

HUMAN RESOURCES POLICY MANUAL



Rexius Forest By-Products, Inc

Acknowledgement – HR Policy Manual and Handbook **Formulario de acuse de Recibo –Manual de Políticas**

I have read and understood the Human Resource Policy Manual including the Employee Handbook of Rexius Forest By-Products, Inc.

My signature represents my agreement to comply with the terms of this manual, including the various specific areas of the manual requiring my signature, which are hereby incorporated by reference.

He leído y entendido el Manual de Política de Recursos Humanos, incluyendo el Manual del Empleado de Rexius Forest By-Products, Inc.

Mi firma representa mi acuerdo de cumplir con los términos de este manual, incluidas las diversas áreas específicas del manual que requieren mi firma, que se incorporan por referencia.

Employee Name
Nombre del empleado

Employee Signature
Firma del empleado

Department
Departamento

Date
Fecha



Welcome to Rexus!

We enjoy meeting all of our new employees in person, but since that opportunity has not yet happened, we wanted to welcome you by letter.

We are a “family oriented” company. We hope you and your family become part of the “Rexus” family. We strive to make Rexus an excellent workplace.

During this Orientation session you will go through the Employee Manual. You will find a lot of important information concerning company policies, programs and benefits we offer.

A company newsletter is sent out with your payroll check on the 5th of every month. It is very important to share it with your family for up-to-date health insurance information; it also keeps you informed of up-coming company events and covers other articles of interest.

We encourage you to ask questions; check with your supervisor first, if they cannot answer it for you, feel free to call the corporate office any time.

Consider yourself officially welcomed to Rexus! We look forward to meeting you in person.

Sincerely,

Rusty Rexus
Co-President

Arlen Rexus
Co-President

HR MANUAL

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TO: Hourly Employees

Please find attached your copy of the Rexius Forest By-Products, Inc Human Resources Policy Manual. We have put the manual together in an attempt to get information to you under one cover that will help clarify policies and procedures related to employment, safety, benefits, etc. Your manual includes the following sections:

- 1. Employee Handbook (Purpose Statement, Employment and Safety information, Benefit Programs, etc.)**
- 2. Employee Orientation Materials (Organization Chart, Payroll Deduction Authorization Form, W-4 form, FMLA, Harassment Policies).**
- 3. Safety Related Materials (Safety, Return to Work Policies, Training requirements, List of Duties and Responsibilities, Alcohol and Controlled Substance Policy, etc.).**
- 4. Benefits Materials (descriptions of various insurance programs, info regarding Retirement Plan, COBRA, etc.).**

We ask you to take some time to read these materials and sign and return the Acknowledgement form in the front of the manual to your Manager or Supervisor as soon as possible.

If you have not received one, we will be scheduling an orientation session for you. It will be done in an effort to acquaint you with Company procedures, provide you with some training and safety information and enroll you in various benefit programs. There will be several items throughout the manual for you to sign and return to us. We hope to accomplish this during the orientation process.

Thank you for taking the time to review this important information. We hope it will better inform you about the various policies and programs the Company has to offer. Please keep this manual where you can refer to it as we will provide updates as circumstances warrant.



Human Resources Policy Manual

Table of Contents (Hourly Employees)

- 1. Employee Handbook**
(Purpose Statement, Employment and Safety Information, Benefit Programs, etc).
- 2. Employee Orientation Material**
(Organization Chart, Payroll Deduction, Authorization Form, W-4 Form, FMLA, Harassment Policies etc).
- 3. Safety Related Materials**
(Safety, Return to Work Policies, Training Requirements, List of Duties and Responsibilities, Alcohol and Controlled Substance Policy, JSA, etc.)
- 4. Benefits Material**
(descriptions regarding various insurance programs, info regarding Retirement Plan, COBRA, etc)



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Purpose Statement

We purpose to be a stable, profitable and progressive company based on personal and corporate integrity, striving for complete customer satisfaction, while benefiting employees, stockholders and the community upon which we depend.

INTEGRITY

RELIABILITY

QUALITY

- 1.1 -



Introduction

Welcome to Rexus! The purpose of this handbook is to provide you with a proper orientation so you can make informed decisions regarding benefits and be aware of various policies and programs we have, which we hope will help make Rexus an excellent workplace.

IT IS VERY IMPORTANT THAT YOU READ THIS MATERIAL. Being informed about the Company will benefit both you and the Company. We encourage you to ask questions of any management personnel if you are uncertain about any part of the handbook. This handbook should not be considered an employment contract nor should anything in it be construed as a guarantee of any length of employment. The Company reserves the right to change any policies at any time when in the opinion of management, circumstances dictate a change.



Company History and Philosophy

Rexius, known originally as Rexius Fuel Service and later as Rexius Forest By-Products, Inc. was founded in Eugene in 1945 by Solomon and Lillian Rexius, the parents of June Rexius Sutton, Raymond and Marvin Rexius. Prior to founding Rexius Fuel Service, Sol Rexius was involved in the wood products business dating back to pre-depression years, working out of the Wendling-Marcola area delivering 4' slab wood into Eugene-Springfield. Since that time the company has changed its shape and size, experienced dramatic improvement in equipment and enormous increases in sales and product lines, but it still remains a family owned and operated business.

In 1959 Sol Rexius took on a couple of partners - his sons, Raymond and Marvin - and his daughter June as a limited partner. Ray brought with him a wood business he owned and operated. In 1967, Sol Rexius passed away after a year-long battle with cancer. Marv then became President of the business and several of Sol & Lil's grandchildren later joined the business, two of whom (Alan and Arlen) became general partners in 1979. The company elected to switch to the corporate form in 1986, changing its name at that time to Rexius Forest By-Products, Inc. The Company is managed by its Board of Directors and Corporate Officers. The Company now employs in excess of 200 people.

In 1994, Rexius branched into the manufacturing business with their innovative Express Blower Trucks. For eight years the company sold and built a strong national brand with the equipment they invented back in 1950. Blower application has become a national phenomenon and has revolutionized the landscape industry. In 2002 Rexius sold the division to a company in Ohio and maintains a strong relationship with Rexius in its promotional efforts. Ray and Marv continues to operate the business, with June as a limited partner.

In 2001, the Company added landscape construction, maintenance and irrigation services to complete its full-service landscaping profile by acquiring Grant's Landscape Services.

In 2003, Marv's son Rusty and Ray's son Arlen were appointed as Co-Presidents, while Marv stayed on as Chairman. Marv passed away in 2009 and Alan became Chairman.

The Company believes the family unit is an important part of successful living and can be a positive influence toward the goal of maintaining happy, productive employees. Therefore our occasional companywide events have included a picnic in the summer and a Christmas party, both geared to include the whole family. We have also provided a "State of the Company" dinner to keep employees apprised of the Company's status and direction. We encourage you to attend all of these events.

The main objectives of the Company's owners, as noted in the company Purpose Statement, are as follows:

- ▶ To provide our customers with quality products at a fair price.
- ▶ To provide our customers with efficient, timely and courteous service so they know we appreciate their business.
- ▶ To provide our employees with a safe, rewarding place of work - a place they can take pride in.
- ▶ To develop a reputation of honesty, integrity and hard work in the community.
- ▶ To continue as a profitable business that can grow to meet the challenges of the future, and to meet the needs of its, customers, employees and owners.

These objectives reflect the desire of the owners that Company business be conducted in a manner consistent with biblical principles.



Products

Rexius is in its eighth decade of transporting, processing, and delivering forest by-products and organic materials to and from area mills. The company has grown to over 200 employees, and not only involves the manufacture and delivery of organic products but also complete landscape and irrigation products and services through its Grant's Landscape Services division, acquired in 2001.

Nationally recognized for the quality of its product as well as its industry innovations, Rexius makes its products available in a variety of ways to ensure prompt and efficient customer service. Using its own fleet of trucks, blower and bulk delivery of its products is a mainstay to the business, with new innovations and opportunities developed over the years to expand customer service. Rexius now operates or supplies full-service u-haul or delivery facilities in Eugene, Coburg and Lake Oswego, Oregon. And using patented Express Blower trucks, Rexius also offers blower application of many of its products, saving people valuable time and labor. Additionally, its bagging plant permits Rexius to distribute bagged product to numerous retail and garden centers and wholesale distributors throughout the region.

