

# Employee Handbook

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### I. Introduction

The policies outlined in this booklet should be regarded as management guidelines only, which in a developing business will require changes from time to time. This handbook supersedes and replaces any and all prior handbooks, policies, procedures and practices of TFI Corp. TFI has sole discretion to add, delete, or change any policy contained in this employee handbook. The only recognized deviations from the stated policies are those authorized and signed by the President of TFI Corp.

For the purpose of this handbook and future company policies, the term "TFI" or "Company" shall refer to Texas First Industrial Corporation.

This handbook also describes the current benefit plans maintained by TFI. For detailed information pertaining to the insurance, refer to the actual documents of the plan and summary plan descriptions if you have specific questions regarding the benefits.

The employee handbook is designed to acquaint you with TFI and provide you with information about working conditions, employee benefits, and personnel policies affecting your employment. You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by TFI to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

However, this handbook cannot anticipate every situation or answer every question about employment. It is not an employment contract and is not intended to create contractual obligations of any kind. Neither the employee nor TFI is bound to continue the employment relationship if either chooses, at its will, to end the relationship at any time.

### II. OUR EMPLOYEE RELATIONS PHILOSOPHY

TFI believes the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and industry. We are committed to providing a climate which encourages maximum development and goal achievement for all employees. Our practice is to treat each employee as an individual. We seek to develop a spirit of teamwork; individuals working together to attain a common goal.

In order to maintain an atmosphere where these goals can be accomplished, we provide a comfortable and progressive workplace. Most importantly, we have a workplace where communication is open and problems can be discussed and resolved in a mutually respectful atmosphere. We take into account individual circumstances and the individual employee. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors.

We firmly believe with direct communication, we can continue to resolve any difficulties that may arise and develop a mutual relationship that is beneficial to the employee and TFI.

# CODE of ETHICS ACKNOWLEDGEMENT FORM

I have read the TFI Corp. Code of Ethics. I understand that the principles stated in the Code of Ethics represent those of TFI as they relate to the work I perform as an employee and that violating those principles or the legal and regulatory requirements applicable to my work may result in disciplinary action by my employer, TFI I agree to abide by and support the legal and regulatory requirements applicable to my work. I understand that if I have questions concerning appropriate ethics or relevant legal and regulatory requirements, I should consult with my supervisor.

EMPLOYEE'S NAME (printed):	
EMPLOYEE'S SIGNATURE:	Date:

# III. PERSONAL CONDUCT

### A. Code of Ethics

TFI is dedicated to honesty, integrity, and fairness in conducting its business. Our company strictly complies with laws and regulations and adheres to generally accepted business standards.

Our Code of Ethics provides overall guidance in upholding our ethical and legal responsibilities. Covering the endless variety of situations with a single Code of Ethics is impossible; thus, employees must accept personal responsibility for exercising appropriate behavior and maintaining high ethical standards. Employees are also responsible for acquiring sufficient knowledge of the laws and regulations impacting their work responsibilities to meet the standards set forth in this Code of Ethics.

Retaliation against employees who report perceived harassment, or who participate in investigations as witnesses or in other capacities, also violates the law and Company policy. Such retaliation is prohibited and will not be tolerated. The Company will take disciplinary action, up to and including termination of employment, against any employee or officer involved in retaliation.

### **Employee Responsibilities**

The following is a summary of the responsibilities of employees to customers, communities, fellow employees, investors, and suppliers.

Maintaining an environment of ethical and legal behavior and is demonstrated by compliance with the Code of Ethics and with legal and regulatory requirements relevant to the Company's business. In order to carry out these responsibilities, employees will:

- Read, understand, and abide by the Code of Ethics.
- Exercise appropriate behavior and maintain the highest standards of ethical conduct when representing the Company in an official capacity, which includes traveling on Company business and attending functions hosted by third parties (e.g. client visits, conferences, etc.).
- Seek advice from their supervisor, or other appropriate Company sources if uncertain about the meaning or application of the Code of Ethics or when in doubt about the best course of action in a particular situation.
- Learn and comply with laws and regulations applicable to their work responsibilities.
- Contribute to a workplace environment that is conducive to and encourages compliance with the Code of Ethics and with laws and regulations.
- Maintain sensitivity to alleged, actual, or suspected illegal, unethical, or improper conduct by a supplier, customer, consultant, or other person or organization with whom the Company has a relationship, and report such conduct to appropriate Company officials (Human Resources).

