

Bright's Hardware Company, LLC Employee Manual



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For employees who are commencing employment with Bright's Hardware let us extend a warm and sincere welcome. For employees who have been with us, thank you for your past and continued service. We appreciate you.

DEFINITIONS

Bright's Hardware Company LLC will be referred to as "Bright's Hardware" or "the Company" within this manual. Company "premises" include all company buildings, vehicles, parking lots, and property.

"Employee's manager" is their location store manager.

"Corporate management" is company owners.

Section 1 - Governing Principles of Employment

1-1. MISSION

Bright's Hardware's mission is to deliver high quality service to our customers by emphasizing integrity, service, solutions and value. We work collaboratively to ensure our employees are leaders excelling in product knowledge, customer service and teamwork.

All employees of Bright's Hardware have a responsibility to treat others with dignity and respect at all times. All employees are expected to exhibit conduct that reflects inclusion and kindness during work, at work functions on or off the work site, and at all other company-sponsored and participative events.

At Bright's Hardware a workplace is one where all employees and customers feel valued and respected. We respect and value diverse life experiences and heritages and ensure that all voices are valued and heard.

We extend our desire for your success and happiness here at Bright's Hardware. We understand that it is our employees who provide the services that our customers rely upon, and who will enable us to create new opportunities in the years to come. Our employee handbook describes many of your responsibilities as an employee and outlines the programs developed by Bright's Hardware.

You are expected to abide by the policies and procedures in this handbook. Violation of any policies and procedures, or reasonable suspicion of any such violations, may result in disciplinary action, up to and including termination of employment.

1-2. EQUAL EMPLOYMENT OPPORTUNITY

Bright's Hardware is an Equal Opportunity Employer that does not discriminate on the basis of actual or perceived race, color, creed, religion, national origin, ancestry, citizenship status, age, sex or gender (including pregnancy, childbirth, pregnancy-related conditions, and lactation), gender identity or expression (including transgender status), sexual orientation, marital status, military service and veteran status, physical or mental disability, genetic information, or any other characteristic protected by applicable federal, state, or local laws and ordinances. Bright's Hardware's management team is dedicated to this policy with respect to recruitment, hiring, placement, promotion, transfer, training, compensation, benefits, employee activities, access to facilities and programs, and general treatment during employment.

Bright's Hardware is committed to employing only United States citizens and legal aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin. In compliance with the Immigration Reform and Control Act (IRCA), each new employee and/or a rehired employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present unexpired appropriate documentation establishing identity and employment eligibility within three (3) working days from date of hire.

Bright's Hardware welcomes relatives of employees to apply for positions for which they qualify and will permit the employment of qualified relatives as long as such employment does not, in the opinion of Bright's Hardware, create actual or perceived conflicts of interest. Employee and future employees should notify management of any familial relationships during the interview process.

Employment decisions are based solely on the individual's qualifications, merit, and performance, subject to the business requirements of Bright's Hardware.

Any employees with questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to the attention of Chief Operations Officer (COO). Bright's Hardware will not allow any form of retaliation against employees who raise issues of equal employment opportunity. If employees feel they have been subjected to any such retaliation, they should contact Chief Operations Officer (COO). To ensure the workplace is free of artificial barriers, violation of this policy including any improper retaliatory conduct will lead to discipline, up to and including termination. All employees must cooperate with all investigations conducted pursuant to this policy.

1-3. REASONABLE ACCOMMODATIONS & INTERACTIVE DIALOGUE

Bright's Hardware is committed to complying with applicable federal, state, and local laws governing reasonable accommodations of individuals, including, but not limited to, the Americans with Disabilities Act (ADA). To that end, we will endeavor to make a reasonable accommodation to applicants and employees who have requested an accommodation or for whom Bright's Hardware has notice may require such an accommodation, without regard to any protected classifications, related to an individual's:

- Disability, meaning any physical, medical, mental, or psychological impairment, or a history or record of such impairment;
- Sincerely held religious beliefs and practices;
- Needs as a victim of domestic violence, sex offenses, or stalking;
- Needs related to pregnancy, childbirth, or related medical conditions; and/or
- Any other reason required by applicable law, unless the accommodation would impose an undue hardship on the operation of our business.

Any individual who would like to request an accommodation based on any of the reasons set forth above should contact employee's manager. Accommodation requests can be made in writing using a form which can be obtained from employee's manager. If an individual who has requested an accommodation has not received an initial response within five (5) business days, the employee should contact employee's manager.

After receiving a request for an accommodation or learning indirectly that the employee may require such an accommodation, Bright's Hardware will engage in an interactive dialogue with the employee.

Even if employee has not formally requested an accommodation, Bright's Hardware may initiate an interactive dialogue under certain circumstances, such as when Bright's Hardware has knowledge that employee's performance at work has been negatively affected and a reasonable basis to believe that the issue is related to any of the protected classifications set forth above, in compliance with applicable law. In the event Bright's Hardware initiates an interactive dialogue with an employee, it should not be construed as Bright's Hardware's belief an individual requires an accommodation but will serve as an invitation for the employee to share with Bright's Hardware any information the employee desires to share, or to request an accommodation.

The interactive dialogue may take place in person, by telephone, or by electronic means. As part of the interactive dialogue, Bright's Hardware will communicate openly and in good faith with the employee in a timely manner in order to determine whether and how Bright's Hardware may be able to provide a reasonable accommodation. To the extent necessary and appropriate based on the request, Bright's Hardware will attempt to explore the existence and feasibility of alternative accommodations as well as alternative positions for the employee. Bright's Hardware is not required to provide the specific accommodation sought by the employee, provided the alternatives are reasonable and either meet the specific needs of the employee or specifically address the employee's limitations.

As part of the interactive dialogue, Bright's Hardware reserves the right to request supporting documentation to the maximum extent permitted by applicable law.

Bright's Hardware will endeavor to keep confidential all communications regarding requests for reasonable accommodations and all circumstances surrounding the employee's underlying reason for needing an accommodation.

Bright's Hardware will not allow any form of retaliation against employees who have requested an accommodation, for whom Bright's Hardware has notice may require such an accommodation, or who otherwise engage in the interactive dialogue process.

Employees with questions regarding this policy should contact employee's manager.

1-4. NON-HARASSMENT

It is Bright's Hardware's policy to prohibit intentional and unintentional harassment of or against job applicants, contractors, interns, volunteers or employees by another employee, manager, vendor, customer or any third party on the basis of actual or perceived race, color, creed, religion, national origin, ancestry, citizenship status, age, sex or gender (including pregnancy, childbirth and pregnancy-related conditions), gender identity or expression (including transgender status), sexual orientation, marital status, military service and veteran status, physical or mental disability, genetic information or any other characteristic protected by applicable federal, state or local laws (referred to as "protected characteristics"). Such conduct will not be tolerated by Bright's Hardware.

The purpose of this policy is not to regulate our employees' personal morality, but to ensure that no one harasses another individual in the workplace, including while on Company premises, while on Company business (whether or not on Company premises) or while representing the Company. In addition to being a violation of this policy, harassment or retaliation based on any protected characteristic as defined by applicable federal, state, or local laws also is unlawful. For example, sexual harassment and retaliation against an individual because the individual filed a complaint of sexual harassment or because an individual aided, assisted or testified in an investigation or proceeding involving a complaint of sexual harassment as defined by applicable federal, state, or local laws are unlawful.

Harassment Defined

Harassment generally is defined in this policy as unwelcome verbal, visual or physical conduct that denigrates or shows hostility or aversion towards an individual because of any actual or perceived protected characteristic or has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Harassment can be verbal (including slurs, jokes, insults, epithets, gestures or teasing), visual (including offensive posters, symbols, cartoons, drawings, computer displays, text messages, social media posts or emails) or physical conduct (including physically threatening another, blocking someone's way, etc.). Such conduct violates this policy, even if it does not rise to the level of a violation of applicable federal, state or local laws. Because it is difficult to define unlawful harassment, employees are expected to behave at all times in a manner consistent with the intended purpose of this policy.

Sexual Harassment Defined

Sexual harassment can include all of the above actions, as well as other unwelcome conduct, such as unwelcome or unsolicited sexual advances, requests for sexual favors, conversations regarding sexual activities and other verbal, visual or physical conduct of a sexual nature when:

- submission to that conduct or those advances or requests is made either explicitly or implicitly a term or condition of an individual's employment; or
- submission to or rejection of the conduct or advances or requests by an individual is used as the basis for employment decisions affecting the individual; or
- the conduct or advances or requests have the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of conduct that violate this policy include:

1. unwelcome flirtations, leering, whistling, touching, pinching, assault, blocking normal movement;
2. requests for sexual favors or demands for sexual favors in exchange for favorable treatment;
3. obscene or vulgar gestures, posters or comments;
4. sexual jokes or comments about a person's body, sexual prowess or sexual deficiencies;
5. propositions or suggestive or insulting comments of a sexual nature;
6. derogatory cartoons, posters and drawings;
7. sexually-explicit e-mails, text messages or voicemails;
8. uninvited touching of a sexual nature;
9. unwelcome sexually-related comments;
10. conversation about one's own or someone else's sex life;
11. conduct or comments consistently targeted at only one gender, even if the content is not sexual; and
12. teasing or other conduct directed toward a person because of the person's gender.

Reporting Procedures

If the employee has been subjected to or witnessed conduct which violates this policy, the employee should immediately report the matter to employee's manager. If the employee is unable for any reason to contact this person, or if the employee has not received an initial response within five (5) business days after reporting any incident of what the employee perceives to be harassment, the employee should contact Chief Operations Officer. If the person toward whom the complaint is directed is one of the individuals indicated above, the employee should contact any higher-level manager in the reporting hierarchy.

Investigation Procedures

Every report of perceived harassment will be fully investigated, and corrective action will be taken where appropriate. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed. All employees must cooperate with all investigations conducted pursuant to this policy.

Retaliation Prohibited

In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to management or who cooperate in the investigations of such reports in accordance with this policy. If the employee has been subjected to any such retaliation, the employee should report it in the same manner in which the employee would report a claim of perceived harassment under this policy.

Violation of this policy including any improper retaliatory conduct will result in disciplinary action, up to and including termination.

1-5. DRUG-FREE AND ALCOHOL-FREE WORKPLACE

To help ensure a safe, healthy and productive work environment for our employees and others, to protect Company property, and to ensure efficient operations, Bright's Hardware has adopted a policy of maintaining a workplace free of drugs and alcohol. This policy applies to all employees and other individuals who perform work for the Company.

