluate test results or hear the explanation of the employee or prospective employee.
3. An arbitrator or mediator, or a court or governmental agency as authorized by state or federal law.

The Company or service agent (e.g. testing laboratory, MRO or SAP) is not permitted to disclose your test results to outside parties without your written consent. However, your test information may be released (without your consent) in certain situations, such as: legal proceedings, grievances, or administrative proceedings brought by you or on your behalf, which resulted from a positive result or refusal. When the information is released, the Company will notify you in writing of any information released.

Additional drug and alcohol screening may be required to meet project/client specific requirements.

All contractors and employees are subject to the above prohibited use and testing policies described above.

BACKGROUND CHECKS and CRIMINAL RECORD POLICY:

SHC has been requested to do extensive background checks on all employees. Schools and other governmental agencies are requesting these extensive checks. SHC will be doing pre-hire background checks on all employees to fulfill these requirements and current employees when required for a client. If you are found to have a felony conviction due to an extensive criminal or a Sexual Predator history you will not be eligible to work for SHC. If it is found you have a poor driving record or a DUI you will not be authorized to drive company vehicles. If you are found to have a very poor credit history you will not be eligible to have a company credit card or have access to company funds.

Employees who are arrested for, or convicted of, any offense must report this to SHC. In deciding what action to take, management will take into consideration the nature of the charges, the employee's present job assignment, and the employee's record with the Company and other factors relative to the impact of the employee's arrest or conviction upon the conduct of Company business. However failure to report any arrest or conviction at the first reasonable opportunity to do so will result in automatic termination of employment with SHC.

**SOUTHWEST HAZARD CONTROL, INC.
SIGNING PAGE
February 2017 Revised Employee Handbook**

SUBMITTED TO: **ALL SOUTHWEST HAZARD CONTROL, INC. EMPLOYEES**

SOUTHWEST HAZARD CONTROL, INC. IS IN THE BUSINESS OF SOLVING ENVIRONMENTAL CONCERNS EFFICIENTLY, EFFECTIVELY AND ETHICALLY.

I acknowledge that I have received and read a copy of the SHC Employee Handbook revised January 2017. I understand that I am responsible for reading the information contained in this handbook.

I understand that the handbook is intended to provide me with a general overview of the company's policies and procedures. I acknowledge that nothing in this handbook is to be interpreted as a contract, expressed or implied, or an inducement for employment, nor does it guarantee my employment for any period of time.

I understand and accept that my employment with the company is at-will. I have the right to resign at any time with or without cause, just as the company may terminate my employment at any time with or without cause or notice. I understand that nothing in the handbook or in any oral or written statement alters the at-will relationship.

I understand nothing herein is intended to create any legal right for any employee for which I am otherwise ineligible or establish the applicability of any legal protection which is not otherwise applicable. Apart from obligations independently imposed by legal enactments, managers and the company may deviate from the policies herein which are intended only as guidelines. However, I understand that the at-will employment relationship between myself and the company can only be changed by a written agreement expressly stating that the employment relationship shall remain in effect for a specified duration of time or otherwise expressly restricting the right of either party to terminate the employment relationship and signed by the Owner of the company

I acknowledge that the company may revise, suspend, revoke, terminate, change or remove, prospectively or retroactively, any of the policies or procedures of the company, whether outlined in this handbook or elsewhere, in whole or in part, with or without notice at any time, at the company's sole discretion.

By signing this disclaimer, the undersigned employee acknowledges that he or she has read this page and that he or she is an at-will employee as described above.

(Signature of Employee)

(Date)

(Company Representative)