

# Employee Handbook

Summit Energy Equipment welcomes you to the Company and wishes you every success as a team member. We are very please that have chosen to be a part of the team. We believe that each team member contributes to the Company's growth and success and in turn, the Company wishes to provide maximum opportunity and incentive for the growth and well being of all of our team members and their families.

This employee handbook was developed to describe some of the expectations of the Company and to outline the policies, programs, compensation and benefits available to eligible team members. Summit Energy Equipment hopes this manual is and will continue to be, helpful to you so that you will have a better understanding of Summit Energy Equipment's philosophy, what we stand for, and the way we operate. You are responsible for reading and understanding the handbook.

No Employee Handbook can anticipate every circumstance or question about policy. As Summit Energy Equipment continues to grow, the need may arise and Summit Energy Equipment reserves the right to revise, supplement, or rescind any policies or portion of the Employee Handbook from time to time as it deems appropriate, in its sole and absolute discretion. We will try to inform you of any changes as they occur. Neither this handbook nor any other Company document, confers any contractual right, either express or implied, to remain in the Company's employ. Nor does it guarantee any fixed terms and conditions of your employment. Your employment is not for any specific time and may be terminated at will, with or without cause and without prior notice, by the Company or you may resign for any reason at any time. No supervisor or other representative of the company (except the President) has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above.

Our growth as a Company and as individuals depends upon adherence to these policies, as well as respect for and cooperation with one another. We look forward to having you as a part of our team.

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#### **EMPLOYMENT**

##### **Nature of Employment**

Employment with Summit Energy Equipment is voluntarily entered into, and the employee is free to resign at will at any time, with or without cause. Similarly, Summit Energy Equipment may terminate the employment relationship at will at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law. Policies set forth in this Employee Handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between Summit Energy Equipment and any of its employees. The provisions of the Employee Handbook have been developed at the discretion of management and, except for its policy of employment-at-will, may be amended or cancelled at any time, at Summit Energy Equipment's sole discretion. Summit Energy Equipment at its option, may change, delete, suspend or discontinue any part or parts of the policies in this Employee Handbook at any time without prior notice. Any such changes shall apply to existing as well as future employees. No statement or promise by a supervisor, manager, or department head may be interpreted as a change in policy nor will it constitute an agreement with an employee. Should any provision in the Employee Handbook be found to be unenforceable and invalid, such finding does not invalidate the entire Employee Handbook, but only the subject provision.

##### **Personnel Administration/Your Personnel File**

The task of handling personnel records and related personnel administration functions at Summit Energy Equipment has been assigned to the Human Resources Department. Questions regarding insurance, wages, and interpretation of policies may be directed to the Payroll or Human Resource Department.

Keeping your personnel file up to date can be important to you with regard to pay, deductions, benefits and other matters. If you have a change in any of the following items, please be sure to notify Human Resources as soon as possible:

1. Legal Name
2. Home Address
3. Home Telephone Number
4. Person to Call in Case of Emergency
5. Number of Dependents
6. Marital Status
7. Change of Beneficiary
8. Military Status
9. Exemptions on your W-4 Tax Form
10. Educational Accomplishments
11. Driver's License
12. Authorization to Work in the United States

Coverage or benefits that you and your family may receive under Summit Energy Equipment's benefits package could be negatively affected if the information in your personnel file is incorrect. Personnel files are the property of Summit Energy Equipment and access to the information they contain is restricted. Generally, only supervisors and management personnel of Summit Energy Equipment, who have a legitimate reason to review information in a file are allowed to do so. As a current, active Summit Energy Equipment employee, you may see information that is kept in your own personnel file if you wish, and you may request and receive copies of all documents you have signed. However, original documents from your file cannot be taken out of the Human Resources Department. Please ask your Manager of Human Resources for an appointment if you wish to review your file.

### **Equal Employment Opportunity**

Summit Energy Equipment provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, marital status, amnesty, or status as a covered veteran in accordance with applicable federal, state and local laws. Summit Energy Equipment complies with applicable state and local laws governing non-discrimination in employment in every location in which the company has facilities. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, and transfer, leaves of absence, compensation, and training. Summit Energy Equipment expressly prohibits any form of unlawful employee harassment based on race, color, religion, gender, sexual orientation, national origin, age, genetic information, disability, or veteran status. Improper interference with the ability of Summit Energy Equipment employees to perform their expected job duties is absolutely not tolerated. Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of Human Resources. Employees can raise concerns and make reports without fear of reprisal.

### **Disability Accommodation**

Summit Energy Equipment is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis. Hiring procedures

have been reviewed to provide persons with disabilities a meaningful employment opportunity. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position. Reasonable accommodation is available to all disabled employees, whose disability may affect the performance of job functions. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual. Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures, position descriptions, and lines of progression and seniority lists. Leave of all types will be available to all qualified employees on an equal basis. This policy is neither exhaustive nor exclusive. Summit Energy Equipment is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

### **Immigration Law Compliance**

Summit Energy Equipment is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin. Summit Energy Equipment "E-Verifies" all new hires through The Department of Homeland Security and Social Security. In compliance with the Immigration Reform and Control Act of 1986, each new employee, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with Summit Energy Equipment within the past six months, or if their previous I-9 is no longer valid. Employees with questions or seeking more information on immigration law issues are encouraged to contact the Human Resources Department. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

### **Business Ethics and Conduct**

The continued success of Summit Energy Equipment is dependent upon our client's trust and we are dedicated to preserving that trust. Employees are expected to act in a way that will merit the continued trust and confidence of the public. Summit Energy Equipment will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct. Should a situation arise where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor and, if necessary, with the Human Resources Department? Compliance with this policy of business ethics and conduct is the responsibility of every employee.

### **Conflicts of Interest**

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which Summit Energy Equipment wishes the business to operate. The purpose of these guidelines is to provide general direction so that the employee can seek further clarification on issues related to the subject of acceptable standards of operation. Contact your manager for more information or questions about conflicts of interest. Transactions with outside firms must be conducted within a framework established and controlled by the executive level of Summit Energy Equipment. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both. Promotional plans that could be interpreted to involve unusual gain require specific executive-level approval.

**Non-Disclosure and Non-Compete**

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

1. Compensation Data
2. Computer Processes
3. Computer Programs and Codes
4. Client Lists and Preferences
5. Financial Information
6. Labor Relations Strategies
7. Marketing Strategies
8. New Materials Research
9. Pending Projects and Proposals
10. Proprietary Production Processes

All employees may be required to sign a non-disclosure agreement as a condition of employment. Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

Our clients and suppliers entrust Summit Energy Equipment with important information about their businesses. The nature of this relationship requires that we maintain confidentiality. Your employment with Summit Energy Equipment assumes an obligation to maintain confidentiality, even after you leave our employment. Any violation of confidentiality seriously injures Summit Energy Equipment's reputation and effectiveness. Therefore, please do not discuss Summit Energy Equipment business with anyone who does not work for us, and never discuss business transactions with anyone who does not have a direct association with the transaction. Even casual remarks can be misinterpreted and repeated, so develop the personal discipline necessary to maintain confidentiality. If you hear, see, or become aware of anyone else breaking this trust, consider what he or she might do with information they get from you. If someone questions you outside the company and you are concerned about the appropriateness of giving them certain information, remember that you are not required to answer, and that we do not wish you to do so. Instead, as politely as possible, refer the request to your manager or to the President. No one is permitted to remove or make copies of any Summit Energy Equipment records, reports, documents, trade secrets, data, or other information, to be delivered or used by any third parties without specific direction or consent of your manager. Because of its seriousness, disclosure of confidential information could lead to disciplinary action, up to and including termination of employment. New employees may be required to sign a Non-Compete Agreement prepared by our attorneys as a condition of employment.

**Confidentiality & Inventions Policy:**

By accepting employment with Summit Energy Equipment, an employee agrees that the Company will own inventions which, in its opinion, are made on Company time or with Company assets or relate to the Company's business or are required to meet its obligations, and that the employee will assist the Company in perfecting and protecting its title to these inventions. Employee also agrees to maintain in confidence and to use only in the interest of the Company any and all information acquired by Employee in the course of employment.

## **OBJECTIVE**

This policy summarizes Employee's responsibilities as they relate to confidentiality and inventions. The objective of the policy is to further the interests of the Company and to permit the Company to comply with its obligations, including those to its licensors and actual and prospective customers and others to whom the Company may have similar obligations regarding confidentiality and inventions.

## **PROCEDURES**

- All employees will be required to sign an inventions agreement in a form prescribes by the Company in furtherance of the objectives of this policy.
- Employees sometimes have access to confidential, secret and proprietary information and must use and/or disclose information learned or acquired through their association with the Company only for the performance of their jobs. Particular care must be taken to keep confidential any information of possible value to competitors or potentially damaging to customers and their competitors, or information received under an express or implied secrecy obligation or information received from third parties.
- Information acquired in the course of employment must not be used for individual benefit. Access to confidential information does not carry with it personal benefit or advantage but imposes an obligation to keep such information confidential and to use it solely in the Interest of the Company.
- When in doubt, the employee should treat the matter in the strictest confidence and consult the Legal Group or Human Resources for clarification.
- Employees must realize that Company information is just for the Company's use and not for distribution to the outside. Distribution of information requires both a need to know and a right to know the information requested.

## **AGREEMENT REGARDING EMPLOYMENT**

AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, between Summit Energy Equipment, or its subsidiary, having a principle place of business at \_\_\_\_\_ (address), \_\_\_\_\_ (state /province), hereinafter referred to collectively as the Employer, and \_\_\_\_\_ hereinafter referred to as the Employee. Whereas, Employer and Employee acknowledge that in the course of Employee's performance of his/her duties of employment with Employer, Employee will be engaged in activities on behalf of Employer that may result in the development, invention, or discovery of new and useful processes, machines, or manufacturing techniques or new and useful improvements thereof, and whereas, Employer and Employee recognize and acknowledge that during the course of Employee's performance of his/her duties or employment with Employer, Employee will be exposed to and have access to trade secrets of Employer including without limitation formulas, patterns, devices, or compilations of information which are used in Employer's business and which give the Employer an advantage over competition which Employer desires to keep secret and confidential, and whereas, Employer has agreed to employ Employee, and Employee has accepted such employment, and Employer and Employee agree that the terms and conditions set forth herein shall be applicable during such term as Employee is employed by Employer as follows:

### **I. INVENTIONS AND PATENTS**

Employee agrees that he/she will promptly from time to time fully inform or disclose to the Employer all inventions, designs, improvements, and discoveries which he/she now has or may hereafter have during the term of his/her employment which pertain or relate to the business of the Employer or to any experimental work carried on by the Employer, whether conceived by the Employee alone or with others and whether or not conceived during regular working hours. All such inventions, designs,

improvements, and discoveries shall be the exclusive property of the Employer. The Employee shall assist the Employer to obtain patents on all such inventions, designs, improvements, and discoveries deemed patentable by the Employer and shall execute all documents and do all things necessary to obtain letter of patent, vest the Employer with full and exclusive title thereto, and protect the same against infringement by others.

## **2. TRADE SECRETS**

Employee, during his/her employment with Employer, will have access to and become familiar with various trade secrets consisting of formulas, patterns, devices, secret inventions, processes, and compilations of information, records, specifications, which are owned by the Employer and for which are regularly used in the operation of the business of the Employer. The employee shall not disclose any of the aforesaid trade secrets, directly or indirectly, or use them in any way either during the term of his/her employment or at any time thereafter, except as required in the course of his/her employment by Employer. All files, records, documents, drawings, specifications, equipment, and similar items related to the business of the Employer, whether prepared by the Employee or otherwise coming into his/her possession, shall remain the exclusive property of the Employer and shall not be removed from the premises of the Employer under any circumstances whatsoever without the prior written consent of the Employer.

## **3. NON COMPETITION BY EMPLOYEE**

During his/her employment with Employer, Employee shall not, directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, stockholder, corporate officer, director, or in any other individual or representative capacity, engage or participate in any business that is in competition in any manner whatsoever with the business of the Employer.