# **Management Responsibilities**

In addition to their responsibilities as employees, Company executives, supervisors, and managers must maintain a workplace environment that stresses commitment to compliance with the Code of Ethics and with laws and regulations. Company management will:

- Exhibit the highest standards of ethical conduct at all times and avoid the perception of unethical behavior.
- Ensure that employees under their supervision receive a copy of the Code of Ethics and read and understand its requirements.
- Ensure that employees understand their affirmative duty to report actual or suspected Code of Ethics violations and the procedures and mechanisms available to them for reporting.
- Make sure that employees receive appropriate training in the meaning and application of the Code of Ethics and in the laws and regulations related to their work area.
- Maintain a workplace environment that prevents retaliation or reprisals against an employee who in good faith reports actual or suspected Code of Ethics violations. Retaliation against employees who report perceived harassment, or who participate in investigations as witnesses or in other capacities, violates the law and Company policy. Such retaliation is prohibited and will not be tolerated.
- Avoid a romantic, sexual, or financial relationship with an employee or contractor within their scope of supervisory control, because it reasonably could be perceived to give unfair advantage to the employee or contractor and could impugn the integrity of the manager or the reputation of the Company. In the event such a relationship should develop, the manager must immediately disclose the relationship to his/her immediate supervisor and his/her department head to ensure that the matter is evaluated fully.

### **Inquires and Reporting**

Employees who have an ethics-related question or suspect a violation of the Code of Ethics should contact their immediate supervisor, the Human Resources Department or TFI President.

If there are questions about how to handle a particular situation, an employee should consult with his/her supervisor to get the question resolved. If an employee does not wish to discuss the situation with his/her immediate supervisor, the employee should contact the Human Resources Department or TFI President

### **Disciplinary Measures**

All employees are expected to comply with the Code of Ethics, failure to do so will result in disciplinary action, up to and including termination of employment. An employee also is in violation of the Code of Ethics if s/he assisted in activities, had sufficient knowledge of and did not report activities, or directed or authorized others to perform activities that violate the Code of Ethics.

# **B.** Compliance with Laws and Regulations

Because of the nature of the Company's business, the Company is subject to numerous, complex legal requirements. Our employees are expected to understand the laws in the context of their jobs. This will help ensure Company operations are conducted in conformity with the applicable laws and regulations.

Violations of the law can result in both personal and corporate liability.

# C. Equal Employment Opportunity

The Company has been and will continue to be an equal opportunity employer. To assure full implementation of this equal employment policy, we will take steps that:

- Persons are recruited, hired, assigned and promoted without regard to race, religion, color, national origin, citizenship, sex, veteran status, age, marital status, disability or any other protected personal characteristics.
- Similarly, all other personnel actions, such as compensation, benefits, transfers, layoffs and recall from layoffs, access to training, education, tuition assistance and social recreation programs are administered without regard to race, religion, color, veteran status, national origin, citizenship, sex, age, marital status, disability or any other protection personal characteristics.

The Company will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship for the company. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Any employee with questions or concerns about any type of discrimination in the workplace is encouraged to bring these issues to the attention of their immediate supervisor or management. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

# D. Sexual and Other Workplace Harassment

All employees should act responsibly to establish a pleasant working environment, free of any type of discrimination or harassment.

The Company is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. Actions, words, jokes, or comments based on an individual's sex, race, color, national origin, age, religion, disability, or any other legally protected characteristic will not be tolerated.

It is illegal and against the policy of the Company for any employee, male or female, sexually to harass another employee by (a) making unwelcome sexual advances or requests or other verbal or physical conduct of a sexual nature, or (b) making submission to or rejections of such conduct the basis for employment decisions, or (c) creating an intimidating, hostile or offensive working environment by such conduct. Verbal or physical conduct of a sexual nature that interferes with an individual's work performance constitutes sexual harassment.

Any person who becomes aware of possible sexual or other employment harassment must immediately advise the Human Resources Manager so it can be investigated in a timely and confidential manner. Anyone engaging in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment.

# Any employee that believes s/he has been the subject of sexual harassment should report the alleged act immediately (within 48 hours) to the HR Manager.

All allegations of sexual harassment will be quickly and discreetly investigated. To the extent possible, your confidentiality and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation.

Federal law prohibits an employer from taking any adverse employment action against any employee who alleges a discriminatory employment practice, files a charge or cooperates with the EEOC.

