

BUDWAY
Enterprises, Inc.

**Employee
Handbook**

EMPLOYEE ACKNOWLEDGMENT OF UNDERSTANDING FORM

Handbook Updated: August 2007

I have received a copy of the Budway Enterprises, Inc. "COMPANY" Employee Policy Manual. I understand that it is my responsibility to read it and become familiar with the policies of the Company contained in this handbook and any revisions made to it. Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document.

In consideration of my employment with Budway Enterprises, Inc., I agree to conform to the Company policies, rules and regulations. I have entered into my employment relationship with Budway voluntarily and acknowledge that there is no specified length of employment. Accordingly, either I or Budway can terminate the relationship at will, with or without cause, at any time, so long as there is no violation of applicable federal or state law.

I also understand and agree that my employment is **AT-WILL** and, therefore, can terminate with or without cause and with or without notice at any time at my option or the company option. I further understand and agree that this at-will employment relationship will remain in effect throughout my employment with the company or any of its future parent or affiliated companies unless it is modified by a specific express written employment contract, signed by the Chief Executive Officer of the Company and myself.

The employee handbook describes important information about Budway, and I understand that I should consult the Human Resources Department regarding any questions not answered in the handbook.

Since the information, policies, and benefits described herein are necessarily subject to change, I acknowledge that revisions to the handbook may occur, except to Budway's policy of employment-at-will. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the executive officers of Budway have the ability to adopt any revisions to the policies in this handbook.

EMPLOYEE'S NAME (printed):

EMPLOYEE'S SIGNATURE:

DATE: _____

(This page is to be removed after signature and placed in employee's personnel file and a copy returned to the employee.)



Employee Handbook

Revisions to the Employee Handbook

The Employee Handbook, printed August 15, 2007, contains the policies and practices of the Company in effect at the time of publication. All previously issued handbooks, policy statements or memoranda are superseded.

This handbook sets forth the agreement between the employee and the Company regarding the duration of employment and the circumstances under which employment may be terminated. It does not create, nor intends to create, a promise or representation of continued employment for any employee.

Budway reserves the right to revise, modify, delete and add to policies, procedures, work rules, and/or benefits stated in this handbook, *EXCEPT* for the policy of at-will employment. All such changes will be in writing and must be signed by an executive officer of the Company.

Changes to the handbook will be distributed to all employees and management/supervision. No oral statements or representations will change, alter or supersede provisions of the handbook.



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Employee Handbook

Welcome to Budway Enterprises, Inc.

Dear Employee:

It is a pleasure to welcome you to Budway Enterprises, Inc. We believe that each employee contributes directly to Budway's growth and success, and we hope you will take pride in being a member of our team.

This employee handbook was developed to describe some of the expectations of our employees and to outline the policies, programs, and benefits available to eligible employees. Employees should familiarize themselves with the contents of the employee handbook as soon as possible, for it will answer many questions about employment with Budway. If there is anything in this handbook you do not understand, please feel free to discuss your concerns with your supervisor or the Human Resources Department.

At Budway Enterprises, Inc., we hold high our visions, values and commitment.

Mission Statement:

Safe Timely Accurate Reliable (STAR)

Vision Statement:

Establish Budway as the leader of modal-to-modal inventory management and delivery of rolled metal products in Southern California while expanding into compatible growth markets.

7 Behaviors:

- Maintain an effective safety program
- Concentrate on the client
- Provide outstanding client service
- Pursue innovation
- Relentlessly cut costs
- Develop Employees
- Reward Results

Budway Enterprises, Inc. makes a concerted effort to provide employees with the opportunity to develop their skills and talent and to attain a high level of job satisfaction and enjoyment. We hope that your experience here will be challenging, enjoyable, and rewarding. It is a pleasure to welcome you to Budway Enterprises, Inc.

Sincerely,

A handwritten signature in black ink, appearing to read "V.McLeod".

Vincent McLeod III
President

A handwritten signature in black ink, appearing to read "Daniel Heykoop".

Daniel Heykoop
Executive Vice President



Employee Handbook

Organization Description

I. Goods Produced and/or Services Provided

Budway Enterprises, Inc., is a full service truckload, rail distribution and warehousing organization. Budway provides services to with an emphasis on rail-truck transfer of commodities such as steel, aluminum, and other metal products.

II. Facilities and Locations

Budway Enterprises, Inc. has 2 locations. They are as follows:

Fontana Terminal and Corporate Offices
13600 Napa Street
Fontana, CA 92335

Long Beach Terminal
1175 E. Spring Street
Long Beach, CA 90807

III. The History of Budway Enterprises

Budway Enterprises, Inc. is a family-owned business founded in 1948 as a local same day pickup and delivery service within downtown Los Angeles. The company's humble beginnings originated in the backyard of a family of limited means working with a pickup truck. The founder and first employees were Vincent McLeod, a father who needed to provide for his family, and his young son not yet old enough to obtain a driver's license, Vincent McLeod Jr., who is the current Chief Executive Officer of the company.

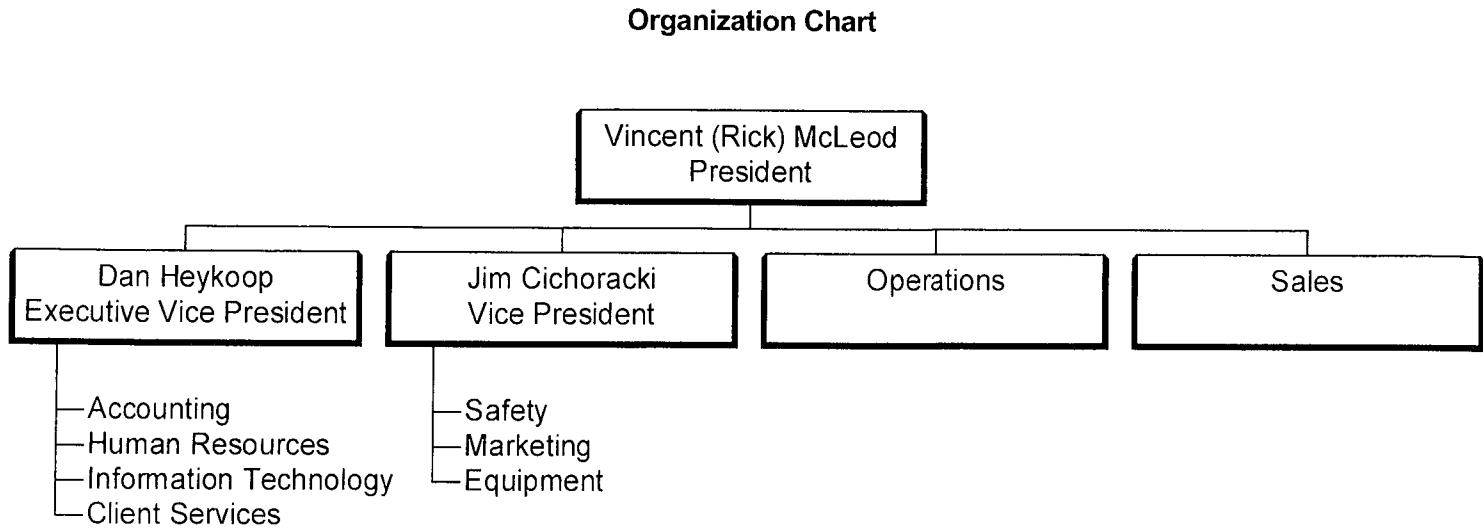
Because of their can do attitude and dependability, their few customers asked the McLeods to take on more responsibility. As their reputation grew, so did their customer base. There were times when the weather dictated that young Vince's bedroom become Budway's warehouse.

Due to the humble beginnings of Budway, lessons of business were learned in the classroom of life. Budway is still managed by the McLeod family. Vince McLeod Jr. had three sons that grew up in the business. Two of those sons are currently active with Budway, with Vincent "Rick" McLeod III being the president.

Through hard work and dedication, Budway has been able to expand from a two truck Los Angeles operation to the modal to modal inventory management organization it is today. Due to its size and having a close knit management group, Budway has been able to weather the economic storms that saw changes in regulation, the economy, mergers and downsizing of

their customers. When deregulation in trucking occurred, Budway had already taken steps to diversify from their less-than-truckload business base to other types of business opportunities.

IV. Organization Structure



V. Role of the Human Resources Department

To assist and/or direct employees and management with policy guidelines, employee benefit programs, employment status and records, leaves of absence, employee conduct and disciplinary actions.

VI. Management Philosophy

Budway Enterprises, Inc. is committed to providing the finest transportation and logistic services emphasizing safety, training and environmental responsibility.

VII. Goals

Budway's goal is to exceed our customers' expectations and represent their interest consistently through the building of long-term partnerships built on trust, mutual respect and integrity.

INTRODUCTORY STATEMENT

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

No employee handbook can anticipate every circumstance or question about policy. As Budway continues to grow, the need may arise and Budway reserves the right to revise, supplement, or rescind any policies or portion of the handbook from time to time as it deems appropriate, at its sole and absolute discretion. The only exception to any changes is our employment-at-will policy permitting you or Budway to end our relationship for any reason at any time. Employees will, of course, be notified of such changes to the handbook as they occur.

100 EMPLOYMENT

101 NATURE OF EMPLOYMENT

Employment with Budway is voluntarily entered into, and the employee is free to resign **AT WILL** at any time, with or without cause. Similarly, Budway may terminate the employment relationship **AT WILL** at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.

Policies set forth in this handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between Budway and any of its employees. The provisions of the handbook have been developed at the discretion of management and, except for its policy of employment-at-will, may be amended or canceled at any time, at Budway's sole discretion.

These provisions supersede all existing policies and practices and may not be amended or added to without the express written approval of the executive officers of Budway.

Candidates in all job classifications may be given an offer of employment conditional on the results of a pre-employment chemical substance screening and a medical examination to determine the ability to perform job-related functions. Budway reserves the right to require a chemical substance screening at any time during the employee's employment. Those candidates who accept such offers will, in addition, be required to sign an Acknowledgment of Understanding in this handbook. All screenings and examinations are provided by the company at its sole expense. Individuals who fail to sign the Acknowledgment of Understanding, or meet any other condition associated with the offer of employment, will have the offer of employment withdrawn.

EMPLOYMENT OF MINORS:

State and federal regulations impose certain limitations on the employment of persons under the age of 18. Therefore, all minors employed by the company are required to have valid work permits from their school districts. Permits must indicate the number of hours per week and other conditions under which such employees will work.

102 EMPLOYEE RELATIONS

Budway's goal is to grow through aggressive recruitment and careful selection of only the best and most qualified available personnel.

Managers responsible for recruiting employees for Budway are expected to give realistic and accurate descriptions of both the positive and negative aspects of the job to all prospective

applicants. Budway is committed to providing the finest work environment possible for all employees.

