



EMPLOYEE HANDBOOK



Notice:

This handbook and all policies and practices contained herein, supersedes and replaces all previous handbooks, policies, and practices. Smitty's Supply Inc reserves the right to change/ modify the contents within at any time. This Handbook applies to all Smitty's Supply, Inc. Employees as well as to employees of all subsidiary companies.

November 2015

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WELCOME TO Smitty's Supply Inc.

As a new member of the Smitty's Supply Inc. team, you have become part of a company with a history and reputation of being a leader in the manufacture and distribution of oils, lubricants and specialty chemicals. Since our beginning we have noted many industry accomplishments, none of which could have been possible without the hard work of all our employees.

We hope that you will find your employment with us to be enjoyable and challenging and we wish you a warm welcome.

Introduction

Smitty's Supply Inc. (Smitty's) has the responsibility to develop and administer policies, procedures and programs as they apply to employees in order to maintain a well-run organization. The language used in this handbook is not intended to create a contract, or evidence of a contract, between the Company and any one, or all employees. Instead, this handbook serves as a guide to the employee policies and procedures of Smitty's Supply Inc. and is for your information only.

At Will Employment

The employment relationship of each Smitty's Supply Inc. employee is an At-Will relationship. This means that you have the right to terminate your employment at any time and for any reason, and Smitty's has the right to terminate your employment at any time, with or without notice, and with or without cause, unless prohibited by law. The existence of disciplinary procedures set out in this Handbook does not change the At-Will status of employment at the Company. The Company's at will employment policy is subject exclusively to modification in writing only by the Owners of the Company.

Discrimination & Harassment Policy

Smitty's Supply, Inc. is committed to providing a work environment that is free from discrimination and harassment. This policy applies to all Smitty's employees, vendors, customers or any other individual doing business with Smitty's Supply, Inc. It includes harassment in any form.

Sexual harassment includes, but is not limited to, making unwanted sexual advances or requests for sexual favors where either (1) submission to such conduct is made an explicit term or condition of employment; (2) submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual; or, (3) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment. Employees and individuals who violate this policy will be subject to immediate disciplinary action up to and including separation of employment, or other civil or criminal actions which may be appropriate.

Company History

From one man and a van to world leader... 40 years of dedication to integrity and customer service

Smitty's Supply, Inc. was founded by Edgar Ray Smith Jr. in 1969 with his wife, George Ann, joining him 3 years later. Having made a small initial investment, Mr. Ray began selling miscellaneous products from his van and used a small room in his house as a warehouse. He sold directly to various accounts such as garages, country stores and auto part stores, being sensitive to their needs and working hard to get them what they asked for. After being on the road for a short time his customers started referring to him as "Smitty", which became his company's name.

ESTABLISHING THE FOUNDATION FOR GROWTH

Soon after experiencing good response and some success, Mr. Ray and Mrs. George Ann built a small warehouse and were able to buy in larger quantities to better supply their customers. They committed to the guiding principles of honesty, integrity, service and competitive prices which was the catalyst, and continues to be the foundation, for the growth and success of their business. Working through the normal growing pains that required putting every dollar possible back into the business for more expansion, they increased inventory and hired more employees. During this time their sons Ed and George worked after school, weekends and during holidays, showing great interest in the company. Later, David and Mitch did the same. In 1987, after years of consistent growth and expansion of their customer base, they were able to build their first substantial warehouse, which included a retail automotive parts outlet, housed their corporate headquarters amidst the manufacturing, warehousing and distribution complex of Smitty's Supply, Inc.

FOCUSING ON OIL AND ESTABLISHING THE SUPER S BRAND

It was during those times that Mr. Ray was able to negotiate contracts with major brand oil companies to redistribute their products and the business started to become a lubricant, chemical and ancillary supplier. Demand surged and with large growth spells they realized that to meet customer's requests a house brand was needed that would be Smitty's own, and Super S was developed.