The Company will not condone or tolerate discrimination or retaliation of any kind. Disciplinary action up to and including dismissal will be imposed on any employee (including management personnel) found to violate the policies regarding discrimination and harassment.

# E. Workplace Violence

The Company will not tolerate any unwanted or hostile physical contact, including physical attack, threat of violence, harassment, or damage of property by or against any employee.

Any employee who experiences, witnesses, or has knowledge of acts, conduct, behavior, or communication (threat) that may be or may lead to a workplace violence event should immediately report the incident to any of the following:

- Their immediate supervisor or next level of management.
- The Human Resources Department.
- The TFI President

Reports or complaints of violence, threat of violence, or harassment will be taken seriously and promptly investigated.

# F. Firearms and Weapons

To ensure a safe environment for our employees, customers, and contractors, the display, sale, transportation, possession, or use of firearms or weapons on property owned, leased, or otherwise used by the Company is prohibited.

### G. Conflict of Interest

Employees have an obligation to conduct company business within guidelines that prevent actual or potential conflicts of interest. This policy establishes only the framework within which the Company wishes the business to operate. The purpose of these guidelines is to provide general direction so employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact management for more information or questions about conflicts of interest.

Transactions with outside firms must be conducted within a framework of honesty and fair dealing. Business dealings with outside firms should not result in any improper gains for those firms, or for any of the individuals involved. Improper gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both. Promotional plans that could be interpreted to involve unusual gain require specific approval from management.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of company business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if an employee has any influence on transactions involving purchases, contracts, or leases, it is imperative that he or she discloses to management of the Company as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases in which an employee or relative has a significant ownership in a firm with which the Company does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving the Company.

# H. Non-Disclosure of Company Information

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

Employee compensation data

- Client lists
- Marketing strategies
- Company technology, methodologies, patents, and process
- Pending, current, or past projects and proposals

Each officer and employee has a basic responsibility to observe this principal of confidentiality in all activities, both business and personal, with respect to customer information. Officers or employees may be subject to disciplinary action for unauthorized disclosure of such information.

Employees who are exposed to confidential information will be required to sign an employment and confidentiality agreement as a condition of employment. Any employee who improperly uses or discloses company secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action, even if he or she does not actually benefit from the disclosed information.

# I. Employment and Confidentiality Agreement

All employees of the Company, regular and irregular, full and part-time, may be given access to confidential information and proprietary information and will be required to execute an employment and confidentiality agreement.

### J. Personal Conduct

The company recognizes the right of each officer and employee to conduct his or her private life in accordance with his or her personal values. However, when an individual's behavior impairs performance on the job, or produces an adverse reflection on the company within the community, it becomes a matter of vital concern to the company. Each officer and employee is urged to maintain community behavioral standards, which will preclude any form of discredit to the company.

### **Employee Conduct and Work Rules**

To ensure orderly operations and provide the best possible work environment, the Company expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or possession of property
- Falsification of timekeeping records or any other documentation
- Working under the influence of alcohol or illegal drugs
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Sexual or other unlawful harassment

- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
- Excessive absenteeism or any absence without notice
- Unauthorized absence from workstation during the workday
- Misuse of telephones, mail system, computer systems, or other employer owned equipment
- Unauthorized disclosure of business "secrets" or confidential information
- Violation of personnel policies
- Unsatisfactory performance or conduct
- Violation of client safety or workplace policies while at the client's workplace.

Employment with TFI is at the mutual consent of the Company and the employee, and either party may terminate that relationship at any time, with or without cause, and with or without advance notice.

### **Illegal Conduct**

Officers and employees who become aware of possible illegal conduct on the part of any individual in the company are obligated to report the conduct immediately. Failure to disclose illegal conduct, or obstructing another person's disclosure of such conduct, can result in grave legal consequences. Reports may be made to one's supervisor or to management.

### **Company Property**

All items owned or leased by the company, including but not limited to the company office space, computer hardware, software, yard and warehouse materials are defined as company property. Stealing, defacing, damaging or otherwise rendering useless any company property or permitting such actions to occur may be considered grounds for immediate termination of employment, and may result in personal liability of the responsible person(s).

Software may not be copied or deleted from company machines (e.g., workstations, servers, etc.) for any reason but for company use, and only with the explicit or implicit consent of management.

# Computer, Office Equipment, Internet, and E-Mail Usage

Computers, computer files, the e-mail system, software, and other office equipment furnished to employees are Company property intended for business use. Employees should not use a password, access a file, or retrieve any stored communication without authorization.