## **4. PRIOR TECHNOLOGY**

If Employee has stated that certain technologies were developed and owned by Employee, independent of any previous employers, but that Employee has these licensed to others from whom a fee is received, such an ongoing arrangement is not acceptable to Employer. To alleviate this situation, as a condition of employment, Employee agrees to the following:

A. Employee agrees within six (6) months from the date of the start of his/her employment to divest him/her of any prior technology licensed to another company by either (a) terminating the license or (b) selling the licensed technology for a lump sum. In all cases, Employee agrees not to have an on-going economic interest in the use of his/her technology by a third party. Employee agrees to use all his/her best efforts to accomplish this by the end of this six (6) month period. If Employee has not done so, he/she will be subject to dismissal at Employer's sole discretion. In addition, Employee agrees to give three (3) month update advising Employer on the status of these technologies.

B. As to any part or aspects of Employee's prior technology, Employee agrees to first offer that technology as soon as possible to Employer in the form of a license. If Employer chooses to take such license, then Employer will enter into arms-length, good faith negotiations with Employee, with the intent of finalizing a license agreement with Employee with three (3) months after the date of employment. In the event that Summit Energy Equipment does not choose to license any part or aspect of Employee's prior technology or if Employer and Employee cannot agree on all terms for a license as to Employee's prior technology, the Employee will be permitted as an individual, but not acting as a Summit Energy Equipment employee or agent, to approach third parties to purchase or license Employee's prior technology for a single lump sum payment. As in the preceding paragraph A, the end

result will be that Employee will not have an on-going economic interest in the use of Employee's technology by a third party. Employee agrees that Employee will use his/her best efforts to accomplish this goal. However, if at the end of the six (6) months Employee has not finalized the sale or a license agreement either to Summit Energy or a third party, as the case may be, then Employee shall not offer such prior technology for use, license or sale to a third party as long as Employee is a Summit Energy employee. If Employee does so, then he/she will be subject to dismissal at Summit Energy's sole discretion.

Executed at \_\_\_\_\_, \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Summit Energy Equipment

By: \_\_\_\_\_

EMPLOYEE

## EMPLOYMENT

### Employment Status

Summit Energy Equipment employs a variety of types of team members as follows:

Full-Time Salaried Exempt

Eligible for Company Benefits, subject to the terms, conditions and limitations of the programs

Full-Time Salaried Non-Exempt

Eligible for Company Benefits, subject to the terms, conditions and limitations of the programs

Overtime pay for work in excess of 40 hours per week

Full-Time Hourly

Eligible for Company Benefits, subject to the terms, conditions and limitations of the programs

Works more than 30 hours per week

Overtime pay for work in excess of 40 hours per week

Part Time

Works less than 30 hours per week

Not eligible for Company Benefits

Temporary

Employed through a Temporary service

Not eligible for Company Benefits

### Employment Applications

Summit Energy Equipment relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if the person has been hired, possible termination of employment.

### Employment Reference & Background Checks

To ensure that individuals who join Summit Energy Equipment are well qualified and have a strong potential to be productive and successful, it is the policy of Summit Energy Equipment to check the employment references of all applicants. To ensure that individuals who join Summit Energy Equipment will not pose a safety threat to other employees, a background check will be run to ascertain any violent or felonious criminal history. The Human Resources Department will respond in writing only to those reference check inquiries that are submitted in writing. Responses to such inquiries will confirm only

dates of employment, verify wage rates, and position(s) held. No employment data will be released without a written authorization and release signed by the individual who is the subject of the inquiry, with the exception being any government agency requesting information required by federal or state law.

### **Introductory Period**

The ninety (90) day introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. Summit Energy Equipment uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or Summit Energy Equipment may end the employment relationship at will at any time during or after the introductory period, with or without cause or advance notice.

During the introductory period, new employees are eligible for those benefits that are required by law, such as Social Security and Workers' Compensation insurance. They may also be eligible for other Summit Energy Equipment provided benefits, subject to the terms and conditions of each benefits program. Employees should read the information for each specific benefits program for the details on eligibility requirements, or contact the Human Resource Manager for more details. At the end of the Introductory Period, your manager will discuss your job performance with you. During the course of the discussion, you are encouraged to give your comments and ideas as well. Please understand that completion of the Introductory Period does not guarantee continued employment for any specified time, nor does it require that an employee be discharged only for "cause."

### **Performance Evaluation:**

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A formal written performance evaluation will be conducted at the end of an employee's initial period of hire, known as the introductory period. Additional formal performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals. Performance evaluations are scheduled approximately every 12 months, coinciding generally with the anniversary of the employee's original date of hire. The first day you report to work is your "official" anniversary date. Having your performance reviewed does not necessarily mean that you will be given a pay adjustment. If your appraisal is below average, a plan for improvement will be established and you will be reviewed as determined by your supervisor.

If your performance is inadequate, you may be placed on probation. Performance must be improved within the period designated by your supervisor, or you may be subject to termination. Any wage or salary increases will appear in the pay period ending after the dates they are granted. Wage and salary increases may be retroactive in the case of late reviews, at the discretion of the President.

### **EMPLOYEE BENEFIT PROGRAMS:**

#### **Employee Benefits:**

Summit Energy Equipment recognizes that benefits are an important part of your total compensation. You are encouraged to carefully read your Benefits Guide for details about a particular plan. Benefits eligibility is dependent upon a variety of factors, including employee classification. The Human Resources Department can identify the programs for which you are eligible. No employee is eligible for any company benefits until he/she has completed a 90-day probationary period. Temporary and Part Time employees are not eligible for benefits. Rehires are subject to new hire benefits plans.

The following benefit programs are available to eligible employees:

1. Group Health Insurance
2. Group Dental Insurance
3. Holidays
4. Vacation Benefits
5. Personal/Sick Leave Benefits
6. Jury Duty Leave
7. Bereavement Days

Your insurance coverage will terminate when you fail to make an agreed contribution to the premium when due, when you cease to be eligible for any coverage, or when you cease to be employed. In the event of your termination of employment with Summit Energy Equipment or loss of eligibility to remain covered under our group health insurance program, you and your eligible dependents may have the right to continue coverage under our health insurance program for a limited period of time at your or their own expense. (This does not affect the conversion privilege as stated in the insurance policy) Consult the Manager of Human Resources for details. (See details on COBRA benefits).

**Vacation Benefits:**

Paid vacation is available to eligible employees to provide opportunities for rest, and relaxation. Employees eligible to earn and use vacation time as described in this policy:

Salaried Exempt and Non-Exempt

2 weeks begin accruing after 90 day probationary period

3 weeks begin accruing after three years of consecutive employment

4 weeks begin accruing after five years of consecutive employment

For new hires effective January 1, 2014, one (1) week vacation accruing after completing 90 days with the company at the rate of 1.54 per bi-weekly period.

**Full Time Hourly:**

Vacation is an earned benefit and based on hire date and starts to accrue upon completion of a 90-day probationary period. Employees may use their vacation time within the year it is due and may carry over upon management approval into the following year. Vacation is accrued at a rate of 3.08 per bi-weekly period beginning after an employee completes probation. To take vacation, employees should request advance approval in writing from their supervisors two (2) weeks before the requested time off. Time off can be taken in four (4) hour increments. If a company-paid holiday falls during your scheduled vacation period, the day will be considered a paid holiday and not counted toward your vacation leave. If an employee is terminated for cause, no vacation benefit will be paid.

**Holidays**

New Year's Day

Memorial Day

Independence Day

Labor Day Monday,

Thanksgiving Day

Day after Thanksgiving

Christmas Day

Floating holiday (to be assigned by management)

A recognized holiday that falls on a Saturday will be observed on the preceding Friday. A recognized holiday that falls on a Sunday will be observed on the following Monday. If a recognized holiday falls during an eligible employee's paid absence (such as vacation or sick leave), holiday pay will be provided instead of the paid time off benefit that otherwise would have applied. You are not eligible to receive holiday pay when you are on an unpaid leave of absence. Holiday pay will not be considered as time worked for the purpose of overtime calculations.

**Workers' Compensation Insurance:** Summit Energy Equipment provides a comprehensive Workers' Compensation insurance program at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, Workers' Compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately. Employees who sustain work-related injuries or illnesses should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. Neither Summit Energy Equipment nor the insurance carrier will be liable for the payment of Workers' Compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by Summit Energy Equipment. Employees returning to work after being absent due to a covered Workers' Compensation injury must report to their manager before beginning work and must bring a doctor's clearance for returning to duty.

**Personal/Sick Leave Benefits:**

After ninety days of employment eligible employees will receive three (3) personal/ sick days per year for employees (accrued at a rate of .92 hours per bi-weekly). Personal/Sick leave benefits are calculated on the basis of a "benefit year," the 12-month period that begins (at the completion of the employees 90 day probationary period), the employee starts to earn sick leave benefits. Example: If hired on January 1<sup>st</sup>, the employee does not earn any sick benefit until the 90 day probationary period ends. Beginning April 1<sup>st</sup>, the employee begins to accrue sick time benefit at the rate noted above. After working the entire month of April, the employee will have earned 1.8 hours of available sick benefit. After completing 4 months, the employee will have earned 8 hours to sick benefit. At no time can any employee take paid time off in excess of their available time off. Employees who are unable to report to work due to illness or injury should notify their direct supervisor before the scheduled start of their workday, if possible by 7 am. The direct supervisor must also be contacted on each additional day of absence. If an employee is absent for three or more consecutive days due to illness or injury, a physician's statement must be provided verifying the disability and its beginning and expected ending dates. Such verification may be requested for other sick leave absences as well and may be required as a condition to receiving sick leave benefits. Before returning to work from a sick leave absence of 3 calendar days or more, an employee must provide a physician's verification that he or she may safely return to work. This sick leave policy does not apply if sick leave is needed as a result of a self-inflicted injury, illegal substance abuse, or an illness or injury incurred while in the act of committing a felony. This sick leave policy will not apply to an injury or illness covered by Workers' Compensation, but will defer to state statutes. Personal/Sick leave benefits will be calculated based on the employee's base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials. As an additional condition of eligibility for sick leave benefits, an employee on an extended absence must apply for any other available compensation and benefits, such as Workers' Compensation. Sick leave benefits will be used to supplement any payments

that an employee is eligible to receive from State Disability insurance, Workers' Compensation, or Summit Energy Equipment, provided disability insurance programs. The combination of any such disability payments and sick leave benefits cannot exceed the employee's normal weekly earnings. Employees may not carry unused sick leave benefits over to the following year. Unused sick leave benefits/personal days will not be paid to employees upon termination of employment.

**Time Off in Excess of Accrued Leave:**

For all employees, time off during a working day will be deducted from your allotted sick days. Once you have used all of your earned sick days, the time will be deducted from your earned vacation time. Thereafter, unless specifically accepted, time off will be without pay. Once an employee has exhausted all allowable leave benefits, including Family Medical Leave Act (FMLA), if applicable, employee may be disciplined.

**Accrual of Paid Leave Benefits While on Leave:**

All employees who are actively at or on paid leave-such as vacation leave, sick leave or personal days-will continue to accrue paid leave benefits provided by Summit Energy Equipment. Employees who are on unpaid leave will not be entitled to continue accruing paid leave benefits, including employees who are receiving income replacement benefits such as short-term disability, long-term disability or workers' compensation. When an employee is out on leave that is protected by the Family Medical Leave Act (FMLA), that employee will continue accruing paid leave as long as the employee is using paid leave benefits such as the items listed above. If an employee on FMLA leave uses all paid leave in accordance with the company's FMLA policy and remains unable to return to work, then the remainder of the FMLA leave will be unpaid. During the period of unpaid FMLA leave, the employee will not continue to accrue paid leave, consistent with the company's policy for all types of unpaid leave.

**Jury Duty:**

When an employee is required to serve as a juror during scheduled working hours, the company will grant the necessary time off with pay for non-exempt employees only. To qualify for this benefit, the employee should report to work when excused from court and not actually sitting on the jury. The employee should notify his/her Supervisor as soon as possible after they receive a summons to report for jury duty. A copy of the summons is required to qualify for this benefit. The employee should call the Supervisor daily as long as required to serve on the jury. The employee will receive compensation for the actual time spent on Jury Duty. The employee is required to return to work once they are released from duty and report to their immediate Supervisor.

