



# Employee Handbook





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## Table of Contents

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|   | Page |
|---|------|
| <b>WELCOME</b>  |      |
| History of Hester Decorating Co., Inc. ....           | i    |
| Our Mission .....                                     | i    |
| The Ten Commandments of Good Business .....           | iii  |
| <br><b>EMPLOYMENT POLICIES AND PROCEDURES</b>         |      |
| At-Will Employment .....                              | 1    |
| Equal Employment Opportunity .....                    | 2    |
| Employees with Disabilities or Who are Pregnant ..... | 2    |
| Harassment Policy .....                               | 3    |
| Pre-Employment Conditions .....                       | 4    |
| Employee Background Checks .....                      | 4    |
| Legal Work Status .....                               | 4    |
| Driving Record, Certification, and Licenses .....     | 4    |
| Employment Offer .....                                | 5    |
| Open-Door Policy .....                                | 5    |
| Your Introductory Period .....                        | 6    |
| Employee Classifications .....                        | 6    |
| Advancement .....                                     | 7    |
| Teamwork .....  | 7    |
| Employee Privacy .....                                | 7    |
| <br><b>EMPLOYEE RESPONSIBILITIES</b>                  |      |
| Business Ethics and Practices .....                   | 9    |
| Confidential Information .....                        | 9    |
| Conflicts of Interest .....                           | 10   |
| Gifts or Gratuities .....                             | 10   |
| Bribes, Kickbacks, and Other Illegal Payments .....   | 10   |
| Cell Phone Usage .....                                | 10   |
| Computer Use Policy .....                             | 11   |
| Social Media Policy .....                             | 11   |
| Your Confidential Records .....                       | 12   |
| Leaving Early and Taking Time Off from Your Job ..... | 13   |
| Attendance and Punctuality .....                      | 13   |
| Personal Conduct and Appearance .....                 | 14   |
| Safety .....  | 14   |
| Reporting On-The-Job Injuries .....                   | 14   |
| Good Housekeeping .....                               | 15   |
| Parking Facilities .....                              | 15   |
| Unauthorized Visitors .....                           | 15   |
| Care of Company Equipment .....                       | 15   |
| Use of Company Owned Vehicles .....                   | 16   |
| Use of Tobacco Products .....                         | 17   |
| Substance Abuse .....                                 | 17   |
| Workplace Violence .....                              | 18   |
| Your Guide to Personal Conduct .....                  | 19   |
| Progressive Discipline Policy .....                   | 21   |

## Table of Contents

---

|                                 | <b>Page</b> |
|---------------------------------|-------------|
| Separation of Employment.....   | 22          |
| Resignations .....              | 22          |
| Termination of Employment ..... | 22          |
| Reemployment Policy .....       | 22          |
| Employment References .....     | 22          |
| Returning Company Property..... | 23          |
| Summary and Closing Word .....  | 23          |

### RECEIPT FOR EMPLOYEE HANDBOOK

# *Welcome*

We are pleased to present you with a copy of the Hester Decorating Co., Inc. (The Company) Employee Handbook. This booklet has been designed to help you know your company better. Whether you have been with us for a short time or for a number of years, we want you to know we appreciate the contribution you are making to the continued successful operation of Hester Decorating Co., Inc. In return for your loyalty and cooperation, we believe it to be our responsibility to keep you accurately informed of our Company's policies and procedures.

As Hester Decorating Co., Inc. grows, we want you to grow with it. We have made considerable progress since its beginning, and the credit goes to each individual employee -- your job is important to our continued growth.

This booklet is a summary of the principles for which we stand, the benefits to which you are eligible, and the obligations you assume as an employee. We do not intend that any "rule" or "policy" cause an undue hardship for any employee. We set them forth simply to let you know what to expect from Hester Decorating Co., Inc. and what will be expected of you.

Please understand that this handbook cannot anticipate every situation or answer every question about employment. It is not an employment contract. The Company reserves the right to change or revise policies and procedures whenever such action is warranted.

You are requested to read your handbook carefully and keep it for future reference. If you should have any questions concerning the policies or benefits outlined in this booklet, please ask your supervisor about them, as they will be glad to help you.

We welcome our new employees and extend best wishes for continued success to those who have become a part of the growth and progress of our company. We are pleased to have you as a member of our team.





## *History of Hester Decorating Co., Inc.*

Hester Decorating Co., Inc. was founded in 1968 when Tom Hester, a graduate of Chicago's Washburne Trade School and a foreman for a large downtown commercial painting contractor, decided he could build a successful business upon his creative talent. This talent is known as faux art, and as one of the pioneers of the trade, Tom began to carve out a niche in the residential market.

Listed in *House & Garden Magazine's* **Designers' Best 07** as one of the **Best in the World for Decorative Painters and Wallpapering**, recognized as **Best Painter in 2013-2020** by the readers of *Better Magazine*, and **Best of Houzz – Service for 2014, 2015, 2016 & 2019**, Hester Decorating Co., Inc. is widely regarded as a leader in the fields of painting, faux finishing, and wallcovering installation. The company has won 16 national awards, the trust of the most prolific designers in Chicago, and ultimately the opportunity to work in the finest residences and commercial establishments in the city and suburbs.

Since 2001, we have concentrated on the commercial industry with our Hester Commercial Painting division. The commercial painting division offers the same Hester Decorating Co., Inc. customer service and quality painting. In the past few years Hester Commercial Painting completed large projects at the LeMeridien Chicago, LaBanque Hotel, the bed tower at Alexian Brothers Hospital and the Dwight Building apartment housing for Columbia College, so we are very competitive and capable of handling large-scale projects. This division also focuses on tenant improvement, health care, schools and retail.

Hester Decorating Co., Inc. was awarded the **2004 Illinois Family Business of the Year** award. The prestigious award is given to family businesses that demonstrate excellence and a strong commitment to both business and family.

**We have a superb team, and we look forward to the opportunity to have you join our team!**

## *Our Mission*

To continue the tradition of our founder, Tom Hester, in providing unparalleled customer service, the highest quality craftsmanship, individual and business integrity, and outstanding creativity to all of our clients looking for the very best in painting and faux finishing.



## The Ten Commandments of Good Business

### *“Our Business Is People”*

- ◆ **Customers** are the most important people in our business.
- ◆ **Customers** are not dependent upon us -- we are dependent upon them.
- ◆ **Customers** are not an interruption of work -- they are the purpose of our work.
- ◆ **Customers** do us a favor when they call -- we are not doing them a favor by serving them.
- ◆ **Customers** are the most vital part of our business -- and they should be treated accordingly.
- ◆ **Customers** are not a statistic -- they are people like us with feelings and emotions.
- ◆ **Customers’** dignity must be respected -- do not argue or debate with them.
- ◆ **Customers** are the ones who bring us their needs -- it is our responsibility to professionally fill these needs.
- ◆ **Customers** are deserving of the most courteous and attentive treatment we can provide.
- ◆ **Customers** provide our jobs!



# Employment Policies and Procedures

We welcome you to Hester Decorating Co., Inc. and want you to find satisfying employment and share in the rewards of a job well-done. Our management team is pledged to help you in every way.

During the early stages of your employment with us, you will find management and co-workers alike working more closely with you than at any other time of your employment. Their years of experience will give you a welcomed “head start” with your orientation and job training.

Throughout your career, we will always be interested and involved with you and your employment here. Should you ever wish to leave, or should we desire to sever the employment relationship, we both are free to separate at will. If this is ever necessary, we encourage advanced counseling on our part and a notice of separation on your part, giving us both time to prepare and hopefully prevent any misunderstandings or unfortunate separations.

## **At-Will Employment**

This handbook has been prepared to help you become familiar with your employer and to make your transition smooth and effective. **The adoption of this employee handbook is entirely voluntary on the part of the Company and shall not be construed as creating a contractual relationship between the Company and any employee.** It is neither a contract nor an agreement of employment for a definite period of time; rather, it is a summary of Company policies, work rules, and benefits you enjoy as an employee.

From time to time, conditions or circumstances may require management to change, amend, or delete some of the policies and benefits contained in this handbook. The provisions and guidelines of this handbook may also be subject to change in accordance with applicable federal, state, or local law. When such changes are made, management will notify you of the new or revised policy.

The contents of this handbook are presented as a matter of information only. None of the benefits or policies in this handbook are intended by reason of their publication to confer any rights or privileges upon you or to entitle you to remain employed by the Company. While we hope that your employment with the Company will be long-lasting, employees are free to resign at any time, just as the Company is free to terminate your employment at any time.

This issue of the employee handbook supersedes all previous issues and any other previously-issued employee policy.

This Company is an Equal Employment Opportunity Employer.