The company believes that its employees is its most valuable asset and that the success of the company will be determined by the quality of all its employees working together. Because of these beliefs, the personnel selections of Budway are extremely important.

Budway believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors.

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that Budway amply demonstrates its commitment to employees by responding effectively to employee concerns.

103 EQUAL EMPLOYMENT OPPORTUNITY

Federal and state laws prohibit discrimination in hiring, promotion, pay, discharge and other employment actions where the decision is based on such prohibited rationale as the employee's race, sex, age, national origin or religion. Budway Enterprises, Inc., is committed to following these anti-discrimination laws in all respects.

Budway is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available persons in every job. Company policy prohibits unlawful discrimination based on race, color, creed, sex, religion, marital status, age, national origin or ancestry, physical or mental disability, medical condition, sexual orientation, or any other consideration made unlawful by federal, state or local laws. All such discrimination is unlawful.

The company is committed to complying with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of the company and prohibits unlawful discrimination by any employee of the company, including supervisors and co-workers.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, Budway will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant for employment unless undue hardship would result.

An applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact Human Resources Department and request such an accommodation. The individual with the disability should specify what accommodation he/she needs to perform the job. Budway then will conduct an investigation to identify the barriers that make it difficult for the applicant or employee to have an equal opportunity to perform his/her job.

The company will identify possible accommodations, if any, that will help eliminate the limitation. If the accommodation is reasonable and will not impose an undue hardship, the company will make the accommodation.

If you believe you have been subjected to any form of unlawful discrimination, provide a **written** complaint to your supervisor or the President of the Company. Your complaint should be specific and should include the names of the individuals involved and the names of any witnesses. Budway will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. If Budway determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense. Appropriate action will also be taken to deter any further discrimination, and whatever action is taken will be made known to you. Budway will not retaliate against you for filing a complaint and will not knowingly permit retaliation by management employees or your co-workers.

Please consult with a supervisor or Human Resources Department whenever you have a question concerning Budway's commitment to or compliance with these laws.

104 DISABILITY ACCOMMODATIONS

Budway is committed to complying fully with the Americans Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Upon request, job applications are available in alternative, accessible formats, as is assistance in completing the application. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position.

Reasonable accommodation is available to all disabled employees, where their disability affects the performance of job functions. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures, position descriptions, lines of progression, and seniority lists. Leave of all types will be available to all employees on an equal basis.

Budway is also committed to not discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability. Budway will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

This policy is neither exhaustive nor exclusive. Budway is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

105 BUSINESS ETHICS AND CONDUCT

The successful business operation and reputation of Budway is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of Budway is dependent upon our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to Budway, its customers, and shareholders to act in a way that will merit the continued trust and confidence of the public.

Budway will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor and, if necessary, with the Human Resources Department for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every Budway employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

106 EMPLOYMENT OF RELATIVES

The employment of relatives in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried into day-to-day working relationships.

For purposes of this policy, the term "relative" includes spouses, parents, children, brothers and sisters, step-brothers and step-sisters, step-children and in-laws, as well as domestic partners and roommates.

Relatives of persons currently employed by Budway may be hired only if they will not be working directly for or supervising a relative. Budway employees cannot be transferred into such a reporting relationship. If the relative relationship is established after employment, the company will not discriminate against either employee because of their relationship. However, if in management's opinion, problems may arise concerning supervision, safety, security or morale, a transfer to another suitable alternative position, if available, will be offered to one of the employees. If no such position is available for either employee, the employees will be given the

option of deciding who will voluntarily resign from employment from the company. If that decision is not made within 60 calendar days, management will decide. The decision of management will be made without taking into effect seniority. This means, that the employee who has been with Budway the longest may still be subject to termination.

In other cases where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment.

107 EMPLOYEE MEDICAL EXAMINATIONS

To help ensure that employees are able to perform their duties safely, medical examinations, including drug testing, are required.

After an offer has been made to an applicant entering a designated job category, a medical examination, including drug testing, will be performed at Budway's expense by a health professional of Budway's choice. The offer of employment and assignment to duties is contingent upon satisfactory completion of the exam.

Employees will be required to take surprise medical examinations and drug testing to determine fitness for duty at any time throughout their employment with Budway. Such examinations will be scheduled at random times and intervals and performed at Budway's expense.

Information on an employee's medical condition or history will be kept separate from other employee information and maintained confidentially. Access to this information will be limited to those who have a legitimate need to know.

108 IMMIGRATION LAW COMPLIANCE

Budway is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are re-hired must also complete the form if they have not completed a Form I-9 with Budway within the past three years, or if their previous Form I-9 is no longer retained or valid.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the Human Resources Department. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

109 CONFLICTS OF INTEREST

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

Transactions with outside firms must be conducted within a framework established and controlled by the executive level of Budway. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit either the employer, the employee, or both. Promotional plans that could be interpreted to involve unusual gain require specific executive-level approval.

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

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to an officer of Budway as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

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

To prevent a conflict of interest while in consideration of business with other companies, Budway employees may not receive any gifts (such as dinners, golf games, theater tickets) in excess of \$99.00 from such businesses. If uncertain of the appropriateness of a gift, it is safer to graciously decline.

Violation of this policy can result in immediate termination.

110 OUTSIDE EMPLOYMENT

Employees may hold outside jobs as long as they meet the performance standards of their job with Budway. All employees will be judged by the same performance standards and will be subject to Budway's scheduling demands, regardless of any existing outside work requirements.

If Budway determines that an employee's outside work interferes with performance or the ability to meet the requirements of Budway as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with Budway.

Outside employment that constitutes a conflict of interest is prohibited. Employees may not receive any income or material gain from individuals outside Budway for materials produced or services rendered while performing their jobs.

111 NON-DISCLOSURE

All employees must treat information relating to the business of Budway Enterprises, Inc., or any of its related entities, corporations, partnerships, joint ventures, investors, directors or customers as confidential and not divulge any of this information to outside parties without the prior written consent of the President. All such information must be kept completely confidential during, and subsequent to, employment with Budway Enterprises.

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

- * Business data regarding customers and suppliers
- * Compensation data
- * Computer programs and codes
- * Customer lists
- * Customer preferences
- * Employee performance evaluations
- * Financial information
- * Future expansion or development plans
- * Labor relations strategies
- * Markets
- * Marketing strategies
- * Pending projects and proposals
- * Proprietary production processes

All employees may be required to sign a non-disclosure agreement as a condition of employment. Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

112 JOB POSTING AND EMPLOYEE REFERRALS

Whenever possible and appropriate, it is the policy of Budway to give qualified employees preference over outside applicants when filling vacancies within the organization.

Budway provides employees an opportunity to indicate their interest in open positions and advance within the organization according to their skills and experience. In general, notices of all regular, full-time job openings are posted, although Budway reserves its discretionary right **not to post** a particular opening.

To be eligible to apply for a posted job, employees must have performed competently for at least 6 months in their current position. Employees who have a written warning on file within one year of the posted job date, or are on probation or suspension, are not eligible to apply for posted jobs. Eligible employees can only apply for those posted jobs for which they possess the required skills, competencies, and qualifications and have passed a new substance abuse test..

To apply for an open position, employees should submit a job posting application to the Human Resources Department listing job-related skills and accomplishments. It should also describe how their current experience with Budway and prior work experience and/or education qualifies them for the position.

Budway recognizes the benefit of developmental experiences and encourages employees to talk with their supervisors about their career plans. Supervisors are encouraged to support employees' efforts to gain experience and advance within the organization.

An applicant's supervisor may be contacted to verify performance, skills, and attendance. Any staffing limitations or other circumstances that might affect a prospective transfer may also be discussed.

Job posting is a way to inform employees of openings and to identify qualified and interested applicants who might not otherwise be known to the hiring manager. Other recruiting sources may also be used to fill open positions in the best interest of the organization.

Budway also encourages employees to identify friends or acquaintances who are interested in employment opportunities and refer qualified outside applicants for posted jobs. Employees should obtain permission from the individual before making a referral, share their knowledge of the organization, and not make commitments or oral promises of employment.

An employee should submit the referral's resume and/or completed application form to the Human Resources Department for a posted job. If the referral is interviewed, the referring employee will be notified of the initial interview and the final selection decision.

200 EMPLOYMENT STATUS AND RECORDS

201 EMPLOYMENT CATEGORIES

It is the intent of Budway to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and Budway.

Each employee is designated as either NONEXEMPT or EXEMPT from federal and state wage and hour laws. NONEXEMPT employees are entitled to overtime pay under the specific provisions of federal and state laws. EXEMPT employees are excluded from specific provisions of federal and state wage and hour laws. An employee's EXEMPT or NONEXEMPT classification may be changed only upon written notification by Budway management.

In addition to the above categories, each employee will belong to one other employment category:

REGULAR FULL-TIME: Employees who are not in a temporary or introductory status and who are regularly scheduled to work Budway's full-time schedule of more than 32 hours per week. Generally, they are eligible for Budway's benefit package, subject to the terms, conditions, and limitations of each benefit program.

REGULAR PART-TIME: Employees who are not assigned to a temporary or introductory status and who are regularly scheduled to work less than 32 hours per week. While they do receive all legally mandated benefits, they are ineligible for all of Budway's other benefit programs.

INTRODUCTORY: Employees whose performance is being evaluated to determine whether further employment in a specific position or with Budway is appropriate. Employees who satisfactorily complete the introductory period of 90 days will be notified of their new employment classification. At such time, employees will become eligible for Budway's benefit package, subject to the terms, conditions, and limitations of each benefit program.

TEMPORARY: Employees who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified in writing of a change. While temporary employees receive all legally mandated benefits, they are ineligible for all of Budway's other benefit programs.

CASUAL: Employees who have established an employment relationship with Budway but who are assigned to work on an intermittent and/or unpredictable "as needed" basis. While they receive all legally mandated benefits, they are ineligible for all of Budway's other benefit programs.

A change in an employee's classification is effective only if made in writing by an authorized representative of the company.

202 ACCESS TO PERSONNEL FILES

Budway maintains a personnel file on each current and former employee. The personnel file includes such information as the employee's:

- * Job application and resume (if applicable)
- * Records of training
- * Documentation of performance appraisals
- * Change of status forms and salary increases
- * Other records directly related to or used to determine the employee's qualifications for, and the terms and conditions of, employment, promotion, additional compensation, termination or other corrective action.

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

Employees who wish to review their own file should contact the Human Resources Department. With reasonable advance notice, employees may review their own personnel files in Budway's offices and in the presence of an individual appointed by Budway to maintain the files during normal working hours.

Employees may take notes related to documents in their personnel file; however, no alterations of these records are permitted nor can a document be added or removed from the file at the time of an employee's review. Employees may request and receive a copy of any document containing their signature.

203 EMPLOYMENT REFERENCE CHECKS

To ensure that individuals who join Budway are well qualified and have a strong potential to be productive and successful, it is the policy of Budway to check the employment references of all applicants with their former/current employer.