# The forwarding of "chain" e-mails to distribution lists using company e-mail systems and equipment is strictly prohibited.

All electronic information (e.g., files, emails, etc.) stored or transmitted at any location on company machines or disks are considered property of the company and IS NOT PRIVATE, whether of a personal nature or not. Management reserves the right to view all electronic information stored on or transmitted through company-owned computers, disks or cell phones.

Management reserves the right to deny or restrict access to company-owned cell phones, computers or software at any time.

Employees should notify management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

Internet access to global electronic information resources on the World Wide Web is provided by the Company to assist employees in obtaining work related data and technology. The following guidelines have been established to help ensure responsible and productive Internet usage. While Internet usage is intended for job related activities, incidental and occasional brief personal use is permitted within reasonable limits.

All Internet data that is composed, transmitted, or received via our computer communications systems is considered to be part of the official records of the Company and, as such, may be subject to disclosure to law enforcement or other third parties. Consequently, employees should always ensure that the business information contained in Internet e-mail messages and other transmissions are accurate, appropriate, ethical, and lawful.

The equipment, services, and technology provided to access the Internet and LAN remain at all times the property of the Company. As such, the Company reserves the right to monitor Internet and LAN traffic, and retrieve and read any data composed, sent, or received through our online connections and stored in our computer systems.

The Company strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, the Company prohibits the use of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale. For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

Data that is composed, transmitted, accessed, or received via our computer communications systems must not contain content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person. Examples of unacceptable content may include, but are not limited to, sexual comments or images, racial slurs, gender specific comments, or any other comments or images that could reasonably offend someone on the basis of race, age, sex, religious or political beliefs, national origin, disability, or any other characteristic protected by law.

Abuse of the Internet access provided by TFI may result in disciplinary action, up to and including termination of employment. Employees may also be held personally liable for any violations of this policy.

### **Prohibited Actions**

The following behaviors are examples of previously stated or additional actions and activities that are strictly prohibited by all users of company-owned computers, cell phones and office equipment, and can result in disciplinary action:

- Sending or posting obscene, racist, discriminatory, harassing, intimidating, threatening, or otherwise offensive messages or images
- Participating in the, viewing, exchange, storing, downloading or forwarding pornographic images or other obscene materials
- All forms of electronic espionage, including but not limited to obtaining unauthorized access to information inside and/or outside of the company network (viewing, saving or manipulating data)
- Stealing, using, or disclosing someone else's code or password without authorization
- Copying, pirating, or downloading software and electronic files without permission
- Sending or posting confidential material, trade secrets, or proprietary information outside of the company
- The unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material is expressly prohibited.
- Engaging in unauthorized transactions that may incur a cost to the company or initiate unwanted Internet services and transmissions
- Sending or posting messages or material that could damage the organization's image or reputation
- Attempting to break into the computer system of another organization or person
- Refusing to cooperate with a security investigation
- Using the Internet for political causes or activities, religious activities, or any sort of gambling
- Jeopardizing the security of the company's electronic communications systems
- Passing off personal views as representing those of the company
- Using, downloading or forwarding unlicensed software
- Engaging in any action otherwise prohibited in other sections of the TFI Employment Policy Handbook

# **Workplace Monitoring**

While the Company is sensitive to the legitimate privacy rights of employees, workplace monitoring may be conducted by the Company to ensure quality control, employee safety, security, customer satisfaction, and other legitimate business purposes.

Computers furnished to employees are the property of the Company. As such, computer usage and files may be monitored or accessed at any time without prior notice.

# K. Health and Safety

It is the intent of the Company to provide a safe and healthful work environment for employees, customers, and visitors. Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with management. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes. All reports can be made without fear of reprisal.

Each employee is expected to exercise caution in all work activities. Employees must immediately report any unsafe condition to their immediate supervisor, manager, and/or the client company representative. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to

report where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify the appropriate supervisor. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefits procedures.

### L. Environmental

The Company will comply with all environmental laws and regulations and work to prevent damage to the environment in order to provide a safety and healthful work environment for employees, customers, and visitors.

# M. Drug and Alcohol Use

The Company strives to operate a healthful and safe workplace free of drug and alcohol abuse. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner and are subject to random drug and alcohol tests.