## **Equal Employment Opportunity**

It is our policy to provide equal employment opportunity to all qualified persons without regard to race, color, sex (including gender identity and sexual orientation), religion, age, national origin, genetic information, citizenship status, pregnancy and related medical conditions, physical or mental disability, or past, present, or future service in the Uniformed Services of the United States, or any other basis prohibited by local, state, or federal law. It is the intent of Hester Decorating Co., Inc. to treat qualified persons without discrimination in employment practices, such as: advertising, employment, rates of pay or other forms of compensation, benefits, training, upgrade, transfer or demotion, layoff or termination, and all other terms, conditions and privileges of employment. In addition, Hester Decorating Co., Inc. expects each employee to provide equal treatment to each other, to the Company's customers, and to the Company's visitors.

If, at any time, you feel you have been treated in a manner that does not reflect our policy on equal employment opportunity or have any issues to report, please talk with any member of the management team with whom you feel comfortable discussing the situation. An employee can raise concerns or make reports without fear of reprisal. An employee found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

## **Employees with Disabilities or Who are Pregnant**

### **Nondiscrimination:**

Hester Decorating Co., Inc. will fully comply with all requirements of the Americans with Disabilities Act as Amended (ADAAA), the Pregnancy Discrimination Act (PDA), and state law.

It is the Company's policy not to discriminate against qualified individuals with disabilities or who are pregnant and to provide reasonable accommodations as required by law to otherwise qualified applicants or employees with disabilities or pregnancy-related impairments in all employment practices, including job application procedures, hiring, advancement, job assignments, leaves of absence, transfers, layoffs, demotions, discipline, discharge, compensation, fringe benefits and job training. Employment opportunities will not be denied to an otherwise qualified applicant or employee because of the need to make a reasonable accommodation to the physical, mental, or pregnancy-related impairment(s) of such individual.

It is the Company's intention to hire, employ or promote the best qualified candidate for a job, regardless of whether the individual is disabled or pregnant. When requested by an otherwise qualified applicant or employee with a disability or pregnancy-related impairment to do so, the Company is prepared to modify or adjust the job application process or the job or work environment to make "reasonable accommodation" to the known physical or mental limitations of the applicant or employee to enable the applicant or employee to be considered for the position they desire, to perform the essential functions of the position in question, or to enjoy equal benefits and privileges of employment as are enjoyed by other similarly situated associates without disabilities, unless the accommodation would impose an "undue hardship" on the operation of the Company's business.

## **Harassment Policy**

We expect every person at Hester Decorating Co., Inc. to be treated with fairness, respect, and dignity. Accordingly, any form of harassment related to an individual's race, color, sex (including gender identity and sexual orientation), religion, age, national origin, genetic information, citizenship status, pregnancy and related medical conditions, physical or mental disability, or past, present, or future service in the Uniformed Services of the United States, or any other basis prohibited by local, state, or federal law.

For these purposes, the term "harassment" includes slurs and any other offensive remarks, jokes, graphic material, or other offensive verbal, written, or physical conduct.

Unwelcome or repeated sexual advances, requests for sexual favors, and/or any other unwelcome, unbecoming verbal or physical conduct will not be tolerated and is not a condition of employment. Neither submission to, nor rejection of, such conduct will be used as a basis for employment decisions. Employees who believe they have been subjected to unwelcome sexual advances or conduct are encouraged to inform the perpetrator of the specific behavior that is unwelcome (preferably at the time of the unwelcome advance) and request the perpetrator to stop.

Employees who do not feel comfortable addressing the perpetrator directly, should report the matter to a supervisor, project manager or office management.

Examples of harassment include:

- ◆ Unwelcome, deliberate, or repeated unsolicited verbal comments, jokes, epithets, slurs, or stories of a sexual nature;
- ◆ Offensive physical contact, gestures, assault, or any physical interference with work or movement;
- ◆ Offensive graphic communication such as photographs, cartoons, posters, documents (including letters, poems, etc.), or drawings;
- ◆ Implicit or explicit unwelcome sexual advances, requests for sexual favors, or repeated unwelcome expressions of sexual interest;
- ◆ Any other behavior of a sexual nature that has the purpose or effect of interfering with an applicant's or an employee's job placements, job performance or job advancement, or creating an intimidating, hostile, or offensive work environment.

Hester Decorating Co., Inc. respects the rights of employees to practice the religion of their choice. Harassing conduct directed toward an individual based on their religious beliefs will not be tolerated and will result in disciplinary action. The Company will seek to accommodate the religious needs of employees in the workplace, provided that the accommodations do not cause an undue burden on the business operations of the Company.

Hester Decorating Co., Inc. is committed to maintaining a safe and healthy work environment and takes all appropriate health and safety precautions consistent with current medical knowledge. Accordingly, employees may not refuse to work with, cooperate with, withhold services from, or otherwise harass, intimidate, demean, or isolate a co-worker because of a known or suspected disability or disease.

If employees have any questions about what constitutes harassing behavior, they should ask a member of management.

The Company will take all steps necessary to prevent any form of harassment from occurring. Management is informed of this policy and has been instructed as to what constitutes proper and improper behavior. The Company is prepared to promptly take steps necessary to enforce this policy.

Violation of this policy by any employee will subject that employee to disciplinary action, possibly including dismissal. If an employee feels that they have been a victim of harassment by a co-worker, member of management, vendor, or visitor of the Company, or if an employee becomes aware of such behavior around them, they should contact any member of management with whom they feel comfortable discussing their concern as soon as the problem arises.

Hester Decorating Co., Inc. will investigate all complaints and will endeavor to handle these matters expeditiously, confidentially, and in a professional manner so as to protect the offended individual and other individuals providing relevant information. When the situation is fully understood by management, prompt and appropriate action will be taken. If wrongful harassment is established, the offending party will be subject to disciplinary action, up to and including discharge. There will be no retaliation against anyone for stepping forward with a concern regarding any type of harassment.

## **Pre-Employment Conditions**

As a condition of employment with Hester Decorating Co., Inc., any or all of the following may be required.

### ■ **Employee Background Checks**

Prior to becoming an employee of Hester Decorating Co., Inc., a job-related background check may be conducted. A comprehensive background check may consist of prior employment verification, professional reference checks, education confirmation, and a criminal record check. As appropriate, a credit, and/or driving record history may have also been obtained. In the event that a background check is conducted, Hester Decorating Co., Inc. will comply with the Fair Credit Reporting Act and applicable state laws, including providing the job applicant or employee with any required notices and forms. Consistent with these practices, job applicants or employees may be asked to sign certain authorization and release forms.

### ■ **Legal Work Status**

The Immigration Reform and Control Act of 1986 requires that all employees hired by Hester Decorating Co., Inc. provide documentation proving that they have a legal right to work in the United States.

In compliance with this Act, all job offers extended to successful applicants are made contingent upon the receipt of the required documentation and completion of USCIS Form I-9. The required documentation must be provided prior to the date the employee begins work. Only those successful applicants who complete Form I-9 will be permitted to work.

Former employees who are rehired must also complete the form if they have not completed an I-9 with the Company within the past three years, or if their previous I-9 is no longer retained or valid.

### ■ **Driving Record, Certification, And Licenses**

Before becoming employed it is necessary to obtain a history of your driving record for the 12 months preceding employment. Anyone responsible for driving a Company vehicle will have their driving

record checked annually. If there are excessive violations, or if you have a conviction of driving under the influence, you will not be allowed to drive for the Company in any capacity.

A valid driver's license must be carried at all times while operating any Company vehicle.

#### ■ **Employment Offer**

Once satisfactory results from the reference checks and other background checks have been received, the Company will notify the candidate to confirm the initial offer.

Prior to starting in their new position, employees will complete any required new hire paperwork. Additionally, each employee will be provided a copy of the employee handbook. Each employee will be required, within a specified period of time of receipt, to sign a form acknowledging that they have read the employee handbook. This form will be placed in the employee's personnel file.

### **Open-Door Policy**

It is the policy of Hester Decorating Co., Inc. that every employee, regardless of position, be treated with respect. This can be best accomplished only when employees exercise their responsibility to discuss issues openly and freely with management. We have learned from experience that most problems or concerns can usually be resolved by this simple act of open communication.

For the benefit of every employee, an "Open-Door Policy" has been established. No issue is too large or too small to be addressed if it is of concern. There will be no discrimination against those who present a complaint or discuss a problem with your project manager or with anyone else in management. If you follow these steps, no one will criticize or penalize you. Remember, the only way we can help one another solve problems is for each of us to bring them forward so they can be properly addressed.