All employment verification requests from other companies, either verbal or written, must be forwarded to Human Resources. Responses to such inquiries will confirm only dates of employment and last position(s) held.

204 PERSONNEL DATA CHANGES

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

205 INTRODUCTORY PERIOD AND ORIENTATION

During the first weeks of work, employees normally will be given an orientation by the Human Resources Department and/or their supervisor in order to assist them in becoming acquainted with the company, how it conducts its business, and the services offered to its members. Some of the items covered during the orientation include, but will not necessarily be limited to, the following:

1. Applicable Budway personnel policies and practices.
2. Applicable operations policies and procedures.
3. Employee benefits, services/programs.
4. Safety and the proper use of company property.

In addition, all new drivers will be assigned a driver trainer as designated by the local Transportation Supervisor. The purpose of this time with a company driver trainer is to evaluate the new driver's overall driving skills and techniques and to familiarize the new driver with Budway's customers, equipment, paperwork procedures, and policies and procedures.

A new driver can expect to spend a minimum of 2 days to 5 days with a driver trainer. The actual time will be determined by the new driver's overall skill level, experience, and how quickly the driver adapts and adheres to Budway's methods and procedures.. Under no circumstances will a new driver be exempt from being assigned a driver trainer, regardless of experience or skill level.

All new employees, as part of Budway's orientations program, will be given an overview of the local terminal dispatch operation and a tour of the facility. The purpose of the operation overview and facilities tour are to give new employees an opportunity to meet the individuals they will be interacting with on a daily basis, and to familiarize new employees with the company's various departments and their functions.

Employees are encouraged to ask questions of their supervisor or other management personnel whenever necessary to become better informed about their jobs and Budway Enterprises.

The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. Budway uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or Budway may end the employment relationship at will at any time during or after the introductory period, with or without cause or advance notice.

All new and re-hired employees work on an introductory basis for the first 90 calendar days after their date of hire. Any significant absence will automatically extend an introductory period by the length of the absence. If Budway determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period.

Upon satisfactory completion of the introductory period, employees enter the "regular" employment classification.

During the introductory period, new employees are eligible for those benefits that are required by law, such as workers' compensation insurance and Social Security. After becoming regular employees, they may also be eligible for other Budway-provided benefits, subject to the terms and conditions of each benefits program. Employees should read the information for each specific benefits program for the details on eligibility requirements.

206 EMPLOYMENT APPLICATIONS

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

207 PERFORMANCE EVALUATIONS

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A formal written performance evaluation will be conducted at the end of an employee's initial period of hire (90 days), known as the introductory period. The performance review will be completed in writing and an interview will be conducted by the employee's supervisor. Strengths and those areas which need improvement will be discussed during these reviews. Additional formal performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

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Performance evaluations are scheduled approximately every 12 months, coinciding generally with the anniversary of the employee's original date of hire, at which time the supervisor conducting the review will determine whether or not a pay increase will be recommended.

A performance review does not guarantee that a pay increase will be granted automatically. Merit-based pay adjustments are awarded by Budway in an effort to recognize truly superior employee performance. The decision to award such an adjustment is dependent upon numerous factors, including the information documented by this formal performance evaluation process. All pay increase recommendations must be approved by at least two levels of management.

300 EMPLOYEE BENEFIT PROGRAMS

301 EMPLOYEE BENEFITS

Eligible employees at Budway are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Your supervisor can identify the programs for which you are eligible. Details of many of these programs can be found elsewhere in the employee handbook.

The following benefit programs are available to eligible employees:

- * 401(k) Retirement Savings Plan
- * Dental Insurance
- * Disability Benefits
- * Employee Leave
- * Health Insurance
- * Holidays
- * Jury Duty Leave
- * Life Insurance
- * Medical Leave
- * Military Leave
- * Parking
- * Personal Leave
- * Vacation Benefits
- * Witness Duty Leave

Some benefit programs require contributions from employees, but most are fully paid by Budway.

302 VACATION BENEFITS

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Employees in the following employment classification(s) are eligible to earn and use vacation time as described in this policy:

- * Regular full-time employees
- * Regular part-time employees

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Eligible full-time, part-time, and introductory employees begin to accrue vacation benefits on a per-week period basis from their date of hire. Eligible employees may first begin using accrued vacation benefits only after completion of one year continuous service. No advance paid vacation may be taken.

The amount of paid vacation time employees receive each year increases with the length of their employment as shown in the following schedule:

Number of days earned each year:

* Year One	9 working days earned	1.38 hours per pay period
* Years 2-4	14 working days earned	2.15 hours per pay period
* Years 5-9	17 working days earned	2.62 hours per pay period
* Years 10-19	18 working days earned	2.77 hours per pay period
* Years 20 plus	25 working days earned	3.85 hours per pay period

The above vacation accrual schedule applies to full-time employees who are scheduled to work 32 hours per week or more. Part-time employees have pro-rated accrual rates based on the number of hours worked the previous year. Temporary and casual employees are not eligible for vacation benefits.

The length of eligible service is calculated on the basis of a "benefit year." This is the 12-month period that begins when the employee starts to earn vacation time. An employee's benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

Once employees enter an eligible employment classification, they begin to earn paid vacation time according to the schedule. However, before vacation time can be used, a waiting period of 365 calendar days must be completed. After that time, employees can request use of earned vacation time including that accrued during the waiting period.

Paid vacation time may be used in minimum increments of one day. To take vacation, employees should request advance approval from their supervisors. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

Vacation time off is paid at the employee's base pay rate at the time of vacation. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

HOLIDAY DURING VACATION

If a recognized holiday falls during an eligible employee's vacation, the employee will be paid for the holiday rather than for the paid leave and will be expected to return to work on the date originally authorized by their supervisor. However, the employee will be granted a vacation day ,

either taken immediately in conjunction with the vacation week, if approved by their supervisor, or at a future date. (For example: Vacation was granted for July 1 thru July 5. July 4th was on a Thursday—a company recognized Holiday. Instead of being paid for a vacation day on that Holiday, the employee will receive paid holiday time pay. So, instead of being paid for 5 days vacation, the employee is paid for 4 days vacation and 1 day Holiday. The 5th vacation day may be taken on the following Monday, if the supervisor approves, or saved and taken at another time.)

VACATION SCHEDULING AND PAY

Although vacation must be approved in accordance with anticipated company business requirements, vacation scheduling requests will be accommodated whenever possible. Employees are expected to make their vacation requests to, and obtain approvals from their department head before the requested vacation date in order to allow scheduling of coverage in their department. Generally, vacation requests will be approved in the order they are submitted. If a conflict arises where 2 employees request the same dates for vacation, the earlier request will be given the preference. All requests must be submitted to the supervisor at least 5 working days in advance.

Vacation pay will be based on the employee's base pay rate in effect at the time such vacation is taken. Payment for vacation will be made on an employee's regularly scheduled payday unless requested in advance in writing.

ACCRUED AND UNUSED VACATION

Although all vacation accrued during each year of service is expected to be taken before completion of the following year of service, accrued, unused vacation days may be carried over to a subsequent benefit year up to a certain allowable accrual. However, a cap is placed on vacation accrual as follows:

* Year One	9 days	72 hours
* Years 2-4	15 days	120 hours
* Years 5-9	20 days	160 hours
* Years 10-19	25 days	200 hours
* Years 20 plus	28 days	224 hours

Once an employee reaches the cap level of earned vacation, the employee will no longer earn additional vacation until some of the existing vacation is used. Once some vacation is used, vacation again begins to be earned at the usual rate.

Budway reserves the right, if necessary, to designate vacation periods during which employees are expected to schedule their vacation in order to accommodate overall company work schedules and/or to insure employees actually use all of their accrued vacation benefits.

Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work.

303 HOLIDAYS

Regular full-time and part-time employees who work their regular scheduled work days before and after a holiday observed by the company are eligible for holiday pay. Employees who are on any type of unpaid leave of absence as of the date the company observes a holiday are not eligible for holiday pay. (i.e.: If employee is out ill on either the Thursday, before, or Monday, following, a Friday Holiday, or either the Friday, before, or Tuesday, after, a Monday Holiday, the employee will not receive Holiday pay).

Budway will grant holiday time off to all employees on the holidays listed below:

- * New Year's Day (January 1)
- * Good Friday
- * Memorial Day (last Monday in May)
- * Independence Day (July 4)
- * Labor Day (first Monday in September)
- * Thanksgiving (fourth Thursday in November)
- * Day after Thanksgiving
- * Christmas Eve (December 24)
- * Christmas (December 25)

Budway will grant holiday time off to all eligible employees immediately upon assignment to an eligible employment classification. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day. Eligible employee classification(s):

- * Regular full-time employees
- * Regular part-time employees

A recognized holiday that falls on a Saturday will be observed on the preceding Friday. A recognized holiday that falls on a Sunday will be observed on the following Monday.

If a recognized holiday falls during an eligible employee's paid absence (e.g., vacation), the employee will be paid for the holiday rather than for the paid leave and the employee will be granted an additional day for paid absence, either taken immediately in conjunction with the current paid absence or at a future date.

If eligible nonexempt employees work on a recognized holiday, they will receive holiday pay plus wages at their straight-time rate for the hours worked on the holiday.

Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

304 WORKERS' COMPENSATION INSURANCE

Budway provides a comprehensive workers' compensation insurance program at no cost to employees, effective the first day of employment. The company pays the full cost of this insurance. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible. Failure to do so could result in a delay of benefits by the insurance carrier.

If employees sustain a job-related illness or injury, they will be paid in full for the day such injuries occur or illness begins. All other payments for lost wages or salary due to a job-related illness or injury will be made by the company's workers' compensation insurance carrier as required by law.

Neither Budway nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by Budway.

FRAUDULENT CLAIMS

Employees and former employees may be encouraged by outside persons, including attorneys or other professionals, to file fraudulent worker's compensation claims. Employees should know that the Insurance Frauds Prevention Act provides that claims forms contain the following statement:

"Any person who knowingly presents a false or fraudulent claim for payment of a loss is guilty of a felony and may be subject to fines and confinement in a state prison."

The company's policy is to investigate all questionable workers' compensation claims and to refer them to the Bureau of Fraudulent Claims if they appear to be fraudulent.

305 MEDICAL LEAVE

Budway will allow unpaid sick leave to all eligible employees for periods of temporary absence due to illnesses or injuries. Eligible employee classification(s):

- * Regular full-time employees
- * Regular part-time employees

Unpaid sick leave can be used in minimum increments of one day. Eligible employees may only use sick leave for an absence due to their own illness or injury.