GAINING CONTROL OF SUPPLY TO MEET GROWING DEMAND

In the beginning, products developed under the Super S brand were contracted out for other suppliers to manufacture. After having success marketing the brand and realizing the potential for growth, it was obvious that Smitty's needed to manufacture the brand in house. This became painfully obvious after trying many suppliers and not receiving the service levels required to be able to resell and keep customers satisfied. These circumstances encouraged Smitty's to become the supplier to their customers they could not find for themselves. Supply lines and storage facilities were expanded, substantial on-site manufacturing capabilities established, and Super S took off to become one of the broadest and most complete product lines in the industry. Today, Smitty's manufactures 95% of the products in the Super S brand which represents 70% of the company's annual revenue, with only a few ancillary products contracted to other manufacturers.

WHERE SMITTY'S IS TODAY

In 2000 the company was sold by Ray and George Ann Smith to their four sons and is solely owned and operated by their eldest son Ed Smith. Since then, Smitty's has acquired additional contracts with other major brand companies to now include the Shell, Pennzoil, Quaker State, Chevron, Texaco, Castrol, Valvoline and Mystik brands and also has developed three more house brands, SureGuard, TriStar and CustomPlus to complement the Super S brand. Smitty's distributes these and many other brands and ancillary products nationwide and to over 50 foreign countries. Smitty's also manufactures products for other national companies under their proprietary brand names. In 2014, the company built a state of the art world headquarters building that houses the corporate office.

Smitty's Supply, Inc. is now one of the leading manufacturers in the world of lubricants and related products, delivering products of the highest quality at the most competitive pricing.

Mission Statement

This is the Mission of the People of Smitty's Supply, Inc...

- We will provide quality products and dependable service to our customers at competitive prices.
- We will challenge ourselves to provide unique products and service advantages above our competition.
- We will seek long-term relationships with both customers and suppliers based on mutual agreement distinguish by trust and understanding.
- We will endeavor to attract, develop, and retain superior individuals to safely perform and administer business operations.
- We will strive for continuous improvement in all that we do.

General Objectives

Smitty's Supply Inc. is only as good as the people it employs.

Smitty's Supply Inc. strives to hire and retain the best employees available.

We continually look for avenues to improve our benefits and work environments. As such, Smitty's expects employees to give 100% of their thoughts and actions while representing Smitty's in the workplace. Similarly, Smitty's expects employees to maintain a positive and professional attitude toward customers, fellow employees, and management.

General Information on Employment Policies

Safety Policy

It is the policy of Smitty's Supply Inc. to provide every employee with a safe work environment. To this end, every effort will be made to ensure the prevention of accidents and to preserve each individual's health and safety.

Workplace Violence Prevention

Smitty's Supply Inc. is committed to providing a work environment that is free from violence. Any acts or threatened acts of violence will not be tolerated. In the interest of providing a work environment that is safe, secure, and free from violence and harassment, Smitty's Supply Inc. reserves the right to install and monitor video or other electronic surveillance equipment, both visible and covert, in appropriate Company locations as long as it does not violate reasonable expectations of personal privacy.

Drug Free Workplace Policy

Smitty's Supply Inc. is committed to programs that promote safety in the workplace and employee health and well-being. Employees who use or ingest illegal drugs or controlled substances, either at work or away from work, create a serious potential for jeopardizing their safety and the safety of their co-workers. See CFR 49 for further information on our Drug Free Policies.

Safety & Job-Related Injuries or Illness

At Smitty's Supply Inc. Safety is a joint venture between you and the Company. Employees not observing safety rules and regulations, including failing to report an injury, are subject to disciplinary action, up to and including separation of employment. You must immediately report any job-related injury or illness to your supervisor. This will protect your right to receive treatment or compensation from a bona fide work related injury or illness. Failure to report an accident may result in inadequate medical care, disciplinary action, or a contested claim.

Any employee who makes or causes to be made any knowingly false material statement or material representation for the purpose of fraudulently obtaining Workers' Compensation benefits is subject to disciplinary action up to and including separation of employment. Additionally, the company will cooperate with the appropriate authorities in the investigation and prosecution of fraudulently obtained Workers' Compensation benefits, a felony punishable by prison term and/or fine.

Housekeeping

Out of sense of pride and effective management, it is our desire to keep the appearance of our facilities clean, professional and well cared for. In addition, our safety and production policies require good housekeeping. We believe that every employee shares those beliefs and we ask everyone to do their fair share in keeping all general work areas, private work areas, and general public areas clean and attractive. Please do not be a litterbug and help keep our facilities and property clean and free of rubbish.