While on Company premises and while conducting business related activities off Company premises, no employee may use, possess, distribute, sell, or be under the influence of illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger the employee or other individuals in the workplace. Limited alcohol consumption at business-related activities is permitted. However, any driving on company business, including driving to or from company activities, while under the influence of drugs or alcohol is strictly prohibited.

Copies of the Company's drug and alcohol policy will be provided to all employees. Questions concerning this policy or its administration should be directed to management. Violations of this policy may lead to immediate termination of employment.

# N. Smoking

In keeping with the Company's intent to provide a safe and healthful work environment, smoking is prohibited throughout the workplace and is allowed only in designated smoking areas. This policy applies equally to all employees, customers, and visitors.

# O. Return of Property

Employees are responsible for all Company property, materials, or written information issued to them or in their possession or control. Employees must return all Company property immediately upon request or upon termination of employment. Where permitted by applicable laws, the Company may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. The Company may also take all actions deemed appropriate to recover or protect its property.

# IV. GENERAL TERMS

# A. Employment Categories

The purpose of defining categories of employment is to inform employees of working hours and specify eligibility, if any, for fringe benefits these classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and TFI.

Since there is no state or federal requirements for defining categories of employment, the following definitions outline the various categories of employment. The company ensures that all similarly classified employees are eligible to receive the same benefits. Each employee will belong to an employment category. For the purposes of this handbook and future company policy, company employees are classified as follows:

### EXEMPT (Salaried) or NONEXEMPT (Hourly)

Exempt employees are exempt from the minimum wage and overtime requirements under the Fair Labor Standards Act if they meet the salary and duties tests set for exempt classification.

Non-Exempt employees are is one who is covered by the minimum wage and overtime provisions of the Act.

### **FULL-TIME or PART-TIME**

Full-time employees regularly work 80 hours per a two-week period and are eligible for company fringe benefits package in accordance with their position and length of employment.

Part-time employees regularly work less than 80 hours per a two-week period and *may be* eligible for *certain* fringe benefits, based on the number of hours they normally work, their position and length of employment.

### **POVISIONAL**

Provisional employee is a person who has not completed the ninety (90) day probationary period after first being hired.

### IRREGULAR

Irregular employees are those hired for a pre-determined period of time (frequently for the duration of a specific job or jobs, an internship, or a summer co-op job), or an employee who works on an as-needed basis without a fixed work schedule. In general, irregular employees are not eligible for fringe benefits. The company may decide to offer one or more fringe benefits to certain irregular employees on a case-by-case basis.

The Company also makes a distinction for workers that typically work at a customer's jobsite or office. These employees are designated as On-Site Workers.

# **B.** Pay Periods

TFI pays on a bi-weekly basis (Every two weeks). Employees may have their pay directly deposited into their bank accounts by completing the direct deposit form and submitting a blank voided check. Employees will receive an itemized statement of wages when the Company makes direct deposits.

In the event a regular scheduled payday falls on a holiday, employees that do not have direct deposit will receive a paycheck on the last day of work before the regularly scheduled payday.

# C. Employee Pay Corrections

The Company takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the person in charge of payroll so that corrections can be made as quickly as possible. The Company reserves the right to make adjustments to future paychecks (both additions and subtractions) as appropriate to correct for errors in pay.

### **D. Job Evaluations & Performance Reviews**

Your performance is important to the Company. Each employee's job performance will be reviewed with his/her immediate supervisor on an informal, routine, and continuing basis; with formal written performance reviews conducted from time to time.

Our performance review program provides the basis for better understanding between you and your supervisor, with respect to your job performance, potential and development within the Company.

# E. Pay Raises

Depending on your performance, adjustment in your pay may be made when there has been an improvement in or continuation of an already good performance during the review period.

# F. Timekeeping

Accurately recorded time worked is the responsibility of every employee. Federal and state laws require the Company to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is the time actually spent on the job performing assigned duties. A timecard will be given to every non-exempt (hourly) employee. All **Hourly** employees **ARE REQUIRED** clock in and out every workday using the time clock.

When an hourly employee is absent, the appropriate leave of absence paperwork must be turned into his/her supervisor.

Overtime work must always be approved by the management before it is performed. Employees must accurately report the amount of time they spend on each task, and the nature of each task they engage in each day, as this information is used for client billing and internal accounting.

Altering, falsifying or tampering with time records may result in disciplinary action, up to and including termination of employment.