The unlawful or unauthorized use, abuse, solicitation, theft, possession, transfer, purchase, sale, or distribution of controlled substances (including medical marijuana), drug paraphernalia, or alcohol by an individual anywhere on Company premises, while on Company business (whether or not on Company premises) or while representing the Company, is strictly prohibited. Employees and other individuals who work for the Company also are prohibited from reporting to work or working while they are using or under the influence of alcohol or any controlled substances, which may impact the employee's ability to perform their job or otherwise pose safety concerns, except when the use is pursuant to a licensed medical practitioner's instructions and the licensed medical practitioner authorized the employee or individual to report to work. ***However, this exception does not extend any right to report to work under the influence of lawful recreational or medical marijuana or to use such as a defense to a positive drug test, to the extent the employee is subject to any drug testing requirement, except as permitted by and in accordance with applicable law.***

Violation of this policy will result in disciplinary action, up to and including termination as this is a serious safety concern. Under certain circumstances you may be required to submit to an alcohol/drug test if you are suspected to be under the influence. An employee who fails a alcohol/drug test or refuses to submit to the test will face disciplinary action, up to and possibly including immediate termination of employment.

The Company maintains a policy of non-discrimination and will endeavor to make reasonable accommodations to assist individuals recovering from substance and alcohol dependencies, and those who have a medical history which reflects treatment for substance abuse conditions. However, employees may not request an accommodation to avoid discipline for a policy violation. We encourage employees to seek assistance before their substance abuse or alcohol misuse renders them unable to perform the essential functions of their jobs or jeopardizes the health and safety of any Company employee, including themselves.

1-6. WORKPLACE VIOLENCE

Bright's Hardware is strongly committed to providing a safe workplace. The purpose of this policy is to minimize the risk of personal injury to employees and damage to Company and personal property.

Bright's Hardware does not expect employees to become experts in psychology or to physically subdue a threatening or violent individual. Indeed, Bright's Hardware specifically discourages employees from engaging in any physical confrontation with a violent or potentially violent individual. However, Bright's Hardware does expect and encourage employees to exercise reasonable judgment in identifying potentially dangerous situations.

Experts in the mental health profession state that prior to engaging in acts of violence, troubled individuals often exhibit one or more of the following behaviors or signs: over-resentment, anger and hostility; extreme agitation; making ominous threats such as bad things will happen to a particular person, or a catastrophic event will occur; sudden and significant decline in work performance; irresponsible, irrational, intimidating, aggressive or otherwise inappropriate behavior; reacting to questions with an antagonistic or overtly negative attitude; discussing weapons and their use, and/or brandishing weapons in the workplace; overreacting or reacting harshly to changes in Company policies and procedures; personality conflicts with co-workers; obsession or preoccupation with a co-worker or manager; attempts to sabotage the work or equipment of a co-worker; blaming others for mistakes and circumstances; or demonstrating a propensity to behave and react irrationally.

Prohibited Conduct

Threats, threatening language or any other acts of aggression or violence made toward or by any Company employee **WILL NOT BE TOLERATED**. For purposes of this policy, a threat includes any verbal or physical harassment or abuse, any attempt at intimidating or instilling fear in others, menacing gestures, flashing of weapons, stalking or any other hostile, aggressive, injurious or destructive action undertaken for the purpose of domination or intimidation. To the extent permitted by law, employees, visitors and customers are prohibited from carrying weapons on Company premises.

Procedures for Reporting a Threat

All potentially dangerous situations, including threats by co-workers, should be reported immediately to any member of management with whom the employee feels comfortable. Reports of threats may be maintained confidential to the extent maintaining confidentiality does not impede Bright's Hardware's ability to investigate and respond to the complaints. All threats will be promptly investigated. All employees must cooperate with all investigations. No employee will be subjected to retaliation, intimidation or disciplinary action as a result of reporting a threat in good faith under this policy.

If the Company determines, after an appropriate good faith investigation, that someone has violated this policy, the Company will take swift and appropriate corrective action.

If the employee is the recipient of a threat made by an outside party, that employee should follow the steps detailed in this section. It is important for the Company to be aware of any potential danger on its premises. The Company wants to take effective measures to protect everyone from the threat of a violent act by employees or by anyone else.

Section 2 – Operational Policies

Employees are expected to always do their best with the quality of their work, productivity, dependability, attendance record and teamwork – working together for top quality customer service.

2-1. EMPLOYEE CLASSIFICATIONS

For the purposes of this manual, all Bright's Hardware employees fall within one of the classifications below:

Full-Time Employees - Employees who regularly work at least 30 hours per week who were not hired on a short-term basis.

Part-Time Employees - Employees who regularly work fewer than 30 hours per week who were not hired on a short-term basis.

Short-Term Employees-Employees who were hired for a specific short-term project, or on a short-term freelance, per diem or temporary basis. Short-Term employees generally are not eligible for Company benefits but are eligible to receive statutory benefits.

In addition to the above classifications, employees are categorized as either "**exempt**" or "**non-exempt**" for purposes of federal and state wage and hour laws. Employees classified as exempt do not receive overtime pay; they generally receive the same weekly salary regardless of hours worked. Such salary may be paid less frequently than weekly. The employee will be informed of these classifications upon hire and informed of any subsequent changes to the classifications.

The *Fair Labor Standards Act (FLSA)* contains regulations regarding the minimum wage, eligibility for overtime payment, and recordkeeping requirements. Management will determine if your job is non-exempt (hourly) or exempt (salaried) from these requirements based on your duties and responsibilities and the legal criteria for exemption. If you are a nonexempt employee, records must be maintained of your hours worked and you must receive overtime pay for any hours worked over 40 hours in a workweek.

Texas maintains a "Right to Work Law" which declares that every citizen has the right to be employed without paying fees to any organization.

2-2. PROBATIONARY PERIOD

The first 90 Days of employees' employment is a probationary period. This is an opportunity for Bright's Hardware to evaluate employee performance to determine if the employee satisfied Bright's Hardware requirements for employment. It also is an opportunity for employees to decide whether they are happy being employed by the Company. The Company may extend the introductory period if it desires. Completion of the introductory period does not alter the employee's at-will status.

Performance reviews for all new employees will generally be conducted at the completion of 90 days of continuous service. The purpose of a performance review is to evaluate your job performance, assess your job-related strengths and weaknesses, and support changes in your job status and/or wage level. Performance reviews include such factors as the quality of your work, productivity, meeting goals and objectives, your dependability, and attendance record.

2-3. YOUR EMPLOYMENT RECORDS AND BACKGROUND INVESTIGATIONS

In order to obtain your position, employees have provided personal information, such as address and telephone number. The personnel file may include such information as the employee's job application, resume, records of training, performance appraisals and salary increases, and other employment records. No information will be placed in your personnel file unless there is a clear business reason to do so. All medical records, if any, will be kept in a separate

confidential file. Access to the information in your personnel file is restricted. Generally, only managers and management personnel who have a legitimate reason to review information in a file are permitted to do so. If you wish to review your personnel file, you should make an appointment with your manager during regular business hours. If you disagree with the information in your file, you may submit written comments that may be attached to the information. Under no circumstances may you alter, copy, or remove any document in the file.

Employees should keep their personnel file up to date by informing employee's manager of any changes. Employees also should inform the employee's manager of any specialized training or skills they acquire, as well as any changes to any required visas. Unreported changes of address, marital status, etc. can affect withholding tax and benefit coverage. Further, an "out of date" emergency contact or an inability to reach employees in a crisis could cause a severe health or safety risk or other significant problem.

Any misrepresentation or omissions made by you when completing the employment application or at any time during the employment process and/or during your employment will be considered just cause for dismissal without advance notice.

Prior to making an offer of employment, Bright's Hardware may conduct a job-related background check. A comprehensive background check may consist of prior employment verification, professional reference checks, education confirmation, credit check, and criminal conviction records. Conviction of a crime is not an absolute bar to employment and will not automatically eliminate an individual from consideration for employment. All relevant circumstances, such as how long ago the conviction occurred and the crime involved, will be considered. All investigations will be conducted in accordance with the *Fair Credit Reporting Act*.

Bright's Hardware reserves the right not to employ or retain in employment anyone who has been convicted of any felony or misdemeanor offense as related to the duties and responsibilities of the position. You must report any conviction occurring during the course of your employment to your manager or corporate management within one working day of the conviction.

All inquiries concerning current or former employees are confidential and are to be directed to corporate management personnel. You are strictly prohibited from providing any information to inquiring parties regarding current or former employees. Management will only verify dates of employment and positions held, unless legally required to reveal additional information. With written authorization from the employee, responses to lending or credit agencies will provide only factual, historical employment, and/or salary information and will not indicate that you have a guarantee or assurance of continued employment. If you want to disclose additional information contained in your personnel file, you must provide a written release to corporate management.

2-4. TIMEKEEPING PROCEDURES

Payroll uses the number of hours you work each day and is used to compute your pay. You must record your time in and out for lunch. You are not allowed to record time in or out for other employees. Recording time for another employee will lead to disciplinary action up to and including termination of employment. Any corrections to your time record must be submitted by your manager.

Employees must record their actual time worked for payroll and benefit purposes. Non-exempt employees must record the time work begins and ends, as well as the beginning and ending time of any departure from work for any non-work-related reason, on forms or software as specified by management. Exempt employees are required to record their daily work attendance and report full days of absence from work for reasons such as leaves of absence, sick leave or personal business.

Break Periods. Bright's Hardware encourages employees to take rest periods and provides a paid rest period of 15 minutes per every 4 hours of a shift. Breaks cannot be broken down into multiple smaller time periods. No more than one employee on break at a time.

Employees are required to take a lunch break for shifts over 6 hours. Lunch breaks are 30-minutes and are generally between the hours of 11:00AM. and 2:00PM as scheduled by management.

Breaks are not to be combined or early off to compensate for missed breaks. You must confirm with your manager before leaving the building for a break or lunch period.

Non-exempt employees may not clock in until 5 minutes prior to their scheduled shift and 10 minutes prior to posted store hours. Managers may not clock in until 30 minutes prior to posted store hours without approval from corporate management.

It is the employee's responsibility to correctly maintain time records. Any errors in the time record should be reported immediately to a manager, who will attempt to correct legitimate errors. Altering, falsifying or tampering with time records is prohibited as well as excessive adjustments needed and subjects the employee to discipline, up to and including termination.

