Watson Excavating inc.

Employee Handbook

Welcome to Watson Excavating Inc.

Welcome New Employee:

Thank you for joining Watson Excavating Inc.! We hope that together we can make a great contribution to the excavating industry, and that you will find your employment at Watson Excavating Inc. a rewarding experience. We look forward to the opportunity of working together to create a more successful company. We also want you to feel that your employment with Watson Excavating Inc. will be a mutually beneficial and gratifying one.

You have joined an organization that has established an outstanding reputation for quality and exemplary customer service. Credit for this goes to everyone in the organization. We hope you, too, will find satisfaction and take pride in your work here. As a member of Watson Excavating Inc.’s team, you will be expected to contribute your talents and energies to further improve the environment and quality of Watson Excavating.

This Employee Manual should provide answers to the questions you may have about Watson Excavating, Inc.’s benefit programs, as well as company policies and procedures. You are responsible for reading and understanding this Employee Manual. If anything is unclear, please discuss the matter with your supervisor.

I extend to you my personal best wishes for your success and happiness at Watson Excavating Inc.

Sincerely,

Lynn Watson, President   
Watson Excavating Inc.

1250 Comly Road

Turbotville, PA 17772

Notice to New Employees

IMPORTANT NOTICE - PLEASE READ

Employment Relationship

**This Employee Handbook does not constitute an express or implied employment contract. Although this Handbook describes the general guidelines of Watson Excavating Inc.’s rules and policies, it is not binding on Watson Excavating Inc. Watson Excavating reserves the right unilaterally to change, revise or discontinue its rules and policies, or terminate the employment of any employee with or without notice and with or without cause. Likewise, employees are free to terminate their employment at any time.**

**No employee, manager or other agent of Watson Excavating, other than the President, has the authority to enter into any agreement contrary to the above or to enter into any agreement with any employee for any specified period of time. Any amendment to the foregoing must be in writing and signed by the President.**

**This Handbook supersedes and voids all previous Watson Excavating policies and practices, which may be inconsistent in any way with that stated herein.**

Employee Benefits

**The information contained in this Handbook is only a brief summary of the benefits which Watson Excavating Inc. offers its employees. For a full explanation of particular benefits, all employees should consult, where applicable, the specific plan documents themselves. If the benefit summaries contained in this Handbook conflict with any statement contained in the formal plan documents, those plan documents supersede anything contained in the Handbook.**

**Watson Excavating, by action of the President, or his designee, reserves the right to interpret, apply, alter, amend, modify or discontinue any or all of the benefits provided employees at its sole and absolute discretion. Watson Excavating will attempt to inform employees as promptly as possible of any changes in benefits; however, this is not always practical or possible and, where this is the case, Watson Excavating reserves its right, in its sole and absolute discretion, to make changes in employee benefits without prior notice.**

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|  | **Watson Excavating Inc. Core Purpose**  **“Clearing the path to enrich the lives of others”** |
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|  | **Watson Excavating Inc Core Values**  **Professionalism**  **Reputation**  **Dependability**  **Honesty**  **Helpfulness** |
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**Watson Excavating Inc. Promise**

# We will provide dependable service with excellent workmanship, completed efficiently, with honesty, and integrity

The Watson Excavating Inc 3 Year Vision

Watson Excavating has transformed into a well-known and dependable service provider in the Central Pennsylvania region. We have exceeded our revenue target of eight million dollars and have grown our team of associates to sixteen. We are known in the area as a dependable multi-service provider that allows customers to focus on what is important for them as we manage a streamlined project from the beginning to the end.

What You Can Expect from Watson Excavating

Watson Excavating believes in creating a harmonious working relationship between all employees. In pursuit of this goal, Watson Excavating has created the following employee relations objectives:

1. We will provide an exciting, challenging, and rewarding workplace and experience.
2. We will select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to age, sex, color, race, creed, national origin, religious persuasion, marital status, political belief, or a disability that does not prohibit performance of essential job functions.
3. We will compensate all employees according to their effort and contribution to the success of our business.
4. We will review wages, employee benefits and working conditions regularly with the objective of being competitive in these areas consistent with sound business practices.
5. We will provide eligible employees with health and welfare benefits.
6. We will assure employees, after talking with their Crew leader, an opportunity to discuss any issue or problem with officers of Watson Excavating.
7. We will take prompt and fair action of any complaint which may arise in the everyday conduct of our business, to the extent that is practicable.
8. We will respect individual rights, and treat all employees with courtesy and consideration.
9. We will maintain mutual respect in our working relationship.
10. We will provide offices and job sites that are comfortable, orderly and safe.
11. We will promote employees on the basis of their ability and merit.
12. We will make promotions or fill vacancies from within Watson Excavating whenever practical.
13. We will keep all employees informed of the progress of Watson Excavating as well as the company’s overall goals and objectives.
14. We will promote an atmosphere in keeping with Watson Excavating’s vision, mission, and goals.

What Watson Excavating Expects from You

Watson Excavating needs your help in making each working day enjoyable and rewarding. Your first responsibility is to know your own duties and how to do them promptly, correctly and pleasantly. Secondly, you are expected to cooperate with management and your fellow employees and to maintain a good team attitude.

How you interact with fellow employees and those whom Watson Excavating serves, and how you accept direction can affect the success of your crew. In turn, the performance of your crew can impact the entire service offered by Watson Excavating. Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability.

You are encouraged to grasp opportunities for personal development offered to you. This handbook offers insight on how you can perform positively and to the best of your ability to meet and exceed Watson Excavating’s expectations.

We strongly believe you should have the right to make your own choices in matters that concern and control your life. We believe in direct access to management. We are dedicated to making Watson Excavating a company where you can approach your supervisor, or any member of management, to discuss any problem or question. We expect you to voice your opinions and contribute your suggestions to improve the quality of Watson Excavating. (Please take a look at the “Suggestions,” Policy under the Communication section.) We’re all human, so please communicate with each other and with management.

Remember, you help create the pleasant and safe working conditions that Watson Excavating intends for you. The result will be better performance for the company overall, and personal satisfaction for you.

# Employment

## Introductory Period

Your first **Ninety (90) days** of employment at Watson Excavating are considered an Introductory Period, and during that period you will not be eligible for benefits described in this Employee Handbook unless otherwise required by law. This Introductory Period will be a time for getting to know your fellow employees and the tasks involved in your job position, as well as becoming familiar with Watson Excavating services. Your crew leader or supervisor will work closely with you to help you understand the needs and processes of your job.

This Introductory Period is a “getting acquainted” time for both you, as an employee, and Watson Excavating as an employer. During this Introductory Period, Watson Excavating will evaluate your suitability for employment, and you can evaluate Watson Excavating as well. Please understand, however, that completion of the Introductory Period does not guarantee continued employment, as employment is always at-will. You are free to terminate your employment at any time, with or without reason, and Watson Excavating Inc. may choose to terminate your employment at any time, with or without reason.