#### **Steps to Take**

- STEP 1:** If you have a concern or if you feel that any action by the Company is unjust, talk to your project manager about it. Your project manager knows more about you and your job and is in the best position to handle your complaint properly and quickly. Be sure to talk with your project manager within seven working days of the incident. The project manager will make every effort to satisfy your problem promptly and fairly within three working days of receiving the complaint. If the problem or complaint you have is with the project manager, or if the manager's answer is not sufficient, reach out to the Company vice president or president.
- STEP 2:** If you feel your project manager has not satisfactorily answered your concern to your satisfaction or if you do not feel comfortable discussing your situation with your project manager, you should submit the complaint or concern in writing to the president or vice president within 14 working days of the incident. The president will review the matter and make every effort to satisfy your complaint or concern within three working days.

Because the responsibilities for the operations of the Company have been delegated to the president, any decision rendered in a problem situation by the President will be final and binding.

Please remember that the purpose of our open-door policy is to give you an opportunity to ask questions and clear up problems or complaints of any kind. In order for this open-door policy to work, you must want it to work and use it. It's for your benefit. Our door is always open. When things go wrong, we would like to have the chance to fix them.

## **Your Introductory Period**

It is the policy of Hester Decorating Co., Inc. to provide an introductory period to all new employees. The introductory period is essentially a period of adjustment for you, your co-workers, and management. During this period you will work closely with management to learn how to do your job. It gives you an opportunity to gain more knowledge about the job and the work environment. At the same time, the introductory period gives management an opportunity to observe your job performance, ability to get along with co-workers, your attendance, as well as other job-related responsibilities.

The introductory period shall be defined as the first 90 days of employment. This period shall commence immediately upon your reporting to work. Any significant absence will automatically extend the introductory period by the length of the absence. While we understand that you will be learning about your new job, you are still expected to perform satisfactorily and your job performance will be reviewed closely.

The introductory period is not an employment contract or agreement for a definite period of time. You have the right to terminate employment with or without notice, and with or without cause. Hester Decorating Co., Inc. has a similar right.

Upon satisfactory completion of the introductory period, employees enter into the “regular” employment classification. Regular full-time employees shall be eligible for certain Company-provided benefits as they meet the eligibility requirements for each benefit.

## **Employee Classifications**

It is the intent of Hester Decorating Co., Inc. to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. Each employee belongs to one or more of the categories listed below.

These classifications do not guarantee employment for any specified period of time. Accordingly, the right to voluntarily terminate the employment relationship at-will, at any time, is retained by both the employee and the employer.

### **■ Regular “Full-Time” Employee**

A regular “full-time” employee is an employee who has completed the introductory period and works a normal workweek, in accordance with an established schedule of at least 40 hours per week on an annual basis, with overtime hours as required. Generally, they are eligible for the Company’s full benefits, subject to the terms, conditions, and limitations of each benefit program.

### **■ Regular “Part-Time” Employee**

A regular “part-time” employee is an employee with an established schedule of at least 10-15 hours per week. Part-time employees are ineligible for Company-provided benefits except those mandated by federal or state law, such as the Affordable Care Act.

The Company will review with you your eligibility for Company benefits. Should you have questions concerning any employee benefit, please see your project manager.

## **Advancement**

It is the goal of the Company to offer promotions commensurate with the needs of the Company and based on demonstrated ability. Normally, to fill vacancies above the entry level, leadership will consider candidates to promote from within. Qualified employees will be screened on the basis of job match, including but not limited to, attendance, work records, education, past experience, performance appraisals, or job-related skills. External candidates may also be considered for job vacancies.

In our operation, there are some aspects that may require special training or education level in order to fulfill the position requirements.

## **Teamwork**

Naturally, all of us feel concerned about the work in our divisions. We want to be sure our particular job is done well and promptly, yet we must remember that we belong to the larger “team” that includes all divisions.

Often, it is necessary to call on extra people to help on a special job, or an exceptional workload in order to complete it in a specific time. While these special projects may interrupt your regular daily work, please understand that they **ARE** necessary. Your full cooperation in these instances is expected.

## **Hiring of Relatives or Friends**

It is the policy of Hester Decorating Co., Inc. to hire the best-qualified employees available for all jobs. However, it is necessary that judgment be used in the hiring or placement of close relatives or friends of our employees.

Each application will be considered on its own merits after review of the applicant's record, the type of job available, and other relevant factors. Management will make these decisions on an individual basis, giving primary consideration to the best interests of the Company.

Unfortunately, if issues from home or personal life become disruptive at work, we will address the issue if the employees are unable to. In these cases, we will take any employment action that will resolve the issue, up to and including transfer or termination.

## **Employee Privacy**

Hester Decorating Co., Inc. respects each employee's right of privacy. The following things will be done to make sure we live by this policy:

- ◆ We will comply with all aspects of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) that governs the collection, maintenance, transmission, use, and disclosure of Protected Health Information (PHI).

- ◆ We will maintain “general” personnel files and make sure that all information in your records is maintained in a confidential manner.
- ◆ Only those people who have a “need to know” will review your records.
- ◆ We will refuse to release information about you to outside sources for matters such as credit checks, without your written approval. We reserve the right, however, with or without your approval, to verify your employment and to comply with any mandatory legal process from the courts and law enforcement agencies or pursuant to any mandatory or required regulatory or governmental regulations.
- ◆ We will require all employees who have access to your records to comply with these policies and practices.

## **Employee Responsibilities**

Along with the advantages and opportunities offered by Hester Decorating Co., Inc. go certain responsibilities -- obligations that you will want to meet. Your primary and most important responsibility, of course, is to do a good job on the work assigned to you. Listen to instructions carefully and carry them out promptly to the best of your ability.

In addition to following instructions, doing a good job requires you to think for yourself -- to ask questions and make constructive suggestions, to set goals for yourself, and to work toward these goals. It also requires that you be a team player -- willing to work together with your co-workers in a spirit of cooperation and harmony.

Doing a good job also implies certain obligations on your part, such as using good judgment and being prompt and regular in attendance.

### **Business Ethics and Practices**

The Company is committed to maintaining the highest legal, ethical, and moral standards in the conduct of our business. The commitment applies without exception to all our activities as we sell and deliver products and services to customers, fulfill contractual obligations and other agreements, authorize and account for the use of Company assets, and carry out our obligations to shareholders, the public, and employees. The Company respects the privacy of employees when not at work. However, employees are expected to conduct themselves in a manner that would be a positive reflection on the Company and what it stands for.

#### ■ **Confidential Information**

During the course of your employment, you may become aware of trade secrets and similarly protected proprietary and confidential information about the Company. You must not disclose any such information to anyone outside of the Company. "Confidential information" is defined as certain written and oral financial and technical information; customer, vendor and supplier information, actual and potential customer lists and contacts; business plans, work in progress and other proprietary data relating to the Company, its business, operations, affiliates, customers, vendors or suppliers, considered by the Company to be confidential and proprietary information that constitutes a trade secret; analysis, compilations, computer or electronic data, including software programs and source code owned by or in the possession of the Company; technical or non-technical data, designs, devices, documents, diagrams, drawings, file layouts, files, financial data, financial plans, financial statements, formulas, functional specifications, ideas, implementations work plans, information or material generated or used in the operations of development activities of the Company; inventions and patents reasonably related to the Company's business; and manuals, marketing and business plans, methods, notebooks, price lists, printouts, processes, product plans, presentations, programs, proposals, records, reports, research and development, statistics, technical bulletins, techniques, templates, and terms and conditions of the Company's contracts and test data.

Employees will not be held criminally or civilly liable for the disclosure of a trade secret or other confidential information that is made (1) to a government official, either directly or indirectly, or to

an attorney solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, employees who file a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

■ **Conflicts of Interest**

Do not give, offer or promise, directly or indirectly, anything of value to any representative of an outside business, where "outside business" is defined as "any person, firm, corporation, or government agency that sells or provides a service to, purchases from, or competes with the Company. Examples of violations include holding an ownership or financial interest in an outside business and accepting gifts, money, or services from an outside business.

Employees must refrain from any activity or having any financial interest that is inconsistent with the Company's best interest and also must refrain from activities, investments or associations that compete with the Company, interferes with one's judgment concerning the Company's best interests, or exploits one's position with the Company for personal gains.

■ **Gifts or Gratuities**

From time to time, employees may be offered gifts, entertainment, or other favors from a vendor, contractor, or organization with which Hester Decorating Co., Inc. has business dealings. No employee of Hester Decorating Co., Inc. may accept any item of value, aside from nominal gifts and common courtesies, exceeding \$20.00 in monetary value without the prior written authorization from the President.

Furthermore, all employees should understand that entering into a personal relationship with an employee of a vendor, contractor, or other organization having financial dealings with Hester Decorating Co., Inc. creates a possible conflict of interest that requires full disclosure to Hester Decorating Co., Inc.

■ **Bribes, Kickbacks, and Other Illegal Payments**

Bribes, kickbacks and other illegal payments to or from any individual with whom we conduct business (in any form and for any purpose) are prohibited.