2-5. TIME OFF REQUESTS

Any requests for time off whether utilizing PTO or not must be submitted to the employee's manager and is subject to approval. While managers try to accommodate all requests at times due to other employees' schedules, store requirements and deadlines it may not be possible. Requesting more than 1 day off at a time should be made at least 2 weeks in advance or as soon as possible.

2-6. OVERTIME

When Bright's Hardware experiences periods of extremely high activity, additional work may be required. Managers are responsible for monitoring business activity and requesting overtime work if it is necessary. You are expected to work overtime as scheduled by your manager. Effort will be made to provide employees with adequate advance notice in such situations. Employees may work overtime only with prior management authorization. Any non-exempt employee who works overtime without authorization may be subject to disciplinary action, up to and including termination.

Any non-exempt employee who works overtime will be compensated at the rate of one and one-half times (1.5) their regular hourly wage for all time worked in excess of 40 hours each workweek, unless otherwise required by applicable law. Overtime pay is calculated based on actual hours worked. Paid time off, holidays, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations. For purposes of calculating overtime for non-exempt employees, the workweek begins at 12 a.m. on Sunday and ends 168 hours later at 12 a.m. on the following Sunday.

2-7. SEVERE WEATHER

It is Bright's Hardware policy to continue operations despite inclement weather. However, severe weather may create a serious transportation hazard and make it difficult for employees to arrive at work. Bright's Hardware evaluates such situations carefully before determining whether a business closing is warranted.

At times, emergencies such as severe weather, fires, or power failures can disrupt company operations. In such instances, management will decide on the closure and will provide official notification to the employees.

You should report to work unless the weather proves to be an actual safety threat or a business closing has been announced. You are expected to use appropriate discretion in determining whether to attempt to come to work. You are expected to notify the appropriate manager as soon as possible if you will be late or absent from work due to inclement weather.

Nonexempt employees will not be paid for time missed due to inclement weather unless they use available PTO.

2-8. TRAVEL TIME FOR NON-EXEMPT EMPLOYEES

Overnight, Out-of-Town Trips

Non-exempt employees will be compensated for time spent traveling (except for meal periods) during their normal working hours, on days they are scheduled to work and on unscheduled workdays (such as weekends). Non-exempt

employees also will be paid for any time spent performing job duties during otherwise non-compensable travel time; however, such work should be limited absent advance management authorization.

Out-of-Town Trips for One Day

Non-exempt employees who travel out of town for a one-day assignment will be paid for all travel time, except for time spent traveling between the employee's home and the local railroad, bus or plane terminal; and meal periods.

Local Travel

Non-exempt employees will be compensated for time spent traveling from one job site to another job site during a workday. The trip home, however, is non-compensable when the employee goes directly home from the final job site, unless it is much longer than the regular commute home from the regular worksite. In such case, the portion of the trip home in excess of the regular commute is compensable.

Commuting Time

Under the Portal to Portal Act, travel from home to work and from work to home is generally non-compensable. However, if a non-exempt employee regularly reports to a worksite near their home but is required to report to a worksite farther away than the regular worksite, the additional time spent traveling is compensable.

If compensable travel time results in more than 40 hours worked by a non-exempt employee, the employee will be compensated at an overtime rate of one and one-half (1-1/2) times the regular rate. To the extent that applicable state law provides greater benefits, state law applies.

2-9. BUSINESS EXPENSE REIMBURSEMENT

Employees will be reimbursed for reasonable approved expenses incurred in the course of business. These expenses must be approved by the corporate management, and may include air travel, hotels, motels, meals, cab fare, rental vehicles, toll fees or gas and car mileage for personal vehicles. You will complete an expense report for documentation of any business expense that is to be reimbursed or any purchases charged to a Company credit card. All cash advances must be accounted for, and all business expenses must be supported by receipts.

Employees are expected to exercise restraint and good judgment when incurring expenses. Employees should contact their manager in advance if they have any questions about whether an expense will be reimbursed.

Personal expenses of a nature that would be incurred by you regardless of your work-related responsibilities are not reimbursable. When a business trip is extended for personal reasons, the cost of the personal portion of the trip is not reimbursable. Expenditures prohibited by law or not deductible to Bright's Hardware in arriving at taxable income are not reimbursable. Any expenses related to your spouse or companion are not reimbursable.

When you use your personal vehicle for Company business, mileage will be reimbursed using IRS guidelines and rates. Mileage, gasoline, or other expenses related to the operation of a vehicle are not reimbursable unless they are incurred while conducting business. Fines or traffic violations are not reimbursable at any time and are your responsibility.

2-10. SAFE HARBOR POLICY FOR EXEMPT EMPLOYEES

It is Bright's Hardware's policy and practice to accurately compensate employees and to do so in compliance with all applicable state and federal laws. To ensure proper payment and that no improper deductions are made, employees must review pay stubs promptly to identify and report all errors.

Those classified as exempt salaried employees will receive a salary which is intended to compensate them for all hours they may work for Bright's Hardware. This salary will be established at the time of hire or classification as an exempt employee. While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work performed.

Under federal and state law, salary is subject to certain deductions. For example, unless state law requires otherwise, salary can be reduced for the following reasons:

- full-day absences for personal reasons;
- full-day absences for sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing wage replacement benefits for such absences (deductions also may be made for the exempt employee's full-day absences due to sickness or disability before the employee has qualified for the plan, policy or practice or after the employee has exhausted the leave allowance under the plan);
- full-day disciplinary suspensions for infractions of our written policies and procedures;
- Family and Medical Leave Act absences (either full- or partial-day absences);
- to offset amounts received as payment from the court for jury and witness fees or from the military as military pay;
- the first or last week of employment in the event the employee works less than a full week; and
- any full work week in which the employee does not perform any work.

Salary may also be reduced for certain types of deductions such as a portion of health, dental or life insurance premiums; state, federal or local taxes; social security; or voluntary contributions to a 401(k) or pension plan. Other deductions, including charitable contributions, or other work-related items, must be approved by Bright's Hardware and authorized in writing by you.

In any work week in which the employee performed any work, salary will not be reduced for any of the following reasons:

- partial day absences for personal reasons, sickness or disability;
- an absence because the Company has decided to close a facility on a scheduled work day;
- absences for jury duty, attendance as a witness, or military leave in any week in which the employee performed any work (subject to any offsets as set forth above); and
- any other deductions prohibited by state or federal law.

However, unless state law provides otherwise, deductions may be made to accrued leave for full- or partial- day absences for personal reasons, sickness or disability.

If employees believe they have been subject to any improper deductions, they should immediately report the matter to a manager. If the manager is unavailable or if the employee believes it would be inappropriate to contact that person (or if the employee has not received a prompt and fully acceptable reply), they should immediately contact employee's manager or any other manager in Bright's Hardware with whom the employee feels comfortable.

2-11. YOUR PAYCHECK

Weekly paycheck time periods run from Sunday at 12AM to Saturday at 11:59PM. All employees with direct deposit will be paid on Friday following the close of the pay period. Employees will be paid bi-weekly for all the time worked during the past pay period. If a payday falls on a holiday, you will typically be paid on the preceding scheduled workday.

To view your payroll stubs, itemizations and W-2s, employees must setup and login to the Intuit QuickBooks Workforce. Payroll stubs itemize deductions made from gross earnings. By law, Bright's Hardware is required to make deductions for Social Security, federal income tax and any other appropriate taxes. These required deductions also may include any court-ordered garnishments. Payroll stubs also will differentiate between regular pay received and overtime pay received.

If there is an error in any employee's pay, the employee should bring the matter to the attention of employee's manager immediately so the Company can resolve the matter quickly and agreeably.

Any paper paychecks will be given only to the employee, unless the employee requests that they be mailed or authorizes in writing that another person may accept the check.

2-12. DIRECT DEPOSIT

Bright's Hardware strongly encourages employees to use direct deposit. Authorization forms are available from employee's manager.

2-13. SALARY ADVANCES

Bright's Hardware does not permit advances on paychecks or against accrued paid time off.

2-14. PERFORMANCE REVIEW

Bright's Hardware wants to help employees to succeed in their jobs and to grow. Feedback includes a Performance Evaluation and Ace Learning Place Assessments Discussions. Depending on the employee anniversary date, the performance review is held during either the March or the September review cycle.

Salary/Wage reviews typically occur in conjunction with the annual performance review process. The calculation and implementation of changes in base salary/wage depend on both company and personal performance and will typically occur in either April or October; whichever most closely follows the review cycle.

Depending on the employee's position and classification, Bright's Hardware endeavors to review performance annually. However, a positive performance evaluation does not guarantee an increase in salary/wage, a promotion or continued employment. Compensation increases and the terms and conditions of employment, including job assignments, transfers, promotions, and demotions, are determined by and at the discretion of management.

Merit increases are awarded in an effort to recognize superior employee performance. They are based upon Bright's Hardware merit increase guidelines as determined by management and upon your overall performance and attendance. Merit increases are not awarded on the basis of length of service or other factors unrelated to job performance.

In addition to these formal performance evaluations, the Company encourages employees and managers to discuss job performance on a frequent and ongoing basis.

2-15. EDUCATIONAL OPPORTUNITIES

ACE Training Development – A specific schedule of basic training and orientation has been established for job and employment classifications. The Ace Learning Place System provides guidance in professional development and Bright's Hardware encourages all interested employees to take advantage of the continuing education initiative and further job specific training. All courses must be approved and assigned by a manager.

Professional Associations - At Bright's Hardware discretion, full-time regular employee's memberships in civic organizations or professional and business associations may be sponsored by Bright's Hardware. Membership in the association or organization must be related to your current job within Bright's Hardware and you must receive approval from corporate management.

Continuing Education (Stihl Training, etc...) – Bright's Hardware supports professional and career development through employee attendance at appropriate workshops, seminars, and short courses. To be eligible for such support an individual must be a full-time regular employee who has completed one year of continuous service. The course must be related to the employee's current duties. Availability of funds and the impact of the employee's absence on Bright's Hardware operational needs will be considered with any request for continuing education support.

A request for continuing education support may originate from an employee or an employee's manager. The employee must review the request with their manager. The manager will send a recommendation to a member of corporate management for final approval.