The company will compensate for a day and the employee will be expected to endorse all jury duty pay over to the Company. Summit Energy Equipment will continue to provide health insurance benefits until the end of the first full month of unpaid jury duty leave. At that time, employees will be offered COBRA. When the employee returns from jury duty, the Company will again provide benefits according to the applicable plans.

I have read and understand the above employee benefit programs. By signing, this document will become part of the employee's personal file.

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Dated

**Benefits Continuation (COBRA):**

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the Company's group health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and/or a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at Summit Energy Equipment's group rates plus an administration fee. Summit Energy Equipment provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under the Company's group health insurance plan. The notice contains important information about the employee's rights and obligations.

### **Training, Seminars, Conferences:**

From time to time, Summit Energy Equipment may arrange to have both formal and informal training programs to enable you to progress in the technical knowledge of our business. Several times a year, employees are selected to attend conferences, seminars, and other job related meetings. You will receive a normal paycheck while attending these schools or workshops. All or a portion of the expenses for off-premises training will be paid for by Summit Energy Equipment, depending on the nature of the course. Check with your manager for details.

If you become aware of a particular seminar that you believe is appropriate for enhancing your skills and/or those of other employees, please bring it to the attention of your manager. Since these seminars are usually offered only at specified times in a geographical area, please be sure to notify your manager as far in advance as possible. This way, they can attempt to schedule workloads to accommodate your desire to attend the seminar. Summit Energy Equipment management has the sole discretion in approving or not approving such requests.

### **Health Insurance:**

Summit Energy Equipment's group health insurance plan provides employees and their dependents access to group medical and dental insurance benefits. Eligible employees may participate in the group health insurance plan subject to all terms and conditions of the agreement between Summit Energy Equipment and the insurance carrier. A change in employment classification that would result in loss of eligibility to participate in the group health insurance plan may qualify an employee for benefits continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Refer to the COBRA policy for more information (Article 313). Contact the Human Resources Department for more information about insurance benefits.

### **TIMEKEEPING/PAYROLL:**

#### **Timekeeping:**

Accurately recording time worked is the responsibility of every nonexempt employee. Federal and state laws require Summit Energy Equipment to keep an accurate record of time worked in order to calculate employee pay and benefits. The timesheet is a very important document. The timesheet is also used to record the vacation and sick leave hours that you have taken.

For non-exempt employees, the timesheet is used for the above purposes, and also to determine the number of regular hours and overtime hours for which you should be paid each pay period. It is the employees' responsibility to sign their time records to certify the accuracy of all time recorded. The supervisor will review and then sign the time record before submitting it for payroll processing. In addition, if corrections or modifications are made to the time record, both the employee and the supervisor must verify the accuracy of the changes by initialing the time record. Your timesheet is a legal

document. Care should be taken to properly maintain your timesheet on a daily basis and to ensure that all of your hours are recorded correctly. Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

**Paydays:**

Summit Energy Equipment employees are paid bi-weekly (on Friday). Each paycheck will include earnings for all work performed through the end of the payroll period. Pay periods run two weeks Monday through Sunday. If a regular payday falls during an employee's vacation, the employee's paycheck stub will be mailed. If a paycheck is to be picked up by anyone other than the employee we must have specific written authorization from the employee to release the check.

**Administrative Pay Corrections:**

Summit Energy Equipment takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Payroll Department so that corrections can be made as quickly as possible.

**Pay Deductions:**

The law requires that Summit Energy Equipment make certain deductions from an employee's compensation. Among these are applicable federal, state, and local income taxes. Summit Energy Equipment offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs. Any mandatory deductions to be made from your paycheck, such as court-ordered attachments or garnishments, will be explained whenever the Company is ordered to make such deductions and an employee has requested an explanation of the deduction. If you have questions concerning why deductions were made from your paycheck or how they were calculated, the Payroll Department can assist you.

**Wage Garnishment:**

Wage garnishment is a legal procedure through which earnings on an individual are required to be withheld by an employer for the payment of a debt. Most garnishments are made by a court order. The law prohibits Summit Energy Equipment from firing an employee whose earnings have been subject to garnishment for any one debt, regardless of the number of levies made or proceedings brought to collect it. However, the law does allow fees to be collected for processing these garnishments and the Company will deduct a processing fee once a month. If you have questions concerning why garnishments were made from your paycheck or how they were calculated, the Payroll Department can assist you.

**WORK CONDITIONS & HOURS**

**Work Schedules**

The normal work schedule for all full time employees is 8 hours per day, 5 days per week. Supervisors will advise employees of the times their schedules will normally begin and end, however, the Company's normal work hours are from 8 a.m. to 5 p.m. with a lunch break between 12 p.m. and 1 p.m. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week. Anyone not reporting to work on a scheduled day is required to call his supervisor by 7am on the morning they are not able to report

to work. If the employee does not notify his supervisor and has not reported to work for three consecutive days it will be considered job abandonment and the employee will be terminated.

### **Work Area**

Neatness and good housekeeping are signs of efficiency. You are expected to keep your work area neat and orderly at all times. Easily accessible trash receptacles are located throughout the buildings. Always be aware of good health and safety standards, including fire and loss prevention.

### **Rest and Meal Periods**

Each workday, salaried employee is provided with two (2) rest periods of fifteen (15) minutes in length. To the extent possible, rest periods will be provided in the middle of work periods. Since this time is counted and paid as time worked, employees must not be absent from their workstations beyond the allotted rest period time. All salaried employees are provided with one meal period of sixty (60) minutes in length each workday. Supervisors will schedule meal periods to accommodate operating requirements. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time.

Any hourly employees taking a lunch break of more than fifteen minutes must clock out and will not be compensated for this time. Hourly employees will be provided with two (2) rest periods of fifteen (15) minutes in length. These will be paid time off unless the employee leaves the work site. Anytime an employee leaves for personal reasons, break, meals, etc. the employee must clock out.

### **Smoking**

All office facilities are non-smoking. Where possible, smoking will be permitted in designated areas. In keeping with Summit Energy Equipment's intent to provide a safe work environment, smoking is prohibited while using, dispensing or being around flammable or combustible liquids or situations thereof.

### **Overtime**

Overtime compensation is paid to all non-exempt employees in accordance with federal and state wage and hour restrictions. Non-exempt employees who perform overtime work will be paid 1.5 times their regular hourly wage for any time over forty (40) hours per week worked. Time off on sick leave, vacation leave, holidays, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations. Based upon the Fair Labor Standards Act (FLSA) guidelines, exempt employees are not entitled to overtime pay.

### **Safety**

To assist in providing a safe and healthful work environment for employees, clients, and visitors, Summit Energy Equipment has established a workplace Accident Prevention Program. The Safety Department has responsibility for implementing, administering, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all. Summit Energy Equipment provides information to employees about workplace safety and health issues through regular internal communication channels such as supervisor-employee meetings, bulletin board postings, memos, or other written communications. A safety advisory group has been established to assist in these activities and to facilitate effective communication between employees and management about workplace safety and health issues. Employees and supervisors receive periodic workplace safety training. The training covers potential safety and health hazards and safe work practices and procedures to eliminate or

minimize hazards. Summit Energy Equipment may schedule fire drills throughout the year for employee safety. Your manager can answer any questions you may have about what to do in the case of a fire or a drill. Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with their supervisor, or with another supervisor or manager, or bring them to the attention of a member of the safety advisory group. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes. All reports can be made without fear of reprisal. Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor. In the case of accidents that result in injury, regardless of how minor the injury may appear, employees should immediately notify the Safety Director or the appropriate supervisor. A post accident drug test will be administered to any employee involved in an accident. Such reports are necessary to comply with laws and initiate insurance and Workers' Compensation benefits procedures. Federal law, specifically the Occupational Safety and Health Administration (OSHA), requires that Summit Energy Equipment keep records of all illnesses and accidents, which occur during the workday. The State Workers' Compensation Act also requires that any illness or injury on the job, no matter how slight, be reported. If you hurt yourself or incur a work-related illness, please contact your manager. If you fail to report an injury or accident, you may jeopardize your right to collect Workers' Compensation payments as well as health benefits. OSHA also provides information about any health hazards that might be present on the job. Should you have any questions or concerns, contact your Safety Director for more information.

#### **Safety and Employee Cell-Phone Use**

Safety must come before all other concerns. Employees whose job responsibilities include regular or occasional driving and who are issued a company cell phone or other wireless communication device for business are expected to refrain from using it while driving. If acceptance or placement of a call is unavoidable, employees should pull off to the side of the road and safely stop the vehicle before using the phone. If pulling over is not an option, employees are expected to keep the call short, use hands-free options if available, refrain from discussion of complicated or emotional discussions and keep their eyes on the road. Special care should be taken in situations where there is traffic, inclement weather or unfamiliar territory. In situations where job responsibilities include regular driving and accepting business calls, hands-free equipment will be provided. Employees who are charged with traffic violations resulting from the use of their phone while driving will be subject to company discipline, including termination.

#### **Workplace Violence Prevention**

Summit Energy Equipment, Inc. is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, the Company Inc. has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of Summit Energy Equipment's corporate offices, equipment and shop yards, and all projects, without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a client, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of

harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law. All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to your immediate supervisor or any other member of management. This includes threats by employees, as well as threats by clients, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible. All suspicious individuals or activities should also be reported as soon as possible to a supervisor. Do not place yourself in peril. If you see or hear a commotion or disturbance near your workstation, do not try to intercede. Summit Energy Equipment will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, Summit Energy Equipment may suspend employees, either with or without pay, pending investigation. Anyone found to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

Summit Energy Equipment encourages employees to bring their disputes or differences with other employees to the attention of their supervisor, or Human Resources before the situation escalate into potential violence. Summit Energy Equipment is eager to assist in the resolution of employee disputes, and will not discipline employees for raising such concerns. Human Resources may be reached at the office phone number (903) 488-3457.

### **Security**

Maintaining the security of Summit Energy Equipment buildings and equipment is every employee's responsibility. Employees are advised to develop habits that ensure security. For example:

1. Know the location of all alarms and fire extinguishers, and familiarize yourself with the proper procedure for using them, should the need arise.
2. At the time you are hired, you will be advised about the proper entrances and exits for our employees. You are expected to abide by these rules at all times. Failure to do so will lead to disciplinary action.
3. Please lock and secure the premises when entering and leaving after hours.

### **Use of Company Phone**

To ensure effective telephone communications, employees should always speak in a courteous and professional manner. Please confirm information received from the caller, and hang up only after the caller has done so. Please keep personal calls to a minimum, as they must not interfere with your work. You are permitted to make limited local area calls on company telephones for essential personal business during lunch or "break" periods only. Employees should practice discretion when making local personal calls and may be required to reimburse the Company for any charges resulting from their personal use of the telephone.

**Computer and E-mail Usage** Computers, computer files, the e-mail system, and software furnished to employees are Summit Energy Equipment property intended for business use. Employees should not use a password, access a file, attempt repair, or retrieve any stored communication without authorization. To ensure compliance with this policy, computer and e-mail usage may be monitored. Summit Energy Equipment strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, Summit Energy Equipment prohibits the use of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale.

For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

E-mail may not be used to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters.

Employees should notify their immediate supervisor, the Human Resources Department or any member of management upon learning of violations of this policy.