Code of Business Conduct & Company Rules

Smitty's Supply Inc. promotes a professional and respectful work environment for all employees. You will be expected to conduct yourself in a manner consistent with common sense and professional courtesy while on company premises or while conducting Company business off-site. While Smitty's welcomes a pleasant and companionable office atmosphere, please remember this is a place of business. Do not neglect your duties to visit with fellow employees or outside visitors. Smitty's Supply, Inc. expects employees to maintain courteous and professional attitudes among fellow employees. Gossiping and personal disagreements carried into the workplace will not be tolerated.

Violations of Smitty's Company Rules will result in discipline, and some violations may result in immediate separation of employment.

1. Employees must report any work-related injuries, illnesses, accidents, near misses, or observed unsafe practices immediately to the nearest supervisor or manager for proper actions to be taken.
2. Employees are expected to be at their work area, ready to begin at the established starting time and are expected to remain at these positions and perform their work assignments, except for designated rest and meal periods, until the end of their work day. Employees should not leave their work area without their supervisor's authorization. Sleeping, loitering, loafing, dawdling, conducting personal business, or delaying while on duty are not acceptable behaviors.
3. Employees are restricted from engaging in the use of abusive, threatening, or harassing language.
4. Employees are restricted from engaging in abusive, threatening, unsafe or harassing behaviors.
5. Employees are restricted from making an intentional false allegation of sexual harassment or claim of work-related injury.
6. Employees are restricted from causing or producing defective work, including habitual, gross negligence or incompetence in the performance of assigned duties or unnecessary waste of company materials.
7. Employees are restricted from falsifying company forms, reports, records, including employment applications, absences, timecards or medical or legal documents.
8. Insubordination or refusal to obey a valid and proper instruction of a supervisor or manager or their designee, or otherwise interfering with a supervisor in the performance of their responsibilities is unacceptable.
9. Smoking is not allowed anywhere in the building or on the property.
10. All employees involved in handling money are held responsible for any discrepancies. Any loss due to employee error may be payroll deducted.

Progressive Discipline

The objective of a formal disciplinary procedure is to provide an effective means for enforcing reasonable Company rules and policies. Progressive discipline is discretionary and Smitty's Supply Inc. retains the right to discharge employees for a single incident if, in the exclusive opinion of Smitty's management, the offense is sufficiently serious enough to warrant such action. The Company also retains the right to place employees on suspension or probation, which may involve paid or non-paid time off from work, and which may occur at any time during the disciplinary procedure.

The following outlines a variety of progressive steps which may be used; however it does not establish any rigid step-by-step approach. All disciplinary documents will be retained as a part of your employee file for up to one (1) year and will be considered a factor when determining future disciplinary action. Generally, if you have violated some Company rule, you may receive a Documented Counseling with retraining from your supervisor.

1. If you violate any company rule, your supervisor may issue a first reprimand to you, a Documented Verbal Warning.
2. If you again violate any Company rule, your supervisor may issue a second reprimand to you, a 1st Written Warning.
4. If you violate the any Company rule for a third time, your supervisor may issue a third reprimand to you, a 2nd Written Warning or Suspension, with or without pay, for an appropriate period of time, depending on the offense.
5. If you violate any Company rule for a fourth time, or second suspension, your employment may be terminated.

***Note** Management, in their sole discretion, may deem a violation of a company rule sufficiently serious, which may subject your employment to immediate termination without following the full progression listed above.

Absence Management Policy

Every employee has the responsibility to maintain their attendance at an acceptable level and must report to work on time, stay within the time limits for approved breaks and lunch periods and receive approval to clock in early or to depart early Smitty's Supply Inc. considers unauthorized habitual lateness/tardiness is a serious matter and excessive unauthorized attendance issues will be handled accordingly. Attendance points will be accumulated as specified in ADM-33 The Attendance Points Policy.

Use of Personal Electronic Devices

Personal Electronic Devices (including, but not limited to, cell phones, iPads, iPods, tablets, laptops, etc.) are not allowed in the gated area, warehouses, or in the offices. Only senior management and those with a special permit issued by senior management will be allowed to have a personal electronic devices in use while on the premises of Smitty's Supply, Inc. In order to avoid distracting yourself or your coworkers, which affects everyone's ability to be productive in the workplace, leave all personal electronic devices in your car. For emergency phone calls, please refer to Telephone Calls and Personal Business. The use of electronic devices to talk, text or any other task is not allowed while operating any vehicle for company business.