Employees who are unable to report to work due to illness or injury should notify their direct supervisor before the scheduled start of their workday. The direct supervisor must also be contacted on each additional day of absence. If an employee is absent for three or more consecutive days due to illness or injury, a physician's statement must be provided verifying the disability and its beginning and expected ending dates. Such verification may be requested for other sick leave absences as well and may be required as a condition to receiving sick leave benefits. Before returning to work from a sick leave absence of 3 calendar days or more, an employee must provide a physician's verification that he or she may safely return to work.

An employee on an extended absence must apply for any other available compensation and benefits.

Sick leave is intended in the event of illness or injury, and may not be used for any other absence.

306 TIME OFF TO VOTE

Budway encourages employees to fulfill their civic responsibilities by participating in elections. Generally, employees are able to find time to vote either before or after their regular work schedule. If employees are unable to vote in an election during their non-working hours, Budway will grant up to 2 hours of unpaid time off to vote. Such time off will be granted under the following conditions:

1. Work schedules are such that there is insufficient time off to vote without taking work time off;
2. No more than two hours is taken off from work;
3. The voting time off is taken only at the beginning or end of the regularly scheduled work shift, whichever allows for the most free time for voting and the least time off from the regular work shift, whichever provides the least disruption to the normal work schedule; and
4. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift, unless the employee did not know or have reason to believe that such time off was necessary.

Employee's normally should have sufficient voting time outside of working hours. Any request for time off to vote, therefore, must always have the prior approval of the employee's supervisor. Employees must submit a voter's receipt on the first working day following the election to qualify for time off.

307 BEREAVEMENT LEAVE

Regular and temporary full-time or part-time employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately. Paid time off, for up to 3 normally scheduled consecutive work days, will be granted to allow the employee to attend the funeral and make any necessary arrangements associated with the death.

Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Employees may, with their supervisors' approval, use any available paid leave for additional time off as necessary.

Budway defines "immediate family" as the employee's spouse, parent, child, sibling; the employee's spouse's parent, child, or sibling; the employee's child's spouse; the employee's grandparents or grandchildren.

308 EMPLOYEE LEAVE

Governor Wilson recently signed a bill making two changes to the little-known law that allows employees to take unpaid leave to participate in their children's school activities. The law applies to private, state and municipal employers who have 25 or more employees working in the same location.

Effective January 1, 1998, an employee (parent, guardian or grandparent with custody of a child) can take up to 40 hours of unpaid leave per year, regardless of the prior law. In addition to school activities of children in Kindergarten to 12th grade, the new legislation also includes licensed day care center activities. Other provisions of the law remain unchanged: employees are required to give the employer/supervisor reasonable advance notice of their leave, the employer can limit leave to 8 hours in any calendar month and can request school verification of the employee's participation.

It is illegal for any employer to retaliate against an employee who takes advantage of this leave law.

309 JURY DUTY

Budway encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees may request unpaid jury duty leave for the length of absence. If desired, employees may use any available paid time off (for example, vacation benefits).

Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits.

Either Budway or the employee may request an excuse from jury duty if, in Budway's judgment, the employee's absence would create serious operational difficulties.

Budway will continue to provide health insurance benefits for the full term of the jury duty absence.

Vacation and holiday benefits will continue to accrue during unpaid jury duty leave.

310 WITNESS DUTY

Budway encourages employees to appear in court for witness duty when subpoenaed to do so.

If employees have been subpoenaed or otherwise requested to testify as witnesses by Budway, they will receive paid time off for the entire period of witness duty.

Employees will be granted unpaid time off to appear in court as a witness when requested by a party other than Budway. Employees are free to use any available paid leave benefit (such as vacation leave) to receive compensation for the period of this absence.

The subpoena should be shown to the employee's supervisor immediately after it is received so that operating requirements can be adjusted, where necessary, to accommodate the employee's absence. The employee is expected to report for work whenever the court schedule permits.

311 BENEFITS CONTINUATION (COBRA)

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

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

312 HEALTH INSURANCE

Budway's health insurance plan provides employees and their dependents access to medical and dental insurance benefits. Employees in the following employment classifications are eligible to participate in the health insurance plan:

- * Regular full-time employees

Eligible employees may participate in the health insurance plan subject to all terms and conditions of the agreement between Budway and the insurance carrier.

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

Details of the health insurance plan are described in the Summary Plan Description (SPD). An SPD and information on cost of coverage will be provided in advance of enrollment to eligible employees. Contact the Human Resources Department for more information about health insurance benefits.

313 401(K) RETIREMENT SAVINGS PLAN

Budway has established a 401(K) retirement savings plan to provide employees the potential for future financial security for retirement.

To be eligible to join the 401(K) retirement plan, you must complete 90 days of service and be 21 years of age or older. You may join the plan only during open enrollment periods. Eligible employees may participate in the 401(K) plan subject to all terms and conditions of the plan.

The 401(K) retirement plan allows you to elect how much salary you want to contribute and direct the investment of your plan account, so you can tailor your own retirement package to meet your individual needs.

Because your contribution to a 401(K) plan is automatically deducted from your pay before federal and state tax withholdings are calculated, you save tax dollars now by having your current taxable amount reduced. While the amounts deducted generally will be taxed when they are finally distributed, favorable tax rules typically apply to 401(K) distributions.

Complete details of the 401(K) retirement plan are described in the Summary Plan Description provided to eligible employees. Contact the Human Resources Department for more information about the 401(K) plan.

314 CREDIT UNION

All employees are eligible to join the credit union. Attractive savings account and loan interest rates, as well as other financial buying services, are available to the credit union's members. Employee participation in the credit union's savings and loan programs normally is accomplished through regular payroll deductions.

Contact the Human Resources Department for more information regarding this benefit option.

315 UNEMPLOYMENT INSURANCE

Unemployment compensation provides a weekly benefit for a specified period of time if employees are terminated through no fault of their own. These benefits change periodically and are established and granted by respective state laws, not by Budway Enterprises.

Unemployment benefits are not available to employees who voluntarily quit without good cause or who are terminated for misconduct.

316 STATE DISABILITY INSURANCE (SDI)

All employees are covered by State Disability Insurance effective the first day of employment. State Disability Insurance provides employees with certain wage benefits in the event of illness or injury which is not job related.

By state law, employees are required to pay the cost of this protection through payroll taxes or deduction from their earnings. Contact your Human Resources Department to determine your eligibility by either state law or group insurance policies.

400 TIME KEEPING / PAYROLL

401 TIME KEEPING

NON-EXEMPT EMPLOYEES:

Accurately recording time worked is the responsibility of every nonexempt employee. Federal and state laws require Budway to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Nonexempt employees should accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. Overtime work must always be approved before it is performed.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

Nonexempt employees should report to work no more than 15 minutes prior to their scheduled starting time nor stay more than 15 minutes after their scheduled stop time without expressed, prior authorization from their supervisor.

It is the employees' responsibility to sign their time records to certify the accuracy of all time recorded. The supervisor will review and then initial the time record before submitting it for payroll processing. In addition, if corrections or modifications are made to the time record, both the employee and the supervisor must verify the accuracy of the changes by initialing the time record.

EXEMPT EMPLOYEES:

Exempt employees will report only that time that this is not considered regular work time. Time taken for illness, jury duty, military duty or other non-work-related activities will be recorded on an Absence Report form and submitted to the Department Manager for signature and submitted to Human Resources for the current pay period. In addition, exempt employees are not paid for additional working time, i.e.: overtime, weekends, and holidays.

402 WAGE AND SALARY REVIEWS

Pay increases granted to employees are based on many factors, including but not limited to, the following:

1. Degree of improved performance,
2. Potential for promotion,
3. Increased duties and responsibilities within the same position,
4. Economical conditions of the company, and
5. Labor market adjustments.

Pay increases are recommended by supervisors and must be approved by at least two levels of management.

403 PAYDAYS

All employees are paid weekly every Friday. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

In the event that a regularly scheduled payday falls on a day off such as a weekend or holiday, employees will receive pay on the last day of work before the regularly scheduled payday.

If a regular payday falls during an employee's vacation, the employee may receive his or her earned wages before departing for vacation if a written request is submitted at least one week prior to departing for vacation.

Employees may have pay directly deposited into their bank accounts if they provide advance written authorization to Budway. Employees will receive an itemized statement of wages when Budway makes direct deposits.

HOLIDAY PAY

Eligible, exempt employees receive their regular salary. Eligible non-exempt employees receive their regular straight time hourly wage rate for the number of hours they are regularly scheduled to work on non-holidays. Holiday benefits hours paid are not considered to be hours worked for purposes of overtime pay eligibility.

404 OVERTIME PAY

Employees who are classified as "non-exempt" will be compensated for overtime hours worked in accordance with all legal requirements. Employees who qualify as "exempt" within the meaning of the state and federal wage and hour laws do not receive overtime pay and are not subject to this policy. Budway will abide by all respective state laws and federal laws in the calculation of overtime. California requires overtime pay for any hours worked in excess of 40 hours per week. Paid time off, i.e.: vacation and voting, will not be used in the computing of overtime.

The Human Resources Department will assure that required posting will be visible to inform employees of the state and federal requirements.

Overtime is authorized only when necessary and all overtime must be approved by a supervisor. Non-exempt employees are not permitted to work overtime without prior written management approval. Because unauthorized overtime is against company policy, non-exempt employees who work unauthorized overtime are subject to corrective action, up to and including termination. When overtime is required, supervisors will attempt to provide as much notice as possible.

Exempt and non-exempt employees who refuse to work overtime without a compelling verifiable reason are not fulfilling the requirements of their position. Refusal to work overtime may result in corrective action, up to and including termination of employment.

405 EMPLOYMENT TERMINATION

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

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

Budway's Human Resources Department will generally schedule exit interviews at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to Budway, or return of Budway-owned property. This interview allows employees to communicate their views on their work with the company as well as the job requirements, operations and training needs of the position. Suggestions, complaints can also be voiced by the employee. It is a means for Human Resources to obtain information that may be useful in improving employee relations.

Since employment with Budway is based on mutual consent, both the employee and Budway have the right to terminate employment at will, with or without cause, at any time. All current wages or current salary and accrued, unused vacation due employees involved in an involuntary termination will be paid according to the state regulations where the work was performed. Where commissions are a part of the compensation, the employee will receive the commission pay at the regular calculations period.

Eligible employees will be paid a lump sum for all accrued, vacation benefits through the date of termination. Any vacation pay advanced to an employee before it was accrued will be deducted from the employee's final paycheck.

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Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

It is the responsibility of all terminating employees to return all company property issued to them at any time during their term of employment. All such property must be returned on or before the last day of work. Company property includes, but is not limited to: Back support belts, safety vests, hard hats, truck keys, tools, laptop PC, etc.

VOLUNTARY TERMINATION

When an employee initiates a resignation for personal or other reasons, the separation is considered voluntary. Employees who have been absent for 3 consecutive work days without notification to their supervisor will be considered to have voluntarily terminated their employment without notice. The last day worked will be the date of separation. Failure to return from an approved leave of absence or vacation within the time limited established also will be considered as a voluntary termination of employment without notice. The date of the expiration of the leave or vacation will be the separation date.

