

**SCHLIPMAN  
CONSTRUCTION  
INCORPORATED**

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**EMPLOYEE  
HANDBOOK**

-Written March 2008

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## I. INTRODUCTION

### A. PURPOSE

This handbook has been prepared for you because it is our belief that employees should have ready access to pertinent information about the company, in order to perform well in their particular job functions. Its purpose is to aid in the consistent treatment of all employees, and to clarify the general policies, practices and benefits of Schlipman Construction, Inc. (hereafter referred to as SCI).

While the handbook provides a general guide to company policy, it cannot anticipate every circumstance or question about policy. Neither this handbook nor any statement made by an officer or a manager of this company, whether written or otherwise, should be interpreted as a contract of employment with SCI. Employment with SCI is with the mutual consent of the employer and the employee, and may be terminated with or without advance notice.

Please read, understand, and comply with all the provisions of the handbook. If you should have any questions about any item covered in this handbook, do not hesitate to consult William Schlipman, Sr. (hereafter referred to as manager). This handbook applies to all employees. These policies supersede any previous policies, either written or unwritten.

### B. SUBJECT TO CHANGE

As SCI continues to grow, the need may arise to change the policies described in the handbook. SCI therefore, reserves the right to revise, supplement, or rescind any policies or portion of the handbook from time to time as it deems appropriate. **Changes may be implemented even if they have not been communicated, reprinted or substituted in this handbook.**

### C. CORPORATE PHILOSOPHY

The customers who find their needs well served by SCI are the people who underwrite your future. Their business pays your salary; their confidence makes your jobs. The best insurance for your job security is to provide quality service at all times.

The quality of work and level of perfection are vital to our company's overall reputation. No sale should be considered complete until it has met the highest standard of customer satisfaction. All trades are involved in each sale; it is vital that we communicate and cooperate fully with each other.

**Exceptional customer service means going beyond the customer's expectations. It means being responsive to the customer's needs and doing whatever is necessary to make the customer happy and satisfied.**

**The energy level you show while working with others affects everyone around you. If you demonstrate lethargic, low energy level, your co-workers will drag along with you. But, if you exhibit a high energy level, others will follow your lead. SCI depends on high energy levels to remain strong in a very competitive business environment.**

To advance your own career and increase the value of your service to our customers, you should constantly seek to expand your knowledge in our business while performing your own job thoroughly. Learn not only how your job is done, but also why. Be curious, learn the job of your colleague next to you and prepare yourself to take on that job. If you finished your work while others are still trying to complete theirs, give them whatever assistance you can. You will find it rewarding and appreciate the assistance given to you when the situation is reversed. Only you can make your efforts stand out!

## **II. EMPLOYMENT POLICIES**

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### **A. AT WILL EMPLOYMENT**

The employment relationship is based on the mutual consent of employer and employee. Either the company or the employee may terminate the employment relationship at any time, with or without advance notice or cause. No one at the company is authorized to make any promise, expressed or implied, that the employment relationship is for any minimum or fixed term, or that cause is required for termination.

### **B. EQUAL EMPLOYMENT OPPORTUNITY**

SCI is an Equal Opportunity Employer. It is our policy to recruit, hire, promote, assign, discharge and provide any terms and conditions of employment without regard to race, color, sex, religion, national origin, age, disability, marital status, sexual orientation, veteran status, or any other protected characteristics. We treat all employees in a nondiscriminatory manner with respect to compensation, advancement, opportunity, and other matters. All employment decisions shall be based on merit, qualifications, and competence.

As a responsible business organization, we are committed to the practice of equal employment opportunity. All company personnel are expected to observe this policy of non-discrimination. The manager must always be consulted in matters of employment, promotions, and termination to ensure fair and uniform treatment of all persons. If you believe that you are experiencing discrimination of any type, it is your responsibility to immediately report it to the manager or an officer of the company.

### **C. CLASSIFICATION OF EMPLOYEES**

**Regular Full Time:** An employee regularly scheduled to work 40 or more hours per week, and eligible for benefits.

**Temporary:** An employee hired by SCI for a specific period of time, but not more than 1800 hours per calendar year. There is no benefit eligibility for temporary employees.