2-16. JOB OPPORTUNITIES AND PROMOTIONS

Bright's Hardware is dedicated to assisting employees in managing their careers and reaching their professional goals through promotion and transfer opportunities. If employees develop an interest in another position within the company and they meet the eligibility requirements, they should speak to their manager about advancement to other positions within the company. The manager will then evaluate and discuss with corporate management and provide a response to the employee about future opportunities. The Company reserves the right to seek applicants solely from outside sources or to post positions internally and externally simultaneously.

2-17. COMPANY AFFILIATED EVENTS AND ACTIVITIES

Your participation in any off-duty event or activity sponsored by or affiliated with Bright's Hardware is voluntary, and you assume any and all risk connected with such participation. Bright's Hardware assumes no liability from any activity or event that it sponsors in whole or in part in which a participating employee is injured.

2-18. OPEN DOOR POLICY

All employees have the opportunity to express ideas and opinions directly to management. The Company believes that open communication is essential to a successful work environment, as well as to the Company's success. Employees who would like to bring an idea or suggestion to the Company's attention, or just simply wishes to discuss an issue not covered by a separate reporting procedure, are always welcome to send an email or set up a time to discuss with corporate management.

2-19. SEPARATION

At any separation you will receive information regarding the status of your benefits, final pay, and related issues. You are responsible for ensuring Bright's Hardware has your correct forwarding address so that your annual W-2 and any other documents or forms are mailed to the correct address following your separation.

All employees must refrain from discussing the reasons(s) surrounding an employee's termination unless the individual(s) with whom the information is discussed has a business-related need to know such information.

Resignation - If you resign, you should give your manager at least two weeks' written notice, stating the effective date of your termination and your reason for resigning. If you verbally resign, your manager will document your resignation and ask you to sign it. (If you do not give appropriate notice or are not available to work through the notice period, you may not be eligible to be rehired.) Your notice period may not include PTO days. Bright's Hardware may permit you to continue employment during the notice period or accept your resignation immediately or at any time during the notice period. You will be paid only through the last day actually worked and that will be your termination date.

Performance-Based and Misconduct-Related Termination - Performance-based or misconduct-related terminations are initiated by Bright's Hardware for unacceptable job performance or inappropriate conduct or behavior. The effective date of termination will be the last day you are at work. You will not be paid for unused PTO.

Medical Separation - A medical separation is a release initiated by either an employee or Bright's Hardware when the employee is unable, for health reasons, to perform the essential functions of the job with reasonable accommodations (in accordance with the provisions of FMLA and ADA).

Reductions-In-Force - Organizational changes within Bright's Hardware such as reorganizations, consolidation of functions, restructuring, elimination of job functions, or lack of work may require the termination or transfer of some employees. If Bright's Hardware decides to transfer you to another position and you accept the transfer, you will be compensated according to the salary and/or benefits designated for the position to which you are moved.

Exit Interview - If voluntarily separating from Bright's Hardware, you may request an exit interview with your manager on or before your last day of work. At the exit interview, you will have an opportunity to discuss your reasons for leaving and to voice your suggestions, concerns, and questions.

2-20. ARTIFICIAL INTELLIGENCE

The Company recognizes that the use of AI tools can potentially assist employees with the performance of job duties. However, there are many risks. To ensure the protection of confidential information and the integrity of our operations, as set forth below, all employees who wish to use AI tools must receive management approval and, if granted, comply with the below best practices.

Evaluation of AI tools. Employees must evaluate the utility and security of any AI tool before using it. This includes reviewing the tool's security features, terms of service, and privacy policy. Employees should also review the reputation of the tool developer and any third-party services used by the tool. But most importantly, employees **must** receive management approval prior to using any AI tool after explaining the manner in which it will be used and the benefits to the business.

Protection of confidential data. In using any AI tool, employees must not upload or share any confidential, proprietary, or protected data without prior written approval from employee's manager. This includes data related to customers, employees, or partners. Similarly, employees must ensure any AI tool does not utilize confidential or copyrighted information of a third party.

Access control. Employees must not give access to any AI tools approved for business use to anyone outside the company without prior approval from employee's manager and implementation of processes as required to meet security compliance requirements. This includes sharing login credentials or other sensitive information with third parties.

Compliance with security policies. Employees must apply the same security best practices we use for all company and customer data. This includes using strong passwords, keeping software up-to-date, and following the Company's data retention and disposal policies.

Section 3 – Benefits

3-1. BENEFITS OVERVIEW

In addition to good working conditions and competitive pay, it is Bright's Hardware's policy to provide a combination of supplemental benefits to all eligible employees. In keeping with this goal, each benefit program has been carefully developed. These benefits include paid time off (PTO), employee discounts and other potential benefits. We are constantly studying and evaluating our benefits programs and policies to better meet present and future requirements. These policies have been developed over the years and continue to be refined to keep up with changing times and needs.

The total amount of service credited to you is important in determining the levels at which you participate in various benefit programs. Your credited service date begins with your first day of employment and consists of the total time you have actually worked. Your original credited service date may be adjusted for any breaks in service. Determination of your credited service for certain benefits may be protected by law and applicable state and/or federal laws will govern in such instances (e.g. Military leave). Adjusted credited service dates may affect your seniority status and benefits eligibility, including vacation and PTO.

The next few pages contain a brief outline of the benefits programs Bright's Hardware provides for employees. Of course, the information presented here is intended to serve only as guidelines. The descriptions of the benefits merely highlight certain aspects of the applicable plans for general information only.

Further, Bright's Hardware (including management and administrators who are responsible for administering the plans) retains full discretionary authority to interpret the terms of the plans, as well as full discretionary authority with regard to administrative matters arising in connection with the plans and all issues concerning benefit terms, eligibility and entitlement.

While the Company intends to maintain these employee benefits, it reserves the absolute right to modify, amend or terminate these benefits at any time and for any reason.

3-2. PAID TIME OFF (PTO)

Bright's Hardware appreciates how hard employees work and recognizes the importance of providing time for rest and relaxation. Bright's Hardware fully encourages employees to get this rest by taking paid time off. Time off under this policy includes extended time off, such as for a vacation, and incidental time due to sickness or to handle personal affairs.

Accruing Paid Time Off (PTO) Employees are eligible to begin accruing PTO after 1 year of service. Calculations begin after a year and when a minimum of 40 hours are regularly worked per pay period. Calculation of pay for PTO will be based on the hours that you are regularly scheduled to work on that day but not to exceed 8 hours a day. Overtime, bonus eligibility, and any other forms of compensation other than base salary will not be considered in the calculation. Employees can accrue up to 45 hours of PTO. PTO is accrued on a pro-rate basis throughout the year and should be taken during the year received, unless otherwise required by law.

Using Paid Time Off (PTO) All use of PTO must be requested, approved and entered by manager. If employees wish to use three (3) or more full days of paid time off consecutively, they must submit a request to their manager at least two (2) weeks in advance of the requested time off. Similar notice should be provided for planned time off of shorter duration. Every effort will be made to grant requests, consistent with operating schedules. However, if too many people request the same period of time off, the Company reserves the right to choose who may take time off during that period. Individuals with the longest length of service generally will be given preference.

If employees are out of work due to illness or due any other emergency for which notice could not be provided, they must call in and notify their manager as early as possible, but at least by the start of their workday. If they call in sick for three (3) or more consecutive days, they may be required to provide their manager with a doctor's note on the day they return to work.

Paid time off should be taken from a minimum of 4 hours to a maximum of 8 hours per day.

PTO may not be used to extend employment for resigning employees. Your date of termination will be the last day you actually work. Use of PTO will not be granted during your notice period when your resignation has been tendered. Unused paid leave (PTO) is forfeited when an employee separates from employment.

3-3. HOLIDAYS

Bright's Hardware will be closed to observe Easter, Thanksgiving Day and Christmas Day. As determined by management each year there may be additional holiday closures or altered hours. Non-Exempt employees that work the following holidays, when the store is open, will receive time and a half pay:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Day After Thanksgiving
- Christmas Eve

To be eligible to receive time and a half holiday pay, non-exempt employees must work their scheduled shift prior to the holiday and after the holiday without absences.

3-4. WORKERS COMPENSATION

On-the-job injuries are covered by Bright's Hardware's Workers' Compensation Insurance Policy, which is provided at no cost. If an employee cannot work due to a work-related injury or illness, Workers' Compensation insurance pays his or her medical bills and provides a portion of their income until they can return to work.

If employees are injured on the job, no matter how minor, they should report the incident immediately to their manager. Failure to follow Company procedures may affect the ability of employees to receive Workers Compensation benefits.

This is solely a monetary benefit and not a leave of absence entitlement. Employees who need to miss work due to a workplace injury must also request a formal leave of absence. See *Section 3.8 in this Manual Regarding Accommodations and Leave of Absences*

NOTICE TO NEW EMPLOYEES

“You may elect to retain your common law right of action if, no later than five days after you begin employment or within five days after receiving written notice from the employer that the employer has obtained workers’ compensation insurance coverage, you notify your employer in writing that you wish to retain your common law right to recover damages for personal injury. If you elect to retain your common law right of action, you cannot obtain workers’ compensation income or medical benefits if you are injured.”

3-5. UNEMPLOYMENT COMPENSATION

Unemployment compensation is designed to provide a temporary income for those who are out of work through no fault of their own. Depending upon the circumstances, employees may be eligible for Unemployment Compensation upon termination of employment with Bright's Hardware. The Division of Unemployment Insurance of each State's Department of Labor determines eligibility for Unemployment Compensation.

The entire cost of unemployment insurance is paid by Bright's Hardware without any deduction from your wages. This money is deposited with the State and is used by the State for the payment of unemployment benefits.

3-6. EMPLOYEE DISCOUNT

After 30 days of employment, you will receive an employee discount of replacement cost plus 10% on in-store, currently stocked items. This discount is for your personal household use only and the employee must be the one purchasing. Anything over \$50 must have the employee's manager approval. Any abuse of this benefit will revoke your discount. You cannot use any coupons or any other discounts with employee discounts.

3-7. SOCIAL SECURITY AND MEDICARE

Each payday, a certain percentage of your gross income is withheld for Social Security and Medicare benefits and paid to the Social Security Administration. Bright's Hardware is required to match this percentage. These joint contributions provide a monthly income from Social Security and Medicare benefits when you reach retirement age. In addition, you become entitled to disability benefits if you are disabled before your normal retirement age, a lump sum payment, and continuing monthly income to your survivors if you die while insured.