At the end of the Introductory Period, your supervisor will discuss your job performance with you. This review will be similar to the job performance review that is held for regular full-time or part-time employees on an annual basis.

A former employee who has been rehired after a separation from Watson Excavating for more than one (1) year is considered an introductory employee during their first ninety (90) days following rehire.

**Anniversary Date**

The first day you report to work is your “official” anniversary date. Your anniversary date is used to compute various conditions and benefits described in this Employee Manual.

**New Employee Orientation**

On your first working day, you will be asked to complete employment paperwork. You will be sent to a testing laboratory for a pre-employment drug and alcohol test. Depending on your department’s workload, your supervisor will introduce you to your co-workers. Please feel free to ask your colleagues any questions not answered during your orientation.

## Attendance

Watson Excavating would like you to be ready to work at the beginning of your assigned daily work hours, and to reasonably complete your projects by the end of your assigned work hours. Please let your crew leader know if you will be away from your work station for an extended period of time and when you expect to return.

**Our work day starts at 6:30 am – 5:00 pm**

## Absence or Lateness

From time to time, it may be necessary for you to be absent from work. Watson Excavating is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside your work hours may arise. Let your supervisor know if you will not be coming to work. **Call or text 570-490-0805 or 570-772-4724.**

If you are unable to report to work, or if you will arrive late, please contact the office immediately. If you know in advance that you will need to be absent, (whether for vacation or personal reasons), please request this time off directly with your supervisor. There are **Vacation Request Forms** in the office. Time off must be requested in writing and approved in advance by the supervisor.

When you call the office to inform Watson Excavating of an unexpected absence or late arrival, simply ask for the supervisor. If you’re arriving to work late, please let him know when you expect to arrive for work. If you are unable to call in yourself because of an illness, emergency, or for some other reason, be sure to have someone call for you.

Absence from work without calling will result in termination. No Call /No Show equals Termination.

If you are absent because of an illness for three (3) or more successive days, the office will request that you submit written documentation from your doctor stating you are able to resume normal work duties before you will be allowed to return to work.

A consistent pattern of questionable absences can be considered excessive, and may be cause for concern. In addition, excessive lateness or leaving early without letting your supervisor know will be considered a “lateness pattern” and may carry the same weight as an absence. Other factors, like the degree and reason for the lateness, will be taken into consideration.

The office will make a note of any absence or lateness, and their reasons, in your personnel file. Be aware that excessive absences, lateness or leaving early may lead to disciplinary action up to and including termination.

## Severe Weather and Emergency Conditions

In the event of severe weather conditions or other emergencies, your supervisor may decide to close Watson Excavating Inc. for the remainder of the day. As such, you will be notified as soon as possible by your supervisor.

## Equal Employment Opportunity

Watson Excavating Inc. is an equal employment opportunity employer. Employment decisions are based on merit and business needs, and not on race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental handicap/disability, marital status, veteran status, political affiliation, or any other classification protected by law. Reasonable accommodation is available to all qualified individuals with a disability, where their disability affects the performance of job functions, unless the requested accommodation would create an undue hardship for Watson Excavating Inc.

Management is primarily responsible for seeing that Watson Excavating’s equal employment opportunity policies are implemented, but all members of the staff share in the responsibility for assuring that by their personal actions the policies are effective and apply uniformly to everyone.

## Medical Examinations

Watson Excavating reserves the right to require employees’ participation in a preemployment drug and alcohol examination for new employees. All such medical examinations shall be paid for by Watson Excavating.

## Non-Harassment Policy

### Need For a Policy

Watson Excavating strives to create a work environment where all individuals are treated fairly, with respect and where personnel decisions are clearly made on the basis of job qualifications and merit.

It is the policy of Watson Excavating to employ, train, compensate, promote, and provide other conditions of employment without discrimination due to race, color, religion, national origin, sex, age, handicap, veteran status or other classification protected by federal, state, or local law.

Any form of harassment based on race, color, religion, national origin, sex, age, handicap, veteran status or other classification protected by federal, state, or local law (hereinafter “harassment”) is discriminatory and unprofessional and will not be tolerated by Watson Excavating.

### Definition Of Harassment

Generally, harassment includes any conduct that unreasonably interferes with an individual’s work performance or creates an intimidating, hostile or offensive working environment. Such conduct includes, but is not limited to, any slurs, epithets, threats, derogatory comments, unwelcome jokes, teasing and/or similar verbal or physical conduct.

### Definition Of Sexual Harassment

The definition of sexual harassment, in particular, has been the subject of some confusion. For purposes of this policy, sexual harassment is defined as unwelcome or unwanted conduct of a sexual nature (verbal or physical) when: 1) submission to or rejection of this conduct by an individual is used as a factor in decisions affecting hiring, evaluation, promotion, or other aspects of employment; or 2) this conduct substantially interferes with an individual’s employment or creates an intimidating, hostile, or offensive work environment to the employee or for other employees even when they are not parties to the harassment.

Examples of sexual harassment include, but are not limited to, unwanted sexual advances; demands for sexual favors in exchange to favorable treatment or continued employment; offensive sexual jokes, flirtations, advances, or propositions; verbal abuse of a sexual nature; graphic verbal commentary about an individual’s body, sexual prowess or sexual deficiencies; leering, whistling, touching, pinching, assault, coerced sexual acts or suggestive insulting, obscene comments or gestures; and display in the workplace of sexually suggestive objects or pictures.

### Individuals Covered Under the Policy

Harassment is a serious violation of Watson Excavating’s policies. This policy covers all Watson Excavating employees. Watson Excavating will not tolerate, condone, or allow harassment, whether engaged in by fellow employees, managers, customers or non-employees who conduct business with Watson Excavating. Watson Excavating encourages reporting of all incidents of harassment, regardless of who the offender may be.

### Reporting A Complaint

While Watson Excavating encourages individuals who believe they are being harassed to firmly and promptly notify the offender that his or her behavior is unwelcome and discriminatory, Watson Excavating also recognizes that such a confrontation is not always appropriate or advisable. The following steps should be followed in reporting harassment.

#### Notification of Appropriate Staff

Individuals who believe they have been subjected to harassment should report the incident to his or her supervisor or the Vice President of Operations.

If any supervisor receives a complaint in a formal or informal manner, or observes conduct which he/she believes may constitute harassment, the supervisor should immediately advise the Vice President of Operations.

In the event that a harassment complaint is filed against the Vice President of Operations, the employee should report the complaint directly to the President.

#### Description of Misconduct

Oral reports of harassment should be reduced to writing either by the complainant, the supervisor (or his/her designee), or the Vice President of Operations and should be signed by the complainant.

#### Time Frame for Reporting the Complaint

Watson Excavating encourages a prompt reporting of complaints so that a prompt response and appropriate action may be taken. The late reporting of a complaint may adversely impact the ability to respond and to take appropriate action where this is warranted. Employees may report an incident at any time but are encouraged to report the incident within 30 days.