### **D. ELIGIBILITY TO WORK IN THE U.S.A.**

The Immigration Reform and Control Act of 1986 (“IRCA”) prohibits an

employer from hiring persons who are not authorized to work in the United States. You will be required to complete section one of Form I-9 (Employment Eligibility Verification Form), and provide us with a sworn statement, stating that you are either a citizen or a permanent resident of the United States, or otherwise authorized by the Immigration and Naturalization Service to work in the United States.

You will be required to present documentation establishing your identity and employment authorization. These documents must be submitted for our inspection prior to the end of the third day of employment.

Qualifying documents establishing identity and employment authorization include, but are not limited too, a United States passport, a valid driver's license, or a social security card.

Federal law prohibits us from continuing your employment beyond the first three (3) days if you do not produce appropriate documents that appear to be genuine and relate to you. If SCI should later learn that the documents you presented were not genuine, or that you are no longer eligible to work in this country, you would be asked to produce alternate valid documents. If you cannot do so, your employment will be terminated. If your work authorization is limited in time, you will be asked to produce documentation showing that it has been extended upon its expiration.

#### **E. SELECTION**

Employees are selected on the basis of character, intelligence, aptitude, and ability. Prime consideration will be given to qualifications for the job at hand, as well as for advancement potential.

#### **F. OUTSIDE EMPLOYMENT/CONFLICTING INTERESTS**

Full time SCI employees who work other jobs on their own time must remember that their first responsibility is to SCI. If a second job leads to excessive absenteeism or tardiness, or adversely affects the employee's performance, the employee may be asked to choose between the two positions. No worker is permitted to use the company equipment, supplies, or time in conjunction with other jobs. No worker is allowed to take home any tools belonging to SCI without permission. Doing so could lead to dismissal.

Employees with outside employment may not be eligible for worker's compensation benefits from SCI as a result of an injury incurred at the second job.

**G. PRE-EMPLOYMENT SCREENING**

SCI conducts pre-employment screening to assure a fair, uniform, and consistent hiring practice. Pre-employment screening may consist of drug testing and background investigations.

**H. PROBATIONARY PERIOD**

The probationary period starts on the first day of full-time employment and lasts ninety (90) calendar days. During this period, the new employee and the company will have the opportunity to evaluate the work performed. During the probationary period, the employee may be terminated without notice if his/her performance is inadequate. Company benefits are generally available only after the probationary period-these are mentioned in greater detail elsewhere in this handbook.



### **III. WORK SCHEDULE & COMPENSATION**

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The SCI compensation program is designed to attract, retain, reward, and motivate a quality workforce. Our philosophy is to pay for performance at a level that is fair and competitive. To support this philosophy, the compensation program is structured to determine the value of each job, both internally and externally, and to recognize individual performance and contributions to company goals and objectives.

**Company policy prohibits the discussion of an employee's wage or salary. Violation of this policy will result in disciplinary action, including termination.**

#### **A. NORMAL WORKWEEK**

All employees will record their daily work hours through the use of a time card. It is required that only the employee inputs his or her own time record. Employees who falsify their own or another employee's time card will be subject to severe disciplinary action up to and including termination. Time cards must be turned in the Monday following the workweek. In the event that Monday is a holiday, employees will turn the time card in the following day.

#### **B. PAY PERIODS**

All employees will receive their paycheck every Friday. Each paycheck will include earnings (less taxes and deductions) for all work performed through the end of the previous pay period.

In the event that a regularly scheduled payday falls on a holiday, employees will be paid on the first day of work following the regularly scheduled payday.

#### **C. PAYROLL DEDUCTION**

Payroll deductions that are required by law (federal and state tax withholdings, Medicare, and social security) are deducted from your wages automatically in accordance with the withholding forms completed upon employment.

Upon written request , the payroll department may make deductions from your wages/salary for other purposes; subject to management approval.