3-8. ACCOMMODATIONS AND LEAVE OF ABSENCES

Lactation accommodations - Bright's Hardware will provide a reasonable amount of break time to accommodate employees desiring to express breast milk for their child, in accordance with and to the extent required by applicable law. The break time, if possible and permitted by applicable law, must run concurrently with rest and meal periods already provided. If the break time cannot run concurrently with rest and meal periods already provided, the break time will be unpaid, subject to applicable law.

The Company may not be able to provide additional break time if doing so would seriously disrupt the Company's operations, subject to applicable law.

The Company will make reasonable efforts to provide employees with the use of a room or location in close proximity to the employee's work area, other than a bathroom, to express milk in private. This location may be the employee's private office, if applicable. Please consult employee's manager with questions regarding this policy.

Employees should advise management if they need break time and an area for this purpose. Employees will not be discriminated against or retaliated against for exercising their rights under this policy.

Religious accommodations - If your religion requires attendance at religious services during a scheduled workday or requires you to be absent for observance of a religious holiday and you desire the time off, you should request time off in writing and submit it to your manager at least two weeks in advance. If approved, you may use available Personal Time Off (as described in the personal time off policy) or take the day as unpaid. Bright's Hardware will allow you time off for religious observances and practices unless such accommodation is not reasonable or practical without constituting undue hardship on Company operations.

Bereavement leave - The death of a family member is a time when employees wish to be with their families. If the employee loses a close relative, the employee will be allowed as much time as they need without pay or utilizing earned PTO to assist in attending to obligations and commitments. For the purposes of this policy, a close relative includes a spouse, domestic/civil union partner, child, parent, sibling or any other relation required by applicable law. Employees must inform their manager prior to commencing bereavement leave. In administering this policy, Bright's Hardware may require verification of death. The employee's position will be held for a reasonable amount of time as long as practical without constituting undue hardship on Company operations, but employee must maintain communication with the Company with estimated return timeline.

Jury duty - Bright's Hardware realizes that it is the obligation of all U.S. citizens to serve on a jury when summoned to do so. All employees will be allowed time off to perform such civic service as required by law. Employees are expected, however, to provide proper notice of a request to perform jury duty and verification of their service.

Employees also are expected to keep management informed of the expected length of jury duty service once they are aware and when they will return to work.

Military leave - If employees are called into active military service or enlist in the uniformed services, they will be eligible to receive an unpaid military leave of absence. To be eligible for military leave, employees must provide management with advance notice of service obligations unless they are prevented from providing such notice by military necessity or it is otherwise impossible or unreasonable to provide such notice. Provided the absence does not exceed applicable statutory limitations, employees will retain reemployment rights and accrue seniority and benefits in accordance with applicable federal and state laws. Employees should ask management for further information about eligibility for Military Leave.

If employees are required to attend yearly Reserves or National Guard duty, they can apply for an unpaid temporary military leave of absence not to exceed the number of days allowed by law (including travel). They should give management as much advance notice of their need for military leave as possible so that Bright's Hardware can maintain proper coverage while employees are away.

Personal leave - If employees are ineligible for any other Company leave of absence, Bright's Hardware, under certain circumstances, may grant a personal leave of absence without pay. A written request for a personal leave should be presented to management at least two (2) weeks before the anticipated start of the leave. If the leave is requested for medical reasons and employees are not eligible for leave under the federal Family and Medical Leave Act (FMLA) or any state leave law, medical certification also must be submitted. The request will be considered on the basis of staffing requirements and the reasons for the requested leave, as well as performance and attendance records. Normally, a leave of absence will be granted for a period of up to four (4) weeks. However, a personal leave may be extended if, prior to the end of leave, employees submit a written request for an extension to management and the request is granted. During the leave, employees will not earn paid time off.

When the employees anticipate returning to work, they should notify management of the expected return date. This notification should be made at least one (1) week before the end of the leave.

Upon completion of the personal leave of absence, the Company will attempt to return employees to their original job or a similar position, subject to prevailing business considerations. Reinstatement, however, is not guaranteed.

Failure to advise management of availability to return to work, failure to return to work when notified or a continued absence from work beyond the time approved by the Company will be considered a voluntary resignation of employment.

In special circumstances, Bright's Hardware may grant leave for a personal reason, but never for taking employment elsewhere or becoming self-employed. Personal leave of absence must be requested in writing and are subject to the discretion of management.

Medical or Sick leave - Bright's Hardware recognizes that it might be necessary for you to take time off to recuperate from an illness or injury. We do not pay additional time for medical or sick leave, but you may be able to utilize your PTO time for sickness, if available. This is given on a case-by-case basis with supporting medical documentation from a health care provider.

We do not have extended medical leave benefits. After 4 weeks of medical or sick leave we cannot continue to guarantee your position, but you will be eligible to reapply for an open position when available with doctor's full release.

Voting leave - In the event employees do not have sufficient time outside of working hours to vote in a statewide election, if required by state law, the employee may take off enough working time to vote. Such time will be paid if Texas requires it by state law. This time should be taken at the beginning or end of the regular work schedule. Where possible, managers should be notified at least two (2) days prior to the voting day.

3.9. INSURANCE PROGRAMS

Bright's Hardware does not provide insurance. The Affordable Care Act (ACA) – often called federal health care reform – requires employers to notify workers about the availability of the new Health Insurance Marketplace. The Marketplace is

an insurance exchange where individuals can compare individual health insurance plans offered by private insurance companies. You are provided a copy of the New Health Insurance Marketplace Coverage Option and Your Health Coverage.

Section 4 – General Standards of Conduct

Bright's Hardware is committed to conducting its business affairs with the highest standards of honesty and integrity and providing the best possible working conditions for our employees. This applies to relationships with fellow employees, competitors, customers, vendors, and the general public. You are expected to conduct yourself in a business-like and professional manner and to ensure that Bright's Hardware products and services are provided and administered in a manner consistent with Bright's Hardware standards of conduct. Examples of such conduct include, but are not limited to:

- Complying with all policies, procedures, and applicable laws and regulations.
- Obtaining specific approval from a manager before removing any property from Bright's Hardware.
- Performing your assigned tasks efficiently and correctly.
- Treating fellow employees, customers, visitors, and others in a professional, courteous, and respectful manner.

Employees who observe, learn of, or in good faith, suspect a violation of the Standards of Conduct of Bright's Hardware should immediately report the violation to management.

4-1. PERFORMANCE, BEHAVIOR, AND CONDUCT

You are expected to behave in an appropriate and business-like manner. The following violations, for which corrective counseling, performance improvement, or other disciplinary action, including termination, may be taken, are merely illustrative. This list should not be considered exhaustive or all-inclusive. The nature and severity of an offense will be considered in determining disciplinary action to be taken.

Examples of unacceptable performance-related issues include, but are not limited to:

- Unsatisfactory job performance, including careless work, failure to complete tasks regularly as explained by your manager, mistakes due to carelessness, or failure to obtain the necessary instructions;
- Failure or refusal to cooperate with or assist other employees, customers, or other individuals;
- Performing unauthorized personal work on Company time
- Excessive/repeated tardiness or not showing up for your shift.

Violations of performance expectations, including those listed above, may be considered misconduct if they become severe, excessive, or persistent.

Other examples of inappropriate behavior or conduct include, but are not limited to:

- Insubordination (refusal to follow management's instructions);
- Violating Bright's Hardware Drug-Free and Alcohol-Free Workplace Policy (*See Section 1.5*)
- Falsifying employment applications, timesheets, records, reports or other Company documents;
- Clocking in or out for another employee;
- Sharing log-in information, passwords or access codes with another employee;
- Filing a fraudulent injury-on-the-job claim or a false report of policy violation;
- Disorderly, harassing or discourteous conduct, including fighting or using obscene, abusive, or threatening language or gestures, towards clients, employees, or other individuals, or gossiping with or about employees or clients while performing work or otherwise representing Bright's Hardware;

Corrective Procedure

Unacceptable behavior that does not lead to immediate dismissal may be dealt with in any of the following manners: (a) Verbal Warning/Counseling, (b) Written Warning, (c) Probation Period/Suspension, (d) Termination, (e) Other.

When appropriate, you may be counseled by your manager in attempts to correct any performance or behavior problems. Generally progressive disciplinary actions as described below will be followed. However, in certain circumstances and at management's sole discretion, it may be necessary to impose an action, up to and including termination of employment, without prior notice or counseling and without progressing through each stage of the disciplinary guidelines. Determination of appropriate action will be made on a case-by-case basis based on the nature and severity of the occurrence and in consultation with and the approval of a member of management.

- **Verbal Warning/Counseling** – Your manager may discuss unacceptable performance or behavior with you and inform you of the action necessary to correct it.
- **Written Warning** – Your manager will prepare a written warning regarding your unacceptable performance or behavior and discuss it with you. *Some infractions may warrant a written warning without prior verbal counseling.*
- **Probation Period/Suspension** – A probation period and/or suspension may be utilized to address your unacceptable performance or behavior. *Some infractions may warrant a probation and/or suspension without prior disciplinary action.*

An employee who commits any serious violation of Bright's Hardware policies at minimum will be suspended without pay pending an investigation of the situation. Following the investigation, the employee may be terminated without any previous disciplinary action having been taken.

- **Termination of Employment** – If it is determined by management that an employee's performance does not improve, or if the employee is again in violation of Bright's Hardware practices, rules, or standards of conduct, employment with Bright's Hardware will be terminated. *Certain infractions may warrant immediate termination of employment without prior disciplinary action or counseling.*

4-2. PUNCTUALITY AND ATTENDANCE

Employees are hired to perform important functions at Bright's Hardware. As with any group effort, operating effectively takes cooperation and commitment from everyone. Therefore, attendance and punctuality are very important. Unnecessary absences and lateness are expensive, disruptive and place an unfair burden on fellow employees and managers. We expect excellent attendance from all employees. Excessive absenteeism or tardiness will result in disciplinary action up to and including termination.

We do recognize, however, there are times when absences and tardiness cannot be avoided. In such cases, employees are expected to notify managers as early as possible, but no later than the start of the workday. Asking another employee, friend or relative to give this notice is improper and constitutes grounds for disciplinary action. Employees should call, stating the nature of the illness and its expected duration, for every day of absenteeism unless you provide a health care provider's statement of the time required to be off work.