#### Protection Against Retaliation

Watson Excavating will not, in any way, retaliate against an individual who makes a report of harassment, nor permit any employee to do so. Retaliation is a serious violation of this harassment policy and should be reported immediately. Any person found to have retaliated against another individual for reporting harassment or for participating in any investigation of harassment may be subject to the same range of disciplinary action provided for harassment offenders (see VII. Resolving The Complaint below).

#### False Accusations

Watson Excavating treats all allegations of harassment seriously. If an investigation results in a finding that the complainant falsely accused another of harassment knowingly, or in a malicious manner, the complainant will be subject to appropriate sanctions, including the possibility of termination.

### Investigating The Complaint

Any allegation of harassment brought to the attention of the employee’s supervisor, the Vice President of Operations, or the President, will be promptly investigated in as confidential manner as possible so as to protect the privacy of persons involved. Confidentiality will be maintained throughout the investigation process to the extent practical and appropriate under the circumstances. In pursuing the investigation, the investigator will try to take the wishes of the complainant under consideration, but the need to completely investigate all allegations will be the paramount concern.

### Resolving The Complaint

Upon completing the investigation of a harassment complaint, Watson Excavating will communicate a summary of its findings and intended actions to the complainant and alleged harasser.

If the investigator finds that harassment occurred, the harasser will be subject to appropriate disciplinary action as listed below.

If the investigator determines that no harassment occurred, this finding will be communicated to the complainant.

#### Sanctions

Employees found to have engaged in misconduct constituting harassment will be disciplined, up to and including termination of employment. In addressing incidents of harassment, Watson Excavating’s response at a minimum will include reprimanding the offender and preparing a written record. Additional action may include: referral to counseling, withholding of a promotion, reassignment, temporary suspension without pay, financial penalties, demotion, or termination.

Although Watson Excavating’s ability to discipline a non-employee harasser (e.g., customer, supplier, etc.) is limited by the degree of control, if any, that Watson Excavating has over the alleged harasser, employees should be assured that appropriate action will be taken.

#### Appeals Process

If either party directly involved in a harassment investigation is dissatisfied with the outcome or resolution, that individual has the right to appeal the decision. The dissatisfied party should submit his/her written comments in a timely manner to the President. The decision of the President shall constitute the final decision of the employer.

### Maintaining A Written Record of The Complaint

Watson Excavating shall maintain a written record of each complaint, including how it was investigated and resolved, in a manner consistent with its legal obligations.

### Conclusion

Watson Excavating has developed this policy to ensure that all of its employees work in an environment that is free from harassment. Watson Excavating will make every effort to ensure that all its personnel are familiar with the policy and know that any complaint received will be promptly and appropriately investigated.

## Standards of Conduct/Unacceptable Activities

Whenever people gather together to achieve goals, some rules of conduct are needed to help everyone work together efficiently, effectively, and harmoniously. By accepting employment with us, you have a responsibility to Watson Excavating and to your fellow employees to adhere to certain rules of behavior and conduct. The purpose of these rules is to be certain that you understand what conduct is expected and necessary. When each person is aware that she/he can fully depend upon fellow workers to follow the rules of conduct, our organization will be a better place to work for everyone.

Generally speaking, we expect each person to act in a mature and responsible way at all times. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed below, please see your supervisor for an explanation.

Note that the following list of Unacceptable Activities does not include all types of conduct that can result in disciplinary action, up to and including termination. Nothing in this list alters the at-will nature of your employment; either you or Watson Excavating may terminate the employment relationship with or without reason, and in the absence of any violation of these rules.

Unacceptable Activities and/or actions include:

1. Violation of any company rule; any action that is detrimental to Watson Excavating’s efforts to operate profitably.
2. Violation of security or safety rules or failure to observe safety rules or Watson Excavating safety practices; failure to wear required safety equipment; tampering with Watson Excavating equipment or safety equipment.
3. Negligence or any careless action which endangers the life or safety of another person.
4. Being intoxicated or under the influence of a controlled substance while at work; use, possession or sale of a controlled substance in any quantity while on company premises, except medications prescribed by a physician which do not impair work performance.
5. Unauthorized possession of dangerous or illegal firearms, weapons or explosives on company property or while on duty.
6. Engaging in criminal conduct or acts of violence, or making threats of violence toward anyone on company premises or when representing Watson Excavating; fighting, or provoking a fight on company property, or negligent damage of property.
7. Insubordination or refusing to follow instructions properly issued by your supervisor pertaining to your work; refusal to help out on a special assignment.
8. Threatening, intimidating or coercing fellow employees on or off the premises at any time, for any purpose.
9. Engaging in an act of sabotage; negligently causing the destruction or damage of company property, or the property of fellow employees, customers, suppliers, or visitors in any manner.
10. Theft or unauthorized possession of company property or the property of fellow employees; unauthorized possession or removal of any company property, including documents, from the premises without prior permission from management; unauthorized use of company equipment or property for personal reasons; using company equipment for profit.
11. Dishonesty; falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by Watson Excavating; alteration of company records or other company documents.
12. Giving confidential or proprietary Watson Excavating information to competitors or other organizations or to unauthorized Watson Excavating employees; working for a competing business while a Watson Excavating employee; breach of confidentiality of personnel information.
13. Spreading malicious gossip and/or rumors; engaging in behavior which creates discord and lack of harmony; interfering with another employee on the job; restricting work output or encouraging others to do the same.
14. Immoral conduct or indecency on company property.
15. Conducting a lottery or gambling on company premises.
16. Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your supervisor.
17. Any act of harassment, sexual, racial or other; telling sexist or racist jokes; making racial or ethnic slurs (see non-harassment policy).
18. Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of your supervisor; stopping work before time specified for such purposes.
19. Sleeping or loitering during working hours.
20. Excessive use of your cell phone for personal calls. (See Telephone Policy).
21. **Smoking in restricted areas or at non-designated times, as specified by department rules.**
22. Creating or contributing to unsanitary conditions.
23. Posting, removing or altering notices on any bulletin board on company property without the permission of an officer of Watson Excavating.
24. Failure to report an absence or late arrival; excessive absence or lateness.
25. Buying company merchandise for resale or for personal use.
26. Obscene or abusive language toward any manager, employee or customer; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on company premises.
27. Speeding or careless driving of company vehicles.
28. Failure to immediately report damage to, or an accident involving, company equipment.
29. Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on company premises.
30. Misrepresenting your time or records of attendance; altering another employee’s timesheet or records; or causing someone to alter your timesheet or records.

## Disciplinary Actions/Procedure

This Disciplinary Actions Policy applies to all employees.

This policy pertains to matters of conduct as well as the employee’s competence. However, an employee who does not display satisfactory performance and accomplishment on the job maybe dismissed, in certain cases, without resorting to the steps set forth in this policy.

Under normal circumstances, managers are expected to follow the procedure outlined below. There may be particular situations, however, in which the seriousness of the offense justifies the omission of one or more of the steps in the procedure. Likewise, there may be times when the company may decide to repeat a disciplinary step. Watson Excavating reserves the right to terminate an employee at any time without first going through the discipline procedure.