**D. OVERTIME**

Business demands may occasionally require some employees to work overtime. Overtime is defined as actual hours worked by employees exceeding 40 hours in a workweek. Vacation pay, sickness pay, public holidays, and compensated time off will not be counted as actual hours worked for the purpose of overtime calculations (time over 40 hours actually worked).

All non-exempt employees will receive one and one-half times their normal pay rate for overtime work that is authorized by management.

**E. ADVANCE PAY AND LOANS**

The company does not give advances on pay, nor do we make personal loans.

**F. PERFORMANCE APPRAISALS**

Successful performance at your present job is the major determinant of your future growth at SCI. The purpose of the performance appraisal is to assess both past performance and future development needs. The performance appraisal plays an important role in decisions relating to pay increases, performance improvement needs and further job assignments.

**G. PROMOTIONS**

It is company policy to promote its employees to positions of greater responsibility whenever appropriate, taking into consideration the needs of the company, and the qualifications of the candidate(s). A promotion means an employee moves from one job to another with increased and/or additional responsibilities. Employees considered for promotions will be evaluated on job performance, job-related skills, attitude, punctuality, and attendance. A salary increase that is appropriate for the additional responsibilities will be given at the time of promotion.

## **IV. COMPANY INFORMATION**

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### **A. EMPLOYEE RECORDS**

Our office collects and maintains original personnel records on all employees. Access to employee records is limited to the direct report of the manager of the company.

Employees may request to review their own personnel file. The review must take place in the presence of the manager of the company.

No company representative or individual shall alter or make copies of an employee's personnel file.

### **B. EMPLOYEE INFORMATION CHANGES**

It is imperative that the SCI office has up-to-date information on each of its employees. Should you have a change of address, marital status, number of dependents, etc., please advise the SCI office immediately in writing.

## **V. STANDARDS OF CONDUCT**

03/01/08

### **A. PRINCIPLES OF BUSINESS**

SCI strives to maintain the highest standard of business ethics. You are expected to act at all times in ways that reflect favorably on yourself, your co-workers and the company. You will avoid anything that may interfere with SCI's operation or with the rights of others. Examples of this would include conflicts of interest and improper use of disclosure of proprietary information. Our standards of business principle demands honesty and fairness in dealing with employees, customers, suppliers, and competitors. Your acknowledgment and compliance are a condition of employment with SCI.

It is your responsibility to be aware of and adhere to SCI policies, procedures, and standards of conduct. While it is not possible to list all forms of behavior that are considered unacceptable in the work place, the following are examples of infractions of standard of conduct that may result in disciplinary action, including immediate termination of employment:

- Any act of dishonesty, including theft or misappropriation of money, supplies, information, services, equipment, or time.
- Any act that may create a dangerous situation, such as carrying a weapon on SCI's premises, assaulting an individual, disregard of property or safety standards, or refusal to abide by the safety standards and rules established by the company.
- The use, possession, or sale of intoxicating beverages while at work, reporting to work while under the influence of the same, or otherwise not in a condition fit for work.
- Violation of SCI's Drug Free Work place policy.
- Refusal to perform a job assignment or request of supervision, insubordination, or discourteous conduct toward customers, associates, or supervisors.
- Unsatisfactory performance.
- Failure to adhere to attendance or time keeping regulations including excessive absenteeism or tardiness.
- Any act of harassment or intimidation of a co-worker including sexual, racial, ethnic, religious, national origin or disability.

- Any act of gambling while on company time or premises. 03/01/08
- Commitment of company funds or contracting in the name of the company without authorization.

This is not intended to be a complete list of unacceptable conduct. It does not limit or restrict the company's "At-Will" employment policy. The company may act in its discretion on a case-by-case basis, as the company deems appropriate.

Should you have any questions concerning any of the above, or if you are in doubt about whether certain conduct is permitted, please consult with your manager of the company.

## **B. DRUG/ALCOHOL USE**

SCI realizes the importance of providing a safe and healthy work place. Drug and alcohol use affects safety and work quality – accidents will incur medical costs and loss in productivity. We are committed to a drug-free work place and to protect the health and safety of our employees from hazards caused by the use of illegal or illicit drugs or other controlled substances by other employees. Therefore, we have adopted a drug-free work place policy that all employees must adhere to as a condition of employment.