The company's wide customer base ranges from individual homeowners to nurseries, landscapers, supermarkets, building supply outlets, pet product distributors, pulp mills, industrial and power plants. Some of its products, most of which are produced and/or bagged at the Company's Coburg production and storage facility, are as follows:

- ❖ Decorative landscape mulches, including Bark-o-mulch and sliver-free hemlock bark.
- ❖ Planting mixes, (both "custom" and "stock" mixes) for retail market and commercial growers.
- ❖ Soil amendments and organic fertilizers.
- ❖ Garden Compost made from recycled yard trimmings.
- ❖ Sawdust, shavings and hogged fuel.
- ❖ Specialty bark products, including dried and/or heat treated bark nuggets for a variety of uses.
- ❖ Pellets
- ❖ Sand, gravel and loam.
- ❖ Various other yard and garden landscape supplies



Services

TRUCKING

Rexius has arrangements with various mills throughout the Northwest to supply us with our raw material needs. We have also hauled materials between mills for their own use.

We provide a flatbed trucking service for hauling a variety of commodities, including our own bagged products. To ensure efficient delivery of these materials, Rexius maintains a large, modern fleet of tractors and trailers, equipped with a variety of unloading systems. We maintain our own fleet of vehicles and equipment.

RECYCLING

In addition to handling, processing, storing, packaging, and transporting forest by-products and other organic materials as its primary line of business, Rexius has been interested in processing yard waste for many years. We have been active in the Lane County Yard Debris Task Force Committee since its inception in 1991 and have been involved in the Power Resource Citizens' Advisory Group as well. Company representatives have also been active in an Oregon DEQ work group drafting rules for commercial composters in Oregon.

We have operated our own collection/processing sites in addition to providing yard waste grinding services since 1993. One of our goals for the recycling program is to divert additional volumes from the landfill into the recycling program.

Rexius is committed to partnering with and improving the community by providing environmentally sustainable choices and solutions.

WESTERN MOBILE STORAGE (Formerly Western Storage Trailers)

Rexius owns and operates Western Mobile Storage; a wholly owned division of Rexius Forest By-Products, Inc. Western Mobile Storage offers a number of dry storage vans and containers that are available for rental to meet most storage needs. The vans and containers range in size from 20 to 45 feet in length.

EXPRESS BLOWERS

The Rexius Express Blower truck lets us spread large quantities of organic material in a small amount of time. We can spread bark, planting mix, compost, playground chips, soil mixes, or any number of other organic materials for landscaping, lawn restoration, erosion control, and much more. Using a patented Supplemental Injection System, we are also able to inject seed and other granular soil enhancements into our soil mixes, composts, and mulches. Certain products may also be color enhanced using this system.

In 1995, Rexius began selling these trucks to customers across the country and beyond. Rexius personnel in our truck shop developed the technology for this patented system. In 1999, Rexius built its 100th Express Blower truck. In 2002, Rexius sold this division to another Company, but retained some ownership in the new entity which Rexius continues to work with.



Services ~ continued

LANDSCAPE SERVICE DIVISION

In 2001, the Company added landscape construction, maintenance and irrigation service to complete its full-service landscaping profile by acquiring Grant's Landscape Services. This landscaping arm of the Company has a wide range of experience in commercial landscape construction, golf course and sports field construction, all phases of irrigation, residential landscape construction and maintenance, and erosion control. The managing team combines vast experience and knowledge in landscaping with the pre-existing materials knowledge and resources of the Rexius Company. Making our Landscape Services Division capable of handling the largest projects with great success. The Landscape Division commands more than one third of the entire Rexius labor force.

EROSION CONTROL

In recent years, the need for organic based erosion control processes has increased which has given Rexius many new opportunities in erosion and sediment control. From that need, Rexius has set out to follow a mission in its effort to capture this market. It reads as follows:

"To promote sustainable landscape and erosion control practices by utilizing recycled organics as the building block for our products, principles and services in order to create healthy soils and protect our waterways"

Our corporate philosophy and goals revolve around processing annually renewable and recycled materials into valuable and effective products which protect and improve the quality of our environment. These materials are processed into the best performing, environmentally sustainable, and cost effective landscape and erosion control materials available.

Rexius is committed to the philosophy and practice of good "soil stewardship" and its long-term benefits.

CAS

As of January 1, 2005, Conveyor Application Systems, LLC (CAS) of Eugene, Oregon became a subsidiary of Rexius.

CAS includes a variety of equipment with its primary focus in the movement and placement of sand, soil and aggregate materials within a slinging distance of less than 85 feet. Using high speed booster conveyors and state of the art hydraulics and remote control systems, material can be applied precisely in place using either truck mounted systems, or portable units receiving transferred materials.

In addition to aggregate and soil application, the CAS systems can assist in all phases of construction needing base work and concrete work with lower overhead, and increased efficiencies using less equipment.

All of the CAS equipment features radio remote control operation, reload and load transfer capabilities, and a unique "apply in motion" feature. Using the Wide-Trac Feeding System, more materials can be properly fed and applied with ease and speed.

In 2010, CAS assumed from Express Blowers, Inc (EBI) the function of buying, refurbishing and selling used Blower Trucks and then, in coordination with EBI, resumed production of new Blower Trucks in 2015.



Employee Recognition/Problem Resolution: Open Door Policy

- A. The Company recognizes each individual as an essential part of the organization. Each employee is expected to be on the job whenever physically able, to be on time, to avoid absenteeism and other practices which restrict production or increase costs, and to perform a full day's work. The Company will do it utmost to operate steadily to provide good working conditions at rates of pay comparable to those in the industry.
- B. If you believe at any time that you have not received the benefit of any Company policies set forth in this statement, or if you feel you have been improperly treated, you are encouraged to bring the matter to the attention of a Company Official in accordance with the procedure listed here:
1. The initial step is to visit with your supervisor
 - ▶ As an exception to this procedure, if you have a concern or report regarding harassment you may go to any Company official or manager of your choice at any time.
 2. If that proves to be unsatisfactory, go the manager in your specific area
 3. If you still fail to receive satisfaction, the door of any of the Company officers is always open to you. Simply make an appointment to see one of them and your case will be reviewed. See the section on the Progressive Discipline Policy later in this handbook for further action that may apply, depending on the circumstances.

We do not guarantee we will always agree with you, but we are willing to hear your side to any problem.

4. The Company also has an Employee Assistance Program (E.A.P.) The EAP can refer employees to resources that may help to assist in resolving their difficulties. For more details, see the Company's policy regarding alcohol and drugs in the safety related materials contained in the Human Resource Policy Manual.



Employee Duties, Conduct and Performance Appraisal

A. Employee Duties

You will normally receive a list of "expected duties and responsibilities", a job description or a "JSA" (job safety analysis) at the new employee orientation. The purpose of this is to provide you with clear instruction of what will be expected on the job. You will be required to review the Rexius Forest By-Products Safety materials available in this manual and from the Safety Compliance Coordinator. This manual contains important guidelines, policies and procedures to assist you in performing your duties as safely as possible.

B. Employee Conduct

The Company may follow a progressive discipline procedure to ensure a fair method of monitoring employee conduct. The progressive discipline system, when the Company elects to follow it, is intended to give employees advance notice, whenever practical, of problems with their conduct or performance. Normally, progressive discipline involves verbal counseling, and one or more written warnings or suspensions before an employee is terminated. However, exceptions or departures from the normal procedure may occur whenever the company determines that circumstances in any case warrant that one or more steps in the process are skipped up to and including discharge. Employment at the Company is on a mutual consent or "at will" basis. That is, just as an employee may resign at any time for any reason so the Company may properly terminate employment at any time with or without cause and with or without prior notice.

Rules outlining acceptable conduct of employees are necessary for the orderly operation of any business and for the benefit and protection of the rights and safety of all employees. Examples of impermissible conduct that may lead to disciplinary action are identified below to promote understanding of what is considered unacceptable conduct and to encourage consistent action by the company in the event of violations. However, we have not attempted to provide an all-inclusive list of types of conduct that may result in disciplinary action up to and including discharge. The following list, therefore, contains examples only of conduct that may lead to the implementation of disciplinary action, including termination:

1. Unexcused absence
2. Excessive absenteeism
3. Job abandonment or failure to return from any leave of absence in a timely manner
4. Tardiness
5. Theft or attempted theft
6. Use or possession of illegal drugs or alcohol while working or any other violations of our policy on alcohol and drugs
7. Failure to observe safety regulations
8. Carelessness or negligence when performing duties
9. Harassment of other employees or customers
10. Altercations or threatening action of any kind
11. Insubordination
12. Deliberate or reckless damage to company property or to an employee's or customer's property
13. Unauthorized use of company property
14. Unsatisfactory work quality
15. Rudeness to employees/customers
16. False statements or misrepresentation to any company manager or on any document provided to the company
17. Divulging confidential information



Employee Duties, Conduct and Performance Appraisal ~ continued

Other items of note concerning conduct are as follows:

For health and safety concerns, the Company philosophy discourages smoking. Smoking is prohibited in all locations on Company property, or on any customer or vendor job sites, except in designated areas.