Listed below is the general discipline procedure. Unacceptable behavior which does not lead to immediate dismissal may be dealt with in the following manner:

1. Oral Counseling
2. Written Warning
3. Termination

To ensure that Watson Excavating business is conducted properly and efficiently, you must conform to certain standards of attendance, conduct, work performance and other work rules and regulations. When a problem in these areas does arise, your supervisor will coach and counsel you in mutually developing an effective solution. If, however, you fail to respond to coaching or counseling, or an incident occurs requiring formal discipline, the following procedures occur.

#### Oral Counseling

Your supervisor will meet with you to discuss the problem or violation, making sure that you understand the nature of the problem or violation and the expected remedy. The purpose of this conversation is to remind you of exactly what the rule or performance expectation is, and also to remind you that it is your responsibility to meet Watson Excavating’s expectations.

You will be informed that the Oral Counseling is the first step of the discipline procedure. Your supervisor will fully document the Oral Counseling. Documentation of the incident will remain in the confidential department file and will not be placed in your personnel record, unless another disciplinary event occurs.

#### B. Suspension

#### If you commit any of the actions listed below, or any other action not specified, but similarly serious, you will be suspended without pay pending an investigation of the situation:

1. Theft.
2. Falsification of Watson Excavating Inc.’s records.
3. Failure to follow safety practices.
4. Breach of Confidentiality Agreement.
5. Threat of, or the act of, doing bodily harm.
6. Willful or negligent destruction of property.
7. Use and/or possession of intoxicants, drugs or narcotics.

Following the investigation, you may be terminated without any previous disciplinary action having been taken.

The provision of this Disciplinary Policy is not a guarantee of its use. Watson Excavating reserves the right to terminate employment at any time, with or without reason. Additionally, Watson Excavating Inc. reserves the right to prosecute any employee for any of the above infractions.

## Compensation

The goal of Watson Excavating’s compensation program is to attract potential employees, meet the needs of all current employees, and encourage well-performing employees to stay with our organization. With this in mind, our compensation program is built to balance both employee and Watson Excavating needs.

#### Compensation Philosophy

It is Watson Excavating’s desire to pay all regular employees’ wages and salaries that are competitive with other employers in the marketplace in a way that will be motivational, fair and equitable. Compensation may vary with individual and company performance and in compliance with all applicable statutory requirements.

#### Basis for Determining Pay

Several factors may influence your rate of pay. Some of the items Watson Excavating considers are the nature and scope of your job, what other employers pay their employees for comparable jobs (external equity), what Watson Excavating pays their employees in comparable positions (internal equity), and individual as well as Watson Excavating performance. It is Watson Excavating’s goal to have a current Job Description on hand which broadly defines your job responsibilities.

## Pay Period and Hours

#### Pay Cycle

Our payroll work week begins on Sunday and ends on Saturday**.** Your first week’s pay will be held. You will be paid weekly on Friday for the previous week. Hours not submitted by Monday at 7:00 a.m. will not be counted towards that week’s pay.

* 1. **Time Card**

Employees clock in and out daily using the time clock.

In event of any discrepancies regarding your hours, leave the secretary know.

**Direct Deposit**

Watson Excavating, through our payroll agency, provides direct deposit of your paycheck in either your checking or savings account. You must obtain and sign a form from the Payroll Department if you elect to take advantage of this service. You must also provide a voided check or deposit slip showing your account number and routing numbers. The signed direct deposit form and voided check or deposit slip must be submitted to the secretary. You may decide to split your check between two different accounts. In this instance, you must provide the proper documentation for both accounts. This service generally takes one week to take effect. You will still receive a copy of a voided, nonnegotiable paycheck listing your salary and deductions.

## Overtime

Non-exempt employees are eligible for overtime compensation for hours worked in excess of forty (40) hours per work week. Approved overtime will be compensated for at the rate of one and one-half (1 1/2) times the non-exempt employee’s regular straight time hourly rate. Time paid on account of holiday, vacation, sick days or other paid time off will not be included for purposes of computing overtime pay.

Each employee will be required to be available for a reasonable amount of overtime, as business conditions dictate.

## Payroll

#### Mandatory Deductions from Paycheck

Watson Excavating is required by law to make certain deductions from your paycheck each time one is prepared. Among these are your federal, state and local income taxes and your contribution to Social Security as required by law. These deductions will be itemized on your check stub. The amount of the deductions will depend on your earnings and on the information, you furnish on your W-4 form regarding the number of exemptions you claim. If you wish to modify this number, please request a new W-4 form from the secretary immediately. Only you may modify your W-4 form. Verbal or written instructions are not sufficient to modify withholding allowances. We advise you to check your pay stub to ensure that it reflects the proper number of withholdings.

The W-2 form you receive annually reflects how much of your earnings were deducted for these purposes.

#### Error in Pay

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, notify the secretary immediately. Necessary steps to research the problem and to assure that any necessary correction is made will be done promptly.

## Time Records

By law, Watson Excavating is obligated to keep accurate records of the time worked by employees. This is done by time sheets.

Time sheets should be filled out when you arrive at work and when you leave for the day. Lunch breaks are 30 minutes long, are required and are not compensable. There are two ten (10) minute breaks, one in the morning and one in the afternoon. These breaks do not need to be marked on your time card.

Hours should be logged in by 7 am Monday. If your time card is not handed in on time, you will not receive your pay until the following week.

You are responsible for accurately reporting your time to your supervisor, and for keeping your own records. No one may record hours worked on another’s timesheet. Tampering with another’s time record is cause for disciplinary action, up to and including possible termination, of both employees. In the event of an error in recording your time, please report the matter to the secretary immediately.

## Wage Garnishments

When court-ordered deductions are to be taken from your paycheck, you will be notified.

## Performance and Compensation Reviews

#### Performance Reviews

Because we want you to grow and succeed in your job, Watson Excavating conducts a formal review at least one (1) time per year for each employee. New employees will be reviewed near the end of their Introductory Period (ninety days). A review may also be conducted in the event of a promotion or change in duties and responsibilities.

During a formal performance review your supervisor may cover the following areas:

* + The quality and quantity of your work.
  + Strengths and areas for improvement.
  + Attitude and willingness to work.
  + Initiative and teamwork.
  + Attendance/Punctuality
  + Personal Appearance
  + Vehicle and Equipment Maintenance
  + Accidents or mishaps to vehicles or machines
  + Keeping accurate log sheet
  + Problem solving skills.
  + Ongoing professional growth and development.
  + Customer’s reviews or comments
  + Number of call backs due to incomplete job
  + Completion of job in allotted time

Additional areas may also be reviewed as they relate to your specific job.