# **G.** Employment Applications

The Company relies upon the accuracy of information presented by applicants in the application and hiring process, as well as the accuracy of other personal data presented by employees throughout the term of their employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the company's exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

# H. Personnel Data Changes

It is the responsibility of each employee to promptly notify the Company of any changes in personnel data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of emergencies, educational accomplishments, and other such status reports should be accurate and current at all times. If any personal data has changed notify the Human Resources Department.

### I. Access to Personnel Files

The Company maintains a personnel file on each employee. The personnel file may include such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records.

Personnel files are the property of the Company and access to the information they contain is restricted. Only management personnel of the Company who have a legitimate business reason to review information in a personnel file are allowed to do so.

# J. Business Travel and Expense Reports

Employees should contact management for guidance and assistance on procedures related to travel arrangements, expense reports, reimbursement for specific expenses, or any other business travel issues. Employees should report all reimbursable expenses incurred for company purposes (e.g., travel expenses, personal automobile mileage, etc.) using the appropriate form provided by the Company. Receipts for all expenses (both paid from employee funds and paid directly by the Company, including Company credit cards) should accompany reports.

The employee's supervisor must approve all business travel in advance. When approved, the actual costs of travel, meals, lodging, and other expenses directly related to accomplishing business travel objectives will be reimbursed by the Company. There is no per-diem rate for traveling employees unless other arrangements have been approved in advance by management on a case by case basis. Employees are expected to limit expenses to reasonable amounts appropriate to the business requirements in each situation, and should obtain receipts for all travel expenses whenever possible. When travel is completed, employees should submit completed travel expense reports. (See the company travel policy)

Employees should be aware of and comply with the expenditure and expense reporting criteria of our clients when performing work or incurring expenses to be reimbursed by a client.

Employees will be reimbursed for mileage driven in personal vehicles at a per-mile rate approved by the IRS. Employees are required to have and maintain the legally mandated types and amounts of automobile insurance for any personal vehicle for which the company reimburses the employee for mileage costs. Employees must keep proof of such insurance within their automobile while using it to engage in company business.

Employees must maintain a valid and legal driver's license for their state of residence while driving any automobile for company purposes.

Abuse of this business travel expense policy, including altering, falsifying or tampering with expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.

# K. Company Vehicle

All accidents occurring through the use of Company owned or Company-leased motor vehicles, or employee-owned or rented motor vehicles while on Company business, must be reported regardless of size, apparent importance, or liability, directly to management as soon as possible. The employee should also complete a **TFI Motor Vehicle Accident Report Form.** Copies of this form may be obtained from the Human Resources Office.

Cell Phone Usage: Absolutely **NO** texting or talking on the phone while driving a company vehicle. Smoking is **NOT** allowed in company vehicles.

# L. Employment Termination

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

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

Since employment with TFI is based on mutual consent, both the employee and the Company have the right to terminate employment at will, with or without cause, at any time. Although advance notice is not required, the Company requests at least 2 weeks' written notice from all employees.

The Company will generally schedule exit interviews at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, and repayment of outstanding debts to the Company or return of Company owned property. Suggestions, complaints, and questions can also be voiced.

Employees will receive their final pay in accordance with applicable state law.

# M. Attendance and Punctuality

To maintain a safe and productive work environment, the Company expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on the Company. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they are expected to phone management as soon as possible in advance of the anticipated tardiness or absence. When calling, employees must speak to their direct supervisor/manager or leave a message with Human Resources.

Poor attendance and excessive tardiness are disruptive. Continued lateness will not be tolerated and may result in disciplinary action, such as: a work performance warning, probation, or dismissal.

### V. **Employee Benefits**

The Company has developed a comprehensive set of employee benefit programs to supplement our employees' regular wages. Our benefits represent a hidden value of additional income to our employees. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Management can identify the programs for which you are eligible. Plan materials with details of many of these programs will be distributed to eligible employees under separate cover.

The following benefit programs are available to eligible employees:

- A. Health Insurance
- B. Benefits Continuation (COBRA)
- C. Holidays
- D. Paid Leave & Time Away
- E. Family and Medical Leave

Some benefit programs require contributions from the employee, but most are fully paid by the Company. The Company reserves the right to modify its benefits at any time. We will keep you informed of any changes.

### A. Health Insurance

The Company's health insurance plan provides employees and their dependents access to medical insurance benefits. Employees who have completed their 90 day probationary period are eligible to participate in the health insurance plan, subject to all terms and conditions of the agreement between the Company and the insurance carrier.