The Company's telephone lines, and cellular phones are intended solely for business and should not be used for personal phone calls. Necessary calls should be made during break periods or the lunch break, whenever possible. You should make only those calls that are absolutely necessary and to keep these calls as short as possible. No personal long-distance calls are to be charged to the company.

Much of the information which you will see, read, and hear while employed with this company is highly confidential. This includes information on our marketing and sales efforts, bids we are working on, jobs we are negotiating, projects in progress and projects we have completed, names of our customers, all customer information, etc. The affairs of the company should be discussed with no one outside the organization except when required in the normal course of business.

None of the above standards of conduct or work rules are intended, nor shall they have the effect, of interfering or inhibiting any employee in the exercise of any right guaranteed or protected by law.

C. Performance Appraisals

The company has a policy for an annual review of employee performance, when practical, for those employees employed more than twelve consecutive months. Facets of job performance, including various technical and interpersonal skills and compliance with company policies and procedures may be addressed. The primary purposes of the evaluations are to provide feedback to employees, enhance communication, and encourage maximum performance. There may be instances, at the discretion of a particular department manager, where interim performance reviews may be conducted.



Safety and Health Concerns

Rexius Forest By-Products, Inc. is concerned about you. We are vitally interested in the welfare and safety of every employee. We want you to know we intend to do everything required by law - and more - to ensure your safety in the workplace. If you ever have a concern with regard to any potential hazard, we want you to feel free to contact any member of the Safety Committee or management.

- A. The supervisors and managers are the “*first-line of defense*” in our safety program. Each of them is required to be fully aware of the current policies and practices relating to safety. As the personnel responsible for your safety on the job, you can expect that they will enforce all Company rules, insist on proper protective clothing and equipment, offer important training, check first-aid equipment regularly, see that injured employees receive appropriate attention, and investigate and report all accidents, including damage to equipment.
- B. Your active interest and cooperation is vital to the success of our safety program. In fact, your pledge to "work safely" is essential. You should observe all safety rules and follow all appropriate procedures, report all injuries, unsafe conditions or practices to your supervisor immediately, and never attempt to do a job you don't understand.
- C. The Company has a Safety Committee that consists of a cross-section of employees who address various safety issues and concerns. The Committee helps set safety policies and procedures and works to obtain results by implementing its management-approved recommendations. The Committee meets at least monthly, and they welcome all employee suggestions and concerns.
- D. There are many specific policies and procedures you will be expected to learn depending upon the nature of your job. For example, all of our truck drivers are expected to follow all the regulations set forth by the State and the Department of Transportation, and there are various equipment-related procedures they must follow.
- E. A safety incentive program has been implemented by the Company to help keep safety a priority in each employee's work routine. The management communicates the details of this program through various means, but you can always ask any member of the Safety Committee to explain the status of the program at any time.
- F. The Company policy with regard to substance use and abuse includes compliance with Oregon State law: "the use of controlled substances on the job is strictly prohibited. Anyone whose ability to work is impaired by alcohol, drugs, or medication shall not be allowed on the job while in that condition." As an employer, we are required to abide by these rules, and we request your cooperation in compliance with another provision of Oregon law: "every employee should notify their employer of any violation of such rules when it comes to the knowledge of the employee".



Safety and Health Concerns ~ continued

- G. In order to carry out Company policy and these laws, the Company may subject employees and their possessions to inspection on Company property. Also finalist applicants will be required to take an examination to test for drugs or controlled substances to determine suitability for employment. In addition, during the course of employment, any employee may be subjected to a random test for these substances. Any employee whose drug test is "positive" (indicating apparent drug use at any time), is subject to immediate termination from employment. (Also please refer to our Safety Policy on Alcohol & Drugs, section 3.9 in this manual).
- H. Remember ...safety in the workplace is absolutely vital. Because we place so much importance on safety, failure to abide by proper safe practices and procedures will result in disciplinary action or termination at the discretion of the Company. We may impose any form of discipline we feel is appropriate in light of the employee's conduct, past record, length of service and the surrounding circumstances.
- I. The Company has extensive safety-related policies and procedures in place in an attempt to provide a safe workplace for all employees. Safety information (see also tab 3 of this manual), is available from the Safety Compliance Coordinator and contains important details regarding the matters listed below. As part of your training and employment orientation you will be required to read these materials and sign an acknowledgement form demonstrating that you have read the information.

The safety related materials we distribute includes detailed policies regarding:

- Job Safety Analysis *
- Rexius Forest By-Products Safety Policy *(includes Safety Orientation Checklist, Training Requirements Checklist)
- Hazard Communication Program *
- Lockout/Tag out Program (attendance at training required)
- Alcohol and Controlled Substance Policy *
- Progressive Discipline Report
- Return to Work Policy *

Other Informational Materials Include:

- Lifting, stretching guidelines
- Protective respiratory equipment
- Safe driving guidelines
- Forklift operations
- Safety committee
- Emergency Action/Fire Prevention Plans

* Indicates employee acknowledgement form to be signed by employee prior to commencement of work.



Industrial Accidents & Return to Work

- A. The Oregon Worker's Compensation Law allows each employer to choose the method of paying benefits it feels will best meet its needs and the needs of its employees. After careful study, we have chosen one of the large, experienced worker's compensation insurance companies to administer our employees' program.
- B. The law, not the insurance company or the employer, specifies what benefits will be paid if you are injured while working. Our policy pays ALL required medical and hospital expenses, and provides for weekly income, if you are unable to return to work. The first three days of disability are not paid unless you are off work more than fourteen consecutive days. The cost of these benefits is paid primarily by the Company.
- C. We expect the insurance company to send your check to you right when it is due. But **you must report any injury** from an accident to your supervisor **the same day the accident occurs, no matter how slight the injury may seem at the time.** If you go to the doctor as a result of an on the job injury **YOU must complete an "801" accident report form**, which is available at the office. Any delay in completing this form will delay payment of medical bills and benefits to you. This is for your protection, and it's the state law.
- D. As good as the worker's compensation benefits are, they won't replace all your lost wages after a serious injury. Therefore, **SAFETY** is an important Company policy. We want your area of work to be as safe as possible, so we insist that each employee follow our safety regulations and we welcome your suggestions to reach our goal. Everyone at Rexius is required by Oregon law to comply with all health and safety rules and to report any violations to comply with all health and safety rules and to report any violations to management.
- E. The Company policy is to return employees to work as soon as possible after an accident of injury. You must report for work, with a medical release, no later than the first business day after the effective date of the medical release. For further details regarding the return to work policy and procedures, please see tab 3 of the HR manual.



Employment Eligibility

The Immigration Reform and Control Act of 1986 (IRCA) requires employers to verify that all newly hired employees are legally eligible to work in the United States. Employment eligibility is defined as being either an American citizen or an alien who is authorized to work in America. The I-9 form or more properly the Employment Eligibility Verification Form is provided by the federal government for that purpose.

Every employee hired after November 6, 1986 must complete an I-9 form at the time of hire.

Employees must complete Section 1 of the form at the actual beginning of employment. The form will be made available to you as part of the Orientation process.

The employer must complete Section 2 within three days of starting work.

You will be required to provide documents verifying your eligibility to work in the United States. This documentation must be provided within three days of starting work. Without appropriate documentation you cannot continue to work.

The employer is responsible for ensuring that the forms are completed properly, and in a timely manner.

A copy of each completed form and the associated employment eligibility documentation for the employee will be maintained in the employee personnel file.

With regard to employment eligibility, employees and prospective employees should know that the Company may verify information provided (including, but not limited to, Social Security numbers) and that employees can be subject to termination for providing false information (including, but not limited to false names or social security numbers)



Company EEO & Employment Policy

- A. You are employed with the company on an at-will (mutual consent) basis, and nothing contained in this handbook is intended to provide or guarantee employment for any specific period of time. This at-will employment relationship can only be modified by a written contract signed by the employee and an authorized representative.
- B. REXIUS FOREST BY-PRODUCTS, Inc. reaffirms its policy of Equal Employment Opportunity (EEO). We believe that following this EEO principle is a good business practice and our policy is based on state and federal laws, including any applicable government regulations. This Company intends on complying with these laws or regulations.

Accordingly, this Company does not discriminate on the basis of race, color, national origin, sex, religion, age, mental or physical disability (unrelated to job performance), use of worker's compensation, marital status or veteran's status (including disabled veterans or Vietnam Era Veterans).

Equal Opportunity hiring is also based on the person's qualifications and abilities to perform the particular job. These employment decisions and other personnel actions, including, but not limited to compensation, promotion, demotion, discipline, layoff/recall, termination and training are based on the principal of ensuring Equal Employment Opportunity, and where applicable on maintain Affirmative Action.