Visitors

Any Smitty's Supply, Inc. visitors are required to check-in with the front office and must remain in the front office or designated general public area at all times, unless properly signed in, wearing a visitors badge in plain sight and escorted by a Smitty's Supply, Inc. employee. No visitors are allowed in the production or warehouse areas.

Internet/ E-Mail Usage

Abuse of the computer network, e-mail or the Internet may result in disciplinary action, up to and including termination, and may result in civil and/or criminal liability. Examples of inappropriate use of the networks are participation in network activities that place a strain on limited computer resources including unauthorized streaming of online audio/video, the receiving, sending or forwarding of non-work related emails with large attachments (including pictures, audio, video), the sending of obscene and/or harassing messages to other individuals on any network, the sending of unapproved bulk mailings, illegal possession of utilization of copyrighted material, and the unauthorized access or attempted access of another network computer system computer from Smitty's computer resources. Employees should have no expectation of privacy in anything they create, store, send, receive or review using the Company's computer or electronic equipment. Employee acknowledges and consents that Smitty's may monitor, access and/or view any emails generated or received by employee on the company's network computer system(s) at any time without prior notification of same employee. Everyone is assigned a unique password and your password is not to be written, stored or shared so that others may gain access to it. Sharing of passwords is violation of company policy and sharing of passwords will be considered an employee violation. This applies to Chempax as well. **NO ONE** should allow another user to sign into their computer or Chempax under their account. If something were to happen under your user account/ user name, **YOU WILL BE HELD RESPONSIBLE**. All confidential information to be shared via email must be authorized by your department manager prior to sending. All files be password protected. you must first call or text the requester the password wait for confirmation, then send the file.

Company and Personal Vehicles

Employees who use Company vehicles, or who routinely drive their own vehicles for Company business, may be required to submit evidence of a valid driver's license. Employees who use their own vehicle for company business must have prior approval from the appropriate manager.

Operators of Company vehicles and personal vehicles for Company business should operate the vehicle in a safe manner and are required to comply with all applicable motor vehicle regulations, laws and ordinances at all times. Employees must have a current and valid driving license to operate a Smitty's Supply, Inc. vehicle. Employees are restricted from use of a cell phone at all times when operating a vehicle on company business. Employees are responsible at all times for any citations or fines associated with use of the Company's vehicles or personal vehicles for Company business. Automobile accidents involving employee's personal vehicle while performing Company business resulting in injury or vehicle damage to any party are primarily the responsibility of the employee driving the vehicle. No unapproved or unauthorized passengers are allowed in Smitty's Supply, Inc. vehicles.

Smoking Policy

Smoking is strictly prohibited in all areas and parking lots of Smitty's Supply Inc. facilities and property. Effective September 1, 2010, Smitty's Supply, Inc. adopted a zero tolerance policy on smoking at our facility. For safety reasons, employees will not be permitted to smoke along any roadways that are adjoined to Smitty's property. Additionally, Smitty's employees are not permitted to trespass on neighboring property in order to smoke. The company has established Smoke Free Campus environments and visiting contractors/vendors may not smoke anywhere on the property of those locations.

***If you are caught smoking anywhere on the premises,
you will be terminated immediately!! No Exceptions!!***

Parking

Parking is provided to employees by the Company without charge. You are asked to park your automobile in the designated lot provided for this purpose and not to park in areas normally designated for handicapped, truck, emergency or reserved parking. Parking inside the gated area of the property is reserved for named employees only. Any employee caught parking inside the gate without permitted access will be subject to disciplinary action. Employees are to drive carefully and observe the maximum speed limit postings at all times.

Telephone Calls and Personal Business

Land Lines are for our customers, they are not to be used for personal business. There may be times when a personal emergency will arise, making it necessary for either a relative or friend to contact you at work. Your families well-being is and always has been a priority of Smitty's Supply, Inc. Such contact should be made through a phone call to (985)748-9687 ext. 278 who will then promptly notify you of the emergency call. If you need to make an emergency call, you must use the available phone in the front office after you have advance authorization from your direct supervisor.