A change in employment classification would result in loss of eligibility to participate in the health insurance plan may qualify an employee for benefits continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Refer to the Benefits Continuation (COBRA) section in your plan summary for more information.

Details of the health insurance plan are described in the Summary Plan Description (SPD). An SPD and information on cost of coverage will be provided in advance of enrollment to eligible employees.

# **B.** Benefits Continuation (COBRA)

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

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

# C. Holidays

Employees who have completed their 90 day probationary period are eligible for eight (8) paid holidays per calendar year. Holiday pay will be paid as a regular work day of eight (8) hours.

The following days will be paid holidays in each calendar year:

- New Year's Day (January 1)
- Memorial Day (Last Monday in May)
- Independence Day (July 4)
- Labor Day (First Monday in September)
- Thanksgiving Day (Fourth Thursday in November)
- Day After Thanksgiving
- Christmas Eve (December 24)
- Christmas Day (December 25)

When a holiday falls on Saturday, it will be observed on the preceding Friday. When a holiday falls on Sunday, it will be observed on Monday. If a company-designated holiday falls on an employee's normal Friday off, the employee should coordinate an alternative day off with his or her supervisor.

# D. Paid Leave & Time Away

All employees are required to turn in a Leave request Form for any time taken off from work.

### **Personal Leave**

Upon completion of the 90 day provisional period, each salaried employee is entitled to one (1) day per month for personal time off. This time may be used at the employees' discretion. This time does not roll over to the next month.

### Vacation

The vacation policy has been established for the best interest and good health of TFI employee efficiency. During this period employees are encouraged at least once a year to take vacation time to rest and relax.

**ACCRUAL**: Employees will accrue two (2) weeks of vacation as follows:

- Vacation leave begins to accrue on the first day of employment and ends accrual on the last day of employment.
- Employees will earn 3.08 hours of vacation each pay period.
- TFI has adopted the "use it or lose it" policy. This means if an employee does not use their vacation before their anniversary date, s/he will lose that vacation time. Therefore, employee cannot "roll over" unused vacation time to the next year.

**USE**: Vacation may not be taken in excess of the hours accumulated. Employees who have exhausted their vacation leave accumulations but require additional leave time may be granted use of other types of leave with their supervisor's approval or take the required time off in an unpaid status.

The employee should give his/her supervisor/manager advance notice of the time they are requesting off to assist the supervisor/manager ample amount of time to prepare scheduling for the department accordingly.

**Vacation Milestones:** TFI values their employees and to show appreciate of continuous employment; employees with consecutive service will earn vacation time as such:

Years of Employment	Vacation Days Per Year
1-3	2 weeks

After completion of year three (3), each employee will earn one (1) additional vacation day per the completion of the employment year.

# **Pay Out**

Upon termination of employment either voluntary or involuntary, if the employee has completed his/her probationary period s/he will be entitled to receive pay for accrued but unused vacation time.

### Sick Leave

Sick Leave is intended to provide continuity of income to the employees in the event of health related issues that prevent the employee from working his/her regularly paid hours.

**ACCRUAL**: Employees will accrue sick leave as follows:

- Sick leave begins to accrue on the first day of employment and ends accrual on the last day of employment. Sick leave will be earned at a rate of four (4) hours per month.
- Employees may accumulate up to 48 hours (6 days) of Sick Leave per calendar year.

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**USE:** An employee who is unable to report to work due to an illness or injury must notify his/her direct supervisor <u>each</u> day the employee will be absent before the start of the workday, unless a predetermined medical absence has previously been approved. Sick Leave may be used for the following reasons:

- Temporary illness or disability.
- Pregnancy or childbirth.
- Medical or dental appointments.
- Attendance to temporary illnesses, temporary disabilities, medical appointments or dental appointments of the employee's immediate family members where the employee's assistance is required. (Immediate family is defined as a spouse, child, parent, sibling, grandparent, grandchild or immediate in-laws. Other relationships may be approved on a case-by-case basis by the Department Manager without setting precedent.)

Sick Leave may not be taken in excess of the hours accumulated. Employees who have exhausted their Sick Leave accumulations but require additional leave time may be granted use of other types of leave with their supervisor's approval or take the required time off in an unpaid status.

A physician's verification and release to return to work may be requested in instances of absences of three (3) or more consecutive work days, and will be **required** for absences of four (4) or more consecutive work days. Absences of 1-5 consecutive work days are considered casual (i.e., the flue, stomach ache, etc.) illness.