Certain types of rebates to the Company from suppliers are legitimate to correct commercial inequity if done within government trade regulations.

## **Cell Phone Usage**

Hester Decorating Co., Inc. is committed to providing a safe and productive work environment. In return, we require our employees to contribute to those efforts. Therefore, any personally-owned cell phones or other electronic communication devices should be limited to non-working hours. As a courtesy to other employees, all cell phones and other electronic devices should be kept on silent or vibrate if necessary to bring these devices onto Company premises. Certain designated employees are authorized to use a cell phone in conducting the business of the Company.

Cell phones should not be used during customer contact, while operating a vehicle, or while otherwise engaged in work-related activities.

Any employee that is seen using their cell phone or other electronic communications device, checking their messages, or sending a text message while working will be grounds for disciplinary action, up to and including termination.

This policy applies to all categories of employees, whether full-time or part-time. Violations of this policy will be grounds for disciplinary action, up to and including termination.

Employees whose job responsibilities include regular or occasional driving and who have a cell phone are expected to refrain from using their phone while driving, unless they are “hands-free.” Safety must come before all other concerns. **Regardless of the circumstances, including slow or stopped traffic, employees are strongly encouraged to pull off to the side of the road and safely stop the vehicle before placing or accepting a call or texting.**

## **Computer Use Policy**

The Company provides computers, computer equipment and software to its employees for the express purpose of doing the business of Hester Decorating Co., Inc.. Computers are used to store and access information that is both confidential and critical to the continuing operation of the Company. Hester Decorating Co., Inc. will not tolerate any messages regarding sex, race, color, age, national origin, creed, disability, or religion. All email/Internet records are considered Company records and should be transmitted only to individuals who have a business need to receive them. Abuse of the email/Internet systems through personal use, or use in violation of law or Company policies, will result in disciplinary action, up to and including termination of employment. Computer data may be examined and all passwords are to be available to management. Employees whose job responsibilities require the use of a computer will be instructed of the Company’s policy by their project manager. Computers are for the use of authorized personnel only.

## **Social Media Policy**

“Social media” is the term commonly given to websites and online tools that allow users to interact with each other in some way - by sharing information, opinions, knowledge and interests. As the name implies, social media involves the building of communities or networks, encouraging participation and engagement.

Employees are expected to conduct themselves in a professional manner that reflects their allegiance to and respect for our customers. The use of sound and ethical judgment is expected at all times. Employees are asked to demonstrate positive attitudes, common courtesy, and respect for customers.

Generally, what employees do on their own time is their own affair. However, employees should consider the impact such activities may have on their job performance or upon the Company’s business interests. Employees should be aware that their actions captured via images, posts, or comments can reflect on our Company.

Violation of this policy or policies within other sections of this handbook may be handled in accordance with progressive disciplinary actions.

- ◆ Personal blogs should have clear disclaimers that the views expressed by the author in the blog are the author's alone and do not represent the views of the Company. Be clear and write in first person. Make your writing clear that you are speaking for yourself and not on behalf of the Company.
- ◆ Information published on your blog(s) should comply with the Company's confidentiality and disclosure of proprietary data policies. This also applies to comments posted on other blogs, forums, and social networking sites.
- ◆ Be respectful to the customers, partners, and competitors.
- ◆ Social media activities should not interfere with work commitments.
- ◆ Your online presence reflects on the Company. Be aware that your actions captured via images, posts, or comments can reflect that of our Company.
- ◆ Do not reference or cite Company clients, partners, or customers without their express consent. In all cases, do not publish any information regarding a client.
- ◆ Respect all copyright and other intellectual property laws. For our protection as well as your own, it is critical that you show proper respect for the laws governing copyright, fair use of copyrighted material owned by others, trademarks and other intellectual property, including our own copyrights, trademarks, and brands.
- ◆ If you have images contained on social networking sites that could be unfavorably viewed by our customers, please take necessary precautions to restrict these images from the public domain.

This policy is not intended to restrict an employee's right to discuss working conditions and other work-related information with co-workers. Hester Decorating Co., Inc. wants to ensure that its customers and vendors are not defamed or injured through use of blogs and social networking sites.

Where no policy or guideline exists, employees should use their professional judgment and take the most prudent action possible. Consult with your project manager if you are uncertain.

## **Your Confidential Records**

When you became an employee, you completed a form supplying us with the information we must know about you. This information was transferred to confidential files that are the Company's factual pictures of you as an individual. Keeping these records correct and up-to-date is important to you because it enables the Company to reach you in an emergency, forward your mail, properly maintain your insurance and other benefits, and compute your payroll deductions, etc.

You are expected to help keep this record correct by notifying the project manager promptly of changes in:

- ◆ Address and telephone number.
- ◆ Marital status.
- ◆ Name.
- ◆ Number of dependents for Withholding Tax purposes.
- ◆ Person to notify in case of accidents or illness.

- ◆ Driver's License Number or driving restrictions (if driving Company vehicles).
- ◆ Military status.

In addition, you should give notification about the completion of training or education courses so that you may receive proper consideration as better job opportunities arise throughout the Company. Your files are held in strict confidence, and only those with a need-to-know will have access to your files. Confidential personnel files may be viewed on request to the president.

Employees may have access to their personnel file upon written request to the president. Files may be reviewed in the presence of a Company representative, but files may not be taken from the premises.

## **Leaving Early and Taking Time Off from Your Job**

You may request permission from management to leave your job in the event of an emergency, or other personal business that cannot be attended to outside your normal working hours. Management will consider the urgency of your request and the time when you can best be spared. You must clock out to record your time when leaving the premises on personal matters, and clock-in when you return. If at all possible, please schedule your personal appointments during nonworking hours. However, in emergency situations where this is not possible, you may request the necessary time off through management.

Employees should notify management when the appointment is made as soon as possible to schedule coverage.

## **Attendance and Punctuality**

It is the personal responsibility of each employee to be on the job, on time, every scheduled workday. When an employee is absent or tardy, their supervisor must make reassignments with employees who came to work. This could require placing employees on a job with which they are not fully familiar, creating a decrease in service or a dissatisfied customer that day.

Personal appointments should be scheduled after work hours whenever possible. If scheduling a personal appointment during work hours is absolutely necessary, then management's advance written approval is required.

Both punctuality and regular attendance have a positive effect on your performance progress. Likewise, tardiness and a poor attendance record will have a negative impact on your performance record. Therefore, Hester Decorating Co., Inc. reserves the right to initiate disciplinary action if it determines that you abuse or disregard the guidelines of this policy.

Occasionally, it may be necessary for employees to be absent from work as a result of illness, injury, or for personal reasons. In such cases, employees are expected to give their direct supervisor as much advance notice as possible, but at least 30 minutes before the beginning of their scheduled starting time.

This procedure holds for every day of absence. This advance notice is necessary in order that proper arrangements can be made to handle your work during absence.

If an employee is going to be tardy, their direct supervisor must be directly notified within 30 minutes after the start of the scheduled work time.

Two consecutive scheduled workdays in which an employee fails to report as expected will be considered a voluntary resignation on the part of the employee.

Should you be absent for more than three consecutive calendar days due to illness or injury, on the first day of your return to work, you must provide your supervisor with a medical certification of your ability to work, or whenever requested.

Family and Medical Leave of Absence (FMLA), military leave absences, jury duty leave absences, funeral leave absences, and court appearances as a witness will not be counted against an employee's attendance record and will not affect performance evaluations.

## **Personal Conduct and Appearance**

Because of the nature of our people-oriented business, our employees are expected to present the professional image we wish to portray to the public. Each employee contributes personally to this desired image by their dress and grooming.

Each individual is expected to be groomed in a manner consistent with the job performed, with community standards, and one that will not be offensive. Since dress is a matter of individual taste, we do not wish to set forth strict guidelines. Extremes in attire, makeup, adornment and hairstyles should be avoided. Clothing should be modest, neat, clean, properly fitted and suitable for the business environment. Blue jeans and sweatshirts are not considered business attire and should only be worn under extenuating circumstances.

Management reserves the right to require that employees dressed inappropriately be not allowed to work and be dismissed from the office or jobsite until they return in appropriate dress. Should an employee be required to leave, their missed time will be taken without pay. Appropriate uniform includes work boots, clean white painter's pants, and Hester logo shirts only.

## **Safety**

It is the policy of Hester Decorating Co., Inc. to provide a safe workplace for all its employees. Having accepted this responsibility, we feel that you, in turn, must accept the responsibility to work safely because of your life and the life of your co-workers. This means working intelligently with common sense and with foresight. Every employee is expected to follow safety standards, which apply, to our operations.

If you notice a condition or practice, which seems unsafe, you should immediately call it to the attention of your supervisor or readily correct it personally if safely possible to do so.