Uniform Policy

All designated full time employees with one month of continuous service are required to wear appropriate department uniforms. Until receipt of company uniforms, employees may wear personal clothing that is appropriate for weather conditions and not considered hazardous or offensive. Shirts must remain tucked in at all times and pants must be worn at the hip.

A copy of the company uniform policy and company footwear policy are provided as separate documents. Any employee who does not meet the standards of this dress code policy is subject to corrective action, which may include clocking-out until coming into compliance with the dress code policy. If you are asked to leave the workplace until you are properly dressed or groomed you will not be compensated for any work time missed because of failure to comply with this policy. If you have any questions as to what constitutes appropriate appearance and dress, consult with your supervisor in advance of simply wearing the item.

Dress Code and Personal Appearance Policy

Employees are expected to present a well-groomed and appropriate appearance, whether working in the office or production floor setting.

Employees working in the sales field and/or any employee riding with a sales representative must be dressed in dress slacks, dress shoes and a collared shirt as a minimum standard of attire.

A copy of the company dress code policy and company footwear policy are provided as separate documents. Any employee who does not meet the standards of this dress code policy is subject to corrective action, which may include clocking-out until coming into compliance with the dress code policy. If you are asked to leave the workplace until you are properly dressed or groomed you will not be compensated for any work time missed because of failure to comply with this policy. If you have any questions as to what constitutes appropriate appearance and dress, consult with your supervisor in advance of simply wearing the item.

Employee Badge Policy

All employees are required to wear an employee badge while on Smitty's property. All guards and supervisors are to enforce this policy. If an employee arrives for work without a badge, they will not be allowed to work. The employee will need to report to the front office and have another badge issued for a charge of ten dollars (\$10.00) or return home to retrieve their original. Employees are

required to confront anyone without a badge, ask the nature of their business and escort them to the proper location and/or personnel. This policy is of the utmost importance to the safety and security of our facility and we expect full cooperation by all employees.

Employee Changes of Information

It is the responsibility of each Smitty's Supply Inc. employee to promptly notify Human Resources of any changes in personal data including mailing addresses, telephone numbers, name changes, marital status, dependents or emergency contact information. This requirement is for your personal benefit to facilitate communication, and to ensure prompt and accurate administration of benefits and other employment–

Separation of Employment

Smitty's Supply, Inc. expects all employees to submit appropriate notification if they choose to terminate their employment with us. Proper notification is considered to be a two week period from time of notification of intent to terminate employment until last day worked. The purpose of this is to ensure proper handling of all necessary employee exit functions. Failure to submit proper notification results in a burden on our company. As such, Smitty's reserves the right to withhold any vacation payout in order to offset this undue burden.

Upon resignation/termination, employees are responsible for the following:

1. Any and all fees owed to Smitty's Supply, Inc.
2. Return of all uniforms and/or payment for any non-returned uniforms.
3. Return of any company property, including, but not limited to, computers, cell phones, radios, etc. and/or payment for any non-returned company property.
4. Payment of all remaining insurance and other weekly payroll withholdings that were paid monthly in advance by Smitty's Supply, Inc.

If an employee fails to remit any payments due or return any items, the amount for such items will be deducted from the individual's final paycheck. Final paychecks will be issued in paper form and during the next regularly scheduled payroll period. It is important for all items to be returned promptly in order to avoid a final pay deduction. For uniform deductions, once the deduction is made, the transaction is considered final, Smitty's Supply, Inc. will not accept uniform return, and no refund will be made to any individual. For electronic devices deductions, Smitty's Supply, Inc. will accept item return after deduction is made and will refund the deduction to individuals as long as the item is in good, working, condition. If an employee's final pay amount will not cover the cost of items that require deduction, Smitty's Supply, Inc. may seek recoupment through proper legal channels.

Employee Benefits

Holidays

All full-time employees are eligible for paid holidays. Smitty's Supply, Inc. has established seven paid holidays per year that include New Year's Day, Memorial Day, July the 4th, Labor Day, Thanksgiving Day, Christmas Day, and a day either before or after Christmas Day dependent upon the day of the week Christmas falls on. In order to receive holiday pay an employee must work the scheduled day before and after the holiday.