NOTICE OF RESIGNATION

Employees who voluntarily resign are requested to give advance written notice of, and all of the reasons for, their resignation to their supervisor.

INVOLUNTARY TERMINATION

Involuntary termination is one that is initiated by Budway Enterprises. Either the employee or the company can terminate the employment relationship at will, at any time, for any reason, with or without cause or notice.

406 PAY ADVANCES

In the event of a personal emergency, employees may submit a written request for a pay advance to their supervisor or manager, indicating the nature of the emergency involved. The supervisor or manager will evaluate the request and determine whether a pay advance can be granted.

407 ADMINISTRATIVE PAY CORRECTIONS

Budway takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Human Resources Department so that corrections can be made as quickly as possible.

408 PAY DEDUCTIONS AND SETOFFS

The law requires that Budway make certain deductions from every employee's compensation. Among these are:

1. Federal Income Tax,
2. State Income Tax,
3. Federal Social Security Insurance (FICA)
4. Medicare Deduction (HI) or State Disability Insurance (SDI) (where applicable),
5. Court Ordered Deductions (such as Garnishments).
6. Employee Loan(s)
7. Pre-tax Benefit Options - IRS Section 125
8. 401(K) Plan

Budway offers programs and benefits beyond those required by law, such as group medical insurance. Eligible employees may voluntarily authorize deductions from their pay checks to cover the costs of participation in these programs.

Pay setoffs are pay deductions taken by Budway, usually to help pay off a debt or obligation to Budway or others (for example, court ordered Garnishments).

All deductions, whether they are legally required or voluntary, are itemized on each payroll stub of an employee's paycheck. If you have questions concerning why deductions were made from your pay check or how they were calculated, your supervisor can assist in having your questions answered.

409 GARNISHMENT OF PAY

A Garnishment is a legal levy by a creditor against an employee's pay. Budway expects all employees to manage their personal finances so as not to involve the company. All garnishments and other attachment orders that are required by law will be honored. Employees who suspect that a garnishment may be levied against their pay must review the situation with Human Resources Department immediately. Sometimes arrangements can be made to resolve the situation before it becomes costly and embarrassing to the employee.

500 WORK CONDITIONS AND HOURS

501 SAFETY

Budway Enterprises, Inc., is committed to maintaining a safe working environment for all its employees. The company will comply with all applicable safety and security laws and regulations, such as those established by DOT, EPA, OSHA and all other federal, state and local safety and health agencies. Budway will make every effort to assure that generally accepted safe practices are followed by all our employees.

You as an individual must help the Company to provide a safe environment. You agree to report any unsafe conditions to your supervisor or directly to the Officers and Directors of Budway. You should conduct yourself in a manner which is conducive to this policy and treat your co-workers with the same respect you would desire to be treated.

To assist in providing a safe and healthful work environment for employees, customers, and visitors, Budway has established a workplace safety program. This program is a top priority for Budway. The Safety Manager has responsibility for implementing, administering, monitoring, and evaluating the Injury and Illness Prevention Program. Reasonable precautions are taken to provide employees with a safe place to work. Injury prevention, however, is largely an individual responsibility and all employees are expected to consistently do their part to work safely. The safety program success depends on the alertness and personal commitment of all.

Budway provides information to employees about workplace safety and health issues through regular internal communication channels such as supervisor-employee meetings, bulletin board postings, memos, or other written communications. A safety advisory group has been established to assist in these activities and to facilitate effective communication between employees and management about workplace safety and health issues.

Budway is committed to safety training for its management and employees. All appropriate employees are trained in and follow safe practices concerning forklifts and other powered industrial trucks, housekeeping, machines/equipment, back safety and proper lifting techniques, and other general facility safety issues. Employees and supervisors receive periodic workplace safety training specific to the needs of a particular work place. The training covers potential safety and health hazards and safe work practices and procedures to eliminate or minimize hazards. In the event in-house training capabilities for a particular need is unavailable, the company will consult with outside professionals.

The safety philosophy of Budway Enterprises reflects and communicates our pro-active corporate attitude toward safety. Elements of this philosophy are as follows:

1. All injuries and accidents are preventable through establishment of and compliance with safe work procedures.

2. The prevention of bodily injury and safeguarding the health are the first considerations in all workplace actions and are the responsibility of every employee at every level.
3. Written safety policies describing the safe work practices and procedures to be practiced in all workplace activities are an essential element of overall workplace safety. All employees at every level are responsible for knowing and following the safety practices described in the written safety policies.
4. Off the job, all employees should be similarly safe and demonstrate awareness of potential hazards.

Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with their supervisor, or with another supervisor or manager, or bring them to the attention of a member of the safety advisory group.

All employees have the responsibility to report immediately the existence of any hazardous condition or practice to their supervisor or the next level of management. This is a responsibility which cannot be delegated. *It belongs to every employee.* Reports and concerns about workplace safety issues may be made anonymously if the employee wishes. All reports can be made without fear of reprisal.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment.

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

Budway Enterprise prides itself on safety. The company's goal is to have no work related injuries or illnesses.

OSHA AND EPA COMPLIANCE

Budway will attempt to comply with all Occupational Safety and Health Administration (OSHA) and Environmental Protection Agency (EPA) requirements. The company also will cooperate with all reasonable OSHA or EPA inspections and compliance reviews. The company's Health and Safety Officer or designee will be present at all such inspections or reviews, along with other appropriate management personnel.

REPORTING ON-THE-JOB ACCIDENTS, INJURIES AND ILLNESS

Employees who incur an on-the-job injury or illness or are involved in an on-the-job accident (whether or not they are injured) are required to report immediately such situations, not matter how minor they may seem, to their supervisor.

In the event of an on-the-job industrial accident, the first concern should be for the health and safety of the person involved. The supervisor should be notified immediately in all cases. If the supervisor is not available, then notify any management person or seek appropriate medical care for the injured or ill person as soon as possible.

When an employee is involved in an on-the-job accident and/or incurs a work-related injury or illness, the company reserves the right to require immediate medical evaluation and/or treatment of the employee involved, at company expense, by a company selected physician.

It is the responsibility of each supervisor to prepare and forward a written report for all situations involving an accident, injury or illness within 24 hours which will be retained in the employee's personnel file in Human Resources and a copy to the Safety Director's office. All situations will be investigated by the employee's supervisor, the Safety Officer and/or Human Resources Department.

COMPANY VEHICLE ACCIDENTS

For purposes of this policy, a vehicular accident is defined as an occurrence involving a commercial motor vehicle operating on a public road in interstate or intrastate commerce which results in:

- * A fatality;
- * Bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident;
- * One or more motor vehicles incurring disabling damage as a result of the accident, requiring the motor vehicle to be transported away from the scene by a tow truck or other motor vehicle; or
- * Any unplanned or unforeseen event that involves direct or indirect costs to the company, causes a fatality or injury, or causes damage to property or equipment.

Budway will fully investigate any accident involving company personnel and vehicles. Budway believes strongly that accident investigation begins right at the scene. That means certain driver responsibilities are specified to be carried out at the scene of an accident. The responsibilities are outlined in the Budway Policies and Procedures Manual and in each Accident Kit issued to every driver. Each Accident Kit will contain the following:

- * A 35mm disposable camera
- * Forms for gathering information
- * A graph form for doing diagrams of the scene
- * Required Budway accident recording and reporting forms.

Two main concerns at the scene of an accident are to deal with immediate problems and to gather and report pertinent accident information to your supervisor promptly. These two items can be broken down into a step-by-step accident procedure for drivers to follow. These steps will be described in detail below. Depending on the severity of the accident, drivers for Budway will be expected to follow some or all of the procedures listed below:

1. Stop immediately
2. Prevent another accident
3. Help any people who are injured
4. Notify law enforcement personnel
5. Gather and report accident information
 - * Document the incident
 - * Report to Budway

Drivers who leave the scene of an accident without due cause may be subject to disciplinary action, up to and including termination, depending on the circumstances involved.

It is the responsibility of each driver and supervisor to prepare and forward a written report for an accident, no matter how minor, within 24 hours, to the Safety Director's office. All accidents will be investigated by the employee's supervisor, the Safety Officer and/or Human Resources Department.

ACCIDENT FILE AND TRACKING

Budway will fully comply with the current federal requirements for maintenance of an accident register (FMCSR Sec 390.15(b)). In addition to the federal accident register requirement, the company has other company level accident tracking, record keeping, and corrective action requirements.

The company will keep a physical file folder on each accident in which a company vehicle is involved, regardless of the cost of accident. The material collected in this file are critical to reconstructing the accident if that becomes necessary at some point. The documents are gathered from various sources, many from the investigation phase of accident tracking. Therefore, it is critical that the driver involved in a commercial vehicle accident obtain as much information at the scene of the accident as possible, using the forms in the Accident Kit.

Budway will evaluate driver performance in regard to accident frequency, severity, and preventability. Corrective action, up to and including termination, will be applied if drivers experience accidents that are judged to be preventable, based on circumstances and severity of a preventable accident. Accidents will be judged on case by case basis before the corrective action program is initiated.

502 WORK SCHEDULES

Work schedules for employees vary throughout our organization. Supervisors will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

503 USE OF PHONE AND MAIL SYSTEMS

Personal use of the telephone for long-distance and toll calls is not permitted. Employees should practice discretion when making local personal calls and will be required to reimburse Budway for any charges resulting from their personal use of the telephone.

The mail system is reserved for business purposes only. Employees should refrain from sending or receiving personal mail at the workplace.

To ensure effective telephone communications, employees should always use the approved greeting and speak in a courteous and professional manner. Please confirm information received from the caller, and hang up only after the caller has done so.

The approved greeting is as follows:

- * Good Morning / Good Afternoon
- * Budway or (more formally) Budway Enterprises
- * This is _____ (your name)
- * How may I direct your call? or How may I assist you / How may I help you?
 - ⇒ Get name of person or department caller wants
 - ⇒ or discover what the caller wants or needs
- * Whom shall I say is calling?
 - ⇒ Get callers name
- * Please wait while I put you on hold. (Get the caller's assent)
- * Thank you.
 - ⇒ Connect or contact person or department being called and announce caller's name.
 - ⇒ Transfer call.

504 COMPUTER AND E-MAIL USAGE



RAIL TRANSLOADING & DISTRIBUTION

TECHNOLOGY USE & PRIVACY POLICY

PURPOSE

The purpose of this policy is to provide guidelines governing employee use of company-provided technology resources.

POLICY

Technology resources consist of all electronic devices, software, and means of electronic communication including, but not limited to, the following: personal computers and workstations; laptop computers; mini or mainframe computers; computer hardware such as disk drives, tape drives, and monitors; peripheral equipment such as printers, modems, fax machines, and copiers; computer software applications and associated files and data, including software that grants access to external services, such as the internet; electronic mail; PDAs; telephones and cellular phones; pagers; and voicemail systems.