Rules alone will not prevent accidents; it takes the cooperation of all of us to see that accidents are eliminated. Report any unsafe conditions to your supervisor and always try to THINK SAFETY.

### **▪ Reporting On-The-Job Injuries**

Injury to an employee causes physical suffering, loss of income, as well as loss of productivity and damage to the morale of the work group. Your own judgment and common sense will help you to avoid an on-the-job accident.

Any and all accidents, no matter how small, should be immediately reported to your supervisor. Failure to do so could result in loss of benefits.

- **Good Housekeeping**

Everyone must work to keep our Company as clean as possible at all times.

Customers immediately notice the cleanliness of our work areas, including building, grounds, and especially our service area.

When our customers see a clean service area, they automatically think of our Company as being efficient, which not only shows pride, but becomes an advantage to us in dealing with our customers. It is easier for them to place confidence in us.

Good housekeeping practices must be followed at all times. Papers and other waste must be placed in the containers provided. A neat, clean work area not only reduces the chance of an injury but makes for a more pleasant and attractive place to work.

- **Parking Facilities**

The Company provides employees with parking facilities at the office. However, it cannot be liable for fire, theft, damage, or personal injury involving employees' automobiles. Employees should protect their property by locking their car doors. Courtesy and common sense in parking and driving will avoid accidents, personal injuries, damage to the employee's car, and that of others.

- **Unauthorized Visitors**

To provide for the safety and security of employees and the facilities at the Company, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances. Because of safety and security reasons, family and friends of employees are discouraged from visiting. In cases of emergency, employees will be called to meet any visitor outside their work area.

All visitors should enter the Company at the front entrance. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on Company premises, employees should immediately notify management, or if necessary, direct the individual to the main entrance.

## **Care of Company Equipment**

Hester Decorating Co., Inc. has invested hundreds of thousands of dollars in equipment that is designed to enable you to do your work more efficiently. Your cooperation in the care and use of this equipment is necessary to maintain it in good operating condition. If any of our equipment is defective or is not best for the job, please notify your supervisor immediately. A few timely repairs may prevent complete breakdown of the equipment.

## **Use of Company Owned Vehicles**

The assignment and use of a Company vehicle, either temporary or permanent, is a privilege and it is company policy to insist that employees operate in a safe and economical manner with all vehicles owned or used by the Company.

### **Driver Qualification**

1. You must have a valid license for the vehicle you are operating from the state in which you live.
2. You must have and keep a favorable driving record and be willing to permit a periodic review of your driving record (DMV).

### **Controls**

1. You may operate your company vehicle on company business and to and from work only, unless you have permission from the company owner to use it for a personal need. Individuals having an accident with a company vehicle on personal time will be held accountable for all costs and/or charges relating to the accident or repairs.
2. The Company will pay all operating expenses such as registration, insurance, excise tax, state inspection fees, oil changes and repairs. Parking and toll charges will be reimbursed when such charges are incurred while driving on business for the Company.
3. Only Company employees who have been pre-approved by the office may operate a company vehicle, unless it is unsafe for the employee to do so. Then, and only then, may the employee designate another driver, who must be properly licensed and above the age of 21. No one else has express or implied authority to use the Company vehicle.
4. Ensure that the vehicle to which the employee is assigned is maintained in a safe driving condition.
5. You must be mentally and physically able to drive safely.
6. You must conform to all traffic laws, signals and markings, and make proper allowance for adverse weather and traffic conditions.
7. You must be courteous at all times, respecting the rights of other drivers and pedestrians.
8. You and all passengers must wear seatbelts and all other available active restraints.
9. Hitchhikers are not permitted to ride at any time, and the vehicle carrying of passengers for a consideration is not allowed.
10. The employee assumes full responsibility for any traffic and parking violations arising out of the use of the Company vehicle. If the Company should be required to pay any fine after the employee terminates employment with the Company, the employee agrees to reimburse the Company within 10 days of written notice.

### **Cell Phone/Electronic Usage Policy**

This policy has been prepared and implemented in order to reduce the risk of accidents using cell phones while driving a Company vehicle. We also encourage you to follow this while operating a personal vehicle on your personal time.

Texting and emailing on your cell phone is NOT allowed while driving a Company vehicle. This is only allowed when the vehicle is parked. Violation of this policy may carry a penalty of losing your permission to drive a Company vehicle or loss of your employment at Hester Decorating Co., Inc. This is a serious problem, and therefore will have serious repercussions.

In a similar fashion, dialing a cell phone can create the same problem as texting. Using a cell phone in any mode other than hands-free also creates problems while driving. Therefore, use of a cell phone will be restricted to utilizing a hands-free feature, such as a Bluetooth, on the phone.

In a case of a vehicle accident, cell phone records will be checked to determine if you were texting at the time of the accident.

If a cell phone is being used, other than in hands-free mode, and if an employee is seen using the phone in any other mode than hands free mode, a safety violation will be issued.

### **Accidents**

If your Company vehicle is involved in an accident (regardless of who is driving) you must notify the company immediately and follow the procedures established by our insurance carrier. Those instructions are included in the insurance card holder that is in each Company vehicle.

### **Use of Tobacco Products**

In keeping with the Company's intent to provide a safe and healthful work environment, the use of tobacco products (i.e., cigarettes, e-cigarettes, vaping products, cigars, chewing tobacco, snuff, pipes, etc.) at the office, jobsites and Company-owned vehicles is prohibited.

### **Substance Abuse**

The purpose of this policy is to enable your Company to continue to fulfill its responsibility to provide reliable and safe service to our customers and a safe working environment for our employees. In order to be physically and mentally fit to perform our duties in a safe and efficient manner, no employee shall work, or report to work, while under the influence of alcohol or illegal drugs. No employee shall consume, display, or have in their possession alcoholic beverages or illegal drugs while on Hester Decorating Co., Inc.'s property, or performing work for Hester Decorating Co., Inc. off our property. Furthermore, it is the policy of Hester Decorating Co., Inc. that employees shall not be involved with the unlawful use, possession, sale, or transfer of drugs or narcotics, in or out of the workplace, in any manner that may impair their ability to perform assigned duties, or otherwise adversely impact Hester Decorating Co., Inc.'s business. To do so is a prime cause for disciplinary action, up to and including termination.

Employees required to take prescription or non-prescription medication, which may potentially affect job performance, are required to report this to their project manager. Management may consult with or obtain a written statement from the prescribing physician to determine if it is necessary to temporarily place them on another assignment to ensure the safety of our employees and the public, or to remove them from the workplace.

Intoxication at work is grounds for disciplinary action, including immediate discharge. As used in this policy, intoxication means both being under the influence of drugs or alcohol, or physical evidence that indicates that drugs or alcohol have been consumed. If an employee's job-related behavior and/or performance create reasonable suspicion of being intoxicated at work, they will be suspended pending investigation. During this investigation, Hester Decorating Co., Inc. may discuss the employee's behavior with their co-workers and managers.

State law does not give any employee the right to use, possess, or be impaired by marijuana on work premises or during the hours of employment. For safety sensitive positions, Hester Decorating Co., Inc.

reserves the right to refuse to employ applicants who test positive for marijuana. Under the federal law, marijuana is still considered an illegal substance.

To protect the best interests of employees and the public, management at Hester Decorating Co., Inc. will take whatever measures are necessary to determine if illegal drugs are being used, or alcohol or illegal drugs are located on, or are being used on the job. Measures that may be used will include, but will not be limited to, searches of people and of personal property located on Company premises.

Hester Decorating Co., Inc. reserves the right to test employees for the presence of drugs and/or alcohol, and a refusal to take such a test is grounds for refusal to hire or discharge. When urinalysis, hair follicle, and/or blood tests are requested or necessary, samples will be taken under the supervision of an appropriate health care professional.

### **Applicant Drug Screening Procedure:**

All applicants who have been made a conditional offer of employment may be required to submit to a drug screen. Applicants who do not take the test within the specified period of time, test positive, or refuse to be tested will be considered ineligible for hire. Applicants will **NOT** begin work before the results of the drug tests are known to be negative.

### **Current Employees May Be Tested:**

- ✦ **For Cause/Reasonable Suspicion.** If management determines that there is reasonable cause to suspect an employee is under the influence of drugs or alcohol they may require the employee to be tested. Reasonable grounds would include inappropriate behavior or performance problems on the job, an accident in the workplace or while operating a Company or customer vehicle, observable indications of use of substance and direct observation of the individual taking drugs or alcohol.
- ✦ **After an Accident.** The Company reserves the right to require an employee to submit to substance abuse screening after notifying management of an accident. The accident may include an injury involving loss of time on the job, an injury requiring medical attention, an accident causing damage to Company property, a moving traffic violation resulting from the accident on Company time and any accident resulting in a fatality.