### **Internet Usage**

Internet access to global electronic information resources on the World Wide Web is provided by Summit Energy Equipment to assist employees in obtaining work-related data and technology. The following guidelines have been established to help ensure responsible and productive Internet usage. Internet usage is limited to job-related activities; however, personal use of the Internet is permitted during non-working hours. All Internet data that is composed, transmitted, or received via our computer communications systems is considered to be part of the official records of Summit Energy Equipment and, as such, is subject to disclosure to law enforcement or other third parties. Consequently, employees should always ensure that the business information contained in Internet e-mail messages and other transmissions is accurate, appropriate, ethical, and lawful. The equipment, services, and technology provided to access the Internet remain at all times the property of Summit Energy Equipment. As such, Summit Energy Equipment reserves the right to monitor Internet traffic, and retrieve and read any data composed, sent, or received through our online connections and stored in our computer systems. Data that is composed, transmitted, accessed, or received via the Internet must not contain content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person. Examples of unacceptable content may include, but are not limited to, sexual comments or images, racial slurs, gender-specific comments, or any other comments or images that could reasonably offend someone on the basis of race, age, sex, religious or political beliefs, national origin, disability, sexual orientation, or any other characteristic protected by law. The unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material on the Internet is expressly prohibited. As a general rule, if an employee did not create material, does not own the rights to it, or has not gotten authorization for its use, it should not be put on Company's computer(s). Employees are also responsible for ensuring that the person sending any material over the Internet has the appropriate distribution rights. Internet users should take the necessary anti-virus precautions before downloading or copying any file from the Internet. All downloaded files are to be checked for viruses; all compressed files are to be checked before and after decompression. Abuse of the Internet access provided by Summit Energy Equipment in violation of law or Summit Energy Equipment policies is prohibited.

### **Social Networking Policy**

Summit Energy Equipment takes no position on your decision to start or maintain a blog or participates in other social networking activities. However, it is the right and duty of the company to protect itself from unauthorized disclosure of information. Summit Energy Equipment's social networking policy includes rules and guidelines for company-authorized social networking and personal social networking and applies to all executive officers, board members, management and staff.

### **General Provisions**

Blogging or other forms of social media or technology include but are not limited to video or wiki postings, sites such as Facebook and Twitter, chat rooms, personal blogs or other similar forms of online

journals, diaries or personal newsletters not affiliated with Summit Energy Equipment. Unless specifically instructed, employees are not authorized and therefore restricted to speak on behalf of Summit Energy Equipment. Employees may not publicly discuss clients, products, employees or any work-related matters, whether confidential or not, outside company-authorized communications. Employees are expected to protect the privacy of Summit Energy Equipment and its employees and clients and are prohibited from disclosing personal employee and nonemployee information and any other proprietary and nonpublic information to which employees have access. Such information includes but is not limited to customer information, trade secrets, financial information and strategic business plans.

### **Employer Monitoring**

Employees are cautioned that they should have no expectation of privacy while using the Internet. Your postings can be reviewed by anyone, including Summit Energy Equipment. Summit Energy Equipment reserves the right to monitor comments or discussions about the company, its employees, clients and the industry, including products and competitors, posted on the Internet by anyone, including employees and non-employees. Summit Energy Equipment uses blog-search tools and software to monitor forums such as blogs and other types of personal journals, diaries, personal and business discussion forums, and social networking sites. Employees are cautioned that they should have no expectation of privacy while using company equipment or facilities for any purpose, including authorized blogging. Summit Energy Equipment reserves the right to use content management tools to monitor, review or block content on company blogs that violate company blogging rules and guidelines.

### **Reporting Violations**

Summit Energy Equipment requests and strongly urges employees to report any violations or possible or perceived violations to supervisors, managers or the HR department. Violations include discussions of Summit Energy Equipment and its employees and clients, any discussion of proprietary information and any unlawful activity related to blogging or social networking.

### **Discipline for Violations**

Summit Energy Equipment investigates and responds to all reports of violations of the social networking policy and other related policies. Violation of the company's social networking policy will result in disciplinary action up to and including immediate termination. Discipline or termination will be determined based on the nature and factors of any blog or social networking post. Summit Energy Equipment reserves the right to take legal action where necessary against employees who engage in prohibited or unlawful conduct.

### **Authorized Social Networking**

The goal of authorized social networking and blogging is to become a part of the industry conversation and promote web-based sharing of ideas and exchange of information. Authorized social networking and blogging is used to convey information about company products and services, promote and raise awareness of the Summit Energy Equipment brand, search for potential new markets, communicate with employees and customers to brainstorm, issue or respond to breaking news or negative publicity, and discuss corporate, business-unit and department-specific activities and events. When social networking, blogging or using other forms of web-based forums, Summit Energy Equipment must ensure that use of these communications maintains our brand identity, integrity and reputation while minimizing actual or potential legal risks, whether used inside or outside the workplace.

### **Personal Blogs**

Summit Energy Equipment respects the right of employees to write blogs and use social networking sites and does not want to discourage employees from self-publishing and self-expression. Employees are expected to follow the guidelines and policies set forth to provide a clear line between you as the individual and you as the employee. Summit Energy Equipment respects the right of employees to use blogs and social networking sites as a medium of self-expression and public conversation and does not discriminate against employees who use these media for personal interests and affiliations or other lawful purposes. Employees cannot use employer-owned equipment, including computers, company-licensed software or other electronic equipment, nor facilities or company time, to conduct personal blogging or social networking activities. Employees cannot use blogs or social networking sites to harass, threaten, discriminate or disparage against employees or anyone associated with or doing business with Summit Energy Equipment. If you choose to identify yourself as a Summit Energy Equipment employee, please understand that some readers may view you as a spokesperson for Summit Energy Equipment. Because of this possibility, we ask that you state that your views expressed in your blog or social networking area are your own and not those of the company, nor of any person or organization affiliated or doing business with Summit Energy Equipment.

Employees cannot post on personal blogs or other sites the name, trademark or logo of Summit Energy Equipment or any business with a connection to Summit Energy Equipment. Employees cannot post company-privileged information, including copyrighted information or company-issued documents. Employees cannot post on personal blogs or social networking sites photographs of other employees, clients, vendors or suppliers, nor can employees post photographs of persons engaged in company business or at company events. Employees cannot post on personal blogs and social networking sites any advertisements or photographs of company products, nor sell company products and services. Employees cannot link from a personal blog or social networking site to Summit Energy Equipment's internal or external web site. If contacted by the media or press about their post that relates to Summit Energy Equipment business, employees are required to speak with their manager before responding. If you have any questions relating to this policy, your personal blog or social networking, ask your Human Resource Manager.

### **Computer Software**

Summit Energy Equipment purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, Summit Energy Equipment does not have the right to reproduce such software for use on more than one computer. Employees may only use software on local area networks or on multiple machines according to the software license agreement. Summit Energy Equipment prohibits the illegal duplication of software and its related documentation. Employees should notify their immediate supervisor, the Human Resources Department or any member of management upon learning of violations of this policy. No employee may install, transfer, copy, or alter third-party software on Company's premises or computers without the prior written approval of Summit Energy Equipment's Network Administrator.

### **Use of Equipment and Vehicles**

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines. Please notify the supervisor if any equipment, machines, tools, or vehicles appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee's

responsibility for maintenance and care of equipment or vehicles used on the job. The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations while using Summit Energy Equipment, Inc. vehicles, can result in disciplinary action, up to and including termination of employment. Under no circumstances should you start or operate a machine you think is unsafe, nor should you adjust or modify the safeguards provided. If you have been assigned a company vehicle to perform your job, note that the vehicle is to be used for company business, not personal business. Only authorized Company personnel should operate the vehicle, and there should be no non-employee passengers, unless it is work related. Employees that drive company vehicles must follow the safe practices listed below:

- Possess a current valid driver's license.
- Advise management of any driving citations or vehicle accidents immediately.
- Refrain from driving if impaired due to medications or other intoxicants.
- Keep vehicles neat and clean.
- Obey all local traffic laws including posted traffic and directional signs.
- All operators of Company vehicles and passengers WILL wear seatbelts at ALL times.
- Lock and remove keys to unattended vehicles.

If you are authorized to operate a company vehicle in the course of your assigned work, or if you operate your own vehicle while performing your job, you will be considered completely responsible for any traffic violation, fines, or court costs incurred as a result of your operation of a company or personal vehicle.

### **Business Expense**

To be reimbursed for all authorized expenses, you must submit an expense report/voucher accompanied by receipts and approved by your manager. Please submit your expense report/voucher each week as you incur authorized reimbursable expenses.

### **Emergency Closings**

At times, emergencies such as severe weather, fires, power failures, or earthquakes, can disrupt company operations. In extreme cases, these circumstances may require the closing of a work facility. When operations are officially closed due to emergency conditions, the time off from scheduled work will be unpaid. However, with supervisory approval, employees may use available paid leave time, such as unused vacation benefits. Employees in essential operations may be asked to work on a day when operations are officially closed. In these circumstances, employees who work will receive regular pay.

### **LEAVES OF ABSENCE**

FMLA (Family and Medical Leave Act) Policy Revised 01-16-2009

Summit Energy Equipment will comply with the Family and Medical Leave Act implementing Regulations as revised effective January 16, 2009. The company posts the mandatory FMLA Notice and upon hire provides all new employees with notices required by the U.S. Department of Labor (DOL) on Employee Rights and Responsibilities under the Family and Medical Act in the common area of the corporate office. The function of this policy is to provide employees with a general description of their FMLA rights. In the event of any conflict between this policy and the applicable law, employees will be afforded all rights required by law. If you have any questions, concerns, or disputes with this policy, you must contact Human Resource Department, Summit Energy Equipment, 811 W. Main St, Como, TX 75431, in writing.

### **A. General Provisions**

Under this policy, Summit Energy Equipment will grant up to 12 weeks (or up to 26 weeks of military caregiver leave to care for a covered service member with a serious injury or illness) during a 12-month period to eligible employees. The leave may be paid, unpaid or a combination of paid and unpaid leave, depending on the circumstances of the leave and as specified in this policy.

### **B. Eligibility**

To qualify to take family or medical leave under this policy, the employee must meet all of the following conditions:

- 1) The employee must have worked for the company for 12 months or 52 weeks. The 12 months or 52 weeks need not have been consecutive. Separate periods of employment will be counted, provided that the break in service does not exceed seven years. Separate periods of employment will be counted if the break in service exceeds seven years due to National Guard or Reserve military service obligations or when there is a written agreement, including a collective bargaining agreement, stating the employer's intention to rehire the employee after the service break. For eligibility purposes, an employee will be considered to have been employed for an entire week even if the employee was on the payroll for only part of a week or if the employee is on leave during the week.
- 2) The employee must have worked at least 1,250 hours during the 12-month period immediately before the date when the leave is requested to commence. The principles established under the Fair Labor Standards Act (FLSA) determine the number of hours worked by an employee. The FLSA does not include time spent on paid or unpaid leave as hours worked. Consequently, these hours of leave should not be counted in determining the 1,250 hours eligibility test for an employee under FMLA.
- 3) The employee must work in a worksite where 50 or more employees are employed by the company within 75 miles of that office or worksite. The distance is to be calculated by using available transportation by the most direct route.

### **C. Type of Leave Covered**

To qualify as FMLA leave under this policy, the employee must be taking leave for one of the reasons listed below:

- 1) The birth of a child and in order to care for that child.
- 2) The placement of a child for adoption or foster care and to care for the newly placed child.
- 3) To care for a spouse, child or parent with a serious health condition (described below).
- 4) The serious health condition (described below) of the employee.

An employee may take leave because of a serious health condition that makes the employee unable to perform the functions of the employee's position.

A serious health condition is defined as a condition that requires inpatient care at a hospital, hospice or residential medical care facility, including any period of incapacity or any subsequent treatment in connection with such inpatient care or a condition that requires continuing care by a licensed health care provider. This policy covers illnesses of a serious and long-term nature, resulting in recurring or lengthy absences. Generally, a chronic or long-term health condition that would result in a period of three consecutive days of incapacity with the first visit to the health care provider within seven days of the onset of the incapacity and a second visit within 30 days of the incapacity would be considered a serious health condition. For chronic conditions requiring periodic health care visits for treatment, such visits must take place at least twice a year. Employees with questions about what illnesses are covered under this FMLA policy or under the company's sick leave policy are encouraged to consult with the Human Resource Manager. If an employee takes paid sick leave for a condition that progresses into a serious health condition and the employee requests unpaid leave as provided under this policy, the company may designate all or some portion of related leave taken as leave under this policy, to the extent that the earlier leave meets the necessary qualifications.

- 5) Qualifying exigency leave for families of members of the National Guard and Reserves when the covered military member is on active duty or called to active duty in support of a contingency operation.