In order to maintain this policy and to continue compliance under any applicable or State, County or Federal regulation, Rexius is to be regarded as an Affirmative Action Employer. Responsibility for this policy is assigned to our EEO Coordinator, who may be contacted through our main office. Our various managers and supervisors are accountable for complying with this EEO policy and for following any applicable Affirmative Action requirements.

- C. Harassment of any kind against any individual or group of individuals is strictly prohibited. If any employee becomes aware of any such harassment, it should be reported immediately to any supervisor, manager or Company officer. Further details of the Company's policy against harassment can be found in Tab 2 of the HR manual.
- D. The Company through its management retains all rights to hire, discharge, promote, transfer, lay-off, discipline and otherwise direct the working forces in its operations for the general benefit of the Company, its employees and its stockholders. Seniority normally has no effect on these activities.
- E. If an employee terminates employment, for whatever reason, any records or property produced or obtained (including, but not limited to, files, reports, documents, customer or supplier information, memoranda, keys, vehicles, credit cards, etc.) in connection with employment by the Company, remains the property of the Company.



Company EEO & Employment Policy ~ continued

- F. We ask any employee who becomes separated from the Company for any reason, to provide the Company with as much notice as practical and we request that the departing employee schedule an exit interview before leaving (in conjunction with receiving final paycheck, providing exit information to Company)
- G. Each employee is expected for avoid working for any other person or company where such work may represent a conflict of interest or where the work will interfere with the job schedule or responsibilities at this Company. (Any employee who works outside the Company must obtain permission from a Company Officer).
- H. Restrictive Covenant - Grants Landscape Division Employees - In the event of termination by the Employer or voluntary termination by the Employee, it shall be understood that the Employee does understand that the Employee shall not be restricted to any non-competitive clause, except one in particular - The Employee will not directly or indirectly solicit or perform similar type work (landscaping and irrigation, and services as performed by the Employer) hereafter, for any of the Employer's current and regular customers. Regular customers shall include any person or business for whom work was performed by Rexus within one year prior to the termination of employment by Employee. Said restriction shall be in effect for two years following the Employee's termination. In the event Employer is required to seek legal assistance to enforce this restriction, Employee shall be responsible for all reasonable costs and attorney fees incurred in connection therewith.
- I. The Company generally does not provide severance pay to employees who terminate employment either voluntarily or involuntarily.
- J. In the event an exit interview is not feasible, we request written notice from the departing employee to include a forwarding address, so we have an opportunity to contact them as necessary.



Leave of Absence

- A. All leave of absence requests from an employee should be in writing and be as far in advance as possible of the time when leave is needed.
- B. It is the policy of the Company, in compliance with the Federal Family and Medical Leave Act (FMLA), and the State of Oregon Family Leave Act (OFLA) to allow an unpaid leave of absence of up to 60 working days (12 weeks), to eligible employees. The employee will, if eligible for and granted the leave, be restored to his or her original job (or an equivalent position) upon return to work.
- C. To be eligible for a leave under the FMLA an employee must have:
1. Worked at least 1250 hours and been on the payroll continuously for the twelve months immediately preceding the leave's commencement.
 2. For the State family leave eligibility, the employee must have been employed for at least 25 hours per week for at least 180 days.
 3. Meet one of the following qualifying events:
 - a) Birth of the employee's child.
 - b) Placement of a child with the employee for adoption or foster care.
 - c) Employee must care for a child, (including those for whom the employee has day-to-day care responsibility) spouse, or a parent who has a "serious health condition", as defined by the Act (generally covers conditions that cause an employee to be absent from work on a recurring basis or for more than a few days for treatment or recovery).
 - d) Employee is unable to perform the functions of his or her own position due to his or her own "serious health condition" (see above).

The qualifying employee must provide the Company with at least 30 days advance notice of the need for any leave unless the need is for cases of medical emergency or other unforeseen events. In those cases, notice must be given to the extent possible.

For State Family Leave, the additional circumstances are allowable for leave:

- e) Pregnancy or a condition related to childbirth.
 - f) Care for a child where home care is required.
- D. In the event an employee requests personal leave for reasons other than those covered by the FMLA, the employee must have met the criteria in C (1), (3) above and also have received favorable work reports and approval of his or her supervisor.
- E. If the employee does not return to work from any leave of absence when scheduled, the Company is not required to hold the employee's job open for him or her and the employee normally will be terminated as a "voluntary quit".
- F. Jury duty is considered unpaid leave.
- G. The above outline is only a brief summary of the laws and our policy.



REXIUS

Time and Pay



- A. If you are going to be absent where you are normally scheduled or expected to be at work, you must call your supervisor/manager immediately with as much advance notice as possible. Unexcused absences and/or failure to notify may be subject to disciplinary procedures outlined in the employee conduct section of this manual. Each employee is expected to fill out (and submit to their manager or supervisor for approval) an accurate and complete time sheet at the end of each day worked. Your work day starts when you are on the job ready to begin work and ends when you have completed the scheduled work day. Personal time off must be approved in advance by your supervisor and is not to be included on your time sheet as time worked. One half-hour unpaid lunch break and two ten-minute paid breaks (one every four hours worked) are permitted (per every eight hours worked) but are not to be combined or carried forward (see also 1.34 for more details).
- B. There are two regular pay days, the 5th and the 20th of each month, but could vary depending upon the mail or timing constraints for the electronic transfer of funds. If a regular pay day falls on a weekend or a holiday, payment will be made on or before the last working day prior to the scheduled pay day. You will receive a complete statement on pay day, showing all details of earnings and deductions for the year to date.
- C. In case of an EMERGENCY, we do give draws, but they shall not exceed the Company's estimate of money earned at the time of the draw. For minor needs, a ten dollar cash draw per pay period is available at the office (not permitted after normal hours or through the retail yards) and will be deducted from your next paycheck. Each employee is expected to make only a reasonable number of cash draws.
- Draw requests base on time sheets turned in after the deadline (one working day after either the 15th or the 1st day of the month, depending on the pay period) will NOT be granted.
- D. Paychecks are normally available after 2:00 pm on pay day. Only employees can receive their checks or cash draws unless PRIOR WRITTEN authorization is received from the employer to deliver it to another person, including a spouse. Authorization forms are available in the office, and in tab 2 of this manual.
- E. For non-exempt employees, your hourly rate plus one-half is paid for all approved time worked in excess of 40 hours per week. In all weekly overtime computations, Sunday is used as the first day of the work week. Employees are usually not required to work overtime hours and should not expect to work more than 40 hours per week. Overtime is not valid unless it is expressly authorized by a Company supervisor or manager.

Exempt employees are of course not paid overtime. In addition, State and Federal law provide an exemption from overtime pay for certain truck drivers. Also, we base pay on measures other than hours worked in certain situations. For this reason, some employees may not be paid for overtime when they perform certain duties that are exempt from overtime pay. Please consult with management if you have any question about this issue.



Holidays

The following days are recognized as paid holidays for qualified employees:

1. New Year's Day
2. Memorial Day
3. Independence Day
4. Labor Day
5. Thanksgiving Day
6. Christmas Day

A. In regard to computation of Holiday Pay:

Holiday pay is computed at the employee's regular rate of pay for his/her normal work schedule up to eight (8) hours each holiday. Only full time employees (40 hours or more per week) for the three immediately preceding pay periods are eligible for 8 hours of holiday pay each holiday. Those with fewer hours will receive holiday pay on a prorated basis.

Salaried employees receive no "separate" holiday pay as this benefit is "built in" to their salaries.

B. In regard to qualification for Holiday Pay:

To qualify for any holiday pay, an employee (whether a first-time or rehired employee) must have been on the payroll (i.e. not terminated) ninety (90) days immediately preceding the holiday and must have worked his or her regularly scheduled workday before and after the holiday unless the absence is excused. An excused absence is defined as a paid vacation day or an approved medical leave of absence (see also C below).

C. Holidays occurring during a lay-off or shut down are not paid.

D. Holiday pay, if applicable, will be paid on the next regularly scheduled pay day.

E. Holidays are not normally paid when employees are off work for any reason (except as provided above).



Paid Time Off Policy (“PTO” – effective 1/1/16)

Use of PTO

You can use Paid time off (PTO) for any reason, as long as you provide Rexius with notice of your need for time off in accordance with the following rules.

For PTO for planned vacation, you must request the time off at least fourteen (14) days before the date that you plan to start vacation. Rexius may deny requests to use PTO for vacation if you fail to provide such notice, the needs of the business make it impractical for the Company to grant you vacation on the dates you have requested, or your vacation request conflicts with another employee’s vacation request and Rexius determines that one of you is needed to help cover the other’s duties. Conflicts over the use of PTO for vacation normally will be resolved in favor of the employee with the longest tenure with the Company. However, Rexius reserves discretion to resolve conflicting vacation requests in a different manner where it determines that the specific circumstances at hand warrant another approach.