Your review provides a golden opportunity for collaborative, two-way communication between you, your supervisor, and management. This is a good time to discuss your interests and future goals. Watson Excavating is interested in helping you to progress and grow in order to achieve personal as well as work-related goals - perhaps further training or additional opportunities can be recommended for you. The performance review gives us an opportunity to suggest ways for you to advance and make your job at Watson Excavating, Inc. more fulfilling.

Your supervisor can answer any questions you may have about the performance review process.

#### Compensation Reviews

Watson Excavating compensation reviews are usually given with performance reviews. Any applicable compensation increase will appear in the pay period ending after the date granted. Compensation increases may be retroactive in the case of late reviews. Having your compensation reviewed does not necessarily mean that you will be given an increase due to individual and/or company performance.

An individual’s pay will depend on how consistently he/she performs over a given period of time. During the review, significant performance events that occurred throughout the year will be discussed. The overall performance rating will influence the compensation adjustment.

In addition to individual job performance reviews, Watson Excavating periodically conducts a review of job descriptions to insure that we are fully aware of all changes in the duties and responsibilities of each position, and that such changes are recognized and adequately compensated.

# Guidelines and Responsibilities

## Rules for Cell Phone Use

Personal phone use should only be made or taken during lunch break or with permission from your Crew leader. Cell phones are not to be used when operating equipment. The use of personal cell phones is prohibited on the job site with the exception of Watson Excavating business or in an emergency situation.

## Rules Concerning Trucks Owned by Watson Excavating

Trucks are restricted to Watson Excavating business use only. No unauthorized person may operate any Watson Excavating vehicle under any circumstance. Proof of a valid driver’s license will be required.

Report any accidents, parking violations, or tickets to the office immediately. Employees with a company vehicle must notify the office immediately if their driver’s license is suspended or if they accumulate more than six points on their driving record.

Watson Excavating vehicles are not to be parked outside of bars at any time unless on company-related business.

Foul language or rude gestures directed at other motorists or pedestrians are not permitted while driving or while a passenger in a Watson Excavating vehicle.

No reckless driving or speeding in company owned vehicles.

All employees of Watson Excavating are responsible for maintaining the trucks neat appearance inside

and out.

The daily check list must be completed and fuel usage recorded with number of gallon and milage

Any required maintenance should be noted on the daily check list.

Any incident of driving under the influence of controlled substances will result in the termination of use of any company owned vehicle.

Watson Excavating may, at any time, and for any reason terminate any employee’s use of any company owned vehicle.

## Benefits

Watson Excavating is committed to sponsoring a comprehensive benefits program for all eligible employees. In addition to receiving an equitable salary and having an equal opportunity for professional development and advancement, you may be eligible to enjoy other benefits which will enhance your job satisfaction. We are certain you will agree the benefits program described in this Employee Manual represents a very large investment by Watson Excavating, Inc.

A good benefits program is a solid investment in Watson Excavating employees. Watson Excavating will periodically review the benefits program and will make modifications as appropriate to the company’s condition. Watson Excavating reserves the right to modify, add or delete the benefits it offers.

#### Employee Status Definitions

**Full Time Employee** – An employee shall be considered a full-time employee if they have met or exceeded the average hourly requirements during the previous quarter.

**Part Time Employee** – An employee shall be considered a part time employee if they do not meet the average hourly requirements for the previous quarter.

1st Quarter – January, February, March – Full time employee must average **32 hours per week or more**

2nd Quarter – April, May, June – Full time employee must average **40 hours per week or more**

3rd Quarter – July, August, September – Full time employee must average **40 hours per week or more**

4th Quarter – October, November, December – Full time employee must average **40 hours per week or more**

#### Eligibility for Benefits

If you are a full-time employee, you are entitled to certain benefits as soon as you meet the eligibility requirements for each particular benefit. Coverages are available to you and your dependents as defined in the benefit summary plan descriptions.

If you are a part-time employee, you are only entitled to those benefits specifically required by law, provided that you meet the minimum requirements set forth by law and in the benefit plan(s).

Temporary employees are not eligible for benefits.

No benefits are available to you during your Introductory Period, except as otherwise provided by law.

#### Retirement Plan

Eligible employees will be paid $1.50 for every hour worked with the exemption of holiday, vacation, and personal days. You must deposit these funds into an IRA retirement plan.

#### Group Health Insurance Coverage

Employees should see the secretary for specific information regarding the health insurance plan.

#### Other Insurance Coverage

Watson Excavating also provides the following coverage for each eligible employee:

- Vision insurance  
- Life insurance  
- Short- and Long-Term Disability Insurance

For more information on Health and Welfare Benefits, or to obtain applications or enrollment forms, please contact the secretary.

## Workers’ Compensation

Workers’ Compensation coverage, as prescribed by law, is paid by Watson Excavating and affords benefits for all employees for injuries which occur in connection with their employment. No matter how minor, all work-related injuries must be reported promptly to the employee’s supervisor.

## Vacation Policy

**New Employee**

* **Full Time Employee Vacation Benefit**

Full Time Employee will receive paid vacation time. Paid vacation will be earned yearly. The first year you receive 5 personal days and 2 sick days. Each year you are employed by Watson Excavating you earn another 1.5 days of vacation. Vacation days can roll over from year to year. Fifteen days of vacation is the maximum vacation days earned.

* **Part Time Vacation Benefit**

Part Time Employee will not be eligible to earn vacation hours.

**Un-used Vacation Time**

If an employee is terminated for gross misconduct or failure to give Watson Excavating two weeks’ notice of his or her resignation, unused vacation time **will not** be paid under any circumstances.

## Jury Duty

If an employee is summoned to jury duty s/he must notify his/her supervisor at once. Employees are expected to report to work on days when they are temporarily released from jury duty, when jury duty sessions are postponed, or when jury duty sessions do not occupy the entire day.

If your absence will cause a hardship to Watson Excavating, we reserve the right to request that you apply for a postponement.

## Military Leave

Permanent employees who are members of the U.S. Army, Navy, Air Force, Marines or Coast Guard Reserves or the National Guard may be granted leaves of absences for purposes of participating in active-duty tours.

Employees will be granted leave as required to complete the tour of duty.

Employees who apply to return to work within 31 days of satisfactory completion of the tour of active duty will be restored to their former job or job of similar status and pay without the loss of seniority in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Time spent in the reserves of the National Guard will be credited to all employees toward meeting length of service requirements for eligibility for retirement benefits and vacation entitlement.

IRA contributions, however, may be suspended during military service because the employee is not in pay status.

# Safety

## General Employee Safety

The Watson Excavating Inc. is committed to the safety and health of all employees and recognizes the need to comply with regulations governing injury and accident prevention and employee safety. Maintaining a safe work environment, however, requires the continuous cooperation of all employees.

All employees are required to attend monthly Safety Meetings. Failure to attend may result in disciplinary action.

Watson Excavating will maintain safety and health practices consistent with the needs of our industry. If you are ever in doubt about how to safely perform a job, it is your responsibility to ask your supervisor for assistance. Any suspected unsafe conditions and all injuries that occur on the job must be reported immediately. Compliance with these safety rules is considered a condition of employment. Therefore, it is a requirement that each designated company representative make the safety of employees an integral part of her/his regular management functions. It is the responsibility of each employee to accept and follow established safety regulations and procedures as set forth by the Safety handbook.