An employee whose spouse, son, daughter or parent either has been notified of an impending call or order to active military duty or who is already on active duty may take up to 12 weeks of leave for reasons related to or affected by the family member's call-up or service. The qualifying exigency must be one of the following: 1) short notice deployment, 2) military events and activities, 3) child care and school activities, 4) financial and legal arrangements, 5) counseling, 6) rest and recuperation, 7) post-deployment activities and 8) additional activities that arise out of active duty, provided that the employer and employee agree, including agreement on timing and duration of the leave. The leave may commence as soon as the individual receives the call-up notice. (Son or daughter for this type of FMLA leave is defined the same as for child for other types of FMLA leave except that the person does not have to be a minor.) This type of leave would be counted toward the employee's 12-week maximum of FMLA leave in a 12-month period. 6) Military caregiver leave (also known as covered service member leave) to care for an ill or injured service member. This leave may extend to up to 26 weeks in a single 12-month period for an employee to care for a spouse, son, daughter, parent or next of kin covered service member with a serious illness or injury incurred in the line of duty on active duty. Next of kin is defined as the closest blood relative of the injured or recovering service member.

#### **D. Amount of Leave**

An eligible employee can take up to 12 weeks for the FMLA circumstances (1) through (5) above under this policy during any 12-month period. The company will measure the 12-month period as a rolling 12-month period measured backward from the date an employee uses any leave under this policy. Each time an employee takes leave, the company will compute the amount of leave the employee has taken under this policy in the last 12 months and subtract it from the 12 weeks of available leave, and the balance remaining is the amount the employee is entitled to take at that time. An eligible employee can take up to 26 weeks for the FMLA circumstance (6) above (military caregiver leave) during a single 12-month period. For this military caregiver leave, the company will measure the 12-month period as a rolling 12-month period measured forward. FMLA leave already taken for other FMLA circumstances will be deducted from the total of 26 weeks available. If a husband and wife both work for the company and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent (but not a parent "in-law") with a serious health condition, the husband and wife may only take a combined total of 12 weeks of leave. If a husband and wife both work for the company and each wishes to take leave to care for a covered injured or ill service member, the husband and wife may only take a combined total of 26 weeks of leave.

#### **E. Employee Status and Benefits During Leave**

While an employee is on leave, the company will continue the employee's health benefits during the leave period at the same level and under the same conditions as if the employee had continued to work. If the employee chooses not to return to work for reasons other than a continued serious health condition of the employee or the employee's family member or a circumstance beyond the employee's control, the company will require the employee to reimburse the company the amount it paid for the employee's health insurance premium during the leave period. Under current company policy, the employee pays a portion of the health care premium. While on paid leave, the employer will continue to make payroll deductions to collect the employee's share of the premium. While on unpaid leave, the employee must continue to make this payment, either in person or by mail. The payment must be received in the Accounting Department by the last day of each month. If the payment is more than 30 days late, the employee's health care coverage may be dropped for the duration of the leave. The employer will provide 15 days' notification prior to the employee's loss of coverage.

If the employee contributes to a life insurance or disability plan, the employer will continue making payroll deductions while the employee is on paid leave. While the employee is on unpaid leave, the employee may request continuation of such benefits and pay his or her portion of the premiums, or the employer may elect to maintain such benefits during the leave and pay the employee's share of the premium payments. If the employee does not continue these payments, the employer may discontinue coverage during the leave. If the employer maintains coverage, the employer may recover the costs incurred for paying the employee's share of any premiums, whether or not the employee returns to work.

#### **F. Employee Status After Leave**

An employee who takes leave under this policy may be asked to provide a fitness for duty (FFD) clearance from the health care provider. This requirement will be included in the employer's response to the FMLA request. Generally, an employee who takes FMLA leave will be able to return to the same position or a position with equivalent status, pay, benefits and other employment terms. The position will be the same or one, which is virtually identical in terms of pay, benefits and working conditions. The company may choose to exempt certain key employees from this requirement and not return them to the same or similar position.

#### **G. Use of Paid and Unpaid Leave**

An employee who is taking FMLA leave because of the employee's own serious health condition or the serious health condition of a family member must use all paid vacation, personal or sick leave prior to being eligible for unpaid leave. Sick leave may be run concurrently with FMLA leave if the reason for the FMLA leave is covered by the established sick leave policy. Disability leave for the birth of the child and for an employee's serious health condition, including workers' compensation leave (to the extent that it qualifies), will be designated as FMLA leave and will run concurrently with FMLA. For example, if an employer provides six weeks of pregnancy disability leave, the six weeks will be designated as FMLA leave and counted toward the employee's 12-week entitlement. The employee may then be required to substitute accrued (or earned) paid leave as appropriate before being eligible for unpaid leave for what remains of the 12-week entitlement. An employee who is taking leave for the adoption or foster care of a child must use all paid vacation, personal or family leave prior to being eligible for unpaid leave.

An employee who is using military FMLA leave for a qualifying exigency must use all paid vacation and personal leave prior to being eligible for unpaid leave. An employee using FMLA military caregiver leave must also use all paid vacation, personal leave or sick leave (as long as the reason for the absence is covered by the company's sick leave policy) prior to being eligible for unpaid leave.

#### **H. Intermittent Leave or a Reduced Work Schedule**

The employee may take FMLA leave in 12 consecutive weeks, may use the leave intermittently (take a day periodically when needed over the year) or, under certain circumstances, may use the leave to reduce the workweek or workday, resulting in a reduced hour schedule. In all cases, the leave may not exceed a total of 12 workweeks (or 26 workweeks to care for an injured or ill service member over a 12-month period). The company may temporarily transfer an employee to an available alternative position with equivalent pay and benefits if the alternative position would better accommodate the intermittent or reduced schedule, in instances of when leave for the employee or employee's family member is foreseeable and for planned medical treatment, including recovery from a serious health condition or to care for a child after birth, or placement for adoption or foster care. For the birth, adoption or foster care of a child, the company and the employee must mutually agree to the schedule before the employee may take the leave intermittently or work a reduced hour schedule. Leave for birth, adoption

or foster care of a child must be taken within one year of the birth or placement of the child. If the employee is taking leave for a serious health condition or because of the serious health condition of a family member, the employee should try to reach agreement with the company before taking intermittent leave or working a reduced hour schedule. If this is not possible, then the employee must prove that the use of the leave is medically necessary.

#### **I. Certification for the Employee's Serious Health Condition**

The company will require certification for the employee's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. Medical certification will be provided using the DOL Certification of Health Care Provider for Employee's Serious Health Condition (<http://www.dol.gov/esa/whd/forms/WH-380-E.pdf>).

The company may directly contact the employee's health care provider for verification or clarification purposes using a health care professional, an HR professional, leave administrator or management official. The company will not use the employee's direct supervisor for this contact. Before the company makes this direct contact with the health care provider, the employee will be given an opportunity to resolve any deficiencies in the medical certification. In compliance with HIPAA Medical Privacy Rules, the company will obtain the employee's permission for clarification of individually identifiable health information. The company has the right to ask for a second opinion if it has reason to doubt the certification. The company will pay for the employee to get a certification from a second doctor, which the company will select. The company may deny FMLA leave to an employee who refuses to release relevant medical records to the health care provider designated to provide a second or third opinion. If necessary to resolve a conflict between the original certification and the second opinion, the company will require the opinion of a third doctor. The company and the employee will mutually select the third doctor, and the company will pay for the opinion. This third opinion will be considered final. The employee will be provisionally entitled to leave and benefits under the FMLA pending the second and/or third opinion.

#### **J. Certification for the Family Member's Serious Health Condition**

The company will require certification for the family member's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. Medical certification will be provided using the DOL Certification of Health Care Provider for Family Member's Serious Health Condition (<http://www.dol.gov/esa/whd/forms/WH-380-F.pdf>). The company may directly contact the employee's family member's health care provider for verification or clarification purposes using a health care professional, an HR professional, leave administrator or management official. The company will not use the employee's direct supervisor for this contact. Before the company makes this direct contact with the health care provider, the employee will be given an opportunity to resolve any deficiencies in the medical certification. In compliance with HIPAA Medical Privacy Rules, the company will obtain the employee's family member's permission for clarification of individually identifiable health information. The company has the right to ask for a second opinion if it has reason to doubt the certification. The company will pay for the employee's family member to get a certification from a second doctor, which the company will select. The company may deny FMLA leave to an employee whose family member refuses to release relevant medical records to the health care provider designated to provide a second or third opinion. If necessary to resolve a conflict between the original certification and the second opinion, the company will require the opinion of a third doctor. The company and the employee will mutually select the third doctor, and the company will pay for the

opinion. This third opinion will be considered final. The employee will be provisionally entitled to leave and benefits under the FMLA pending the second and/or third opinion.

#### **K. Certification of Qualifying Exigency for Military Family Leave**

The company will require certification of the qualifying exigency for military family leave. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification of Qualifying Exigency for Military Family Leave.

#### **L. Certification for Serious Injury or Illness of Covered Service member for Military Family Leave**

The company will require certification for the serious injury or illness of the covered service member. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification for Serious Injury or Illness of Covered Service member (<http://www.dol.gov/esa/whd/forms/WH-385.pdf>).

#### **M. Recertification**

The company may request recertification for the serious health condition of the employee or the employee's family member no more frequently than every 30 days and only when circumstances have changed significantly, or if the employee receives information casting doubt on the reason given for the absence, or if the employee seeks an extension of his or her leave. Otherwise, the company may request recertification for the serious health condition of the employee or the employee's family member every six months in connection with an FMLA absence. The company may provide the employee's health care provider with the employee's attendance records and ask whether need for leave is consistent with the employee's serious health condition.

#### **N. Procedure for Requesting FMLA Leave**

All employees requesting FMLA leave must provide verbal or written notice of the need for the leave to the HR manager. Within five business days after the employee has provided this notice, the HR manager will complete and provide the employee with the DOL Notice of Eligibility and Rights (<http://www.dol.gov/esa/whd/fmla/finalrule/WH381.pdf>). When the need for the leave is foreseeable, the employee must provide the employer with at least 30 days' notice. When an employee becomes aware of a need for FMLA leave less than 30 days in advance, the employee must provide notice of the need for the leave either the same day or the next business day. When the need for FMLA leave is not foreseeable, the employee must comply with the company's usual and customary notice and procedural requirements for requesting leave, absent unusual circumstances.

#### **O. Designation of FMLA Leave**

Within five business days after the employee has submitted the appropriate certification form, the HR manager will complete and provide the employee with a written response to the employee's request for FMLA leave using the DOL Designation Notice (<http://www.dol.gov/esa/whd/forms/WH-382.pdf>).

#### **P. Intent to Return to Work From FMLA Leave**

On a basis that does not discriminate against employees on FMLA leave; the company may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work. Uniformed Services Employment and Reemployment Rights Act of 1994 The Uniformed Services Employment and Reemployment Rights Act (USERRA) clarify and strengthen the Veterans' Reemployment Rights (VRR) Statute. USERRA protects civilian job rights and benefits for veterans and

members of Reserve components. USERRA also makes major improvements in protecting service member rights and benefits by clarifying the law, improving enforcement mechanisms, and adding Federal Government employees to those employees already eligible to receive Department of Labor assistance in processing claims.

USERRA establishes the cumulative length of time that an individual may be absent from work for military duty and retain reemployment rights to five years (the previous law provided four years of active duty, plus an additional year if it was for the convenience of the Government). There are important exceptions to the five-year limit, including initial enlistments lasting more than five years, periodic National Guard and Reserve training duty, and involuntary active duty extensions and recalls, especially during a time of national emergency. USERRA clearly establishes that reemployment protection does not depend on the timing, frequency, duration, or nature of an individual's service as long as the basic eligibility criteria are met.