Vacation

After one year of continuous service with Smitty's Supply, Inc., calculated on individuals anniversary date, all full-time employees are eligible for one week (40 hours) of paid vacation per year. After five years of

continuous service with Smitty's Supply, Inc. all full-time employees are eligible for two weeks (80 hours) of paid vacation per year. If vacation time is not taken within one year from the date earned, 1-4 year employees may rollover up to 40 hours of vacation time to the next year and 5+ year employees may rollover up to 80 hours of vacation time to the next year. Any vacation hours not taken, above the allotted rollover amount will not be honored. Vacation time is accrued per pay period based on employees' length of service. 1-4 years of service accrue at 1.5385 hours per period. 5+ years of service accrue at 3.0769 hours per pay period.

Group Insurance Benefits

Smitty's Supply Inc. offers a dual option medical plan through Blue Cross Blue Shield of Louisiana. All employees are eligible for enrollment the first day of the month following your 60th day of employment. Upon eligibility, Smitty's will make a contribution toward the employee only premiums. The remainder of the premium is the responsibility of the employee and 1/2 of the monthly employee share will be deducted from each paycheck. The employee share is dependent upon which option is selected. Insurance premiums are a pre-tax deduction (they are deducted from pay before taxes are calculated and deducted

Life Insurance

Smitty's Supply, Inc. offers life insurance coverage for all full-time employees as follows:

1. \$10,000 in life insurance coverage following your 60th day of continuous service.
2. \$25,000 in life insurance coverage with three years of continuous service.

Smitty's Supply, Inc. offers life insurance coverage for all full-time managers/supervisors/sales representatives as follows:

1. \$25,000 in life insurance coverage following your 60th day of continuous service.
2. \$50,000 in life insurance coverage following three years of continuous service.

Voluntary Insurance Benefits

Voluntary insurance means that the employee can choose to participate or to not participate with any or all programs available. Voluntary insurance also means that it is the responsibility of the employee to understand what type of policy coverage he/she is applying for and exactly what is covered by that policy. All full time employees, **after their 60th day of continuous service**, are eligible to apply for any of the insurance programs available generally on a pre-tax basis, as allowed by law. Selection of programs is at the discretion of the employee. Smitty's Supply, Inc. constantly endeavors to provide affordable and needed insurance options. Some programs available include:

1. Dental Insurance - Pre Tax
2. Vision Insurance - Pre Tax
3. Term Life Insurance - Post Tax
4. Dependent Term Life Insurance - Post Tax
5. Non Occupational Accident Coverage - Post Tax
6. Critical Illness Coverage - Post Tax
7. Short-Term Disability (does not cover work related disability) - Post Tax
 - a. If an employee purchases short-term disability, Smitty's Supply, Inc. will pay for long-term disability.

***Note** For any issues, questions or concerns regarding any of the insurance benefits listed above, please contact the insurance department at employeeinsurance@smittysinc.net.

401(k)

Smitty's Supply, Inc. has a retirement savings plan with Ameritas through Netchex. The Smitty's Plan has four enrollment periods: March for an effective date of April 1, June for an effective date of July 1, September for an effective date of October 1 and December for an effective date of January.

All full time employees are eligible to enroll in the company plan on the first enrollment period after one year of service. All part time employees are eligible to enroll in the Smitty's plan on the first enrollment period following 1000 hours worked. Employees will be notified when their enrollment period opens.

1. Contribution levels are at the discretion of the employee and are payroll deducted on a pre-tax basis.
2. Ameritas has various investment accounts available with allocations at the discretion of the employee.
3. Smitty's will match 100% of the employee's investment up to 3% of his/her annual income and a 50% match on the 4th and 5th percent contribution.

***Note:** Individuals must be at least 21 years of age to participate in the company plan.

Employee Discount

Smitty's Supply, Inc. extends a discount equal to cost plus 20% to employees. This is for employee use only. This discount is not intended to be used for friends and relatives. Please contact Herbie Lotz in the retail store for details on how to purchase using the discount.