In addition to vacation, an employee may use his or her PTO for any of the following reasons:

- For an employee’s mental or physical illness, injury, or health condition, need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition, or need for preventive medical care.
- For care of a family member with a mental or physical illness, injury, or health condition, care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition, or care of a family member who needs preventive medical care.
- For any purpose for which an employee may take leave under the Oregon Family Leave Act.
- For any purpose for which an employee may take leave under ORS 659A.272, which entitles an employee to take leave under a variety of circumstances to address various issues or attend to various matters related to domestic violence, harassment, sexual assault, and stalking.
- For a public health emergency that results in the temporary closure of Rexius, the closure of the school or daycare center that the employee’s child attends, or the exclusion of the employee from the workplace under any law or rule that requires Rexius to exclude the employee from the workplace for health reasons.

If you wish to access PTO for any of these five reasons, you should provide your supervisor (who will provide such notice to the Rexius payroll personnel) with notice of your intention to access your bank of accrued PTO in the following manner: (a) if you become aware that you will need to access PTO 10 days or more before the first date that you will use the PTO, you must provide notice of your intention to use PTO at least 10 days in advance of taking the time off; (b) if you become aware that you will need to access PTO less than 10 days before the first date that you will use the PTO, you must provide notice of your intention to use PTO as soon as practicable after you know that you will be taking the time off.



Paid Time Off Policy (“PTO” – effective 1/1/16) ~ continued

When informing your supervisor of your need to use PTO for one of the five reasons listed above, it is not necessary to share with them the details of your situation. Rather, you can simply inform your supervisor that you need to use PTO for one of the reasons listed in the Company’s PTO policy. The Company’s payroll personnel may then follow up with you to obtain additional details to confirm your need for time off or to inquire about other details that Rexius needs to properly administer the time off and its PTO policy.

For all other types of PTO not specifically mentioned above, you should provide Rexius with notice of your intention to use PTO as soon as possible after you decide to take the time off or learn that you will need to take the time off.

Amount of PTO

During an employee’s first year with Rexius, the employee will earn one hour of PTO for every 30 hours that the employee works, if the employee is paid an hourly wage. Full-time, salaried employees who are overtime-exempt earn PTO at the same rate, except that, for purposes of calculating their PTO accrual, they are presumed not to work more than 40 hours in any workweek (meaning that a salaried employee does not accrue any PTO for overtime hours worked). For both hourly and salaried employees, PTO is capped at 40 hours during the employee’s first year with the company. A first-year employee cannot access his or her accrued PTO until the employee has been on the payroll for at least 90 days. After the first year, employees with 1500 or more hours worked will be fully vested in the # Hours PTO chart that follows. Otherwise, PTO hours earned for those years will be prorated based on the ratio of hours worked to 1500.

Employees on a part-time schedule will receive a pro-rated share of PTO proportionate to their hours worked (for example, an employee regularly scheduled to work 20 hours per week will receive 35 hours of PTO ($20 \times 52 = 1040 / 30 = 35$) at the beginning of the year containing their first work anniversary-see illustration below).

On termination of employment, Rexius will not pay out to the employee any unused PTO remaining in their PTO bank. For employees who are re-hired within 180 days after a previous separation from employment with Rexius, any previously accrued but unused PTO will be restored.

Any unused portion of the first 40 hours of PTO may be carried forward from any prior year earned to be used in a subsequent year, but the amount carried forward will not exceed 40 hours.

Calculation of PTO Hours, Use of PTO and Rate of PTO Pay

Rexius pays out PTO at the employee’s regular rate of pay (PTO for salaried employees is “built in” to their salary, so no additional compensation is paid when their PTO is taken). When an employee takes leave for any of the reasons specified in the five bullet points above, the employee may use PTO in increments as little as one hour. When an employee accesses PTO for any other reason (e.g., vacation), the employee must access PTO in at least eight-hour increments (and thus may need to wait until he or she has at least eight hours of PTO in their bank before taking leave).



Paid Time Off Policy (“PTO” – effective 1/1/16) ~ continued

Calculation of PTO Hours, Use of PTO and Rate of PTO Pay ~ continued

Starting with the year beginning 1/1/16, hours of PTO will be computed using the following schedule:

Complete Years of Service	# of hours of PTO
<1*	40 (*capped at 1 hour PTO for every 30 hours worked)
1 - 3	48
4 - 5	88
6 - 12	96
13+	136

To illustrate the calculation of “complete years of service”, consider the following example: An employee with an anniversary date of March 31, 2013 wanted to schedule PTO for 2016. The employee will have reached the third complete year of service at March 31, 2016, which falls in calendar year 2016. The employee would be entitled to 48 hours of PTO during the calendar year of 2016 and would be entitled to 88 hours of PTO in calendar year 2017. Thus, the employee would reach 3 complete years of service in calendar year 2016 and 4 complete years of service in calendar year 2017 for purposes of computing “complete years of service” and # of hours of PTO noted above.

Verification of Need to Access PTO

If you use PTO for more than three consecutive scheduled workdays, for one of the reasons listed in the five bullet points in the “Use of PTO” section, above, Rexius reserves the right to require that you provide verification from a health care provider of your need for the time off, or certification of your need to take leave for a purpose listed in ORS 659A.272, as the case may be. Certification of a qualifying reason to take leave under ORS 659A.272 must be provided in accordance with the provisions of ORS 659A.280. In addition, if Rexius suspects that you are fraudulently claiming a need to use PTO for one of the reasons listed in the five bullet points in the “Use of PTO” section, above (for example, you have a pattern of using unscheduled PTO on Fridays and Mondays), the company reserves the right to require medical verification or certification even if you have not used PTO for more than three consecutive scheduled workdays.

If you know in advance of using PTO that you will be taking the time off, then you must follow the notification procedures set out in the “Use of PTO” section, above. After you provide notice, Rexius will promptly inform you if it wants verification or certification of your need to use PTO. If Rexius requests verification or certification, you should provide it before your time off begins, wherever possible, and as soon as otherwise practicable if you are not able to provide verification or certification before starting your time off. When your need to access PTO is not foreseeable in advance, you should provide any requested medical verification within 15 calendar days after Rexius requests it, and any certification of a need to take time off for a reason listed in ORS 659A.272 within a reasonable time after Rexius requests certification. Rexius will pay any reasonable costs of obtaining a medical verification or certification that it requests (including any lost wages) that are not covered by a health insurance plan in which you are enrolled.



COBRA

COBRA (Consolidated Omnibus Budget Reconciliation Act) is a Federal law enacted in April 1986, that required employers to offer extended insurance coverage at group rates to any employees (or their dependents) who lose coverage for any one of a number of reasons. The coverage is on a self-pay basis by the employee.

It is important that you be aware of these rights should you or your dependents lose coverage for whatever reason. Please read the "General Notice of Continuation of Coverage Rights" included in Tab 4 of the HR manual, describing the circumstances under which COBRA applies.

Immediately after termination of your employment please notify the office on whether you wish to extend your insurance coverage.

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Benefit Programs

Rexius offers several benefit programs to its employees. You can obtain coverage for medical, dental, group life, and cancer/intensive care costs. You can also elect to participate in the Cafeteria Benefits Plan, which allows you to use the cost of your medical insurance premiums, out-of-pocket medical and dental costs and child and dependent care as a tax benefit, resulting in greater take home pay for you and your family. Copies of each plan are available at the main office and the necessary forms to be completed are included with this booklet. If you elect not to participate when you first become eligible or at annual enrollment, then decide later on to enroll, you may be at a disadvantage. See the Summary Plan Description for the Rexius Forest By-Products, Inc. Employee Benefit Plan in tab 4 of this manual for more details. You may also be eligible for the Company's retirement plan; see page 24 of this tab for further details.

A. Medical

Generally, all employees who work not less than 30 hours per week and are continuously employed for not less than three full calendar months (effective 8/1/14) are eligible for coverage. The plans in our three-plan design vary slightly as to their terms; you should examine the terms of the plans contained in the employee orientation packet carefully to determine which plan best suits your needs. Employee premiums for health insurance are paid partially by the employer and dependent coverage premiums are generally paid by the employee at a rate established by the carrier, which may change from year to year. Out-of-pocket costs for the employee are detailed in the Plan Summary included in the employee orientation packet of materials. These costs can be used as a tax benefit if the employee is a participant in the Cafeteria Benefits Plan - see the section on Cafeteria Benefits Plan on page 22-23 of this tab for further discussion.