USERRA provides protection for disabled veterans, requiring employers to make reasonable efforts to accommodate the disability. Service members convalescing from injuries received during service or training may have up to two years from the date of completion of service to return to their jobs or apply for reemployment. USERRA provides that returning service-members are reemployed in the job that they would have attained had they not been absent for military service (the long-standing "escalator" principle), with the same seniority, status and pay, as well as other rights and benefits determined by seniority. USERRA also requires that reasonable efforts (such as training or retraining) be made to enable returning service members to refresh or upgrade their skills to help them qualify for reemployment. The law clearly provides for alternative reemployment positions if the service member cannot qualify for the "escalator" position. USERRA also provides that while an individual is performing military service, he or she is deemed to be on a furlough or leave of absence and is entitled to the non-seniority rights accorded other individuals on non-military leaves of absence. Health and pension plan coverage for service members is provided for by USERRA. Individuals performing military duty of more than 30 days may elect to continue employer sponsored health care for up to 24 months; however, they may be required to pay up to 102 percent of the full premium. For military service of less than 31 days, health care coverage is provided as if the service member had remained employed. USERRA clarifies pension plan coverage by making explicit that all pension plans are protected. The period an individual has to make application for reemployment or report back to work after military service is based on time spent on military duty. For service of less than 31 days, the service member must return at the beginning of the next regularly scheduled work period on the first full day after release from service, taking into account safe travel home plus an eight-hour rest period. For service of more than 30 days but less than 181 days, the service member must submit an application for reemployment within 14 days of release from service. For service of more than 180 days, an application for reemployment must be submitted within 90 days of release from service. USERRA also requires that service members provide advance written or verbal notice to their employers for all military duty unless giving notice is impossible, unreasonable, or precluded by military necessity. An employee should provide notice as far in advance as is reasonable under the circumstances. Additionally, service members are able (but are not required) to use accrued vacation or annual leave while performing military duty.

### **Bereavement Leave**

Employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately. One (1) day of paid bereavement leave will be provided to eligible salaried exempt and salaried nonexempt employees. Bereavement pay is calculated based on the base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials. Bereavement leave will normally be granted

unless there are unusual business needs or staffing requirements. Employees may, with their supervisors' approval, use any available paid leave for additional time off as necessary. Summit Energy Equipment defines "immediate family" as the employee's spouse, parent, child, sibling; the employee's spouse's parent, child, or sibling; the employee's child's spouse; grandparents or grandchildren. Special consideration will also be given to any other person whose association with the employee was similar to any of the above relationships.

### **Absence Control Policy**

Any employee of Summit Energy Equipment who is absent from the workplace for six consecutive months will be terminated. No leave of absence may exceed six calendar months for any reason. The six-month period does not include approved leave taken under the Family and Medical Leave Act (FLMA). This policy applies to all Summit Energy Equipment employees, regardless of the reason(s) for their absence from work. If a Summit Energy Equipment employee remains on leave of absence in excess of six months, they will be terminated, regardless of the reason for their absence. Decisions regarding Summit Energy Equipment employees who are covered by the Americans with Disabilities Act (the ADA) and require, as a reasonable accommodation a leave of longer than six consecutive months will be made based on medical documentation provided by the employee's healthcare provider; such decisions will be made on a case-by-case basis. Before returning to work after a medical leave of absence, all Summit Energy Equipment employees must provide written certification from their physician that they have been medically released to return to work.

## **EMPLOYEE CONDUCT & DISCIPLINARY ACTION**

### **Employee Conduct**

To ensure the best possible work environment and for the safety of all employees, Summit Energy Equipment considers the following to be conduct or actions that are unacceptable and will result in disciplinary action, up to and including termination of employment:

- 1) Theft of company property or the property of fellow employees
- 2) Unauthorized possession or removal of any company property, including documents, from the premises without prior permission from management.
- 3) Unauthorized use of company equipment or property for personal reasons.
- 4) Using company equipment for profit.
- 5) Failure to use your time sheet; alteration of your own time sheet, records or attendance documents; altering another employee's time sheet or records, or allowing someone to alter your time sheet or records.
- 6) Working under the influence of alcohol or illegal drugs (zero tolerance - immediate termination)
- 7) Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace (zero tolerance -immediate termination)
- 8) Fighting or threatening violence in the workplace.
- 9) Negligence or improper conduct leading to damage of employer-owned or client-owned property.
- 10) Insubordination or other disrespectful conduct.
- 11) Violation of safety or health rules.
- 12) Smoking in prohibited areas.
- 13) Sexual or other unlawful or unwelcome harassment.
- 14) Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.
- 15) Excessive absenteeism or any absence without prior notice
- 16) Unauthorized use of telephones, fax machines, mail system, copy machines, or other Company owned equipment.

- 17) Unauthorized disclosure of business "trade secrets", inventions, technology or confidential information.
- 18) Willful violation of any company rule, policy, procedure, or direct order.
- 19) Negligence or any careless action which endangers the life or safety of another person.
- 20) Threatening, intimidating, or coercing fellow employees on or off the premises, at any time, for any purpose.
- 21) Dishonesty.
- 22) Willful falsification or misrepresentation on your application for employment or other work records.
- 23) Falsifying reason for a leave of absence or other data requested by Summit Energy Equipment
- 24) Alteration of company records or other company documents.
- 25) Failure to immediately report damage to, or an accident involving company equipment.
- 26) Any other act deemed illegal by federal, state, or local laws.

## **Anti-Harassment Policy & Complaint Procedure**

### **I. Summit Energy Equipment's Message:**

Each of us should be able to work in a happy and satisfying environment free of discrimination, and free of any form of harassment, based on race, color, religion, age, gender, sexual orientation, pregnancy, national origin, and disability, marital or other protected status. I wish to ensure that no Summit Energy Equipment, Inc. employee is subjected to harassment. Therefore, any offensive physical, written or spoken conduct, including conduct of a sexual nature, is prohibited at the office, shop, and on our job sites. It is a violation of this policy for any employee, supervisor, or manager, male or female, to engage in the acts or behavior categorized below. In order to ensure that this policy have the intended effect, I ask each of you to report any violations of the policy as soon as they occur by utilizing the complaint procedure set forth, in this document. If any of you believe that you are being subjected to any form of harassment or discrimination please bring this immediately to the attention of the appropriate persons in management. The very nature of harassment or discrimination makes it virtually impossible to detect unless the person being harmed registers his or her discontent with the appropriate management representative. Consequently, we ask that you report such offensive conduct or situations immediately. You may report offensive conduct or situation to your supervisor or manager. If your manager is the person who is responsible for the harassment, or if you have reported harassment to the manager and no action was taken, then please report such conduct or situations to the Human Resources. If you wish to file a formal complaint, please follow the complaint procedure set out in this policy (Please review Section III, The Complaint Process). Common courtesy and decency dictates that we treat each other with respect. I ask each of you to commit to this policy by policing your own behavior, which could hurt a co-worker. Should you have any questions, please direct them to the Human Resources department at 903-488-3457.

## **II. Summit Energy Equipment's Anti-Harassment Policy**

### **A. POLICY STATEMENT**

The office, shop and our job sites strive to create and maintain a work environment in which people are treated with dignity, decency and respect. The environment should be characterized by mutual trust and the absence of intimidation, oppression and exploitation. Employees should be able to work and learn in a safe, yet stimulating atmosphere. The accomplishment of this goal is essential to the mission of the office, shop and field sites. For that reason, the office, shop and field sites will not tolerate unlawful discrimination or harassment of any kind. Through enforcement of this policy and by education of employees, the office, shop and job sites will seek to prevent, correct and discipline behavior that violates this Policy. All employees, regardless of their position, are covered by and are expected to comply with this policy, and to take appropriate measures to ensure that prohibited conduct does not

occur. Appropriate disciplinary action will be taken against any employee who violates this policy. Based upon the seriousness of the offense, disciplinary action may include verbal or written reprimand, suspension, or termination of employment.

## **B. PROHIBITED CONDUCT UNDER THIS POLICY**

### **1. Discrimination:**

a) It is a violation of this Policy to discriminate in the provision of employment opportunities, benefits or privileges, to create discriminatory work conditions, or to use discriminatory evaluative standards in employment if the basis of that discriminatory treatment is, in whole or in part, the person's race, color, national origin, age, religion, disability status, gender, sexual orientation, or marital status.

b) Discrimination of this kind may also be strictly prohibited by a variety of federal, state and local laws, including Title VII of the Civil Rights Act 1964; the Age Discrimination Act of 1975; and the Americans With Disabilities Act of 1990. This Policy is intended to comply with the prohibitions stated in these anti-discrimination laws.

c) Discrimination in violation of this Policy will be subject to severe sanctions up to and including termination.

### **2. Harassment:**

Harassment, including sexual harassment, is prohibited by federal and state laws. This Policy prohibits harassment of any kind, and the office will take appropriate action swiftly to address any violations of this policy. The definition of harassment is: verbal or physical conduct designed to threaten, intimidate or coerce. Also, verbal taunting (including racial and ethnic slurs) which, in the employee's opinion, impairs his or her ability to perform his or her job.

Examples of harassment are:

(1) Verbal: Comments which are not flattering regarding a person's nationality, origin, race, color, religion, gender, sexual orientation, age, body disability, or appearance. Epithets, slurs, negative stereotyping.

(2) Non-verbal: Distribution, display or discussion of any written or graphic material that ridicules, denigrates insults, belittles, or shows hostility or aversion toward an individual, or group because of national origin, race color, religion, age, gender, sexual orientation, pregnancy, and appearance disability, marital or other protected status.

### **3. Sexual Harassment:**

Sexual harassment in any form is prohibited under this policy. Sexual harassment is a form of discrimination and is unlawful under Title VII of the Civil Rights Act of 1964. According to the Equal Employment Opportunity Commission (EEOC), sexual harassment is defined as "unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature... when... submission to or rejection of such conduct is used as the basis for employment decisions... or such conduct has the purpose or effect of... creating an intimidating, hostile, or offensive working environment."

Sexual harassment includes unsolicited and unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature, when such conduct:

a) Is made explicitly or implicitly a term or condition of employment, or

b) Is used as a basis for an employment decision, or

c) Unreasonably interferes with an employee's work performance or creates an intimidating, hostile, or otherwise offensive environment.

Sexual harassment does not refer to behavior or occasional compliments of a socially acceptable nature. It refers to behavior that is unwelcome, that is personally offensive, and that lowers morale and therefore interferes with work effectiveness. Sexual harassment may take different forms.

Examples of conduct that may constitute sexual harassment are:

(1) Verbal: Sexual innuendoes, suggestive comments, joke of a sexual nature, sexual propositions, lewd remarks, and threats. Requests for any type of sexual favor (this includes repeated, unwelcome requests for dates). Verbal abuse or "kidding" which is oriented towards a prohibitive form of harassment, including that which is sex oriented and considered unwelcome.

(2) Non-verbal: The distribution, display, or discussion of any written or graphic material, including calendars, posters, and cartoons that are sexually suggestive, or shows hostility toward an individual or group because of sex; suggestive or insulting sounds; leering; staring; whistling; obscene gestures; content in letters and notes, facsimiles, e-mail, that is sexual in nature.

(3) Physical: Unwelcome, unwanted physical contact, including but not limited to, touching, tickling, pinching, patting, brushing up against, hugging, cornering, kissing, fondling; forced sexual intercourse or assault.

Normal, courteous, mutually respectful, pleasant, non-coercive interactions between employees, including men and women, that is acceptable to and welcomed by both parties, is not considered to be harassment, including sexual harassment. There are basically two types of sexual harassment:

1. "Quid pro quo" harassment, where submission to harassment is used as the basis for employment decisions. Employee benefits such as raises, promotions, better working hours, etc., are directly linked to compliance with sexual advances. Therefore, only someone in a supervisory capacity (with the authority to grant such benefits) can engage in

quid pro quo harassment. Example: A supervisor promising an employee a raise if she goes on a date with him; A manager telling an employee she will fire him if he does not have sex with her.

2. "Hostile work environment," where the harassment creates an offensive and unpleasant working environment. Hostile work environment can be created by anyone in the work environment, whether it is supervisors, other employees, or customers. Hostile environment harassment consists of verbiage of a sexual nature, unwelcome sexual materials, or even unwelcome physical contact as a regular part of the work environment. Cartoons or posters of a sexual nature, vulgar or lewd comments or jokes, or unwanted touching or fondling all fall into this category.