It is the company's policy to provide various technology resources to authorized employees to assist them in performing their job duties for the company. Each employee has a responsibility to use the company's technology resources in a manner that increases productivity, enhances the company's public image, and is respectful to other employees. Failure to follow the company's policies regarding its technology resources may lead to disciplinary measures, up to and including termination of employment.

PROCEDURES

Authorization

Access to the company's technology resources is within the sole discretion of the company. Generally, employees are given access to the company's various technologies based on their job functions. Only employees whose job performance will benefit from the use of the company's technology resources will be given access to the necessary technology.

Use

The company's technology resources are to be used by employees only for the purpose of conducting company business. Employees may, however, use the company's technology resources for the following incidental personal uses so long as such use does not interfere with the employee's duties, is not done for personal financial gain, does not conflict with the company's business, and does not violate any company policy:

- To send and receive necessary and incidental personal communications;
- To prepare and store incidental personal data (such as personal calendars, personal address lists, and similar incidental personal data) in a reasonable manner;
- To use the telephone system for brief and necessary personal calls; and
- To access the internet for brief personal searches and inquiries during meal times or other breaks, or outside of work hours, provided that employees adhere to all other usage policies.

The company assumes no liability for loss, damage, destruction, alterations, disclosure, or misuse of any personal data or communications transmitted over or stored on the company's technology resources. The company accepts no responsibility or liability for the loss or non-delivery of any personal or electronic mail or voicemail communications or any personal data stored on company property. The company strongly discourages employees from storing any personal data on any of the company's technology resources.

Improper Use

Prohibition Against Harassing, Discriminatory, and Defamatory Use

The company is aware that employees use electronic mail for correspondence that is less formal than written memoranda. Employees must take care, however, not to let informality degenerate into improper use. The company does not tolerate discrimination or harassment based on gender, pregnancy, childbirth (or related medical conditions), race, color, religion, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, family care or medical leave status, veteran status, or any other status protected by state and federal laws. Under no circumstances may employees use the company's technology resources to transmit, receive, or store any information that is discriminatory, harassing, or defamatory in any way (e.g., sexually-explicit or racial messages, jokes, cartoons, and pictures).

Prohibition Against Violating Copyright Laws

Employees must not use the company's technology resources to copy, retrieve, forward, or send copyrighted materials unless the employee has the author's permission or is accessing a single copy only for the employee's reference.

Other Prohibited Uses

Employees may not use any of the company's technology resources for any illegal purpose, violation of any company policy, in a manner contrary to the best interests of the company, in any way that discloses confidential or proprietary information of the company or third parties, or for personal or pecuniary gain.

Company Access to Technology Resources

All messages sent and received, including personal messages, and all data and information stored on the company's electronic-mail system, voicemail system, or computer system are company property regardless of the content. As such, the company reserves the right to access all of its technology resources, including its computers, voicemail, and electronic-mail systems, at any time in its sole discretion.

Privacy

Although the company does not wish to examine personal information of its employees, on occasion, the company may need to access its technology resources including computer files, electronic-mail messages, and voicemail messages. Employees should understand, therefore, that they have no right of privacy with respect to any messages or information created or maintained on the company's technology resources, including personal information or messages. The company may, at its discretion, inspect all files or messages on its technology resources at any time for any reason.

Passwords

Certain of the company's technology resources can be accessed only by entering a password. Passwords are intended to prevent unauthorized access to information. Passwords do not confer any right of privacy upon any employee of the company. Thus, even though employees may maintain passwords for accessing technology resources, employees must not expect that any information maintained on the technology resources, including electronic-mail and voicemail messages, are private. Employees are expected to maintain their passwords as confidential. Employees must not share passwords and must not access coworkers' systems without express authorization.

Data Collection

The best way to guarantee the privacy of personal information is not to store or transmit it on the company's technology resources. To ensure that employees understand the extent to which information is collected and stored, below are examples of information that may be maintained by the company. The company may, in its sole discretion and at any time, alter the amount and type of information that it retains.

- Telephone Use and Voicemail: Records may be kept of all calls made from and to a given telephone extension. Although voicemail is password protected, an authorized administrator can reset the password and listen to voicemail messages.
- Electronic Mail: Electronic mail may be backed-up and archived. Although electronic mail is password protected, an authorized administrator can reset the password and read electronic mail.
- Desktop Facsimile Use: Copies of all facsimile transmissions sent and received may be maintained in the facsimile server.
- Document Use: Each document stored on company computers has a history that shows which users have accessed the document for any purpose.
- Internet Use: Internet sites visited, the number of times visited, and the total time connected to each site may be recorded and periodically monitored.

Deleted Information

Deleting or erasing information, documents, or messages maintained on the company's technology resources is, in most cases, ineffective. All employees should understand that any information kept on the company's technology resources may be electronically recalled or recreated regardless of whether it may have been "deleted" or "erased" by an employee. Because the company periodically backs-up all files and messages, and because of the way in which computers re-use file storage space, files and messages may exist that are thought to have been deleted or erased. Therefore, employees who delete or erase information or messages should not assume that such information or messages are confidential.

The Internet and On-Line Services

The company provides authorized employees access to on-line services such as the internet. The company expects that employees will use these services in a responsible way and for business-related purposes only. Under no circumstances are employees permitted to use the company's technology resources to access, download, or contribute to the following:

- engaging in illegal, fraudulent, or malicious conduct;
- working on behalf of organizations without any professional or business affiliation with the company;
- sending, receiving, or storing offensive, obscene, or defamatory material;
- annoying or harassing other individuals;
- sending uninvited e-mails of a personal nature;

- monitoring or intercepting the files or electronic communications of employees or third parties;
- obtaining unauthorized access to any computer system;
- using another individual's account or identity without explicit authorization;
- attempting to test, circumvent, or defeat security or auditing systems of the company or any other organization without prior authorization; or
- distributing or storing chain letters, jokes, solicitations, offers to buy or sell goods, or other nonbusiness material of a trivial or frivolous nature.

Employees must not sign "guest books" at websites or post messages to internet news groups or discussion groups at websites using their company internet account. These actions will generate junk electronic mail and may expose the company to liability or unwanted attention because of comments that employees may make. The company strongly encourages employees who wish to access the internet for activities unrelated to their work to get their own personal internet access accounts.

Instant messaging during work hours is discouraged as disruptive behavior and nonconducive to a professional work environment. Employees engaging in instant messaging of a personal nature will be subject to discipline up to and including termination.

Some of the information to which the company has access is confidential. Employees should avoid sending confidential information over the internet except when absolutely necessary. Employees should also verify electronic mail addresses before transmitting any messages.

The company reserves the right to limit access to the internet by any means available, including revoking access altogether.

Software Use

License Restrictions

All software in use on the company's technology resources is officially licensed software. No software is to be installed or used that has not been duly paid for and licensed appropriately for the use to which it is being put. No employee may load any software on the company's computers, by any means of transmission, unless previously authorized in advance by the manager for information systems. Authorization for loading software into the company's computers will not be given by the manager for information systems until the software to be loaded has been thoroughly scanned for viruses.

Software for Home Use

The company endeavors to license its software so it may be used on portable computers in addition to office computers. Software may also be licensed for home computers, but before transferring or copying any software to another computer, employees must request permission and receive authorization from the manager for information systems.

Confidential Information

The company is very sensitive to the issue of protecting trade secrets and other confidential and proprietary information of both the company and third parties. Therefore, employees are expected to use good judgment and to adhere to the highest ethical standards when using or transmitting confidential information on the company's technology resources. Any confidential information transmitted via technology resources should be marked with the following confidentiality legend:

This message contains confidential information. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use, or distribute this information. If you have received this message in error, please advise (employee's name) immediately at (employee's telephone number) or return promptly by mail.

Security

The company has installed a variety of programs and devices to ensure the safety and security of the company's technology resources. Any employee found tampering or disabling any of the company's security devices will be subject to discipline up to and including termination.

Audits

The company may perform auditing activity or monitoring to determine compliance with these policies. Audits of software and data stored on the company's technology resources may be conducted without warning at any time.

505 USE OF EQUIPMENT AND VEHICLES

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using company equipment and/or property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

All employees authorized to drive company vehicles for any purpose or who use their own personal vehicle on company business, must possess the type or class of valid driver's license required for the vehicle or vehicles they may be required to drive and have a driving record which is acceptable to the company's insurance carrier.

Employees hired or placed into positions requiring the use of company or personal vehicles for company business will have their Department of Motor Vehicles (DMV) records checked by the company's insurance carrier at the time of employment or placement in those these positions and periodically thereafter. In addition, employees are responsible for immediately reporting to their supervisor any changes in their automobile insurance policy or the status of their driver's license such as suspension or revocation. Employees who violate this policy will be terminated.

Offers of promotion, or transfer and employment for positions requiring the use of vehicle will normally be withdrawn if it is determined that the employee is uninsurable or that his or her license is suspended or revoked.

It is the responsibility of the employee to notify the supervisor if any equipment, machines, tools, or vehicles appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment.

506 SMOKING

In keeping with Budway's intent to provide a safe and healthful work environment, smoking is prohibited in all enclosed work locations and in all company vehicles.

Smoking is permitted only in designated outside areas during regularly scheduled rest and meal periods.

This policy applies equally to all employees, customers, and visitors.

507 REST AND MEAL PERIODS

Each workday, full-time nonexempt employees are provided with 2 rest periods not to exceed 15 minutes in length. To the extent possible, rest periods will be provided in the middle of work periods. Since this time is counted and paid as time worked, employees must not be absent from their work stations beyond the allotted rest period time.

All full-time employees are provided with one meal period each workday. Supervisors will schedule meal periods to accommodate operating requirements. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time.

508 OVERTIME

It is the intention of Budway Enterprises to maintain appropriate staffing levels within the company during periods of normal work loads and when no overtime is necessary.

When operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime hours. When possible, advance notification of these mandatory assignments will be provided. All overtime work must receive the supervisor's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

All overtime worked needs to be documented on the individual's time card. The time card needs to be approved by the individual's immediate supervisor prior to the issuance of a check with the overtime included. Overtime on the time card needs to correspond to the approved overtime authorized for that individual.

Overtime compensation is paid to all nonexempt employees in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked. Time off on sick leave, vacation leave, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations.

Failure to work scheduled overtime or overtime worked without prior authorization from the supervisor may result in disciplinary action, up to and including possible termination of employment.

509 FIRE PREVENTION PLAN

As part of Budway's commitment to providing a safe work environment for all its employees, the company has developed a Fire Prevention Plan (FPP). The goals of this plan are to control and reduce the possibility of fire that may cause personal injury, property damage or loss, specify the type of equipment to be used in case of fire, and to fully comply with all applicable OSHA regulations regarding fire prevention plans as found in 29 CFR, 1910.38(b).