If you are absent for three or more continuous days due to illness or injury, you may be required to submit a physician's statement upon return to work that includes any work restrictions, if any. Bright's Hardware reserves the right to request a second and/or third opinion from a physician to verify the illness or injury, at the expense of Bright's Hardware.

Unreported absences (No Call, No Show) generally will be considered a voluntary resignation/job abandonment of employment with the Company.

Job Abandonment - The effective date of your termination will be the last day you are at work. No payment for unused PTO will be made if you abandon your job.

4-3. USE OF COMMUNICATIONS AND COMPUTER SYSTEMS

Bright's Hardware's communication and computer systems are intended for business purposes per job duties. Users have no legitimate expectation of privacy in regard to their use of the Bright's Hardware systems.

Bright's Hardware may access the voice mail and e-mail systems and obtain the communications within the systems, including past voice mail and e-mail messages, without notice to users of the system, in the ordinary course of business when the Company deems it appropriate to do so. The reasons for which the Company may obtain such access include

but are not limited to maintaining the system; preventing or investigating allegations of system abuse or misuse; assuring compliance with software copyright laws; complying with legal and regulatory requests for information; and ensuring that Company operations continue appropriately during the employee's absence.

Further, Bright's Hardware may review Internet usage to ensure that such use with Company property, or communications sent via the Internet with Company property, are appropriate. The reasons for which the Company may review employees' use of the Internet with Company property include but are not limited to: maintaining the system; preventing or investigating allegations of system abuse or misuse; assuring compliance with software copyright laws; complying with legal and regulatory requests for information; and ensuring that Company operations continue appropriately during the employee's absence.

The Company may store electronic communications for a period of time after the communication is created. From time to time, copies of communications may be deleted.

The Company's policies prohibiting harassment, in their entirety, apply to the use of Company's communication and computer systems. No one may use any communication or computer system in a manner that may be construed by others as harassing or offensive based on race, national origin, sex, sexual orientation, age, disability, religious beliefs or any other characteristic protected by federal, state or local law.

Further, since the Company's communication and computer systems are intended for business use, all employees, upon request, must inform management of any private access codes or passwords.

Unauthorized duplication or use of copyrighted computer software violates the law and is strictly prohibited.

No employee may access, or attempt to obtain access to, another employee's computer systems without appropriate authorization.

Violators of this policy may be subject to disciplinary action, up to and including termination.

Electronic Communications Guidelines (Email, Internet, Voice Mail)

The following guidelines must be followed regardless of whether the electronic communication is business-related or personal:

- Disclaimer of liability for use of the Internet. Bright's Hardware is not responsible for material viewed or downloaded by users from the Internet. Users are cautioned that some websites include offensive, sexually explicit, and inappropriate material.
- You may not, under any circumstances, visit Internet sites that contain offensive material. Offensive material includes, but is not limited to, anything sexual or pornographic, racially derogatory, or political. Violation of this policy will lead to disciplinary action up to and including termination of employment.
- Bright's Hardware may use software to identify inappropriate or sexually explicit Internet sites. Such sites may be blocked from access by Company networks. In the event you nonetheless encounter inappropriate or sexually explicit material while using the Internet, immediately disconnect from the site, regardless of whether the site was subject to company blocking software. If you receive an electronic communication containing offensive material, you should inform your manager.
- Company equipment may not be used to solicit for religious or political causes, commercial enterprises, outside organizations, or other non-work-related solicitations without the express approval from an officer of Bright's Hardware.
- All Email messages sent by you must have your name attached. You may not transmit messages under an assumed name or attempt to obscure the origin of any message.
- Company equipment may not be used to send or receive copyrighted materials, trade secrets, proprietary financial information, personal employee and nonemployee information, or similar materials without prior authorization from a manager of Bright's Hardware.

4-4. USE OF SOCIAL MEDIA

Bright's Hardware respects the right of any employee to maintain a blog or web page or to participate in a social

networking, X (*formerly Twitter*), or similar site, including but not limited to Facebook, X (*formerly Twitter*) and LinkedIn. However, to protect Company interests and ensure employees focus on their job duties, employees must adhere to the following rules:

Employees may not post on a blog or web page or participate on a social networking platform, such as Twitter or similar site, during work time or at any time with Company equipment or property.

All rules regarding confidential and proprietary business information apply in full to blogs, web pages, and social networking platforms, such as X(*formerly Twitter*), Facebook, LinkedIn, or similar sites. Any information that cannot be disclosed through a conversation, a note, or an e-mail also cannot be disclosed in a blog, web page, or social networking site.

Whether the employees are posting something on their own blog, web page, social networking, X (*formerly Twitter*), or similar site or on someone else's, if the employee mentions the Company and also expresses either a political opinion or an opinion regarding the Company's actions that could pose an actual or potential conflict of interest with the Company, the poster must include a disclaimer. The poster should specifically state that the opinion expressed is a personal opinion and not the Company's position. This is necessary to preserve the Company's goodwill in the marketplace.

Any conduct that is impermissible under the law if expressed in any other form or forum is impermissible if expressed through a blog, web page, social networking or similar site. For example, posted material that is discriminatory, obscene, defamatory, libelous, or violent is forbidden. Company policies apply equally to employee social media usage.

Bright's Hardware encourages all employees to keep in mind the speed and manner in which information posted on a blog, web page, and/or social networking site is received and often misunderstood by readers. Employees must use their best judgment. Employees with any questions should review the guidelines above and/or consult with their manager. Failure to follow these guidelines may result in discipline, up to and including termination.

Some Social Networking Guidelines –

- Employees may not publicly discuss clients, products, or proprietary Company information, whether confidential or not, outside Company-authorized communications.
- Be respectful to Bright's Hardware, other employees, customers, partners, and competitors. Content should not reflect badly on Bright's Hardware or any of the above-mentioned people.
- Do not reference or cite company clients, partners, or customers without their express consent. In all cases, do not publish any information regarding any client.
- Respect copyright laws, and reference or cite sources appropriately. Plagiarism applies online as well.
- Company logos and trademarks may not be used without written consent.
- The absence of, or lack of explicit reference to any specific site, does not limit the extent of the application of this policy.

4-5. PERSONAL AND COMPANY-PROVIDED PORTABLE COMMUNICATION DEVICES

Bright's Hardware-provided portable communication devices (PCDs), including cell phones and handheld computers should be only for business purposes. Employees have no reasonable expectation of privacy in regard to the use of such devices, and all use is subject to monitoring, to the maximum extent permitted by applicable law. This includes, as permitted, the right to monitor personal communications as necessary.

In general, there should be no use of personal PCDs during working hours including cell phones and handheld computers.

All conversations, text messages, and e-mails must be professional. When sending a text message or using a PCD for business purposes, whether it is a Company-provided or personal device, employees must comply with applicable Company guidelines, including policies on sexual harassment, discrimination, conduct, confidentiality, equipment use, and operation of vehicles. Using a Company-issued PCD to send or receive personal text messages is prohibited at all times and personal use during working hours should be limited to emergency situations.

Some employees may be authorized to use their own PCD for business purposes. These employees should work with the management to configure their PCD for business use. Communications sent via a personal PCD also may subject to monitoring if sent through the Company's networks, and the PCD must be provided for inspection and review upon request. If employees who use a personal PCD for business resign or are terminated, they will be required to submit the device for resetting on or before their last day of work. At that time, the PCD will be reset and remove all information from the device, including but not limited to, Company information and personal data (such as contacts, e-mails, and photographs). Bright's Hardware will make efforts to provide employees with the personal data in another form (e.g., on a disk) to the extent practicable; however, the employee may lose some or all personal data saved on the device.

Employees may not use their personal PCD for business unless they agree to submit the device to the Company on or before their last day of work for resetting and removal of Company information. This is the only way currently possible to ensure that all Company information is removed from the device at the time of termination. The removal of Company information is crucial to ensure compliance with the Company's confidentiality and proprietary information policies and objectives.

Please note that whether employees use their personal PCD or a Company-issued device, the Company's electronic communications policies, including but not limited to, proper use of communications and computer systems, remain in effect.

Portable Communication Device Use While Driving

Employees who drive on Company business must abide by all state or local laws prohibiting or limiting PCD (cell phone or personal handheld computers) use while driving. Further, even if usage is permitted, employees should choose to refrain from using any PCD while driving. "Use" includes, but is not limited to, talking or listening to another person or sending an electronic or text message via the PCD.

Regardless of the circumstances, including slow or stopped traffic, if any use is permitted while driving, employees should proceed to a safe location off the road and safely stop the vehicle before placing or accepting a call. If acceptance of a call is absolutely necessary while driving, and permitted by law, employees must use a hands-free option and advise the caller that they are unable to speak at that time and will return the call shortly.

Under no circumstances should employees feel that they need to place themselves at risk to fulfill business needs.

Since this policy does not require any employee to use a cell phone while driving, employees who are charged with traffic violations resulting from the use of their PCDs while driving will be solely responsible for all liabilities that result from such actions.

Texting and e-mailing while driving are prohibited in all circumstances.

4-6. CAMERA PHONES/RECORDING DEVICES

Due to the potential for issues such as invasion of privacy, sexual harassment, and loss of productivity, as well as inappropriate disclosure of confidential information, no employee may utilize a camera phone function on any phone on Bright's Hardware property or while performing work for the Company.

The possession or use of tape recorders, Dictaphones, or other types of voice recording devices anywhere on Company property, including to record conversations or activities of other employees or management, or while performing work for the Company, is also strictly prohibited, unless the device was provided to you by the Company and is used solely for legitimate business purposes.

4-7. COMPANY SEARCHES, SEARCHES, OR SEARCHES AT WORK

To the maximum extent permitted by applicable law, Bright's Hardware reserves the right to require employees while on Company property, or on client property, to agree to the inspection of their persons, personal possessions and property, personal vehicles parked on Company or client property, and work areas. This includes lockers, vehicles, desks, cabinets, workstations, packages, handbags, briefcases and other personal possessions or places of concealment, as

well as personal mail sent to the Company or to its clients.

Bright's Hardware reserves the right to conduct searches to monitor compliance with rules concerning safety of employees, security of company and individual property, drugs and alcohol, and possession of other prohibited items. "Prohibited items" includes illegal drugs, alcoholic beverages, prescription drugs or medications not used or possessed in compliance with a current valid prescription, weapons, any items of an obscene, harassing, demeaning, or violent nature, and any property in the possession or control of an employee who does not have authorization from the owner of such property to possess or control the property. "Control" means knowing where a particular item is, having placed an item where it is currently located, or having any influence over its continued placement.