Watson Excavating strongly encourages you to communicate with your supervisor regarding safety issues.

## Reporting Safety Issues

All accidents, injuries, potential safety hazards, safety suggestions and health and safety related issues must be reported immediately to your safety manager. If you or another employee is injured, you should contact outside emergency response agencies, (e.g., 911) immediately if needed. If an injury does not require medical attention, the safety manager must file an Employee Report of Accident Form to ensure that any existing safety hazards are corrected. The Pennsylvania state Workers’ Compensation Act requires that you report any workplace illness or injury, no matter how slight. If you fail to report an injury, you may jeopardize your right to collect workers’ compensation payments as well as health benefits. The Employee’s Claim for Worker’s Compensation Benefits Form must be completed in all cases in which an injury requiring medical attention has occurred.

Federal law (Occupational Safety and Health Administration) requires that we keep records of all illnesses and accidents which occur during the workday.

## Safety Rules

Safety is everybody’s business. Safety is to be given primary importance in every aspect of planning and performing all Watson Excavating activities. We want to protect you against industrial injury and illness, as well as minimize the potential loss of production.

Below are some general safety rules to assist you in making safety a regular part of your work. Your supervisor may post other safety procedures in your department or work area.

**Working Safely**

Safety is everyone’s responsibility. Remind your co-workers about safe work methods. Start work on any machine only after safety procedures and requirements have been explained. Immediately report any suspected hazards and all accidents to your supervisor.

**Lifting**

Ask for assistance when lifting heavy objects or. Bend your knees, get a firm grip on the object, hold it close to your body and space your feet for good balance. Lift using your stronger leg muscles, not your weaker back muscles.

**Materials Handling**

Do not throw objects. Always carry or pass them. Use flammable items with caution. Stack materials only to safe heights.

**Trash Disposal**

Keep sharp objects and dangerous substances out of the trash can. Items that require special handling should be disposed of in approved containers.

**Handling Tools**

Exercise caution when handling objects and tools. Do not use broken, defective or greasy tools. Use tools for their intended purpose only. Wear safety glasses or goggles whenever using a power tool.

**Falling Objects**

Store objects and tools where they won’t fall. Do not store heavy objects or glass on high shelves.

**Using Ladders**

Place ladders securely. Do not stand on boxes, chairs or other devices not intended to be used as ladders.

**Personal Protective Equipment**

Always wear or use appropriate safety equipment as required in your work. Wear appropriate personal protective equipment, like steel toed shoes, hard hats, gloves, goggles, and hearing protectors in designated areas or when working on an operation which is potentially hazardous.

**Electrical Hazards**

Do not stand in water while using any electrical apparatus. Keep extension cords in good repair. Don’t make unauthorized connections or repairs. Do not overload outlets.

**Fire Extinguishers**

Know where fire extinguishers are and how to use them.

**Office Safety**

Office areas present their own safety hazards. Please be sure to:

- Leave desk, file or cabinet drawers firmly closed when not in use.

- Open only a single drawer of a file cabinet at a time so cabinet does not fall forward.

- Arrange office space to avoid tripping hazards, such as telephone cords or calculator electrical cords.

- Remember to lift things carefully and to use proper lifting techniques.

**Report Injuries**

Immediately report all injuries, no matter how slight, to your supervisor.

**Ask Questions**

If you are ever in doubt regarding the safe way to perform a task, please do not proceed until you have consulted a supervisor. Employees will not be asked to perform any task which may be dangerous to their health, safety or security. If you feel a task may be dangerous, inform your supervisor at once.

We strongly encourage employee participation and your input on health and safety matters. Please obtain a Safety Suggestion Form in the front office for this purpose. Employees may report potential hazards and make suggestions about safety without fear of retaliation. We appreciate, encourage and expect this type of involvement! The success of the safety program relies on the participation of all employees. Though it is Watson Excavating and the Safety Manager responsibility to provide for the safety, health and security of its workers during working hours, it is the responsibility of each employee to abide by the rules, regulations and guidelines set forth.

Remember, failure to adhere to these rules will be considered serious infractions of safety rules and will result in disciplinary actions, up to and including termination.

## Weapons

Watson Excavating believes it is important to establish a clear policy that addresses weapons in the workplace. Specifically, Watson Excavating prohibits all persons who enter company property from carrying a handgun, firearm, or other prohibited weapon of any kind regardless of whether the person is licensed to carry the weapon or not.

Any employee disregarding this policy will be subject to immediate termination.

## Fire Prevention

Know the location of the fire extinguisher(s) in your area and trucks/trailers and make sure they are kept clear at all times. Notify your supervisor if an extinguisher is used or if the seal is broken. Keep in mind that extinguishers rated A, B, or C can be used for paper, wood, or electrical fires. Make sure all flammable liquids, such as gasoline, are stored in approved and appropriately labeled safety cans and are not exposed to any ignition source.

**In Case of Fire**

If you are aware of a fire, you should:

- Dial 911 or the local fire department.

- If possible, immediately contact the office. Evacuate all employees from the area.

- If the fire is small and contained, locate the nearest fire extinguisher. This should only be attempted by employees who know how to correctly use the fire extinguishers.

- If the fire is out of control, leave the area immediately. No attempt should be made to fight the fire.

When the fire department arrives, direct the crew to the fire. Do not re-enter the building until directed to do so by the fire department.

## Emergency Evacuation

If you are advised to evacuate an area, you should:

- Stop all work immediately.

- Do not enter an area of rupture pressurized line until the service is shut off and all clear has been

given

- Contact outside emergency response agencies, if needed.

- Shut off all electrical equipment and machines, if possible.

- Walk to the nearest exit, including emergency exit doors.

- Exit quickly, but do not run. Do not stop for personal belongings.

Do not re-enter the building or work area until instructed to do so.

## Housekeeping

Neatness and good housekeeping are signs of efficiency. You are expected to keep your work area neat and orderly at all times - it is a required safety precaution.

On the job site, keep tape measurers, saw, glue/primer, hammer, or any hand tools in a container etc. bucket or plastic container from being covered with dirt or misplaced. This simply practice will keep your tools from getting lost.

Pick up water bottles, lunch papers, scrap pipe, or other misc. items and place in dumpster on site or return to the dumpster located at our garage

Please report anything that needs repairing or replacing to your supervisor immediately.

## Property and Equipment Care

It is your responsibility to understand the machines needed to perform your duties. Good care of any machine that you use during the course of your employment, as well as the conservative use of supplies, will benefit you and Watson Excavating. If you find that a machine is not working properly or in any way appears unsafe, please notify your supervisor immediately so that repairs or adjustments may be made. Under no circumstances should you start or operate a machine you deem unsafe, nor should you adjust or modify the safeguards provided.