The above-mentioned searches and drug tests will not be conducted if an individual refuses to submit; however, refusal to submit will result in immediate suspension and will be grounds for termination. Results of drug and alcohol tests may be shared with an employee's project manager or others in management who have a legitimate need to know.

It is the responsibility of all Company employees to ensure that the work environment is free of alcohol and drugs. Any employee that has knowledge of the violation of this policy by another employee and does not report it may also be subject to disciplinary action, up to and including termination.

Employees experiencing problems with alcohol or other drugs are urged to voluntarily seek assistance to resolve such problems before they become serious enough to require management referral or disciplinary action. Successful treatment will be viewed positively; however, it will not prevent disciplinary action.

## **Workplace Violence**

Hester Decorating Co., Inc. is concerned about the increased violence in society that has also filtered into many workplaces throughout the United States and has taken steps to help prevent incidents of violence

from occurring at the Company. In this connection, it is the policy of Hester Decorating Co., Inc. to expressly prohibit any acts or threats of violence by any employee, or former employee, against any other employee in or about the Company, or elsewhere, at any time. The Company also will not condone any acts or threats of violence against our employees, customers, or visitors on our premises at any time or while they are engaged in business with, or on behalf of, the Company, on or off Company premises.

In keeping with the spirit and intent of this policy, and to ensure that the Company's objectives in this regard are attained, it is the commitment of Hester Decorating Co., Inc.:

- ◆ To provide a safe and healthful work environment, in accordance with our safety and health policy.
- ◆ To take prompt remedial action up to, and including, immediate termination, against any employee who engages in any threatening behavior or acts of violence, or who uses any obscene, abusive, or threatening language or gestures.
- ◆ To take appropriate action when dealing with customers, former employees, or visitors to our Company who engage in such behavior. Such action may include notifying the police or other law enforcement personnel and prosecuting violators of this policy to the maximum extent of the law.
- ◆ To establish viable security measures to ensure that our Company is safe and secure to the maximum extent possible, and to properly handle access to Company facilities by the public, off-duty employees, and former employees.

All employees are entitled to perform their work free from violence, regardless of location, whether on the employer's premises or elsewhere.

In furtherance of this policy, employees have a duty to warn management or personnel representatives of any suspicious workplace activity or situations or incidents that they observe, or that they are aware of, that involve other employees, former employees, customers, or visitors and that appear problematic. This includes, for example, threats or acts of violence, aggressive behavior, offensive acts, threatening or offensive comments or remarks, and the like. Employee reports made pursuant to this policy will be held in confidence to the maximum extent possible. The Company will not condone any form of retaliation against any employee for making a report under this policy.

## **Your Guide to Personal Conduct**

Hester Decorating Co., Inc. wants to provide a good work environment for all employees. This desire is expressed in many forms: safe working conditions, maintenance of facilities and equipment, equitable wage structures, and progressive benefit programs. In turn, it is reasonable to expect a productive effort and acceptance of responsibility on the part of employees.

Each of us has the responsibility to our fellow workers to conduct ourselves according to certain rules of good behavior and conduct. In any business, some rules are needed to help everyone work together by letting them know what they can and cannot do. We expect our employees to follow our Company rules and show good behavior and efficiency. For these reasons, we have included in our handbook a number of work rules. You are expected to read, understand, and follow these rules in your day-to-day work.

Disciplinary action, whether verbal or written, is given only for the purpose of correction. Having to dismiss an employee is distasteful for everyone, and we try to work with our employees to avoid such

action. However, failure to follow our work rules is against the best interests of your fellow employees and the Company and may lead to dismissal. In cases where disciplinary action is being considered, you will be given an opportunity to explain your side of the story. Should you have questions concerning any work rule listed, please see a member of management.

While the following list is not all-inclusive, some of the violations that can result in disciplinary action, including discharge, are:

1. Misrepresentation or omission of facts seeking employment.
2. Falsification of time records, clocking of another employee's time or having another employee clock your time.
3. Making or permitting a false record relating to any material or work.
4. Defacing, damaging, or destroying property of the Company or another employee.
5. Possession or consumption on Company premises or reporting to work under the influence of intoxicants or unauthorized drugs.
6. Theft, pilferage, or unauthorized removal of materials, equipment and property of the Company, customers, or others.
7. Abusing Company equipment or property or using any piece of equipment or property without being authorized to do so.
8. Assisting any person to gain unauthorized entrance to any portion of Company premises.
9. Failure to follow required safety regulations.
10. Repeated absence or tardiness; failure to report to work without a satisfactory reason.
11. Causing bodily injury to another employee or other forms of disorderly conduct.
12. Each employee is expected to work in a cooperative manner with management, co-workers, customers, and vendors.
13. Failure to report absence or tardiness by normal starting time.
14. Use of Company facilities after normal working hours without authorization.
15. Interfering with, obstruction of, or otherwise hindering the production of work performance of another employee.
16. Engaging in horseplay, running, scuffling, or throwing objects on Company property.
17. Leaving work area without permission, wasting time, loitering or sleeping during work hours.
18. Failure to meet quality or quantity requirements.
19. Inefficiency or lack of application or effort on the job.
20. Rudeness or unprofessional behavior toward a customer, vendor, employee, or anyone in contact with the Company.

21. Contributing to unsanitary or unsafe conditions.
22. Violations of Company policy on fair treatment, equal opportunity, and non-discrimination.
23. Gambling on Company property.

Violations of Company policies outlined above or within other sections of this handbook, or habitual offenders of any Company rules, may be handled in accordance with the progressive discipline policy. However, as described in the policy on Progressive Discipline, circumstances may warrant deviation from normal progressive discipline procedures and may include any level of discipline including immediate discharge.

Should your performance or behavior warrant disciplinary action, you may be assured that your case will be fully investigated and reviewed before final action is taken. In certain serious cases, management may suspend an employee from work, pending management review.

## **Progressive Discipline Policy**

When it becomes necessary to change an employee's performance or behavior from unacceptable to acceptable, our Progressive Discipline Policy enables us to do so in a fair and consistent way. When management determines disciplinary action is appropriate, actions will be taken according to Hester Decorating Co., Inc.'s Progressive Discipline Policy.

Normal steps in the disciplinary process are outlined below. However, based on the seriousness of the offense, management may enter into any level of disciplinary action or termination.

### **1. Verbal Correction:**

The project manager or superintendent will provide a verbal correction to the employee. A written record of this correction will be placed in the employee's personnel file.

### **2. Written Correction:**

If the employee does not correct their behavior, the project manager or superintendent will consult with the president and prepare a written correction. The employee will be asked to sign, indicating receipt of a copy of the written correction, and a copy will be placed in the employee's personnel file.

### **3. Suspension without Pay:**

If the written correction does not correct the problem, the associate may be suspended without pay for a minimum of two days. This suspension without pay must have the approval of the project manager or president.

### **4. Termination:**

When all other means of discipline have been used, or when the offense justifies such action, the employee may be terminated. The project manager or president may terminate the employee.

If the employee feels the termination is unfair, they may fully utilize the open-door policy.

**The Progressive Discipline Policy in no way guarantees that all the steps will necessarily be followed. Depending upon the circumstances and factors such as the employee's past work record and seriousness of the offense, management reserves the right to enter into any level of disciplinary action, or termination, it deems appropriate. The use of progressive discipline does not alter the employment-at-will status of our employees.**

## **Separation of Employment**

### ■ **Resignations**

Although we hope you remain with us for a long time, sometimes circumstances create a need for an individual to change jobs. In such cases, we request that you give management adequate notice, preferably two weeks written notice, should you decide to resign. This advance notice will allow management time to adjust working schedules and attempt to secure a replacement.

Should a separation of employment occur, you must return all Company-owned property, including tools, technology items, equipment, manuals, etc. You will be provided your final paycheck for wages earned no later than the next regularly-scheduled payday on which those wages are due, unless required earlier per your CBA.

### ■ **Termination of Employment**

Discharges are always unpleasant and costly, so you can be sure that they won't be considered lightly. If, however, discharge becomes necessary, advance notice may or may not be given, depending on the circumstances surrounding the termination. If you believe you have been treated unfairly with regard to your termination, please utilize the complaint procedure, up to and including the President, unless required earlier per your CBA.

Should a termination of employment occur, you must return all Company-owned property, including tools, technology items, equipment, manuals, etc. You will be provided your final paycheck for wages earned, no later than the next regularly-scheduled payday on which those wages are due.

### ■ **Reemployment Policy**

The decision to voluntarily leave the Company is a serious matter and one that should not be taken lightly. Generally, the Company discourages the rehire of former employees. Any decision to rehire previous employees must have the approval of the President. Only those employees who leave the Company in good standing will be given consideration for rehire and then only in positions for which they are suitable and possess appropriate skills and experience. Former employees interested in job openings must apply through the normal application process and will be given consideration along with other qualified applicants.