The number of hours required for eligibility for the Health Insurance Plan may be modified at the discretion of the Directors or Officers, in the extremely rare instance where a government-required furlough or mandated work reduction order has been issued by government authorities.

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Benefit Programs ~ continued

B. Dental

All full-time employees (30 or more hours per week), their spouse and any dependent children less than age 26 (effective 6/1/10) are eligible for coverage. Employee and dependent coverage premiums are generally covered by the employee at a rate established by the carrier, which may change from year to year. Out-of-pocket expenses usually range from 0% to 75% depending on the type of claim (as detailed in the Plan Summary in your Benefits Section of the Human Resource Policy Manual), after an annual per-person deductible. Further details of the Plan are available at the main office. Out-of-pocket costs can be used as a tax benefit if the employee is a participant in the Cafeteria Benefits Plan - see page 22-23 of this tab for further discussion.

C. Family Cancer Plan/Intensive Care

Employees working not less than 20 hours per week who are continuously employed for one FULL calendar month are eligible for coverage. Employee premiums are paid by the employer UP to \$10.00 monthly for Cancer Care coverage. The employee chooses the coverage desired and pays out-of-pocket for the balance of that coverage cost.

The Intensive Care coverage is paid out-of-pocket by the employee and varies according to the policy coverage chosen. These costs can be used as a tax benefit if the employee is a participant in the Cafeteria Benefits Plan. The local (Eugene) representative annually presents the choices that will best cover your needs.

D. Group Term Life Insurance

The Company, at no cost to the employee, provides a group-term life insurance and accidental death and dismemberment policy, each providing a \$20,000 benefit to your beneficiary if you die while insured under the group policy. To be eligible for coverage, you must regularly work not less than 20 hours per week. For further information, a copy of the plan is available in the main office. Dependent coverage (\$1,000 benefit per dependent) is also available under the plan.

E. Short-Term Disability

This policy provided at no cost to the employee, provides income protection for up to 26 weeks for an employee who is disabled as a result of covered event. Eligible employees are those who work not less than 20 hours per week. The maximum short-term disability is 70% of the employee's basic weekly income, up to a maximum weekly benefit of \$350.00. For more information, a copy of the plan is available in the main office, and additional plan information can be found in Tab 4 of this manual.



Flexible Compensation & Cafeteria Benefit Plan

Employees who have worked one calendar month or more are eligible to participate in the Cafeteria Benefits Plan. A participant in the Plan can choose from all or any of the following:

1. **Health Expense reimbursement benefits.** (Medical, Dental, Cancer/Intensive Care premiums or out-of-pocket costs).
2. **Child and Dependent Care reimbursement benefits.**

Participation in these programs can mean more after-tax take home pay for you and your family. By electing to reduce your salary by amounts that would likely otherwise be out-of-pocket expense with no tax benefit, you reduce your taxable income, thereby increasing your after-tax take home pay. Consider the following illustration for a married employee filing a joint return in 2XX1 with salary of \$25,000 who agrees to reduce salary by \$2,000 for medical insurance premiums and other out-of-pocket medical expenses. Without the salary reduction elections, the \$2,000 would still be paid as out-of-pocket expenses; the difference is that with no election to reduce salary, no tax benefits are achieved. Enrollment in this program is only available once a year on the anniversary date (Aug 1 as of 8/1/16).

Example Cafeteria Plan Illustration			
	No Cafeteria Plan Election Without Salary Reduction	With Cafeteria Plan Election With Salary Reduction	
Salary	\$25,000	\$25,000	
Salary Reduction	0	(2,000)	
Taxable Income	\$25,000	\$23,000	
Taxes			
Federal	(3,750)	(3,450)	
FICA (employee portion)	(1,913)	(1,760)	
After Tax Take Home Pay	19,337	17,790	
Employee pays medical insurance premiums and out-of-pocket expenses	(2,000)	(2,000)	
Employee is reimbursed for medical insurance premiums and out-of-pocket expenses	0	2,000	
Spendable Income	\$17,337	\$17,790	
The After Tax Savings in this scenario (\$17,790 - \$17,337) is \$453			

For the sake of simplicity, the example does not take into account state tax, exemptions or deductions in arriving at taxable income. The \$453 after tax savings achieved by reducing salary (for expenses that would be paid out anyway) represents a 22.65% (15% Federal, 7.65% FICA) savings of the \$2,000 spent for medical insurance premiums and other costs. In other words, you would have paid \$2,000 for medical costs by not participating, but only \$1, 547 by participating in the Plan.

Participant should be aware that unused benefits cannot be carried over from one year to the next. For instance, if a participant reduces salary by \$500 as a result of this estimate of out-of-pocket expenses for the year, and only incurs \$450 of eligible expenses, the remaining \$50 will be lost. However, this potential problem can be minimized if participants can conservatively estimate their expenses. See the Summary Plan Description included in tab 4 of this manual for further details.



Retirement Plans

SEP IRA (through 2004)

The Company at its discretion, when the SEP IRA was in effect, made contributions to a SEP-IRA (Simplified Employee Pension - Individual Retirement Account) retirement plan on behalf of its eligible employees, to an account established by the employee.

Eligible employees were those who had attained the age of 21 and received at least \$396 (1994) in compensation during the year, as well as having performed service for the Company for at least 3 of the last 5 years.

Contributions to the plan were determined at the discretion of management and were allocated to eligible (didn't have to be active) employees in accordance with IRS requirements.

Starting 1/1/05, the Company discontinued the SEP IRA Plan in favor of establishing a "401k" Plan (see below).

401K (beginning 1/1/05)

Effective 1/1/05, eligible employees (those who reach 21 years of age and one full year of service with at least 1000 hours worked) may elect, on a "pre-tax" basis, to defer a percentage of their wages into a retirement account in their name. If you are eligible, you may make or modify your election two times each year (by January 1 and July 1). The Company may elect to make a matching contribution equal to a percentage of the amount the participating employees elect to defer. Should the Company elect to make a match, it would likely be announced late in the Plan year. Further details about the Plan are described in Tab 4 of this Manual.



Employee Accounts Receivable

Employees may use their employee discount to purchase goods from the Company. Company policy dictates that employee charge accounts are to be kept current by paying for charges within 30 days.

Charges to other vendors, (e.g. for parts purchases, vehicle repairs, etc.) that are billed to the Company must be approved by the Shop Manager and the Credit Coordinator via purchase order. Charges are not to exceed \$200.00, unless previous arrangements have been made through the office. A service charge of \$10.00 per invoice may be added to each charge.

Unless prior arrangements have been made between the Company and the employee, any employee account whose balance has been outstanding for 60 days or more will be offset by payroll deductions as authorized by the employee. In addition, further charges will be restricted until the outstanding balance has been paid in full. Deductions per pay period will not exceed \$50.00, unless other arrangements have been made between the Company and the employee. In the event a terminated employee has an account balance, any such balance will be due in full from the terminated employee at the time their final check is paid.

Employment Policy related to - Employment of Relatives of Company Employees

From the date of this policy forward (4/99), employment of any relative (spouse, child, parent or any other "blood" relative or any person related by marriage) of any Company employee will be subject to the following guidelines:

- 1) Employment of a related person in the same department as another related person or where a supervisory/subordinate relationship exists with another related person will be strongly discouraged.
- 2) Any "related person" employee will be subject to the same qualification criteria, expectations, market based compensation and performance related standards as any other employee in a similar position.
- 3) Any performance reviews of a related person will be conducted and approved by someone other than a related supervisor.



Employee Business Expenses and Charges

Any amounts advanced to or charged or requested by employees for valid business expenses, including business use of personal vehicles and company Visa cards, will require appropriate documentation (forms available in the office). All charges are to be for company business only - no personal charges. All receipts are to be turned into the office promptly. (Any charge without a receipt turned in may be charged to that individual's Rexius charge account and be subject to finance charges (1.5% per month) and payroll deductions for past due amounts.) If you have charges for meals or entertainment, the Visa receipt should be accompanied by a "business meals and entertainment" form (available in the office), filled out completely including the business purpose of the expense. Employees will be billed monthly for personal use of company property. Unauthorized use of company property (phones, copiers, fax machines, computers and the like) is forbidden.

Employees driving company-owned vehicles are required to submit a monthly accounting of personal mileage and will receive a bill for personal use of company vehicles. Personal use of these vehicles is to be kept to a minimum (e.g. commuting to and from work).

When employees are traveling on company business, the following items are considered examples of non-reimbursable (or personal) expenses:

Any business expense not supported by documentation (original invoice/receipt) - will be charged to employee's personal account; includes meal and entertainment expense not accompanied by completed meal and entertainment form (MUST have names of people/company and business purpose of the expense).