Do not attempt to use any machine or equipment you do not know how to operate, or if you have not completed training on the proper use of the machine or equipment.

#### Safety Rules When Operating Hand Held Equipment

When operating machines and equipment, please be sure to follow these procedures:

- Make sure machine guards are in place while machines are in operation.

- Remove loose clothing, jewelry or rings before operating machinery.

- No one should attempt to use any power equipment without proper training

Required personal protective equipment, except for prescription glasses and work boots, will be issued to you by your supervisor or Crew leader.

We will continue to provide a clean, safe and healthy place to work and we will provide the best equipment possible. You are expected to work safely, to observe all safety rules and to keep the premises clean and neat. Remember that carelessly endangering yourself or others may lead to disciplinary action, including possible termination.

**Please refer to the Safety Manual Section for further information.**

## Security

Maintaining the security of Watson Excavating buildings and vehicles is every employee’s responsibility. Develop habits that ensure security as a matter of course. For example:

- Know the location of fire extinguishers, and familiarize yourself with the proper procedure for using them, should the need arise.

- When you leave Watson Excavating premises make sure that all entrances are properly locked and secured.

## Smoking

No smoking is allowed in a customer’s home or business. There will be no exceptions made. Leave no sign of smoking outside of the work area. No smoking is permitted inside the shop area or office. No smoking while driving vehicles or equipment. Spit containers must be removed daily from equipment and vehicles.

# Separation of Employment

## Termination

Watson Excavating operates under the principle of at-will employment. This means that neither you nor Watson Excavating has entered into a contract regarding the duration of your employment. You are free to terminate your employment with Watson Excavating at any time, with or without reason. Likewise, Watson Excavating has the right to terminate your employment, or otherwise discipline, transfer, or demote you at any time, with or without reason, at the discretion of Watson Excavating. Failure to return from approved leave when required is grounds for termination.

Employees are expected to give two (2) weeks’ notice to their supervisor in writing should they wish to resign their employment.

## Return of Company Property

Any Watson Excavating property issued to you, such as, hard hats, keys, company credit card, etc. must be returned to Watson Excavating at the time of your termination. You will be responsible for any lost or damaged items.

# Workplace Policies

This Employee Handbook is designed to answer many of your questions about the practices and policies of Watson Excavating. Feel free to consult with your Crew leader or supervisor for help concerning anything you don’t understand.

## Communication

Successful working conditions and relationships depend upon successful communication. Not only do you need to stay aware of changes in procedures, policies and general information, you also need to communicate your ideas, suggestions, personal goals or problems as they affect your work.

In addition to the exchanges of information and expressions of ideas and attitudes which occur daily, make certain you are aware of and utilize all Watson Excavating methods of communication, including this Employee Handbook, bulletin boards, discussions with your supervisor or Crew leader, memoranda, staff meetings, training sessions, and company e-mail.

You will receive other information booklets, such as your insurance booklets, from time to time. You may take these booklets home so that your family may know more about your job and your benefits.

Watson Excavating encourages you to discuss any issue you may have with a co-worker directly with that person. If a resolution is not reached, please arrange a meeting with your Crew leader/supervisor to discuss any concern, problem, or issue that arises during the course of your employment. Any information discussed in an Open Communication meeting is considered confidential. Retaliation against any employee for appropriate usage of Open Communication channels is unacceptable. Please remember it is counterproductive to a harmonious workplace for employees to create or repeat corporate rumors or office gossip. It is more constructive for an employee to consult his supervisor immediately with any questions.

**Suggestions**

We encourage all employees to bring forward their suggestions and good ideas about how our company can be made a better place to work, our products improved, and our service to customers enhanced. When you see an opportunity for improvement, please talk it over with your Crew leader or supervisor. She/he can help you bring your idea to the attention of the people in the company who will be responsible for possibly implementing it. We value and listen to all suggestions. When a suggestion from an employee has particular merit, we provide for special recognition of the individual(s) who had the idea.

## Outside Employment

Employees may not take an outside job, either for pay or as a donation of her/his personal time with a customer or competitor of Watson Excavating, nor may they do work on their own if it competes in any way with the services, we provide our customers. If your financial situation requires you to hold a second job, part-time or full-time, or if you intend to engage in a business enterprise of your own, Watson Excavating would like to know about it. Before accepting any outside employment, please discuss the matter with your supervisor.

## Company and Department Meetings and Training Sessions

We will request that you attend company sponsored meetings. If this is scheduled during your regular working hours, your attendance is required.

## Dress Code and Personal Appearance

Please understand that you are expected to dress and groom yourself in accordance with accepted social and business standards, particularly if your job involves dealing with customers or visitors in person.

A neat, tasteful appearance contributes to the positive impression you make on our customers. You are expected to be suitably attired and groomed during working hours or when representing Watson Excavating. A good, clean appearance bolsters your own poise and self-confidence and greatly enhances our company image.

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#### Dress Code Policy

***Every employee must show up to the job site with clean pants and shirts. Also, please note: Work clothes must be clean when worn in a public place.***

* Pants must fit around the waist (may not be low slung on hips to expose under garments)

**Shirts: *All field employees must wear Watson Excavating T-shirts or Watson Excavating Sweatshirts.***

* Short sleeve shirts may not be cut off.
* Muscle shirts may not be worn

**Footwear: *All foot wear must be OSHA approved***

* Steel toed boots are required.
* Work Boots must be **laced** and **tied**.

**Earrings/Jewelry/Body Piercing:** *No loop earrings will be allowed at any time.* No visible body piercing of any kind.

## Drug-Free Workplace Policy

### Purpose

Watson Excavating, Inc. is committed to providing a safe working environment to protect our employees and others, to provide the highest level of service and professionalism, and to minimize the risk of accidents and injuries. As we achieve through you, our employees, by preventing accidents due to drug or alcohol use, being ever safety conscious and remaining productive. **Any violation of this policy shall be grounds for immediate termination.**

### General Policy

Each of our employees has a responsibility to co-workers and customers to deliver services in a safe and conscientious manner. Continuing research and practical experience have proven that even limited quantities of narcotics, abused prescription drugs or alcohol can impair your reflexes and judgment, possibly leading to injury or fatality to you or a co-worker. For these reasons, we have adopted a policy that all employees must report to work free from the presence of any illegal, non-prescription drug or alcohol.

All employees are prohibited from manufacturing, cultivating, distributing, dispensing, possessing or using illegal drugs or alcohol while on company time, or on company property including any work vehicle. **Employees are prohibited from having any alcohol or illegal, unauthorized controlled substance in their systems, including excessive amounts of otherwise lawful controlled substances (prescriptions) when at the jobsite, thereby jeopardizing their crew and themselves. Abuse of these substances can cause dizziness, vertigo, drowsiness or blackouts, especially dangerous when operating vehicles, heavy equipment, or working above ground level.**

The proper use of medication prescribed by your doctor is not prohibited. However, we do prohibit excessive use or misuse of prescribed medication. Employees should report to their direct supervisor their use of any prescribed drug. It will be the employee’s responsibility to determine from their physician whether a prescribed drug may impair job performance and/or ability to use certain equipment or tools.