What you should do if you are a victim of sexual harassment:

a) If you are the recipient of any unwelcome gesture or remark of a sexual nature, do not remain silent.

b) Make it clear to the harasser that you find such conduct offensive and unwelcome.

c) State clearly that you want the offensive conduct to stop at once.

d) Consider going to the supervisor or manager of the person harassing you, the employer cannot solve the problem if he or she is not aware of it. You may also do so if you find it uncomfortable to confront the individual engaging in the offensive conduct.

e) If the conduct does not stop after you speak with the harasser or after you have gone to the harasser's supervisor or manager, you should then notify your supervisor or manager.

f) Review the complaint procedure set forth in this document. If you decide to file a complaint, please contact Human Resources and fill out the complaint form attached to this policy.

g) You may wish to keep a written log of all incidents of harassment, noting the date and time, place and persons involved, and any witnesses to the event.

4. Consensual Sexual Relationships:

a) The office strongly discourages romantic or sexual relationships between a management or other supervisory employee and his or her staff (an employee who reports directly or indirectly to that person), because such relationships tend to create compromising conflicts of interest or the appearance of such conflicts. In addition, such a relationship may give rise to the perception by others that there is favoritism or bias in employment decisions affecting the staff employee. Moreover, given the uneven balance of power within such relationships, consent by the staff member is suspect and may be viewed by others or, at a later date, by the staff member themselves as having been given as the result of coercion or intimidation. The atmosphere created by such appearances of bias, favoritism, intimidation,

or coercion or exploitation undermines the spirit of trust and mutual respect, which is essential to a healthy work environment. If there is such a relationship, the parties need to be aware that one or both may be moved to a different department, or other actions may be taken.

b) As in all cases, the burden of proving sexual harassment rests with the accuser. But, when charges of harassment are brought by the subordinate employee during or subsequent to such a relationship and the supervisor claims that the relationship was consented to by the employee, the burden will be on the supervisor to prove that the relationship was consensual and voluntary.

c) If any Summit Energy Equipment employee enters into a consensual relationship which is romantic or sexual in nature with a member of his or her staff (an employee who reports directly or indirectly to him or her), or if one of the parties is in a supervisory capacity in the same department in which the other party works, the parties must notify the manager. Although the parties may feel that what they do during non-working hours is their business and not the business of the office, but because of potential issues regarding "quid pro quo" harassment, the office has made this a mandatory requirement. This requirement does not apply to employees who do not work in the same department, or to parties who do not supervise or otherwise manage responsibilities over the other.

d) Once the relationship is made known to the office, the office will review the situation with the Human Resources Director in light of all the facts (reporting relationship between the parties, affect on co-workers, job titles of the parties, etc.), and will determine whether one or both parties need to be moved to another job or department. If it is determined that one party must be moved, and there are jobs in other departments available for both, the parties may decide who will be the one to apply for a new position. If the parties cannot amicably come to a decision, or the party is not chosen for the position to which he or she applied, the parties will contact the H.R. Director, who will decide which party should be moved. That decision will be based on which move will be least disruptive to the organization as a whole.

e) If it is determined that one or both parties must be moved, but no other jobs are available for either party, the parties will be given the option of terminating their relationship or resigning.

### C. RETALIATION

1) No hardship, no loss or benefit, and no penalty may be imposed on an employee as punishment for:

- a) Filing or responding to a bona fide complaint of discrimination or harassment;
- b) Appearing as a witness in the investigation of a complaint; or
- c) Serving as an investigator.

2) Retaliation or attempted retaliation is a violation of this Policy and anyone who does so will be subject to severe sanctions up to and including termination.

### III. THE COMPLAINT PROCESS

Any person electing to utilize this complaint resolution procedure will be treated courteously, the problem handled swiftly and as confidentially as feasible in light of the need to take appropriate corrective action, and the registering of a complaint will in no way be used against the employee, nor will it have an adverse impact on the individual's employment status. While reporting such incidents would be a difficult personal experience, allowing harassment activities to continue will most certainly lead to less desirable outcomes. For that reason, employees are strongly urged to utilize this procedure. However, filing groundless and malicious complaints is an abuse of this policy and is prohibited.

### RESPONSIBILITIES

I. All Summit Energy Equipment employees must share the responsibility of understanding and preventing discrimination and harassment. But, ultimately, no satisfactory investigation or resolution of complaints can occur without the initiative and continued cooperation of the injured person. Individuals who believe they have been discriminated against or harassed have the primary obligation of informing

their supervisor or Human Resource Director of the act of discrimination, harassment or retaliation, recounting specific actions or occurrences whenever possible.

2. Officers, managers and supervisors have the special responsibility as possible agents of the office to act promptly to eliminate any discrimination or harassment which exist in their areas of responsibilities, If a officer, manager, or supervisor knows that discrimination, harassment or retaliation is occurring, or receives information that discrimination, harassment or retaliation might be occurring, he or she must take immediate action to address the problem. Such action should include, but is not limited to, speaking directly with the injured person, developing a specific account of the actions, omissions or occurrences that are alleged to be discriminatory, consultation with the Human Resource Director, and corrective or disciplinary action.

a) If the alleged discrimination, harassment or retaliation is not within their area of responsibility or oversight, officers, managers and supervisors must notify the Human Resource Director or other appropriate management employee, who must then take prompt steps to address the allegation.

b) Any Summit Energy Equipment employee with supervisory or hiring responsibilities who is found to have engaged in conduct prohibited under this Policy is subject to disciplinary action, including removal from that position for cause.

3. The Human Resource Director has the primary responsibility of implementing this Policy. In particular, the H.R. Director will respond to inquiries and complaints from management and employees regarding discrimination, sexual harassment, other harassment, or retaliation; maintain records of these inquiries and complaints as well as their resolution, and keep the office advised of them. Together with the company and other staff, the director will also provide information and education to the employees and management on recognizing, understanding, and combating unlawful discrimination and harassment.

#### B. CONFIDENTIALITY

1. Before filing a complaint:

a) The office wishes to create a safe environment in which individuals are not afraid to discuss concerns and complaints, or to seek general information about discrimination, harassment, and retaliation. The office recognizes that individuals may be concerned about the confidentiality of information they share, and will strive to preserve confidentiality to the fullest extent possible.

b) Discussions for the purpose of obtaining general information or advice from responsible administrators or managers such as the H.R. Director or Legal Counsel) at the office may remain confidential. No action will be taken when individuals wish only to make an inquiry, so long as they do not disclose any identifying information about themselves or the person accused (e.g., names, department, position).

c) However, the anonymity described cannot always be maintained if the individual wishes to have the office take some corrective or disciplinary action in a particular case. Moreover, the office may be legally obligated to take action once she/he or his/her staff is informed that discrimination, harassment or retaliation has occurred or may be occurring. Confidentiality cannot be guaranteed in such a case.

2. During the complaint process:

a) Once an individual discloses identifying information, and such information is sufficiently complete and specific to state a claim of discrimination, harassment or retaliation, he or she will be considered to have filed a complaint with the office.

b) The office will take prompt responsive action upon receipt of a complaint unless the complainant expressly requests that no action be taken and the office determines in the exercise of her/his sole discretion (based upon legal advice) that federal, state or local laws do not mandate action.

c) While the confidentiality of the information received, the privacy of the individuals involved, and the wishes of the complaining person regarding action by the office cannot be guaranteed in every instance, they will be protected to as great a degree as is legally possible. The expressed wishes of the complaining person for confidentiality will be considered in the context of the company's legal

obligation to act upon the charge and the right of the charged party to obtain information. In most cases, however, confidentiality will be strictly maintained by the company and those involved in the investigation.

d) During the investigative process, any notes or documents written by or received by the person(s) conducting the investigation will be kept confidential to the extent not in violation of any existing state or federal law.

### C. COMPLAINT PROCEDURE

The following complaint procedure will be followed in order to address a complaint regarding, harassment, discrimination, or retaliation.

1) A person who feels harassed, discriminated or retaliated against may initiate the complaint process by filing a written and signed complaint with the H.R. Director. No formal action will be taken against any person under this

Policy unless a written and signed complaint is on file containing sufficient details to allow the H.R. Director to determine if the policy may have been violated. The complainant (the employee making the complaint) may use the complaint form, which is attached to this policy. If a supervisor or manager becomes aware that harassment or discrimination is occurring, either from personal observation or as a result of an employee coming forward, the supervisor or manager should immediately report it to the H.R. Director.

2) Upon receiving the complaint, or being advised by a supervisor or manager that violation of this policy may be occurring, the H.R. Director will notify the company, and review the complaint with the company's Legal Counsel and the Officer of the department in which the alleged harassment or discrimination is occurring.

3) Within five (5) working days of receiving the complaint, the H.R. Director will:

a) Provide a copy of the complaint to the person(s) charged (hereafter referred to as "respondent(s);" and

b) Initiate the investigation to determine whether there is a reasonable basis for believing that the alleged violation of this Policy occurred.

4) During the investigation, the H.R. Director, together with legal counsel or other management employee, will interview the complainant, the respondent, and any witnesses, to determine whether the conduct occurred.

5) Within fifteen (15) business days of the complaint being filed (or the matter being referred to the H.R. Director), the H.R. Director or other person conducting the investigation will conclude the investigation and submit a report of his or her findings to the company, with copies to the appropriate Officer, complainant, and respondent.

6) If it is determined that harassment or discrimination in violation of this company's policy has occurred, the H.R. Director will recommend that appropriate disciplinary action to be taken by the company. The appropriate action will depend on the following factors: (i) The severity, frequency and pervasiveness of the conduct; (ii) Prior complaints made by the complainant; (iii) Prior complaints made against the respondent; (iv) The quality of the evidence (first hand knowledge, credible corroboration etc.).

7) If the investigation is inconclusive or it is determined that there has been no harassment or discrimination in violation of this Policy, but some potentially problematic conduct is revealed, preventative action may be taken.

8) Within five (5) days after the investigation is concluded, the H. R. Director will meet with the complainant and the respondent separately, in order to notify them in person of the findings of the investigation and to inform them of the action being recommended by the H.R. Director.

9) The complainant and the respondent may submit statements to the H.R. Director challenging the factual basis of the findings. Any such statement must be submitted no later than five (5) working days after the meeting with the H.R. Director in which the findings of the investigation is discussed.

10) Within ten (10) days from the date the H.R. Director meets with the complainant and respondent, the company will review the investigative report and any statements submitted by the complainant or respondent, discuss results of the investigation with the H.R. Director and other management staff as may be appropriate, and decide what action, if any, will be taken. The H.R. Director will report the company's decision to the complainant, the respondent, and the officer assigned to the department(s) in which the complainant and the respondent work. The company's decision will be in writing and will include finding of fact and a statement for or against disciplinary action. If disciplinary action is to be taken, the sanction will be stated.

#### D. ALTERNATIVE LEGAL REMEDIES

Nothing in this policy shall prevent the complainant or the respondent from pursuing formal legal remedies or resolution through state or federal agencies or the courts.

Sexual Harassment Formal Complaint Form

#### COMPLAINT'S REPORT

Date of Event: \_\_\_\_\_ (If more than one event, please report each event on a separate form.)

Where did the specific event occur?

How would you describe the circumstances?

Please explain the events that occurred?

Were there any witnesses to this specific event? (If yes, please provide their names)

How did you feel?

What would be your desired outcome as a result of the investigation?

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mail to: Summit Energy Equipment, Inc., Attn: H R Director, 811 W. Main St. P.O. Box 10, Como, TX 75431 Or Fax to: 903-488-3459 Attention: H R Director

#### **Attendance and Punctuality**

To maintain a safe and productive work environment, Summit Energy Equipment expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on Summit Energy Equipment. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor by 7 am on the scheduled workday. Poor attendance and excessive tardiness are disruptive and prohibited. If an employee has not notified the supervisor for three consecutive days this will be considered job abandonment and the employee will be terminated. Your manager may make a note of any excessive absences or lateness, including the reason, in your personnel file. Your attendance record will be considered when evaluating requests for promotions, transfers, leaves of absence, and approved time off.