Under this policy, Budway employees will be informed of the policy's purpose, preferred means of reporting fires and other emergencies, types of evacuations to be used in various emergency situations, and alarm systems.

The Director of Safety is the company's Fire Prevention Plan coordinator and has overall responsibility for the implementation of, and compliance to, this company-wide policy. The written policy and procedures is kept on file in the Safety Department and at each local terminal. The policy will be reviewed and updated annually. Copies of this policy are available upon request and may be obtained by contacting your supervisor or the Safety Department.

The preferred means of reporting fires, other emergencies, and the types of evacuation to be used in various emergency situations will be posted on company bulletin boards at each local terminal. The company encourages each employee to review this information frequently.

It is the intent of this company to assure that hazardous accumulations of combustible waste materials are controlled so that a fast developing fire, rapid spread of toxic smoke, or an explosion will not occur. Employees are to be made aware of the hazardous properties in their workplace, and the degree of hazard each poses. Fire prevention measures must be developed for all fire hazards found at each workplace.

510 EMERGENCY CLOSING

At times, emergencies such as severe weather, fires, power failures, or earthquakes, can disrupt company operations. In extreme cases, these circumstances may require the closing of a work facility.

When operations are officially closed due to emergency conditions, the time off from scheduled work will be unpaid. However, with supervisory approval, employees may use available paid leave time, such as unused vacation benefits.

In cases where an emergency closing is not authorized, employees who fail to report for work will not be paid for the time off.

511 HAZARDOUS MATERIALS

Budway will comply fully with all applicable Hazardous Materials Regulations as found in 49 CFR, Parts 106 through 180, and in the FMCSR, Part 397, regarding the handling and transportation of hazardous materials. The company believes that compliance and safety starts with the employee. Therefore, Budway is committed to providing all warehousemen, drivers and office employees with proper and complete hazardous materials training. All employees are expected to have a thorough understanding of, and are required to follow the company's hazardous materials procedures.

These procedures have been developed to ensure the safety of the company's employees, the customer, and the general motoring public, to minimize the risks associated with the handling of hazardous materials, and to avoid fines and penalties for non-compliance. All warehousemen and drivers will be trained in the safe and proper handling and transporting of hazardous materials.

A written copy of the Hazardous Materials Policy and Procedures will be maintained at each local terminal. Copies are available upon request and may be obtained by contacting your supervisor or the Safety Department.

512 VISITORS IN THE WORKPLACE

To provide for the safety and security of employees and the Budway facilities, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

Because of safety and security reasons, family and friends of employees are discouraged from visiting. In cases of emergency, employees will be called to meet any visitor outside their work area.

All visitors should enter Budway at the reception area. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on Budway's premises, employees should immediately notify their supervisor or, if necessary, direct the individual to the reception area.

513 WORKPLACE VIOLENCE PREVENTION

Budway is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, Budway has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of Budway without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law.

Compliance with the company's commitment to a "zero tolerance" policy regarding workplace violence is every employee's responsibility.

All threats or actions of violence, all conduct, whether physical or verbal, direct or indirect, should be reported to your supervisor or any other member of management, immediately. This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to a supervisor. Do not place yourself in peril. If you see or hear a commotion or disturbance near your work station, do not try to intercede or see what is happening.

Budway will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, Budway may suspend employees, either with or without pay, pending investigation.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

Budway encourages employees to bring their disputes or differences with other employees to the attention of their supervisors or the Human Resources Department before the situation escalates into potential violence. If the employee does not receive an immediate response to their complaint of sexual harassment or any other kind of violence, they should bring it to the attention of either Rick McLeod, President, Mike McLeod, Vice President, or Vince McLeod, CEO. Budway is eager to assist in the resolution of employee disputes, and will not discipline employees for raising such concerns and forbids retaliation against anyone who has reported concerns about, or participated in the investigation of, workplace security.

600 LEAVES OF ABSENCE

601 MEDICAL LEAVE

Budway provides medical leaves of absence without pay to eligible employees who are temporarily unable to work due to a serious health condition or disability as required by the Family Medical Leave Act (FMLA). For purposes of this policy, serious health conditions or disabilities include inpatient care in a hospital, hospice, or residential medical care facility; continuing treatment by a health care provider; and temporary disabilities associated with pregnancy, childbirth, and related medical conditions. This policy is a summary of the company's obligations under such laws. Additional information can be obtained from posted policies or from the Human Resources Department.

Employees in the following employment classifications are eligible to request medical leave as described in this policy:

- * Regular full-time employees
- * Regular part-time employees

Eligible employees should make requests for medical leave to their supervisors at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events.

A health care provider's statement must be submitted verifying the need for medical leave and its beginning and expected ending dates. Any changes in this information should be promptly reported to Budway. Employees returning from medical leave must submit a health care provider's verification of their fitness to return to work.

An employee is eligible for a medical leave for a serious illness once he or she has completed the 90 day probation period, unless otherwise provided by law. Certain other conditions may also apply.

Eligible employees are normally granted leave for the period of the disability, up to a maximum of 16 weeks within any 1 year period. Any combination of medical leave and family leave may not exceed this maximum limit. If the initial period of approved absence proves insufficient, consideration will be given to a request for an extension. Employees will be required to first use any accrued paid leave time before taking unpaid medical leave.

The company will give employees timely written notice that a particular leave is "designated" as a leave under this Family and Medical Care Leave Act policy. This designation will generally be made at the commencement of a leave; however, it can be made later if the company did not know the reasons for an employee's leave of absence. In such cases, the company may designate the entire leave as a Family Medical Care Leave by giving a written notice to employees as soon as the company obtains knowledge that the leave is for Family and Medical Care Leave purposes. The notice may be oral; however, it will be confirmed in writing. A leave may be retroactively designated as a Family and Medical Care Leave under limited circumstances.

such as when the company does not learn the reason for a leave until an employee returns to work or when the company is awaiting receipt from an employee of a medical certification or other reasonable documentation.

Employees who sustain work-related injuries are eligible for a medical leave of absence for the period of disability in accordance with all applicable laws covering occupational disabilities.

Subject to the terms, conditions, and limitations of the applicable plans, Budway will continue to provide health insurance benefits for the full period of the approved medical leave, to the maximum of 16 weeks in a 12 month period.

So that an employee's return to work can be properly scheduled, an employee on medical leave is requested to provide Budway with at least two weeks advance notice of the date the employee intends to return to work. When a medical leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified.

If an employee fails to return to work on the agreed upon return date and has been absent for the following 3 consecutive work days without notification to their supervisor, Budway will assume that the employee has resigned. The agreed upon return date will be the voluntary termination date.

WORKERS COMPENSATION LEAVE

Worker's Compensation leave without pay is granted for situations in which there is a physician's written statement that a leave is required because of a "work-related" illness, injury or other physical disease. The physician's statement must include details acceptable to the company regarding the nature of the disability and the anticipated length of absence from work.

Leaves involving work-related disabilities are regulated by prevailing state and federal laws and may receive special attention from the company and the workers' compensation insurance carrier.

Prior to returning to work, an employee must provide his or her supervisor with a physician's written release. The release must include specific restrictions, if any, that affect the employee's ability to return to work, and their anticipated duration. Failure to provide such physician's release may result in termination. In some cases, another medical release, at the company's expense, may be required from a physician appointed by the company.

602 PREGNANCY-RELATED ABSENCES

Budway will not discriminate against any employee who requests an excused absence for medical disabilities associated with pregnancy. Such leave requests will be evaluated according

to the medical leave policy provisions outlined in this handbook and all applicable federal and state laws.

Requests for time off associated with pregnancy and/or childbirth, such as bonding and child care, not related to medical disabilities for those conditions will be considered in the same manner as other requests for unpaid family or personal leave.

Notwithstanding specific state laws governing pregnancy leaves, leaves due to pregnancy-related disabilities will be granted, without pay, for a total of up to 4 months. An employee requesting a pregnancy-related disability leave of absence must first provide her supervisor with a statement from her physician confirming:

1. The date her physician recommends she discontinue work.
2. Any restrictions with regard to the employee's work that the physician may recommend before beginning of absence.
3. The estimated date the employee will be released to return to work.

Other benefits, such as vacation, that are based on continuous employment do not accrue during leaves of absence lasting more than 30 calendar days. Employee performance and wage and salary review dates will also be adjusted by the total amount of time taken for such leaves of absence when they exceed 30 calendar days.

A physician's statement verifying that the employee is able to return to work must be presented by the employee to her supervisor prior to returning to work. The statement (physician's release) must include specific restrictions, if any, that affect the employee's ability to return to work and the anticipated duration of those restrictions.

An employee returning from a pregnancy-related disability leave will be returned to her original position or a position substantially similar to the one she previously held. If the original or a substantially similar position is not available, the employee will be permanently laid off.

603 FAMILY LEAVE

Under the provisions of the Family Leave and Medical Leave Act (FMLA), Budway provides family leaves of absence without pay to eligible employees who wish to take time off from work duties to fulfill family obligations relating directly to childbirth, adoption, or placement of a foster child; or to care for a child, spouse, or parent with a serious health condition. A serious health condition means an illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential medical care facility; or continuing treatment by a health care provider.

Employees in the following employment classifications are eligible to request family leave as described in this policy:

- * Regular full-time employees

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- * Regular part-time employees

Eligible employees may take unpaid family care leave up to a maximum of 16 work weeks within any 12 month period for any of the following reasons:

1. To care for the employee's child after birth or placement for adoption or foster care.
2. To care for the employee's child, parent, or spouse who has a serious health condition.

Eligible employees may request family leave only after having completed 1 year of service and have worked at least 1,250 hours during the previous 12 months. Eligible employees should make requests for family leave to their supervisors at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events.

Employees requesting family leave related to the serious health condition of a child, spouse, or parent may be required to submit a health care provider's statement verifying the need for a family leave to provide care, its beginning and expected ending dates, and the estimated time required.

Eligible employees may request up to a maximum of 16 weeks of family leave within any 12 month period. Any combination of family leave and medical leave may not exceed this maximum limit. If this initial period of absence proves insufficient, consideration will be given to a written request for a single extension of no more than 90 calendar days. Employees will be required to first use any accrued paid leave time before taking unpaid family leave. Married employee couples may be restricted to a combined total of 32 weeks leave within any 12 month period for childbirth, adoption, or placement of a foster child; or to care for a parent with a serious health condition.

The company will give employees timely written notice that a particular leave is "designated" as a leave under this Family and Medical Care Leave Act policy. This designation will generally be made at the commencement of a leave; however, it can be made later if the company did not know the reasons for an employee's leave of absence. In such cases, the company may designate the entire leave as a Family Medical Care Leave by giving a written notice to employees as soon as the company obtains knowledge that the leave is for Family and Medical Care Leave purposes. The notice may be oral; however, it will be confirmed in writing. A leave may be retroactively designated as a Family and Medical Care Leave under limited circumstances such as when the company does not learn the reason for a leave until an employee returns to work or when the company is awaiting receipt from an employee of a medical certification or other reasonable documentation.