### ■ **Employment References**

Hester Decorating Co., Inc. will cooperate with former employees by answering appropriate inquiries from prospective employers relative to your employment with us. However, we must first obtain your written consent to release information, and only verification and dates of employment will be released.

■ **Returning Company Property**

Although provided for the employee's daily use, Company items (such as tools, manuals, tools, technology items, equipment, keys, etc.) remain the property of Hester Decorating Co., Inc. Employees leaving the employment of Hester Decorating Co., Inc., for any reason, are required to return all technology items, manuals, equipment, and any other Company property when they arrive to pick up their last paycheck. Employees will be responsible to Hester Decorating Co., Inc. for any unreturned property.

## **Summary and Closing Word**

This booklet is a summary of the principles for which we stand, the benefits to which you are eligible, and the obligations you assume as an employee. We ask that you read your handbook carefully and keep it for future reference. If you have any questions concerning the policies or benefits outlined in this booklet, please ask management about them.

We may occasionally revise some of the policies that are outlined in this handbook or add new policies and benefits that we feel will make Hester Decorating Co., Inc. an even better place to work. Be sure to keep any notification of policy changes that come to you.

You are now a part of the Hester Decorating Co., Inc. team, and we hope your association with us will be a happy one. As the Company grows, we want you to grow with us. The Company has made considerable progress since its beginning, and the credit goes to each employee. Your job is important to its continued growth and prosperity.

We are all working together toward a common goal, which is to build a stronger and better Company in which to work. By working together in a spirit of cooperation and teamwork, our Company will be unsurpassed for its quality, integrity, and service.



# **Hours of Work and Pay – Union Painters**

## **Your Workweek at Hester Decorating Co., Inc.**

The official workweek for all employees at Hester Decorating Co., Inc. begins at 12:00 a.m. on Monday and ends at 11:59 p.m. the following Sunday. Your particular work schedule will depend on your job to which you are assigned. Your project manager will explain your work schedule to you. Should you ever have any questions on when you are to be at work, please ask your project manager. Changing conditions in our operations may require changes in work schedules. Regular time work hours are from Monday – Friday 6:00am – 4:30pm, equaling 8 hours. Weekdays starting at 4:30 pm until 6:00am the following day will be time and a half. Holidays are double time.

## **Timekeeping**

The laws and regulations today are very strict about recording the exact number of hours you work. It is our responsibility to keep accurate records. Additionally, keeping accurate time records provides us with a permanent record of time for computing your earnings.

Certain classifications of employees are required to keep time records by punching a timecard, recording time manually on a timecard or the Company timecard application, and this must be done on a daily basis reflecting the actual time you commence work and finish at the end of each day. If you leave the premises, and you are not on Company business, you are required to record the time you leave by punching out and by punching back in when you return.

If you forget to record time in or out, or if there is an error made on your timecard or timecard application, please notify Chris Hester immediately to make corrections.

No employee is to work while clocked out for lunch. Additionally, employees are not to work any overtime unless authorized by their project manager, or superintendent. Altering, falsifying, tampering with timecards, or recording time on another employee's timecard may result in disciplinary action, up to and including termination of employment.

## **Overtime**

Employees may be scheduled to work overtime when operating requirements or other needs cannot be met during regular working hours. Whenever possible, advance notification will be provided. If determined necessary, overtime work will be authorized by the project manager or superintendent beyond an employee's standard workweek. Everyone is expected to contribute their fair share. Hourly-paid employees will be paid time and one-half (1-1/2) their regular hourly rate for all hours worked over 8 hours in a day Monday-Friday before 6:00am and after 4:30pm, anytime Saturday or Sunday. Time off for illness, a Company-observed holiday, leave of absence, vacation, or any other absence will not be considered time worked for computing overtime.

**No overtime work is to be performed without the authorization of your project manager or superintendent.** An employee who fails to work scheduled overtime or works overtime without prior authorization from management may be subject to disciplinary action, up to and including termination.

## **Telecommuting**

The Company considers telecommuting to be a viable, temporary alternative work arrangement in cases where individual job and supervisory requirements are best suited to such an arrangement. Telecommuting allows an employee to work at home, on the road, or in a satellite location for part of their regular workweek. Telecommuting is a work alternative that may be appropriate for some employees and some jobs, for certain periods of time, and may not be appropriate for every employee. In no way does telecommuting change the terms and conditions of employment with the Company and may be discontinued at any time by the employee or the Company.

All telecommuting arrangements will be made on a case-by-case basis, according to the business needs of the Company and the personal circumstances of the employee. Specific arrangements must be documented and approved in writing by the President and such documentation placed in the employee's personnel file.

The appropriateness of any telecommuting arrangement will include, but not be limited to, a review of employee suitability, job responsibilities, equipment needs and workspace design considerations, scheduling issues, tax and other legal implications for the business use of the employee's home based on IRS and state restrictions, and employee performance. The use of personal equipment is at the employee's risk and the Company does not assume any responsibility for maintenance and repair.

## **Wages and Salaries**

To attract and retain exceptional employees, we endeavor to pay wages that are competitive to those paid in our profession and our area. In keeping with this objective, we monitor our pay scales on a regular basis to ensure they are in line with local and regional conditions. We adjust our wage and salary ranges in accordance with the business and general economic conditions.

Your individual job classification and level of compensation are determined by the requirements of your job in such factors as responsibility, skill, training, education, and working conditions. Wage increases are based upon your record of performance on the job and your particular job classification.

## **Pay Procedures**

### **■ Payday/Direct Deposit:**

Paychecks for all employees are deposited directly into a checking account at the financial institution of their choice every Thursday for work performed during the previous pay period.

Employees will receive a statement on payday in place of a paycheck, indicating the amount of each deposit and all earnings and deductions information. Contact Payroll for an enrollment form.

When regular paydays fall on holidays, special arrangements for earlier distribution of paychecks may be made. If this is not possible, then payday will fall on the next business day.

- **Error in Pay**

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, please tell Chris Hester. The necessary steps will be taken to research the problem and to ensure that any necessary correction is made. Corrections will be made as soon as possible, but no later than the next regularly-scheduled payday.

- **Payroll Deductions**

We are required to deduct from your pay your federal and state withholding taxes (income tax). These deducted amounts are turned over to the appropriate treasuries, and you are given credit for it on your income tax at the end of the year, shown on your Form W-2. If an employee's marital status changes or the number of exemptions previously claimed increases or decreases, a new Form W-4 must be submitted to payroll. Each year you will receive a W-2 showing your total earnings for the year and the amount of taxes withheld.

Social Security and Medicare will be deducted from your paycheck at the rate established by law, as well as other employee-authorized deductions. Hester Decorating Co., Inc. pays an equal amount in Social Security and Medicare contributions on your behalf, up to the legally-mandated maximums. Any other deductions must be authorized by you, in writing, before they can be deducted through payroll. The union deductions will also be deducted, per the union CBA.

- **Wage Garnishment**

Garnishment of wages results when an unpaid creditor has taken the matter to court. A garnishment is legal permission for creditors to collect part of an employee's pay directly from the Company. Although the Company does not wish to become involved in an employee's private matters, we are compelled by law to administer the court's orders.

In doing so, the Company will contact the employee to explain the details of garnishment and how it affects wages. Employees are encouraged to resolve these matters privately to avoid the Company's involvement in the mutually-unpleasant situation. Repeated instances where the Company is involved in garnishment proceedings may result in disciplinary action, up to and including termination of employment.

## **Performance Reviews**

All of us like to know how we're doing on the job. Day-by-day comments from management help, but now and then there is a need to review all phases of your work performance. Performance of employees will be evaluated periodically by management on an annual basis. The evaluation consists of a personal interview during which an employee's strengths and weaknesses are discussed and evaluated, and recommendations for improvements are made. These interviews also identify the short and long-range goals of employees and determine how they interrelate with the Company's purpose and objectives.

In addition to the regular performance evaluations described above, management may at any time, to advise you of the existence of performance or disciplinary problem, conduct special written performance evaluations.

Any recommendation for promotion, a change of duties, or an increase in pay must be approved by the President before any change takes effect. A performance evaluation does not necessarily mean a change in pay or duties.

Nothing in this section is to be construed as a limitation on the Company's right to terminate, at will, the employment of any employee, at any time, with or without cause.

## **Meal Periods and Break Periods**

All Company employees are permitted to take 30 minutes for lunch each day. This time is unpaid, so you are free to use it as you see fit.

Employees who do not take the required meal break must note this on their timecard. During your meal periods, you are not to perform any work whatsoever, unless authorized by your project manager.

### ■ **Break Periods**

Employees are provided with a 10 minute paid break in the morning and a 10 minute paid break in the afternoon.