There is no general or specific expectation of privacy in the workplace of The Company, either on the premises of the Company or while on duty. In general, employees should assume that what they do while on duty or on the company premises is not private. The areas in question may be searched at any time, with or without the employee being present. As a general rule, with the exception of items relating to personal hygiene or health, no employee should ever bring anything to work or store anything at work that he or she would not be prepared to show and possibly turn over to Bright's Hardware officials and/or law enforcement authorities.

All employees of Bright's Hardware, are subject to this policy. However, any given search may be restricted to one or more specific individuals, depending upon the situation. Searches may be done on a random basis or based upon reasonable suspicion. "Reasonable suspicion" means circumstances suggesting to a reasonable person that there is a possibility that one or more individuals may be in possession of a prohibited item as defined above. Any search under this policy will be done in a manner protecting employees' privacy, confidentiality, and personal dignity to the greatest extent possible. Bright's Hardware will respond severely to any unauthorized release of information concerning individual employees.

Employees are expected to cooperate in the conduct of any search or inspection. No employee will ever be physically forced to submit to a search. However, an employee who refuses to submit to a search request from Bright's Hardware will face disciplinary action, up to and possibly including immediate termination of employment.

In requesting a search, Bright's Hardware is by no means accusing anyone of theft, some other crime, or any other variety of improper conduct. Monitoring or searches conducted of company property are not allegations or accusations of criminal conduct, nor a submission to such monitoring or searches an admission of guilt.

4-8. SMOKING

Smoking, including the use of e-cigarettes and vaping, is prohibited inside any structures and company vehicles. Smoking is not allowed in public areas or in public view. The non-smoking policy applies to all customers and visitors as well as to all employees. You are expected to inform customers and visitors of this policy when necessary.

Smoking, including e-cigarettes and vaping, is only permitted outside the building in designated areas only. You are expected to properly dispose of cigarettes and trash in the receptacles provided. You are only permitted one fifteen-minute break in the morning and one in the afternoon if you are working an eight-hour work shift. These breaks cannot be divided into smaller increments and taken separately for smoking or any other purposes.

4-9. PERSONAL VISITS AND TELEPHONE CALLS

Disruptions during work time can lead to errors and delays. Therefore, personal telephone calls must be kept to a minimum, and only be made or received after working time, or during lunch or break time.

Company telephones are intended for business use only. Employees who need to make personal phone calls during non-working hours should use their personal phones. Unless a caller indicates an emergency situation, the employee who receives the call will indicate that employees may not be disturbed during working hours, but messages may be left. Messages will be forwarded to the employee as soon as the work schedule permits.

For safety and security reasons, employees are prohibited from having personal guests visit or accompanying them in

any non-public area on Bright's Hardware premises and visits to public areas should be very limited and short.

4-10. CONFIDENTIALITY OF COMPANY INFORMATION

During the course of work, employees may become aware of confidential information about Bright's Hardware's business, including but not limited to information regarding Company finances, pricing, products, and new product development, software, and computer programs, marketing strategies, suppliers, contracts, orders, customer files, invoices, personnel files and customers and potential customers. Employees also may become aware of similar confidential information belonging to the Company's clients. You may not use or share confidential information obtained as a result of employment with Bright's Hardware as a means of obtaining personal gain.

It is extremely important that all such information remain confidential, and particularly not be disclosed to Bright's Hardware's competitors during or after employment. Any employee who improperly copies, removes (whether physically or electronically), uses, or discloses confidential information to anyone outside of the Company may be subject to disciplinary action up to and including termination. Employees may be required to sign an agreement reiterating these obligations.

4-11. CONFLICT OF INTEREST AND BUSINESS ETHICS

It is Bright's Hardware's policy that all employees avoid any conflict between their personal interests and those of the Company. The purpose of this policy is to ensure that the Company's honesty and integrity, and therefore its reputation, are not compromised. The fundamental principle guiding this policy is that no employee should have, or appear to have, personal interests or relationships that actually or potentially conflict with the best interests of the Company.

It is not possible to give an exhaustive list of situations that might involve violations of this policy. However, the situations that would constitute a conflict in most cases include but are not limited to:

1. Holding an interest in or accepting free or discounted goods from any organization that does, or is seeking to do, business with the Company, by any employee who is in a position to directly or indirectly influence either the Company's decision to do business, or the terms upon which business would be done with such organization;
2. Holding any interest in an organization that competes with the Company;
3. Being employed by (including as a consultant) or serving on the board of any organization which does, or is seeking to do, business with the Company or which competes with the Company; and/or
4. Profiting personally, e.g., through commissions, loans, expense reimbursements, or other payments, from any organization seeking to do business with the Company.

A conflict of interest would also exist when a member of the employee's immediate family is involved in situations such as those above.

This policy is not intended to prohibit the acceptance of modest courtesies, openly given and accepted as part of the usual business amenities, for example, occasional business-related meals or promotional items of nominal or minor value.

It is the employee's responsibility to report any actual or potential conflict that may exist between the employee (and the employee's immediate family) and the Company.

Notice to management and approval is required before an employee may accept or solicit a gift of any kind from a customer or vendor including tips. Employees are not permitted to give unauthorized gifts to clients.

4-12. SOLICITATIONS, CONTRIBUTIONS, AND DISTRIBUTIONS

Solicitation for any cause during working time and in working areas is not permitted. Employees are not permitted to distribute noncompany literature, sell merchandise, solicit financial contributions, or solicit for any other cause in work areas at any time.

During your non-working time (e.g. meal time), you are not permitted to solicit employees, customers, vendors and any business employees who are on working time or in working areas for any cause or distribute literature of any kind to them. This policy also prohibits solicitations conducted through email, voice mail, and other forms of electronic communication. Bright's Hardware reserves the right to prohibit employee solicitation and distribution activities that are not protected by law at its discretion.

You are not permitted to participate in any solicitation activities during work time and you are not required to participate in solicitation activities at any time. Non-employees are prohibited from distributing materials or soliciting employees on Company property at any time.

4-13. USE OF FACILITIES, EQUIPMENT AND PROPERTY, INCLUDING INTELLECTUAL PROPERTY

Store Equipment - Store equipment should not be used for personal use, nor removed from the physical confines of Bright's Hardware – unless it is approved for a job that specifically requires use of company equipment outside the premises.

Equipment essential in accomplishing job duties is often 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.

Employees should notify their manager if any equipment, machines, or tools appear to be damaged, defective or in need of repair. Prompt reporting of loss, damages, defects and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. Managers can answer any questions about the employees' responsibility for maintenance and care of equipment used on the job.

Improper, careless, negligent, destructive, or unsafe use or operation of equipment can result in financial responsibility for damage, discipline, up to and including termination.

Employees also are prohibited from any unauthorized use or removal of the Company's intellectual property, such as audio and video tapes, print materials and software.

Further, the Company is not responsible for any damage to employees' personal belongings unless the employee's manager provides advance approval for the employee to bring the personal property to work.

Company Property - All inventions, copyrights, trademarks, ideas, methods, discoveries, designs, developments, and improvements made or conceived by you which pertain to the products, processes, or business of Bright's Hardware are the sole property of Bright's Hardware. You must promptly and fully disclose and assign all such technology to Bright's Hardware.

Customer requirements may or may not allow the release of printed products. You are not to remove any other item from Bright's Hardware premises, other than personal belongings, without prior approval from your manager or BHC management.

All lockers, desks, file cabinets, etc. are the property of Bright's Hardware and must be accessible to management at all times. Bright's Hardware may provide locks for use in securing desks, lockers, or other areas. If you are away from your desk or out of the office, the furniture must be left unlocked or with the keys easily accessible by your manager. Under no circumstances may you use personal locks on offices, furniture, file cabinets, or other company property.

You are expected to keep your work area organized and materials in good order at all times. A lunchroom is available for the use of employees. You are expected to keep the lunchroom clean and neat for the next person's use.

Fax machines, copiers, computers, and other office equipment and services are for Company business purposes and may not be used for any unauthorized purposes.

Bright's Hardware mail facilities are for Bright's Hardware official mail. The mail facilities are not to be used in any manner that interferes with efficient business operations. You may not use Bright's Hardware address for the receipt of personal mail, and you are not permitted to use Company postage on personal mail under any circumstances.

Free parking facilities are available to employees. You are expected to park only in designated parking areas as directed by your manager. Please do not park in any reserved, customer or visitor designated space during business hours. You are encouraged to lock your vehicle at all times. Bright's Hardware assumes no responsibility or liability for damage to employees' vehicles or theft of articles from their vehicles.

Company Supplies and Other Expenditures - Only authorized persons may purchase supplies in the name of Bright's Hardware. No employee whose regular duties do not include purchasing may incur any expense on behalf of Bright's Hardware. Without a properly approved purchase order, Bright's Hardware is not obligated for any purchase.

Outside Employment - You should not have outside employment that might interfere with your best performance at Bright's Hardware, and any such employment should never result in a conflict of interest. Outside employment must not interfere with your work assignments and performance or adversely reflect upon Bright's Hardware. You should notify your manager if you obtain outside employment.

Outside employment will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel, or refusal to work overtime or different hours.

You are expressly prohibited from engaging in any activity that competes with any activity of Bright's Hardware or compromises its interests. This prohibition includes the unauthorized use of any Company equipment. In addition, you are not to conduct any outside business during paid working time.

Return of Company Property - On or before your last day of work, or at any other time when Bright's Hardware so requests, you must return to Bright's Hardware any and all property, customer lists, pricing lists, memoranda, notes, records, computer files, manuals, and other documents, including all copies of such documents, in any way relating to the business or affairs of Bright's Hardware or any of its employees, customers, clients, consultants, or agents.

Likewise, any other items issued to you by Bright's Hardware or created as a result of employment with Bright's Hardware must be returned - such as name tag, vests, shirts, keys, tape measures, box cutters and other items. Any Bright's Hardware property issued to employees, such as computer equipment, parking passes or company credit card, must be returned to Bright's Hardware at the time of termination. Employees will be responsible for any lost or damaged items.

4-14. HIRING RELATIVES/ EMPLOYEE RELATIONSHIPS

A familial relationship among employees can create an actual or at least a potential conflict of interest in the employment setting, especially where one relative supervises another relative. To avoid this problem, Bright's Hardware may refuse to hire or place a relative in a position where the potential for favoritism or conflict exists. Employee and future employees should notify management of any familial relationships during the interview process.