#### **Security Inspections**

Summit Energy Equipment wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, the Company prohibits the possession, transfer, sale, or use of such materials on its premises. Desks, lockers, and other storage devices may be provided for the convenience of employees but remains the sole property of Summit Energy Equipment. Accordingly, any agent or representative of Summit Energy Equipment can inspect them, as well as any articles found within them, at any time, either with or without prior notice. Summit Energy Equipment likewise wishes to discourage theft or unauthorized possession of the property of employees, Summit

Energy Equipment, visitors, and clients. To facilitate enforcement of this policy, Summit Energy Equipment, or its representative may inspect not only desks and lockers, but also persons entering and/or leaving the premises and any packages or other belongings.

### **Drug and Alcohol Use**

It is the Company's desire to provide a drug-free, safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner. While on Summit Energy Equipment premises and while conducting business-related activities off Summit Energy Equipment premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace. Violations of this policy will be dealt with in accordance with the provisions of the policy. Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program. Leave maybe granted if the employee agrees to abstain from use of the problem substance; abides by all Summit Energy Equipment policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause Summit Energy Equipment, any undue hardship.

### **Progressive Discipline**

The purpose of this policy is to state the Company's position on administering equitable and consistent discipline for unsatisfactory conduct in the workplace. The best disciplinary measure is the one that does not have to be enforced and comes from good leadership and fair supervision at all employment levels. Summit Energy Equipment's own best interest lies in ensuring fair treatment of all employees and in making certain that disciplinary actions are prompt, uniform, and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence, and prepare the employee for satisfactory service in the future. Although employment with Summit Energy Equipment is based on mutual consent and both the employee and Summit Energy Equipment have the right to terminate employment at will, with or without cause or advance notice, Summit Energy Equipment may use progressive discipline at its discretion. Disciplinary action may call for any of four steps -- verbal warning, written warning, probation, or termination of employment -- depending on the severity of the problem and the number of occurrences. There may be circumstances when one or more steps are bypassed. Written warnings will include the reasons and any supporting evidence by the manager. Summit Energy Equipment, Inc. recognizes that there are certain types of employee problems that are serious enough to justify either probation, or, in extreme situations, termination of employment, without going through the usual progressive discipline steps. While it is impossible to list every type of behavior that may be deemed a serious offense, the Employee Conduct and Work Rules include examples of problems that may result in immediate termination of employment. However, the problems listed are not all necessarily serious offenses, but may be examples of unsatisfactory conduct that will trigger progressive discipline. By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and Summit Energy Equipment. If an employee feels he or she is being treated unfairly, he or she is encouraged to request a conference with Human Resources to review the matter.

### **Personal Appearance**

Summit Energy Equipment has a business casual dress code for office employees. Employee's work attire should complement an environment that reflects an efficient and professionally operated organization. All clothing should be neat, clean and in good repair. Clothing that reveals too much

cleavage, your back, your chest, your stomach or your underwear is not appropriate for a place of business, even in a business casual setting. Torn, dirty, or frayed clothing is unacceptable. Any clothing that has words, terms, or pictures that may be offensive to other employees is unacceptable. Lip, nose and eyebrow piercing is unacceptable. Employees working in a shop, warehouse or field environment should wear clothing that is appropriately safe for the type of work to be performed. Consult your supervisor or Human Resource Department if you have questions as to what constitutes appropriate attire.

### **Employment Termination**

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

1. Resignation - voluntary employment termination initiated by an employee.
2. Discharge - involuntary employment termination initiated by the organization.
3. Layoff - involuntary employment termination initiated by the organization for non-disciplinary reasons.
4. Retirement - voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the organization.

Summit Energy Equipment will generally schedule exit interviews at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, or return of Summit Energy Equipment owned property. Suggestions, complaints, and questions can also be voiced. During the exit interview, you can express yourself freely. We hope this exit interview will help us part as friends, as well as provide insights into possible improvements. All information will be kept strictly confidential and will in no way affect any reference information that Summit Energy Equipment management will provide to another employer about you. Since employment with Summit Energy Equipment is based on mutual consent, both the employee and Summit Energy Equipment have the right to terminate employment at will, with or without cause, at any time. Employees will receive their final pay in accordance with applicable state law. Employee benefits will be affected by employment termination. No unused vacation time will be paid upon termination without a prior two-week approved resignation. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

### **Resignation**

While we hope both you and Summit Energy Equipment will mutually benefit from your continued employment, we realize that it may become necessary for you to leave your job with Summit Energy Equipment. If you anticipate having to resign your position with Summit Energy Equipment, you are expected to notify your manager at least two weeks in advance of the date that you must leave. However, for professional reasons the ideal resignation would allow time for completion of projects. Prior to an employee's departure, an exit interview will be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits.

### **Return of Property**

Employees are responsible for all Summit Energy Equipment property, materials, or written information issued to them or in their possession or control. Employees must return all Summit Energy Equipment property immediately upon request or upon termination of employment. Where permitted by applicable laws, Summit Energy Equipment may withhold from the employee's check or final paycheck

the cost of any items that are not returned when required. Summit Energy Equipment may also take all action deemed appropriate to recover or protect its property.

## **Substance Abuse Policy**

### **1.0 Policy Statement**

Summit Energy Equipment is committed to maintaining a productive, safe, and healthy work environment. In recognition of the extremely hazardous effects of drug and alcohol abuse, this policy will act to protect the health and welfare of employees, customers, and the public, with regard to the potential abuse of drugs and/ or alcoholic beverages, and to assure that high standards of safety and behavior are maintained throughout Summit Energy Equipment's workforce.

### **2.0 Testing**

Summit Energy Equipment reserves the right to perform the following types of substance screening of employees, unless otherwise prohibited or limited by law, as follows:

- Pre-employment
- Post accident
- Random
- Reasonable Suspicion
- Unannounced
- Return to Duty
- Follow-up

Alcohol screening will be conducted using devices that appear on the National Highway Traffic Safety Administration's Conforming Products List.

### **3.0 Procedures**

Drug and alcohol screening will be conducted using laboratories certified and monitored by the Department of Health and Human Services. Federally established thresholds will be used for determining "positive" test results for drug screening. Alcohol screening which reveals a breath alcohol concentration of 0.04 or greater will be considered a "positive" alcohol result regardless of whether a higher minimum threshold has been established under applicable state criminal laws. Summit Energy Equipment may use a presumptive in vitro diagnostic test to screen employees who are required to submit to a non-DOT drug test under this policy. If the result of the screening test is other than negative, the sample will be submitted for laboratory analysis as a confirmation test.

#### **3.1 Stand down**

In the event of a presumptive test result other than negative, the donor will be suspended from duty pending a confirmed report from the Medical Review Officer. If the confirmed result is negative, the employee will receive pay for the day(s) of suspension. If the result is positive the employee will be terminated, and no pay will have accrued for the day(s) of suspension.

#### **4.0 Prohibited Conduct**

For the purposes of this section an "unauthorized drug" is one that is either prohibited by criminal statute, or has not prescribed to the employee by a licensed physician. No employee of Summit Energy Equipment shall:

4.1 Be under the influence of alcohol or unauthorized drugs during working hours, while on company business, while on company premises, in a company provided vehicle, or in a personal vehicle on company business.

4.2 Possess alcohol, unauthorized drugs, or drug paraphernalia during working hours, while on company business, while on company premises, in a company provided vehicle, or in a personal vehicle on company business.

4.3 Manufacture, distribute, dispense, possess, use, sell, or purchase illegal drugs or contraband at any time.

4.4 Violate any other provision of this policy.

#### 5.0 Enforcement of Policy – Discipline

Employees are subject to disciplinary action for prohibited activities, including, but not limited to, involvement with illegal drugs or contraband, other controlled substances, or alcohol in a way that would discredit Summit Energy Equipment even if such activities are committed during non-working hours. Employees who use illegal drugs, whether on or off duty, have a positive drug screen result, or refuse to cooperate fully with the drug and/or alcohol screening or search provisions of this policy will be terminated except where prohibited by law. A test result that indicates a sample has been tampered with, such as an adulterated or substituted sample, is treated as a refusal to cooperate with the drug and/or alcohol screening or search provisions of this policy, and will result in the termination of the employee.

Employees will be terminated in the event of a positive alcohol screen result except where prohibited by law. Employees will be subject to discipline in the event the employee's breath alcohol screen reveals a breath alcohol concentration level of 0.02 -0.039. At a minimum the discipline imposed will require that the employee be removed from the worksite for at least 24 hours, and that the employee have a follow-up alcohol screen with a breath alcohol concentration level below 0.02 before being permitted to return to work. All other policy violations will result in disciplinary action up to and including termination. In addition, Summit Energy Equipment may require that an employee undergo a professional assessment, complete a rehabilitation program, and meet the requirements of a return-to-work agreement as conditions of continued employment.

#### 6.0 Responsibility of Managers

Summit Energy Equipment expects managers and supervisors to enforce this policy at all times, including those cases where a reasonable belief exists that a violation of the policy may have occurred or is occurring.

#### 7.0 Inspection and Searches

Summit Energy Equipment reserves the right to enforce this policy by conducting surveillance and searches of employees and other persons on its premises.

#### 8.0 Reporting Conviction of a Criminal Offense

All employees must notify their supervisor and Human Resources within five (5) days of a conviction under any criminal drug or alcohol statute. Employees may be subject to discipline, up to and including discharge, for the first offense and may be required to submit to drug and/or alcohol screening. Employees regulated by Department of Transportation requirements may be subject to additional reporting requirements.

#### 9.0 Reporting Medication Use

Summit Energy Equipment recognizes that an employee may lawfully use prescription drugs and over-the-counter medications. However, some of these drugs, even if used in a manner consistent with the prescribed or recommended dosage, can interfere with job performance and raise safety concerns. Employees of Summit Energy Equipment, regardless of their positions, must advise their supervisors if they are taking any prescription or over-the-counter medication or any other substance which they know may impair their judgment or performance or otherwise adversely affect their normal thought processes or physical abilities. When making this disclosure, employees are not required to disclose the name of a prescription medication or the reason why the prescription medication is being used.

#### 10.0 Employee-Initiated Rehabilitation

Employees who suffer from an alcohol or other substance abuse problem, or who are currently using alcohol or other unauthorized substances in a manner that violates this policy, are urged to acknowledge the problem and seek assistance. If an employee advises Summit Energy Equipment that he or she has initiated substance abuse counseling and/or treatment, and the employee has no

associated performance problems or suspected violations of this policy, then the employee will not be terminated on the basis of the disclosure. However, Summit Energy Equipment may require that the employee undergo a professional assessment with an approved substance abuse professional, complete a rehabilitation program, and meet the requirements of a return to work agreement as conditions of continued employment.

#### 11.0 Confidentiality of Information

The results of all drug and alcohol screening, as well as records associated with the program, are to be kept strictly confidential. Unauthorized release of such information will subject the employee who releases such information to disciplinary action up to and including discharge.

#### 12.0 Responsible Party

Summit Energy Equipment's Human Resource Manager is responsible for implementation of and amendments to this policy.

#### 13.0 DOT Regulated Positions:

In addition to this policy, all employees who are covered by the U.S. Department of Transportation Drug and Alcohol Testing Regulations will also be subject to those requirements.

#### 14.0 Independent Contractors/Personnel Agencies:

All non- Summit Energy Equipment personnel who perform services for Summit Energy Equipment are expected to be free from the influence of alcohol, illegal substances, or any other substances that could interfere with job performance or raise safety concerns while on Summit Energy Equipment premises, projects, or on Summit Energy Equipment business. Any violation of this rule will be grounds for excluding a contractor, an employee of a contractor, or an individual furnished by a personnel agency from Summit Energy Equipment's premises or projects.

Please initial every page of this employee handbook which denotes you have read and understand the policies of Summit Energy Equipment.

I, \_\_\_\_\_, employee of Summit Energy Equipment understand all company policies including but not limited to Drug use, Alcohol use, smoking, safety, cell phone usage, Internet usage, Social networking, confidentiality agreement and use of company owned vehicles.

Dated: \_\_\_\_\_