Note also that any cash advances not used (and not accompanied by receipt) are expected to be returned; any amounts not returned by employee are treated as additional compensation.

- ◆ Expenses which are not Rexius-business related.
- ◆ Alcoholic beverages.
- ◆ Spouse or family member's travel cost.
- ◆ Telephone calls which are non-business-related.
- ◆ Lost/stolen cash or personal property.
- ◆ Personal items and services, e.g. toiletries, luggage, clothes, haircuts, shoeshine, etc..
- ◆ Avoid expenses for non-business-related activities such as sightseeing, tours etc.
- ◆ Traffic citations, parking tickets and other fines.
- ◆ Additional charges incurred for personal reasons involving vehicle rentals.
- ◆ Pay for viewing movies in hotel/motel room.
- ◆ Personal entertainment.
- ◆ Extra costs for additional person(s) in room.
- ◆ Additional charges for late checkout or un-canceled guaranteed reservations (unless justified).
- ◆ Extra baggage charges for personal items, such as golf clubs, skis, etc.
- ◆ Flight/Trip insurance.



Company Policy Regarding Computer/Device Use

The Company's network of computer users has grown to well over 50 users from the original 11 users when we had the network installed in 1994. As a result, the amount of maintenance, training and security concerns has grown considerably, especially with the addition of remote sites (e.g. Portland), use of messaging (eg e-mail, texts, posts, etc), the internet and social media sites (including but not limited to Facebook, My Space, Linked In, Twitter and others).

The terms "Company computers/devices", and "Company software" may now include but not be limited to Company issued/authorized desktop or laptop computers, copiers, fax machines, telephones, cell phones, and smart phones. These policies also pertain to "messaging" (which may include, but are not limited to e-mail, voice mail, text messages, social media posts) and various on line services and/or social media accessed using the aforementioned Company issued/authorized devices. "IT" refers to those responsible for administration of Information Technology, previously referred to as "Network Administrator(s)".

Given these factors, we hereby state our computer/device usage policies as follows:

1. Company computers/devices are primarily for business use and are only to be used to by those users given authority to use them by IT. Anyone not assigned passwords for these devices is not an authorized user. Personal use (including, but not limited to, use of games, accessing internet sites and social media) of Company computers/devices is not permitted unless authorized by IT.
2. All network users are to be provided with e-mail accounts for business related "messaging". Such messaging (eg including but not limited to e-mail, texting, and posting content to internet/social media sites) is to be used primarily for business purposes and should never be used in an inappropriate manner. Inappropriate use includes, but is not limited to, use of messages in order to compromise confidential Company information or to harass, threaten or offend in any way. See additional details regarding use of Internet, e-mail, messaging and social media in the related policies noted below on 1.35 to 1.37.
3. Due to security concerns (including acquisition of computer viruses and files which conflict with system files), Internet access (including but not limited to use of social media, accessing the Company network using VPN's (Virtual Private Networks) is to be limited primarily to business purposes. Those users who have been given authority to access the Internet using Company devices will be subject to monitoring. Users will have no reasonable expectation of privacy since the Company devices and their contents are property of the Company.
4. No software (including but not limited to games) is to be installed on the network or a network computer/device without IT approval. A virus/malware/spyware check should be done by IT on any software prior to installation on any Company device. Any copying of system software programs may be subject to software piracy remedies imposed by the software vendor. Copying of company software or data files onto tapes, disks or any other media must also have IT approval.
5. Each user is responsible for maintaining a confidential password and must inform IT if the password security or privacy of any user from other users has been breached.
6. Each user is responsible for maintenance of their "persdir" (personal data directory) and e-mail, including storage of data, picture and sound files in appropriate drives/directories. This maintenance may include but not be limited to deleting unneeded files and messages. If a user is unsure of how to perform these maintenance procedures, they should contact IT. Files or messages "deleted" in error may still be recoverable within a certain amount of time.



Company Policy Regarding Computer/Device Use ~ continued

7. Employees are not to gain access to or read e-mail or other messages that are not addressed or directed to them. Employees should recognize that e-mail and other messages on Company devices are not necessarily private or protected from disclosure. All computer files and communications/messaging of any kind are considered company records.
8. Each user should exercise judgment in their use of files on the shared "G:" drive, considering that these files may be accessed by anyone on the network. Only data files of a non-sensitive nature should be stored on the G: drive and users putting files there temporarily are responsible to remove them if necessary.
9. Violations of these policies may be subject to disciplinary procedures as outlined in the company Human Resources Policy Manual (see tab 1, pp 8, 9 of this manual under "Employee Conduct").

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Use of Internet and Social Media

Social networking websites and on-line communities, such as Facebook, My Space, LinkedIn, Twitter and others are growing in usage and can be accessed by individuals not only from computer systems, but also from Smart Phones. These devices are considered "extensions" of our Company network and thus, are considered subject to the same policies as other Company devices. These tools may be used to market Company products and share information. Company employees may use these systems as quick communications and networking tools to complete projects. It is not the intent of this policy to unduly limit individual's access to these potential sources of information. It is the intent, however, of this policy to provide guidelines and point out expectations and liabilities inherent in such use. When any employee is using Company provided computers or cell phones, or when representing or reflecting the Company with social networking activity, employees are expected to represent the Company in a professional and positive light. Failure to do so, or engaging in any activity that damages our reputation or business is unacceptable and will be the basis for serious consequences.

Our commitment is to build an organization that can use social networking to its advantage while minimizing the downsides of these media. We want all employees to be free of all forms of harassment and/or unprofessional behavior. Employees need to abide by all applicable laws, including copyright law and ethical considerations.

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Continues on next page



Use of Internet and Social Media ~ continued

1. Posting on Social Media

Business Use

Employees may use social networking websites to conduct Company business, as long as it is authorized and meets Company policies. Company logos or information must conform to pre-approved marketing concepts and standards. We do not endorse making business references for others on sites such as LinkedIn.

Personal Use

Consistent with the Company Policy Regarding Computer Use (noted above), personal use of Company devices to access social networking sites is to be limited to incidental use and must not hinder work productivity. If posted items may be construed as the employee supporting, endorsing or opposing Company viewpoints, an explicit statement that the views represented are only those of the individual and not the Company should be included. **An example of such a statement is as follows:**

The contents, including all opinions and any views expressed, are solely those of my own and do not necessarily represent the views or opinions of anyone else, including the Company or any employees of said Company.

Company information is proprietary and confidential and no such information, including names of employees, phone numbers or e-mail addresses should be shared on any public forum. Refrain from making any claims regarding Company products or services that reflect negatively on the Company.

Business Relationships

Company relationships with clients, customers and partners are valuable and should be treated with care, including on-line interactions. Understand that on-line postings and comments are not private and may be around indefinitely. Given this, avoid posting comments or photos involving these individuals, unless you have explicit permission to do so. The same should be considered when posting copyrighted information. Defamatory statements are never acceptable.

Be aware that in all of your work, especially with on-line product, all content associated with you or the Company is consistent with what are our joint professional standards and sound judgment.

2. Monitoring of Social Media Use

While the Company does not routinely monitor social networking sites, other employers, organizations, and individuals do monitor and share information found on social networking websites. Again, posted information is public information.



Use of Internet and Social Media ~ continued

3. Protection from Social Media Sites

Social networking sites collect profile information for advertising opportunities and criminal reasons. Phishing (e-mails asking for username and passwords, etc.) and spamming are two downsides of social media use. Never click on links asking for personal or confidential information. Heed security warnings and pop-ups. Use of these sites may mean more SPAM sent to your e-mail account. If possible, disable the ability of others to post HTML comments to your home page. When accessing these sites use caution when you see a posting or link that looks suspicious and when in doubt, delete it. Viruses and spyware exposure may damage the Company operating system, compromise data, or expose your privacy and that of others you communicate with via e-mail and social media sites.

Be aware that others may piece together personal information for identity theft purposes. Be prudent in making comments or posts which would tell others about your or others' travel plans or divulge other relevant safety/privacy concerns.

4. Employee Retention and Recruiting

The Company may access social networking sites for employee or prospective employee activity. Any information gathered showing inappropriate or unprofessional behavior pointing to discriminatory views regarding any protected class, violation of any state, federal or local employment laws, or poor judgment in regards to alcohol or illegal drugs, may reflect negatively in hiring or promotion decisions. If such views or behaviors are substantiated, it may mean adverse impact to an individual's retention or recruitment.

Failure to adhere to these standards and to use appropriate protocols will lead to further disciplinary action, up to and including termination.



Cell Phone and Telephone Usage (including “Smart Phones”)

The Company realizes that employees must occasionally make and receive personal telephone calls at work. Such calls must be held to a minimum, and should impact your work as little as possible. Unauthorized use of the telephone or cell phone, including charging long distance calls to the organization, may result in corrective or disciplinary action.