In other cases, such as personal relationships where a conflict or the potential for conflict arises, even if there is no management relationship involved, the parties may be separated by reassignment or terminated from employment, at the discretion of the Company. Accordingly, all parties to any type of intimate personal relationship must inform management prior to employment.

If two employees marry, become related, or enter an intimate relationship, they may not remain in a reporting relationship or in positions where one individual may affect the compensation or other terms or conditions of employment of the other individual. The Company generally will attempt to identify other available positions, but if no alternate position is available, the Company retains the right to decide which employee will remain with the Company.

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship

with the employee is similar to that of persons who are related by blood or marriage.

4-15. EMPLOYEE DRESS AND PERSONAL APPEARANCE

Employees are expected to report to work well groomed, clean, and dressed according to the requirements of their position. Some employees may be required to wear uniforms or safety equipment/clothing. All employees must wear an ACE vest during working hours. Employees should contact their manager for specific information regarding acceptable attire for their position. If employees report to work dressed or groomed inappropriately, they may be prevented from working until they return to work well-groomed and wearing the proper attire.

Work Attire Guidelines - Extremes of dress, hairstyles, or makeup should be avoided. Clothing with political views, inappropriate pictures or words, or that is considered inappropriately revealing in any way, is not allowed. For safety reasons, employees may not wear open-toed shoes, loose clothing, or jewelry that would be hazardous around equipment. Long hair must be tied back.

Jeans or long pants are preferred. During summer months hemmed, finger-tip length shorts of a non-athletic style may be worn (jean or khaki are preferred). No sweatpants or loungewear. Closed toe shoes like tennis shoes or work boots are required.

The above guidelines are general in nature and cannot possibly cover every situation. However, if there is a question regarding appropriateness, it probably will not present the image expected of our employees and should be changed.

4-16. PUBLICITY/STATEMENTS TO THE MEDIA

All media inquiries regarding the position of the Company as to any issues must be referred to corporate management. Only corporate management is authorized to make or approve public statements on behalf of the Company. No employees, unless specifically designated by corporate management, are authorized to make those statements on behalf of Company. Any employee wishing to write and/or publish an article, paper, or other publication on behalf of the Company must first obtain approval from corporate manager.

4-17. OPERATION OF VEHICLES

All employees authorized to drive Company-owned or leased vehicles or personal vehicles in conducting Company business must possess a current, valid driver's license, insurance and an acceptable driving record. Any change in license status or driving record must be reported to management immediately.

Employees must have a valid driver's license in their possession while operating a vehicle off or on Company property. It is the responsibility of every employee to drive safely and obey all traffic, vehicle safety, and parking laws or regulations. Drivers must always demonstrate safe driving habits. You are expected to dispose of trash properly and to keep the vehicle in a neat and clean condition.

Company-owned or leased vehicles may be used only as authorized by management.

Personal vehicles parked on Bright's Hardware premises should have valid and current registration and insurance.

Delivery – If you drive on Company business, you are required to maintain a valid driver's license and the state-mandated minimum liability coverage on your vehicle. Payment of any traffic citations will be the employee's responsibility.

Bright's Hardware may periodically check your driving record. If your driving record establishes a pattern of unsafe driving practices that may endanger you or Company clients, or impact your ability to perform your job duties, you may be subject to disciplinary action. Continued employment as a Company driver is dependent upon your ability to be insured under Bright's Hardware insurance policy. If traffic violations make you ineligible to be covered under the insurance policy, your employment will be terminated unless a non-driving position for which you are qualified is available and offered.

4-18. SECURITY AND PERSONAL PROPERTY

Building Security - You are responsible for understanding and following Bright's Hardware established security procedures. You should discuss any security problem with management. You should enter and depart through designated entrances and always be alert for suspicious persons loitering in or near the premises. Notify the appropriate manager or manager immediately of any such persons.

Security policies and devices, as well as any other information affecting Bright's Hardware security, should not be discussed with anyone without prior approval from management. You should never loan your Company keys or building access codes to anyone, including coworkers. Unauthorized use of entry codes or sharing codes will result in disciplinary action up to and including termination.

Employees are not allowed on Bright's Hardware property after hours without prior authorization from their manager.

Personal Property - You should keep your personal possessions, including wallet, handbag, or jewelry in your possession or secured out of sight. You should immediately report any loss or suspected theft to a member of management. If you find what appears to be a lost personal article, you should give the article to a member of management. Personal property brought onto Company premises must not inhibit your performance or the performance of any other employees.

Section 5 – Environmental, Health and Safety

The health and safety of employees and others on Company property are of critical concern to Bright's Hardware. The Company intends to comply with all health and safety laws applicable to our business. To this end, the Company must rely upon employees to ensure that work areas are kept safe and free of hazardous conditions. Employees are required to be conscientious about workplace safety, including proper operating methods, and recognize dangerous conditions or hazards. Any unsafe conditions or potential hazards should be reported to management immediately, even if the problem appears to be corrected. Any suspicion of a concealed danger present on the Company's premises, or in a product, facility, piece of equipment, process, or business practice for which the Company is responsible should be brought to the attention of management immediately.

Periodically, the Company may issue rules and guidelines governing workplace safety and health. The Company may also issue rules and guidelines regarding the handling and disposal of hazardous substances and waste. All employees should familiarize themselves with these rules and guidelines as strict compliance will be expected.

Any workplace injury, accident, or illness must be reported to the manager as soon as possible, regardless of the severity of the injury or accident. You may be required to do a drug test in the event of an injury.

5-1. SAFETY AND ACCIDENT PREVENTION

Safety Guidelines:

- You are required to participate in all safety training sessions.
- Only Company authorized and licensed employees are permitted to operate a forklift or any powered industrial hand truck.
- You are prohibited from having alcohol, illegal drugs, inhalants, or controlled substances in your system during work hours. If it is suspected that drugs and/or alcohol are affecting your work ability, impairing your decision-making ability, or endangering your safety or the safety of other employees, clients, vendors, or any other person or thing, you will be required to immediately cease performing job duties, submit to drug and alcohol testing, and get transportation home. (See Section 1.5)
- You should always use proper precautions and common sense to avoid injuries.
- You are expected to adhere to all safety procedures, keep your work area free from safety hazards, and report safety or fire hazards to the manager.
- Only employees who are properly trained and qualified should use, adjust, or repair machines or equipment.
- You should know the locations, contents, and use of First Aid and fire-fighting equipment.

General Safety Rules:

- Employees may not wear open-toed shoes, loose clothing, or jewelry that would be hazardous around equipment.
- Long hair must be tied back and secured to prevent getting caught in equipment or machinery.
- Oil leaks or spills from equipment must be cleaned up immediately to avoid falls and injuries.
- All aisles and walkways must be kept clear of obstructions, skids or debris.
- No safety device or guard may be removed or modified.
- "Horseplay" is not permitted.
- Proper personal protection equipment such as safety glasses and protective gloves must be used when required

5-2. WHAT TO DO IN CASE OF AN INJURY/ACCIDENT ON-THE-JOB

Any workplace injury, accident, or illness must be reported to the manager as soon as possible, regardless of the severity of the injury or accident.

- If the injury is minor, you may seek treatment from the First-Aid kits.
- If additional medical assistance is required, your manager will arrange for you to seek medical treatment through a Company-approved physician or medical facility as needed.
- If the injury is life-threatening or the person cannot be moved, immediately call 911 for Emergency Medical Assistance.
- Drug and alcohol testing will be required for all employees involved in accidents occurring during work time or on company property. Covered accidents include accidents that employees caused or contributed to that involved but are

not limited to **1**) personal injury to employees or others which necessitates medical attention, or results in lost work time and **2**) damage to company property. Employees involved in accidents occurring during work time or on company property are expected to make themselves available for a post-accident test. If circumstances require an employee to leave the scene of an accident, the employee must make a good faith attempt to be tested and to notify the company of his or her location. Any employee who fails to report any work-related accident is typically in violation of the company policy and is subject to disciplinary action, up to and including termination. Testing should never take precedence over necessary emergency medical care.

- Employee is responsible for immediately communicating ongoing medical issues or concerns to their manager regarding workplace injuries.

5-3. EMERGENCY EVACUATION PROCEDURES & FIRE DRILLS

Bright's Hardware has instituted an Emergency Action Plan. Diagrams of emergency exits are posted throughout the stores, and you should familiarize yourself with the emergency exits in your work area. All of the exits are marked and shall remain unblocked at all times to permit a clear exit in case an emergency evacuation is needed.

5-4. HAZARDOUS WASTE POLICY

Various federal agencies have classified certain chemicals and chemical groups as toxic. This means that in concentrated forms or by accumulating and combining with other chemicals (or air) that these chemicals can be hazardous to humans when exposure occurs. All employees are required to properly handle and dispose of hazardous waste.

5-5. FORKLIFT & POWERED INDUSTRIAL TRUCK TRAINING

OSHA requires Bright's Hardware certify operators of forklifts or other powered industrial trucks (e.g. powered pallet jacks). The certification includes required periodic training before an employee can operate this equipment. Operators are required to participate in annual forklift operation skills evaluation and participate in refresher training as necessary.

A Few Closing Words

This manual is intended to give Bright's Hardware employees a broad summary of things they should know about Bright's Hardware. The information in this manual is general in nature and, should questions arise, any member of management should be consulted for complete details. While we intend to continue the policies, rules and benefits described in this manual, Bright's Hardware, in its sole discretion, may always amend, add to, delete from or modify the provisions of this manual and/or change its interpretation of any provision set forth in this manual. Employees should not hesitate to speak to management if they have any questions about the Company or its personnel policies and practices.

Employee Acknowledgement of Receipt of Employee Handbook

I understand that I am responsible for abiding by the policies and procedures outlined in this Employee Handbook and that my agreement to abide by Bright's Hardware policies and procedures does not constitute a guarantee of continued employment.

I am aware that if, at any time, I have questions regarding Bright's Hardware policies I should direct them to my manager.

I hereby certify that I have received a copy of the Bright's Hardware Employee Handbook that includes the following: *(Initial each line)*

- _____ Harassment Policy (Section 1-4)
- _____ Drug-Free and Alcohol-Free Workplace (Section 1-5)
- _____ Punctuality and Attendance (Section 4-1)
- _____ Company Searches (Section 4-6)

Employee Signature

Date

Employee's Printed Name