The following outlines a policy with respect to employees' use an association with illegal or illicit drugs and other controlled substances.

Using, possessing, distributing, selling, dispensing, manufacturing, transferring, offering, furnishing, or being under the influence of illegal or illicit drugs, or other controlled substances while on duty, attending a business related activity, operating a vehicle or equipment owned or lease by the company, or while on company premises is prohibited. We will also be conducting random drug screenings at our cost. However, re-evaluation screenings will be at your cost.

**Any employee who violates this policy will be subject to disciplinary action up to and including dismissal.**

## **C. SMOKING**

Smoking is only allowed outside while working where permitted.

Dispose of cigarette butts in proper containers. We must abide by Illinois no smoking policy.

#### **D. DRESS CODE**

Good taste and neatness in dress and grooming create a good impression. All employees should avoid extremes in style and personal grooming that distracts others in the business environment.

Employees are expected to dress appropriately for work. Please ask your manager what is considered appropriate attire for work. T-shirts with obscene or suggestive illustrations are forbidden. If your attire is deemed inappropriate, you will be sent home to change and will not be paid for the time away from work.

#### **E. HARASSMENT**

SCI is committed to providing a work environment that is free of harassment of any kind. This includes any that is sexual, age-related, or ethnic in nature. Sexual harassment is unwelcome sexual advances, requests for sexual favors, and other verbal, visual or physical conduct that is sexually or personally offensive. All types of harassment, both overt and subtle, serve to create an offensive work environment and are not tolerated. Employees are encouraged to report any sexual or other forms of harassment by their colleagues, or non-employees working on company property, to their supervisors and/or manager.

The manager of the company will conduct a prompt investigation of any complaint in a confidential manner and will take appropriate corrective action where it is warranted. Employees engaged in any form of harassment or intimidation will face disciplinary action up to and including termination of employment. It is important that our work environment be conducive to effective job performance and free of harassment and intimidation.

#### **F. SUGGESTIONS**

Many valuable suggestions come from employees. You may discuss with your manager your suggestions in writing. All suggestions will be given careful consideration and are greatly appreciated.

## **VI. SAFETY & SECURITY**

03/01/08

### **A. SAFE WORK ENVIRONMENT**

SCI strives to provide safe working conditions for all employees, customers, and vendors. Every employee is responsible for ensuring that the premises are safe to work in; he/she should report to management any safety hazard or unsafe practice. Safety is an integral part of the job and every employee should try to prevent accidents.

All accidents must be reported to the manager or office. If the employee feels that the services of a doctor are required, he/she should immediately notify management. Government regulations require that an accident report be submitted, for any accident resulting in injury, to the company within 12 hours. If not, coverage of this claim could be denied.

SCI meets on the 1<sup>st</sup> Monday of every month for a safety meeting, and open discussion of work topics. SCI will notify employees if the meeting is cancelled.

### **B. PERSONAL PROPERTY**

SCI does not assume responsibility for the loss or theft of personal property on company premises or job sites. Employees should exercise reasonable care to safeguard personal articles of value brought to work. Report any lost or found articles to the manager immediately.

### **C. WORKER'S COMPENSATION**

All employees are covered by Worker's Compensation insurance at no cost to the employee. It is mandatory that all job-related injuries and/or illnesses be reported to the manager immediately.

In accordance with our drug-free work place policy, any employee who is involved in an accident or injury while on the job may be required to take a drug test. Immediately after the employee has sought medical attention, they will be transported to the drug testing facility.

### **D. INSURANCE BENEFITS/401 (K) PLAN**

After the 30 day probationary period, an employee will be eligible to participate in the company paid medical plan and/or the 401 (K) retirement plan. However, on all government jobs, it is mandatory for the

fringe benefits to go into the employees 401 (K) plan.