Where job or business needs necessitate immediate access to an employee, the organization may provide/require a business cell phone for work-related communications. It is expected that this phone will not be used as a substitute for a personal cell phone during work hours, but is primarily for business use. Business cell phones are not to be used for any non-work related purposes to access videos, pictures, news updates, stocks, sports, or any other such information. Any such use of personal phones for these purposes must be limited to breaks and lunches. Any phone charges incurred by an employee for the personal use of an organization-provided cell phone will be the sole responsibility of the employee. Company-issued cell phones must be used with care to protect from loss, damage, or theft, and must be returned immediately upon separation from employment.

Personal calls during the workday using personal cell phones can be distracting to others and interfere with employee productivity. Therefore, it is expected that employees will refrain from unnecessary use of cell phones while on the job. As a reminder, cell phone voice and text messages on Company issued devices and/or during time on the job are not private and may be accessed. (See Harassment Policy tab 2.1).

The use of a cell phone while driving may present an unsafe condition for the driver, other employees and the general public. Therefore, the Company strongly discourages the use of cell phones while driving. In cases where a cell phone call seems necessary, employees must adhere to all federal, state, and/or local rules and regulations regarding such to help ensure the safe operation of both Company and private vehicles. If a driver is using a cell phone while driving, and has an accident, any costs, fees, and fines may be the responsibility of the driver.

Acknowledgement – Use of Computer, Internet, Social Media, Messaging and Phones Policies (from pages 1.26-1.29 of HR Policy manual)

As a computer/device user on the Rexius Forest By-Products, Inc (Company) network, I hereby give my consent to allow Internet use and e-mail messaging monitoring by the Company. I understand that the onset of computer viruses through the Internet and through email/messaging threatens the security of Company information. Use of Company computers/devices, hardware and software is primarily for business use and any unauthorized use is against Company Policy. Violation of this policy may be grounds for dismissal.

I understand that should I refuse to give consent for Internet or email/messaging monitoring, that any authority granted to be a user on the network may be removed.

Employee Name

Employee Signature

Department

Date



Policy Regarding Employee use of Company Equipment

It is generally against Company policy to use Company owned equipment for personal (non-business) use and this practice will be discouraged. These guidelines are to be applicable to Company vehicles. Personal use of any other Company equipment (including parts, tools) will be forbidden unless such equipment is not available from any other source. However, exceptions in emergency situations may be considered, under the following conditions:

1. Any employee use of Company equipment will be for the employee and the employee only (not for neighbors, in-laws, friends, etc) and in no case will the employee engage in activities with Company equipment for their own profit or financial gain. Violation of this provision could be grounds for dismissal.
2. Any personal use of Company equipment is to be authorized by the Manager of the department in control of the equipment. The Manager will maintain a log of where the equipment is, who has it and when it is to be returned.
3. The Company equipment to be used for personal purposes will be subject to a before and after use inspection. It is expected that the equipment will be returned in the same or better condition than it was when it left Company premises. Any maintenance to be performed as a result of the employee's personal use will be the employee's responsibility.
4. Any employee permitted to use Company equipment for personal use MUST be trained to use the equipment. The employee will do so at his or her own risk and by that usage hereby agrees to hold the Company harmless from any liability, loss, damage, injury, etc. resulting from the employee's personal use of the Company equipment.

Employees driving company-owned vehicles are required to submit a monthly accounting of personal mileage and will receive a bill for personal use of company vehicles. Personal use of these vehicles is to be kept to a minimum (e.g. commuting to and from work).



Non-Employee Passengers in Company Equipment

It is generally against Company Policy to have non-employees (hereafter referred to as “passengers”) riding in Company owned equipment (please also refer to page 1.29 of this manual). However, the Company recognizes that there may be certain situations where having passengers may enhance or promote employee morale and the family unit, which is consistent with our Company Mission Statement. Therefore, exceptions may be considered, under the following conditions:

1. No passengers under the age of 12 years will be permitted. Only direct family members will be permitted as passengers.
2. Only as many passengers as there are seatbelts in the vehicle will be permitted. The seatbelts must be worn at all times
3. The employee is responsible for seeing that any passengers remain secure in the vehicle any time the vehicle is in use or on Company, Customer or Vendor business. The employee is also responsible for seeing that all Company Safety Procedures are followed by the employee and any passengers
4. The employee and any passengers (or any person or entity representing the employee or passenger) hereby agree from this date forward to hold the Company harmless from any liability, loss, damage, or injury incurred in presence in, the Company equipment.
5. Each time an employee has a passenger in a Company vehicle, prior approval is required by having this Agreement signed by the appropriate department manager. This Agreement is to be filed in the employee’s personnel file.

Passenger Name(s) :

Relationship to Employee:

Employee Name

Employee Signature

Department

Date

Request Approved

Request Declined

Manager Name

Manager Signature

Date



SUPPLEMENTAL POLICY FOR EMPLOYEES IN THE REXIOUS LANDSCAPE DIVISION

Workplace Requirements

JOBSITE CONDUCT

Employee attitudes, actions and conduct greatly affect our customers' perception of Rexius. For purposes of maintaining a professional image and striving toward a pleasant work atmosphere for fellow employees, the following jobsite conduct policies are set forth.

- A. Always speak and act in a polite manner to all customers regardless of circumstances.
- B. Never discuss negative opinions regarding customers or other employees on jobsite.
- C. Keep jokes clean and in good taste. Avoid use of language that may be offensive to or considered in poor taste by customer or fellow employees.
- D. Radios and tape players are not allowed on jobsites. Radios in trucks may be used only when working in close proximity to the truck. Radios may be used when working on Company premises.

I. UNIFORMS, DRESS, PERSONAL APPEARANCE

Like jobsite conduct, employee appearance significantly impacts the public perception of Rexius. Following are policies and expectations Rexius has set forth to help establish and maintain the appearance of professionalism among the work force.

Where this policy is silent or open for interpretation Rexius Management reserves the right to set the standard.

A. CLOTHING AND UNIFORMS

- 1. Each employee is supplied with five uniform shirts. These shirts remain property of Rexius and must be returned upon termination of employment. Shirts must be worn at all times. They must be clean daily and wrinkle free. When uniforms shirts wear out, Rexius will provide new ones.
- 2. Pants or overalls are supplied by the employee. They are to be blue, black, khaki and constructed of cotton or denim material. Your pants are to be clean when you arrive at work. There are to be no tears or ragged edges on your pants. Mended and patched pants are acceptable within reason. No camouflage.
- 3. Short pants of any type are strictly forbidden.

B. PERSONAL HYGIENE

- 1. Hair must be clean, controlled and neat appearing. It must be clear of the face and eyes. Hair must be styled and kept so as to present a professional image to Rexius's customers.
- 2. Facial hair is allowed if it is kept trimmed and is neat appearing.
- 3. Employees must shave every day before work
- 4. Excessive visible tattoos are not allowed. Rexius Management will determine what is excessive. Employees may be required to cover tattoos.
- 5. Personal cleanliness must be strictly maintained.
- 6. If any male employee decides to grow a ponytail or beard, Rexius Management must be notified in advance. Management may require that ponytails be kept in hats.

ACKNOWLEDGEMENT

By signing below, the employee indicates they understand the above policy and agree to abide by the "Workplace Requirements" as outlined.

Employee Name	Employee Signature	Department	Date
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Rest Period Policy

Our Company policy for rest periods, in conjunction with Oregon Administrative Rules (OAR) 839-020-0050 and 839-021-0072, is as follows:

We provide PAID rest periods of at least 10 minutes for adults and 15 minutes for minors during each four hours (or major portion) of work time. As far as possible, the rest period is to be taken in the middle of work segments and cannot be added to meal periods or used to adjust scheduled working hours.

In addition, adult employees must receive a 30-minute minimum meal period if the work shift is between six and eight hours in length. The meal period may not be taken in the first hour(s) or the last two hours of the work shift and should be taken as close to the middle of the work shift as possible. Minors must receive a 30-minute minimum meal period beginning no later than five hours and one minute after reporting to work. In both instances, the employees are to be relieved of all duties during the meal period, unless the nature of circumstances of the work prevents the employee from being relieved, in which case the employee must be paid for this time. Minors under 16 years of age must be relieved from all duties unless a permit is obtained from the Wage and Hour Division.

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Acknowledgement – HR Policy Manual and Handbook

I have read and understood the Human Resource Policy Manual including the Employee Handbook of Rexus Forest By-Products, Inc.

My signature represents my agreement to comply with the terms of this manual, including the various specific areas of the manual requiring my signature, which are hereby incorporated by reference.

Employee Name

Employee Signature

Department

Date

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