**Sick Leave and worker's compensation:** Worker's compensation insurance provides compensation to employees who are injured while performing their work duties after the employee has missed seven consecutive business days of work. The employee will use Sick Leave until worker's compensation benefits begin.

**Pay Out**: Under **NO** circumstances will any employee receive pay for accrued but unused sick time. In addition, accrued but unused sick time will **NOT** be paid out upon termination.

### **Bereavement**

An employee who has completed his/her 90 days of employment may be excused from work for up to three (3) days with pay in the event of a death in the family. Family includes spouse, parent, child, siblings, legal guardian, grandparent, and mother/father F in F law.

Accrued paid sick leave and vacation may be used if the employee needs to extend his/her bereavement leave or if there is a death outside of the classified group above. An unpaid leave of absences may be requested only after sick and vacation leave have been exhausted.

TFI reserves the right to require proof of funeral and relationship of the deceased as a prerequisite for this benefit.

# **Jury Duty**

TFI encourages all employees to participate in this area of civic responsibility. Jury duty does not negatively affect attendance records as time off the job. Occasionally, the time asked to serve may not be practical. If this happens, the employee is requested to ask the Court for deferment.

Upon receipt of the jury summons, the employee is required to notify their supervisor immediately and provide a copy of the notice. The employees pay will continue during jury duty in addition to the compensation received from the court up to a maximum of five (5) working days. If excused before the end of the work day, the employee is expected to return to work.

# **Maternity Leave**

Maternity leave refers to the period of time that a new mother takes off from work following the birth of her baby. Following the general accepted guidelines of Texas, TFI observes 6 weeks post-partum Maternity Leave

### Military Leave

Unpaid military leave will be granted to employees who are absent from work for service in the United States Armed Forces in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA).

### Time off to Vote

The Company encourages employees to fulfill their civic responsibilities by participating in elections. Generally, employees are able to find time to vote either before or after their regular work schedule. If employees are unable to vote in an election during their non-working hours, the Company will grant two (2) hours of paid time off to vote.

Employees should request time off to vote from their supervisor at least two (2) working days prior to the Election Day. Advance notice is required for scheduling purpose and to ensure minimal disruption to the normal work schedule.

# **Unpaid Time-Off**

Employees may request unpaid time off from work in addition to the paid time-off they received from the aforementioned. Prior to taking time off in an unpaid status the employee is require to have approval from his/her supervisor/manager. Granting or denying this time will be at the discretion of management. Time take off in an un-paid state will not eligible for accrual of vacation/sick-time.

# E. Family and Medical Leave

The FMLA entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave. Eligible employees are entitled to:

Twelve workweeks of leave in a 12-month period for:

- The birth of a child and to care for the newborn child within one year of birth;
- The placement with the employee of a child for adoption or foster care and to care for the newly placed child within one year of placement;
- To care for the employees spouse, child, or parent who has a serious health condition;
- A serious health condition that makes the employee unable to perform the essential functions of his or her job;
- Any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a covered military member on "covered active duty;" or

Twenty-six workweeks of leave during a single 12-month period to care for a covered service member with a serious injury or illness if the eligible employee is the service members spouse, son, daughter, parent, or next of kin (military caregiver leave).

To be eligible for FMLA leave, an employee **must work for a covered employer** and:

- Have worked for that employer for at least 12 months; and
- Have worked at least 1,250 hours during the 12 months prior to the start of the FMLA leave; and,
- Work at a location where at least 50 employees are employed at the location or within 75 miles of the location.

# **EMPLOYEE ACKNOWLEDGEMENT FORM**

The employee handbook describes important information about TFI. I understand that I should consult the President regarding any questions regarding this handbook. I have entered into my employment relationship with TFI voluntarily and acknowledge that there is no specified length of employment. Accordingly, either TFI or I can terminate the relationship at will, with or without cause, at any time, so long as there is no violation of applicable federal or state law. Furthermore, I acknowledge that this handbook is not a contract of employment.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions to the handbook may occur, except to TFI policy of employment at will. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the appointed officer of TFI by the President has the ability to adopt any revisions to the policies in this handbook.

I have received the handbook, and I understand it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.

Please notify the Human Resources Department as soon as possible to obtain a replacement copy if you lose your employee handbook or if it becomes damaged in any way.

EMPLOYEE'S NAME (printed):					
EMPLOYEE'S SIGNATURE	Date				