It shall be the responsibility of each employee who observes or has knowledge of another employee in a condition which impairs the employee to perform their job duties or who presents a hazard to the safety and welfare of others, or is otherwise in violation of this policy, to promptly report that fact to their immediate supervisor. **If an employee is in violation of this policy and has put themselves or other in danger, it will be the responsibility of the supervisor or foreman to write a written report, having the employee leave the premises, while seeing to their safety. (i.e., not allowing them to drive, but finding them a ride home).**

An employee convicted of a drug crime must notify Watson Excavating within five (5) days of such conviction. Full compliance with the foregoing policies is a condition of employment with Watson Excavating.

Any employee who violates this drug/alcohol-free workplace policy shall be subject to discipline, up to and including immediate termination. Employees who become aware of violations of this policy have a duty to report such violations to management.

### Alcohol/Drug Testing

Watson Excavating reserves the right to require any employee to submit to drug and/or alcohol testing. Such requests may be based upon reasonable suspicion that an employee has come to work having used alcohol or illegal drugs or while performing assigned duties on company time. Reasonable suspicion may arise from, among other factors, supervisory observation, or complaints, performance decline, attendance or behavioral changes, or involvement in a workplace/vehicular accident indicating a possible error in judgment or negligence.

Employees who fail tests for alcohol or illegal drugs may be discharged. Refusal to submit to drug/alcohol testing may at the discretion of Management, be grounds for termination. Watson Excavating will fully investigate any reports of substance abuse by any available legal means of surveillance and investigation. Evidence of any illegal activity will be made available to the appropriate law enforcement agency.

### Prevention and Treatment

Watson Excavating encourages any employee with a drug or alcohol abuse problem to seek treatment voluntarily. Watson Excavating will assist employees who voluntarily seek help with substance abuse problems by referring them to counseling and treatment services. However, all costs associated with the counseling and/or treatment of a substance abuse problem are the sole responsibility of the employee, although treatment may be covered by your medical insurance.

A decision to seek prior assistance will not be used as the basis for disciplinary action and will not be used against the individual in any disciplinary proceeding. On the other hand, using a counseling or treatment program will not be a defense to the imposition of disciplinary action for any violation of this policy. Thus, although an individual may refuse to participate in a rehabilitation program, Watson Excavating’s policy is to implement normal disciplinary procedures if work problems continue, regardless of participation or non-participation in a program.

If an employee seeks assistance which requires time off from work, the employee will be required to use any available paid time off prior to requesting any unpaid leave. Unpaid leave may be granted to the extent that Watson Excavating business needs permit as determined in the sole discretion of the President.

## Personal Use of Company Property

In some instances, employees may be allowed to borrow certain Watson Excavating tools or equipment for their own personal use while on our premises. In no instance may this be done off without prior management approval. Watson Excavating is not liable for personal injury incurred during the use of company property for personal projects. As a Watson Excavating employee, you accept full responsibility for any and all liabilities for injuries/losses which occur, or for the malfunction of equipment. You are responsible for returning the equipment or tools in good condition, and you agree that you are required to pay for any damages that occur while using the equipment or tools for personal projects. You are responsible for the cost of fuel or other fluids. Reduced rental charge will also be applied.

## Solicitations and Distributions

Solicitation for any cause during working time and in working areas is not permitted. You are not permitted to distribute non-company literature in work areas at any time during working time. Working time is defined as the time assigned for the performance of your job and does not apply to break periods and meal times. Employees are not permitted to sell chances, merchandise or otherwise solicit or distribute literature without management approval. Violation of this policy may result in disciplinary action up to and including termination.

Persons not employed by Watson Excavating are prohibited from soliciting or distributing literature on company property. Moreover, persons not employed by Watson Excavating are prohibited from being on Watson Excavating property, with the exception of invited guests that have proper permission from management.

## Overview of Expectations of all Employees

It is the responsibility of each employee to uphold the ***Watson Excavating Promise***, execute the ***Watson Excavating Mission Statement***, and comply with the following:

* A typical work day starts at 6:30 am
* You are expected to uphold the ***“Five Minute Rule,”*** i.e., call your supervisor, if you are going to be late five minutes prior to start time
* You may be asked to provide your own transportation to and from the work site.
* There is a ½ hour mandatory lunch break. You are expected to bring your own lunch. **Do not** expect anyone to go out and get your lunch. Water is provided at the shop.
* Be reliable, present a good work ethic, high integrity and be drug free.
* You must maintain a clean, presentable appearance at all times.
* Comply with the Watson Excavating dress code. Employees must wear clean Watson Excavating shirts. No tank tops may be worn. Proper foot attire is required.
* All personal protective equipment that is provided must be used at all times.
* Attend all safety and training seminars.
* Have tools with you. Keep track of your tools. They are your responsibility! If you need any tools, ask the Crew leader. Return all borrowed tools to the rightful owners. You must possess good technical skills in terms of using hand and power tools and use them in a safe manner.

***It is your responsibility to keep busy throughout the day. When you need something else to do, ask your crew leader or supervisor.***

EMPLOYEE HANDBOOK ACKNOWLEDGEMENT

This is to certify that I have been given and have had an opportunity to review the Employee Handbook and any additions or modifications thereto, and that I understand its contents, including the following **IMPORTANT NOTICE** to employees:

**“This Employee Handbook does not constitute an express or implied employment contract. Although this Handbook describes the general guidelines of Watson Excavating rules and policies, it is not binding on Watson Excavating Inc. Watson Excavating reserves the right unilaterally to change, revise or discontinue its rules and policies, or terminate the employment of any employee with us without notice and with or without cause. Likewise, employees are free to terminate their employment at any time.**

**No employee, manager or other agent of Watson Excavating, other than the President, has the authority to enter into any agreement contrary to the above or to enter into any agreement with any employee for any specified period of time. Any amendment to the foregoing must be in writing and signed by the President.**

**This Handbook supersedes and voids all previous Watson Excavating, policies and practices, which may be inconsistent in any way with that stated herein.**

**The information contained in this Handbook is only a brief summary of the benefits which Watson Excavating offers its employees. For a full explanation of particular benefits, all employees should consult, where applicable, the specific plan documents themselves. If the benefits summaries contained in this Handbook conflict with any statement contained in the formal plan documents, those plan documents supersede anything contained in the Handbook.**

**Watson Excavating, by action of the President, or his designee, reserves the right to interpret, apply, alter, amend, modify or discontinue any or all of the benefits provided employees at its sole and absolute discretion. Watson Excavating will attempt to inform employees as promptly as possible of any changes in benefits; however, this is not always practical or possible and, where this is the case, Watson Excavating Inc. reserves its right, in its sole and absolute discretion, to make changes in employee benefits without prior notice.”**

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Employee Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Employee’s Name (print)