Family and Medical Leave Act

Employees who have been employed by Smitty's Supply, Inc. for at least 12 months and have worked at least 1,250 hours in the 12 months preceding the leave may be eligible for 12 weeks of unpaid leave under the Family and Medical Leave Act. This leave may be granted if you, or your immediate family member, has a medical situation that requires you to miss work.

If at any time during your employment with Smitty's Supply, Inc., you learn that you will be required to miss work, on a continuous or intermittent basis, due to your own or an immediate family member's medical reason or condition, communicate with Human Resources immediately to review available options.

Bereavement

This policy applies to all regular full-time employees of the Company. For the purpose of this policy, base pay is defined as a non-exempt employee's hourly rate or an exempt employee's bi-weekly salary.

Employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately. Upon the death of an employee's spouse or child (to include step-children), the employee will be granted a total of five days of bereavement leave with pay at the employee's regular rate of pay. Allowable time off with pay for all other immediate family members is a maximum of three days of bereavement leave, not to exceed 24 hours pay. Bereavement pay is calculated based on the base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, or bonuses. Days off with pay are paid in accordance with the employee's work schedule, excluding premium pay. Time taken for less than a day, would be paid for the actual time off. Paid time off for this benefit does not count toward the overtime benefit for hours worked. This time does not require the use of earned vacation days. If additional time off is required, vacation days may be used with prior supervisory approval.

Immediate family member is defined as:

Spouse, child, step-child, mother, father, step-parents, mother-in-law, father-in-law, brother, sister, grandparents, grandchild, brother-in-law, sister-in-law, son-in-law or daughter-in-law.

Policies Regarding Work and Pay Practices

Salary and Wages

Salary and wage information is considered strictly confidential and should not be discussed among employees.

Pay Day and Direct Deposit

Pay days at Smitty's Supply, Inc. occur on a bi-weekly basis for all employees. Payroll is run two weeks in arrears, on a Sunday through Saturday work week schedule, with payday's occurring every other Friday. If our payday should fall on a Holiday, we will process payroll on the Thursday before. Smitty's offers the following two options for payment:

1. The option of automatic Direct Deposit of paychecks into employees' personal bank and/or savings account(s). We highly encourage everyone to enroll in this benefit.
2. The option of a bank card where payroll funds are deposited. The card is issued by First Guarantee Bank.

Smitty's Supply Inc. is committed to proper and legal pay practices and policies. Employees who believe they have been improperly paid, either over or under payments, should contact Human Resources immediately so the issue can be promptly addressed.

Hours of Work

Employees are expected to be on duty during the hours and days assigned or scheduled. Employees should report to work promptly at their assigned starting times in order to be ready for duty and at their work station at the beginning of their work day. Employees must have authorization to report early or stay late. The Company maintains the responsibility of assigning or changing individual work schedules to meet the needs of each department. If you are going to be absent or late for work you must contact the plant or your supervisor to notify them of the absence.

Meal and Break Periods

Due to variations in work demands and schedules throughout the company, meal and break times vary by department. Every department at Smitty's Supply, Inc. does authorize appropriate rest periods and meal times in accordance with applicable federal and state laws. Only employees who work 12 hour shifts will receive a scheduled 15 minute break. No employee is permitted to leave the company premises for any break period and will not be required to clock out. All employees will be authorized a one-hour meal period during each scheduled shift, for which clocking out is required. Your supervisor will inform you of your scheduled meal and break times.

Time Clock and Recording Time Worked

An accurate time report is your assurance of receiving full credit for the hours you work. You are expected to be at your work station at your scheduled start time. For you to be accurately paid, it is important that you clock-in no earlier than **seventeen** minutes before the start of your shift and not later than six minutes after the end of your shift, unless you are specifically authorized to work overtime. If it is necessary for you to arrive before your start time or to leave later than your end time due to transportation or other circumstances, then you must wait in the specified employee waiting area. Personal waiting periods before or after the shift do not qualify for paid time.

If the time clock fails to register you, or if you failed to clock in or out, you should notify your supervisor promptly.

Receipt of Employee Handbook

(Employee Copy)

I acknowledge that I have received a copy of the Smitty's Supply Inc. Employee Handbook and understand that I am obligated to read and familiarize myself with its contents. The purpose of this handbook is to provide brief and general information on many Company employment policies, procedures, practices, programs, and benefits and I agree to comply with guidelines, policies and procedures of Smitty's Supply Inc. as outlined in this employee handbook. I understand that if I have any questions or concerns about this information I should contact Human Resources promptly.