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Information about the insurance coverage, benefits, and co-payments are available from the manager's office. SCI pays 100% of the employees insurance, and 50% of all eligible family members. This is subject to change. SCI deducts the employee's portion from the weekly payroll. SCI may amend the current plan or change the insurer if management deems it appropriate to do so. The employee must apply for insurance immediately to get coverage. If not, there may be a waiting period.

Information about the 401 (K) retirement plan is available in the managers' office upon request. If an employee elects to withdraw from their 401 (K) plan, all penalties will be deducted.



## **VII. ATTENDANCE & PUNCTUALITY**

03/01/08

### **A. PUNCTUALITY**

Employees are required to work their designated hours. Please plan your time accordingly to ensure that you are here on time, and ready to start work. We expect all our employees to be punctual. This means being at your workstation ready to work at the start of your scheduled shift. Tardiness not only affects business, it also creates a negative impact on co-workers. Tardiness is defined at (5) minutes past the official start of work.

### **B. ABSENCE**

It is the employee's responsibility to notify their manager prior to their normally scheduled work time if they are not going to be able to report to work, and the reason for their absence. The manager should be notified each subsequent day that the employee is unable to work. If they fail to comply with this policy, SCI will use its discretion to decide if the absence is considered a termination of employment.

**Excused Absence:** When an employee notifies their manager of an upcoming absence with an acceptable reason such as an illness, personal or family emergency, or vacation. Absence may be excused because of illness as substantiated by a doctor's report, or if arrangements were made beforehand with the manager.

In the event of illness, you should call in at least one hour before your scheduled commencement of work. A doctor's report is mandatory if the employee is absent due to an illness or injury, for three or more consecutive days.

**Unexcused Absence:** When an employee fails to notify his/her manager of absence at least one hour after their normally scheduled work time, or an employee is absent after a request has been denied. Unexcused absences or tardiness are unacceptable, and subject to disciplinary actions, including termination.

### **C. VACATION TIME**

Provided as an opportunity for rest, relaxation, and personal pursuits, all full time employees will receive vacation pay after working past January

1<sup>st</sup> twice. A signed vacation request must be submitted to your manager for approval. In the event that available vacation is not used by the benefit year, employees may carry unused time forward to the next benefit year.

- After Two (2) Years of Service                      5 Days
- After Ten (10) Years of Service                      10 Days
- After Fifteen (15) Years of Service                      15 Days

Upon termination of employment, SCI has up to (6) months to pay out all benefits.

**D. HOLIDAY AND SICK DAYS**

After one (1) year of employment, SCI will give (5) personal days. These are designed to be used for holidays or sickness only. Employees must use them each year or they lose them.

If an employee is to be absent, they must contact their manager. Leaving a message on the answering machine at SCI's office location or the manager's residence is not acceptable. Failure to follow these procedures could result in termination. Employees must reach the manger at his residence telephone or cellular phone. If there is no answer at either, the employee must call the foreman.

**E. FUNERAL LEAVE**

Up to three (3) days of pay are allowed for time off due to the death of an immediate family member. The employee should notify their manager immediately. An employee may use any available paid leave for additional time off as necessary. Immediate family is defined as mother, father, sister, brother, child, or spouse of the employee; or certain others whose association with the employee was similar to any of the above relationships.

**RECEIPT OF EMPLOYEE HANDBOOK**

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By signing below, you acknowledge that you received, read, and understand all the policies in this handbook. Therefore, if there are any provisions that you do not understand, please have your manager explain them to you before signing.

You also acknowledge that this handbook is intended to acquaint you with the policies, procedures and benefits of working for the company; and neither this handbook, nor any communication by management, constitutes terms or conditions of employment, a contractual agreement, or a promissory agreement.

You consent that the company may at any time, with or without prior notice, modify, eliminate, or add to any benefits, and any other matters set forth in this handbook.

Further, you acknowledge that your employment is not for any stated period: you or the company may terminate your employment at any time, with or without notice or cause.

No statement, whether oral or written, by any company representative, the president/manager excepted, may modify this acknowledgement.

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

Name: (please print) \_\_\_\_\_