### ■ **Breaks for Nursing Mothers:**

Employees who are nursing mothers are provided with unpaid breaks as often as needed to express breast milk for the employee's nursing child. A private place (other than the bathroom) which is shielded from view and free from intrusion from co-workers and the public is provided for this purpose.

## **Inclement Weather Policy**

The Company prides itself on providing reliable continuous service to its customers. 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 the official notification to the employees.

In the event of adverse weather conditions when the Company is not closed, Hester Decorating Co., Inc. asks that every employee make their best effort to arrive at work at the scheduled time. If an employee is not able to make it to work at their scheduled time, the employee must contact management immediately.

In the event of emergency or adverse weather conditions and the Company is officially closed or the employee fails to report to work, the time off will be unpaid. However, with management approval, hourly employees may use unused vacation benefits, if available.

# Employee Benefits

Our benefits program represents a significant investment to provide you and your family with comprehensive protection and security. It is made possible by the Company's success, which is, and will continue to be, the direct result of your efforts and dedication.

By definition, benefits are a gift over and above your regular compensation. They are neither earned nor entitled, but rather they are an extra bonus extended to make employment at Hester Decorating Co., Inc. more attractive. You can measure the value of many of your benefits in “dollars and cents” terms by noting what it costs the Company to provide these benefits to you. If you were to buy equivalent benefit plans, the cost to you, as a private individual, would be far greater.

These benefits are also our way of showing that we care about your personal and professional growth and that we want you to remain with us as a successful, fulfilled employee. We hope you will find the information in this section useful and that it helps you understand the value of your total compensation.

## Family and Medical Leaves of Absence (FMLA)

### Establishing Eligibility for Leave:

Employees who have at least 12 months of total service, and who have worked at least 1250 hours during the preceding 12-months immediately preceding the commencement leave, who work at Hester Decorating Co., Inc. location where at least 50 employees are working within a 75-mile radius, will be granted a total of up to 12 weeks' unpaid leave under the Family and Medical Leave Act (FMLA).

The amount of FMLA leave available to the employee is determined by examining the amount of FMLA leave taken in the preceding 12-month period, measured backward from the date an employee uses any FMLA leave. This is referred to as the “rolling 12-month period” method of calculation.

### Establishing Leave Eligibility:

- A. Due to the birth of a child of the employee and in order to care for the newborn child.
- B. Due to the placement of a child with the employee for adoption or foster care.
- C. In order to care for the employee's spouse, child or parent who has a serious health condition.
- D. Because of the employee's serious health condition which makes the employee unable to perform the functions of their current position.
- E. Because an immediate family member (spouse, child, or parent) is called to active duty in the Uniformed Services of the United States.
- F. In order to care for a “recovering active duty service member” (spouse, child, parent, or nearest blood relative). (Up to 26 weeks in a single 12-month period)

**Application for Leave/Advance Notice:**

An employee requesting FMLA leave must provide Hester Decorating Co., Inc. with at least 30 days advance notice before leave is to begin, if the need for the leave is foreseeable. If the need for leave is unforeseeable, notice must be given as soon as practicable.

**Treatment Schedules:**

When planning medical treatment, you should consult with your project manager and make a reasonable effort to schedule the leave so as not to disrupt unduly the Company's operations, subject to the approval of the health care provider.

**Intent to Return to Work:**

Hester Decorating Co., Inc. requires that employees report every two weeks on their status and intent to return to work while on leave.

**Ability (Inability) to Return to Work:**

As a condition of restoring an employee whose leave was occasioned by the employee's own serious health condition that made the employee unable to perform their job, the Company requires all employees who take leave for these conditions to obtain and present certification from their health care provider that the employee is able to resume work in the employee's former position or in a specific equivalent position.

**Failure to Return from Leave:**

If an employee fails to return to their scheduled work after an FMLA leave, employment will be considered voluntarily terminated as of the first scheduled workday the employee misses following the expiration of their approved leave. If the employee is covered by Hester Decorating Co., Inc.'s group health insurance, they will become eligible for conversion rights at that time, according to policy provisions.

**Employee's Return to Work**

Hester Decorating Co., Inc. will make every effort to bring back to work, an employee who has suffered a compensable injury or illness. The Company realizes that employees suffer financially when they are unable to work, and it has been proven that employees recover much faster if they are able to work among their co-workers and remain active.

When considering return to work from an injury or illness, the Company requires a physical examination to determine if employees can return safely to work and perform the duties and responsibilities of the job in question.

Any employee off from work under Workers' Compensation must notify their project manager once every two weeks as to their condition and probable date of return to work. On final release from the doctor, for full-duty work, without work restrictions, employees must report to work the next scheduled workday after their release. The employee must provide a full release from the doctor prior to coming back to work.

**Bereavement Leave**

Employees shall be eligible to receive time off without pay in the event of death of a member of their immediate family. Immediate family is defined as spouse, parent, child, or sibling. The period of absence may not exceed three days for one cause.

**Funeral leave is to be used only for bereavement and managing personal matters associated with the death of a family member and must be taken during bereavement period at time of death.**

## **Jury Duty**

Should you be called upon to perform jury duty or witness duty, you will be granted a leave of absence to serve. We request that you notify management as soon as you receive your jury duty summons. Jury duty leave is unpaid by the Company.

When on jury duty, you are expected to report back to work on any day in which you are excused early, or are not required to report for jury duty service. You must provide the Company with a statement from the court showing time served on jury duty.

## **Uniformed Services Leaves of Absence**

A military leave of absence will be granted to employees who are absent from work because of service in the Uniformed Services of the United States, in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and state law. Advance notice of military service is required, unless military necessity prevents such notice, or it is otherwise impossible or unreasonable.

Employees should inform Hester Decorating Co., Inc. of training or drill schedules as far in advance as possible. The leave will be unpaid.

Continuation of health insurance benefits is available as required by USERRA for leaves of less than 31 days subject to the terms, conditions, and limitations of the plans for which the employee is otherwise eligible.

Employees on military leave for up to 30 days are required to return to work for the first regularly-scheduled shift after the end of service, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with USERRA and all applicable state laws.

Reinstated employees will receive full credit for length of service and other rights and benefits determined by length of service that they had at the start of the leave, plus full credit for the period of time spent (up to five years) in the Uniformed Services of the United States.

Contact management for more information or questions about military leave.

## **Insurance Protection for You and Your Family**

All insurance related questions are apart of the CBA and you need to contact the OBA for further questions. Hester Decorating Co., Inc. pays the Union funds on a monthly basis based on your hours and wages.

## **Workers' Compensation Insurance**

Workers' Compensation insurance coverage is provided for all employees from the day they start work. The Company pays the full cost of this protection. This insurance covers employees who are injured on the job, or who suffer a job-related illness. Benefits include income replacement for lost wages, hospital and medical expenses, compensation for total or partial permanent disability and death benefits.

If you are injured on the job, you are required to report immediately to your project manager who will see that you get medical attention, if required. Failure to report an accident may result in denial of any claim for Workers' Compensation benefits, including payment of medical expenses.

An employee injured at work may be entitled to receive both time off under the Family and Medical Leave Act (FMLA) and compensation benefits under the Workers' Compensation system. In those instances in which both the Family and Medical Leave Act and Workers' Compensation apply, Hester Decorating Co., Inc. will follow the guidelines and extend the benefits to the employee required under both statutory schemes.

## **Unemployment Insurance**

Hester Decorating Co., Inc. pays a percentage of its payroll to the Unemployment Compensation Fund, according to the Company's employment history. If you become unemployed, you may be eligible for unemployment compensation, under certain conditions, for a limited period of time. Unemployment compensation provides temporary income for workers who have lost their jobs. To be eligible, you must have earned a certain amount and be willing and able to work. You should apply for benefits through your local State Unemployment Office as soon as possible.

Hester Decorating Co., Inc. pays the entire cost of this insurance.

## **Social Security Benefits and Payments**

Federal Social Security provides a variety of benefits including retirement income, death benefits, disability benefits, and monthly income payments for certain dependent survivors of covered employees. A percentage of your gross earnings is deducted as a contribution for this protection. Hester Decorating Co., Inc. contributes an amount established by federal law. Normally, you would be eligible to receive a monthly income from Social Security when you retire or in the event that you become totally or partially disabled.

## **Benefits Summary**

Hester Decorating Co., Inc. reserves the right to amend or terminate any of its benefit programs, or to require or increase employee premium contributions toward any benefits, at its discretion. This reserved right may be exercised in the absence of financial necessity. Whenever an amendment is made to any of Hester Decorating Co., Inc.'s benefits programs, the respective plan administrator will notify plan participants of all approved amendments or plan terminations, in accordance with the requirements of applicable federal law.