I understand that this employee handbook is not an employment contract, but does provide the employment policies and procedures by which I am governed. I also understand and agree that I am an At-Will employee, meaning that my employment with Smitty's Supply Inc. is for no definite period of time and the Company may decide to discontinue my employment relationship for whatever legal reason it considers appropriate at any time. Likewise, as an At-Will employee, I may choose to terminate my employment with the Company for whatever reason at any time.

I understand that the Company reserves the right to amend, modify, rescind, delete, supplement or add to the provisions of this handbook as it deems appropriate with or without notice to employees and that changes in policy and procedure will supersede, replace, or eliminate those found in this book. My signature on this acknowledgement as well as my continuing service with Smitty's Supply Inc. indicates my acceptance of and agreement to this affirmative contractual relationship of "At-Will" employment. The only exception is that the policy of At-Will employment may be changed only in writing by the Owners of the Company and countersigned by the employee specifically referred to by name as the effected employee.

Employee Printed Name: _____

Employee Signature: _____ Date: _____

Company Representative Signature: _____ Date: _____

Notice:

This handbook and all policies and practices contained herein, supersedes and replaces all previous handbooks, policies, and practices. Smitty's Supply Inc reserves the right to change/ modify the contents within at any time.

This Handbook applies to all Smitty's Supply, Inc. Employees as well as to employees of all subsidiary companies.

November 2015

REVISIONS:

- 1/30/14 - Revised Life insurance eligibility waiting period from 6 months to 3 months in accordance with Federal Law
- 5/2/14 – Revised employee/employer benefit premium payment plan from 50% employee/50% employer from 6 months to 9 months.
- 5/5/14 – Added all disciplinary documents will be kept in employee file for 1 year and factor into determining future disciplinary action under the Progressive Discipline Policy section.
- 5/16/14 – Added statement that employment may be subject to termination or other actions without strict adherence to progressive disciplinary series. Item 5 in Progressive Discipline Policy
- 6/18/14 – Added statement of vacation time rollover up to 40 hours and after 5 years of continuous service, 2 weeks of paid vacation honored.
- 6/27/14 – Inserted employee acknowledgement of Smitty's right to monitor emails sent using the Smitty's email account and system statement
- 7/28/14 – Added bereavement clause and additional paid holiday
- 8/11/14 – Included 50% match of 4th and 5th percent contribution to 401(k).
- 11/11/14 – Removed time card paragraph due to new clocking system
- 2/16/15 - Removed Hourly from title; added applicability statement to notice; updated table of contents pages; added revisions page to table of contents; reworded the progressive discipline policy; changed "cell phone use" to "personal electronic devices"; removed the reward statement from the non-smoking policy and highlighted the immediate termination clause; updated parking policy to reflect that employees are not authorized to park in the corporate office lot; added separate policy information to uniform policy and removed employee initial payment information; moved employee badge policy after dress code policy; revised separation of employment statement to include notification, return of company property and pay deductions; reworded vacation paragraph; updated group insurance benefits, life insurance policy, voluntary insurance benefits to reflect current options; revised 401(k) to reflect Ameritas as the holding company; Removed leave of absence and updated FMLA statement to reflect required legal notice to employees; removed paper check option and added bank card to pay day and direct deposit section; added meals and rest statement.
- 7/9/2015 - Updated pay and work procatices from semi-monthly to bi-weekly schedule.
- 7/9/2015 - Updated Vacation to read "anniversary date"
- 8/24/2015 - Smoking policy updated to include no smoking on neighboring properto or adjoining roadways.
- 8/24/2015 - Meal and Rest Period policy updated to allow 1 hour for lunch for all employees, a 15 minute break for all 12 hour shift employees, and prohibiting leaving the facility or clocking out for any break periods.
- 11/23/2015 - Added accrual statement and updated rollover amounts to vacation and removed 30 day advance notice requirement. Removed "per pay period" from tardies statement in attendance policy.
- 12/28/2018 - Revised the Absense Management Policy to include the Attendance Points Poly (ADM-33). Revised the Group Insurance Benefits employer contribution statement.

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