Subject to the terms, conditions, and limitations of the applicable plans, Budway will continue to provide health insurance benefits for the full period of the approved family leave. However, it is the responsibility of the employee to contact Human Resources prior to beginning a leave to make arrangements for any payment of group insurance monthly premiums that may be required while on leave.

The employee does not accrue any time during leave of absence lasting more than 30 calendar days. Employee performance and wage and salary review dates will also be adjusted by the total

amount of time taken for such leaves of absence when they exceed 30 calendar days. (See 601 - Medical Leave)

So that an employee's return to work can be properly scheduled, an employee on family leave is requested to provide Budway with at least two weeks advance notice of the date the employee intends to return to work. When a family leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified.

If an employee fails to return to work on the agreed upon return date, Budway will assume that the employee has resigned.

604 PERSONAL LEAVE

Budway provides leaves of absence without pay to eligible employees who wish to take time off from work duties to fulfill personal obligations. Employees in the following employment classification(s) are eligible to request personal leave as described in this policy:

- * Regular full-time employees
- * Regular part-time employees

Eligible employees may request personal leave only after having completed the introductory period. As soon as eligible employees become aware of the need for a personal leave of absence, they should request a leave from their supervisor.

Discretionary leaves may be granted for a period of up to 30 calendar days in a calendar year without pay for compelling, verifiable personal reasons. If this initial period of absence proves insufficient, consideration will be given to a written request for a single extension of no more than 60 calendar days. With the supervisor's approval, an employee may take any available vacation leave as part of the approved period of leave.

Requests for personal leave will be evaluated based on a number of factors, including anticipated work load requirements and staffing considerations during the proposed period of absence.

The following factors will be taken into consideration:

- * Reason for request
- * Length of service
- * Anticipated general business schedule and work load, and ability of the company to assign duties to other employees and/or obtain temporary replacement personnel.

Subject to the terms, conditions, and limitations of the applicable plans, Budway will continue to provide health insurance benefits for the full period of the approved personal leave for as long as the employee pays his/her share of the premiums.

When a personal leave ends, every reasonable effort will be made to return the employee to the same position, if it is available, or to a similar available position for which the employee is qualified. However, Budway cannot guarantee reinstatement in all cases. In addition, the employee will lose seniority commensurate to the number of days on leave.

If an employee fails to report to work promptly at the expiration of the approved leave period, Budway will assume the employee has resigned.

Temporary and casual employees are not eligible for personal leaves of absence.

605 MILITARY LEAVE

Leave of absence and re-employment resulting from service in the U.S. Military Armed Forces will be in accordance with applicable state and federal laws.

Employees who are assigned to a U.S. Military Armed Forces Reserve organization and are subject to active and inactive duty training and will be absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Re-employment Rights Act (USERRA) will be granted leaves of absence without pay. Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable.

Those employees who are eligible for vacation benefits may use any accrued, unused benefit hours for all or part of an unpaid leave of absence for Reserve training. Any portion of a leave that occurs after all accrued vacation benefits have been used will be without pay.

Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible. Benefits, such as vacations, that are based on continuous employment do not accrue at any time during leaves of absences lasting more than 30 calendar days.

A copy of the applicable, official military orders for active duty training must either accompany a request for all such leaves of absence or be given by employees to their supervisor immediately after publications.

Employees on military leave for up to 30 days are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with USERRA and all applicable state laws.

Employees returning from military leave will be placed in the position they would have attained had they remained continuously employed or a comparable one depending on the length of military service in accordance with USERRA. They will be treated as though they were continuously employed for purposes of determining benefits based on length of service.

Contact the Human Resources Department for more information or questions about military leave.

606 RETURN FROM LEAVES OF ABSENCE

Reinstatement after leaves involving Family and Medical Care, Pregnancy Related Disabilities, U.S. Military Duty, Jury Duty or those leaves covered by workers' compensation will be in accordance with applicable state and federal laws in effect at that time.

RETURN FOR PERSONAL LEAVE OF ABSENCE OTHER THAN FMLA

When employees are returning from approved leaves of absences without pay, they must notify their supervisor at least 3 business days prior to their scheduled return date. The company, at its discretion based upon anticipated business needs and operational concerns, may or may not be able to hold an employee's position open during a leave of absence without pay. If the position held no longer exists upon an employee's return, placement in a comparable position for which such employees reasonably may be qualified will be made, if feasible. If placement in a comparable position cannot be accomplished, such employees will be laid off permanently.

700 EMPLOYEE CONDUCT AND DISCIPLINARY ACTION

701 EMPLOYEE CONDUCT AND WORK RULES

The company expects employees to observe certain behavior while at work. As with all businesses, Budway Enterprises considers certain conduct inappropriate and unacceptable.

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

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

1. Rude, abusive or threatening language toward, or harassment of, customers, management, employees or others
2. Theft or inappropriate removal or possession of company property/information or the property/information of customers, visitors or employees
3. Falsification of timekeeping records, injury or illness or company records
4. Working under the influence of alcohol or illegal drugs
5. Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment or any other violation of the company's Alcohol and Drug Policy.
6. Acts or threats of violence to, intimidation of, or interference with employees, customers or anyone else on the premises of the company or premises of a customer.
7. Boisterous or disruptive activity in the workplace
8. Negligence or improper conduct leading to damage, destruction or unauthorized use of employer-owned or customer-owned property and/or visitor-owned property.
9. Insubordination or other disrespectful conduct
10. Violation of safety or health rules
11. Smoking in prohibited areas
12. Sexual or other unlawful or unwelcome harassment
13. Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
14. Excessive absenteeism or any absence without notice
15. Unauthorized absence from work station during the workday
16. Unauthorized use of telephones, mail system, or other employer-owned equipment
17. Unauthorized disclosure of business "secrets" or confidential information
18. Violation of personnel policies
19. Unsatisfactory performance or conduct
20. Horseplay, carelessness and/or working in a manner which may create, or has created, a hazard to safety
21. Failure to use safety devices, failure to observe known or established safety rules
22. Failure to report an on-the-job injury or illness immediately to the employee's supervisor

- 23. Failure to immediately report a malfunction of equipment or machinery, or a safety hazard to an employee's supervisor
 - 24. Negligence or substandard job performance
 - 25. Sleeping on the job
 - 26. Gambling on company time on the company's premises
27. *For employees in positions requiring the use of a vehicle:* becoming uninsurable based on the standard of the company's insurance carrier due to unsatisfactory Department of Motor Vehicles records, driver's license suspension or revocation, or cancellation of the employee's automobile liability insurance policy.

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

702 DRUG AND ALCOHOL USE

It is Budway's desire to provide a drug-free, healthful, and safe workplace for its employees. The purpose of this policy is to try to minimize or eliminate health and safety risks to all employees, customers and visitors that may be caused by employee drug and/or alcohol use and to ensure the general safety of all company operations. This should be a matter of great importance to all employees, and for this reason full employee compliance and cooperation is requested and expected. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

The serious impact of drug use and alcohol abuse has been recognized by the federal government. The Federal Highway Administration (FHWA) has issued regulations which require the company to implement an alcohol and controlled substances testing program. The purpose of the FHWA issued regulations is to establish a controlled substance testing program designed to help prevent accidents and injuries resulting from the misuse of alcohol or use of controlled substances by drivers of commercial motor vehicles. The company will comply with these regulations and is committed to maintaining a drug-free workplace.

Employees may be asked to submit to a urinalysis or a blood test or other drug/alcohol screening for any reason by Budway, which will be conducted at a company designated medical facility. Such mandatory examinations and/or tests will be on company time, are considered a condition of continued employment, and will be at the sole expense of the company. Should an employee refuse to submit to the requested examination or test, the employee will be subject to termination for insubordination.

While on Budway premises and while conducting business-related activities off Budway premises or while operating a company vehicle or other equipment, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs during working hours. For the purposes of this policy, "working hours" include rest periods and meal periods. The legal use of medically prescribed drugs is permitted on the job only if it does not impair an employee's ability

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to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace. Any employee who takes or anticipates taking any legal drugs that may affect their ability to perform their job must notify their supervisor of the situation.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences. The company may refer such activities to appropriate law enforcement authorities for further action.

The company retains the right to search and inspect all company owned property and premises, including common areas used by employees, to detect the presence of illegal drugs, controlled substances, or alcohol. Company owned property includes, but is not limited to, machinery, equipment, furniture, lockers, buildings, real estate, and vehicles. Such inspections may occur at any time, with or without notice. As a term and condition of continued employment, every employee is expected and required to fully cooperate with any search being conducted to detect the presence of illegal drugs or alcohol on company property.

To inform employees about important provisions of this policy, Budway has established a drug-free awareness program. The program provides information on the dangers and effects of substance abuse in the workplace, resources available to employees, and consequences for violations of this policy.

Employees with questions or concerns about substance dependency or abuse are encouraged to use the resources of the Employee Assistance Program. They may also wish to discuss these matters with their supervisor or the Human Resources Department to receive assistance or referrals to appropriate resources in the community.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action can obtain help from the company to find appropriate professional assistance and may request approval to take unpaid time off to participate in an accredited rehabilitation or treatment program that provides physician supervised treatment. Leave may be granted if the employee agrees to abstain from use of the problem substance; abides by all Budway policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause Budway any undue hardship. Successful treatment requires a high degree of motivation and dedication.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify Budway of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five days of the conviction.

Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor, any other member of management with whom they feel comfortable discussing the situation, or the Human Resources Department without fear of reprisal.



RAIL TRANSLOADING & DISTRIBUTION

SAFETY-SENSITIVE EMPLOYEE DRUG TESTING

PURPOSE

The purpose of this policy is to modify section 703. Drug Testing of the current Budway Enterprises Employee Handbook. This modification provides guidelines governing the random drug testing of employees involved in safety-sensitive functions (e.g., warehousemen, drivers, etc.). This modification does not negate or limit the company's current drug-testing policy as outlined in the Budway Enterprises Employee Handbook but simply expands and clarifies that policy.

POLICY

Employees involved in safety-sensitive functions put themselves and others at risk of injury or death while performing their assigned duties. Using or being under the influence of drugs or alcohol on the job by these employees may increase the potential for serious harm to people or property. As safety is one of the company's core values, the company has determined that it is in its best interests and in the interests of all employees and guests of the company to conduct random testing of safety-sensitive employees on a regular basis for prohibited drug and alcohol use.

Therefore, it is the company's policy to conduct drug testing of all employees involved in safety-sensitive functions. This testing may be conducted as frequently as once each quarter. This testing will be in addition to any federally mandated drug testing (e.g., drivers subject to random testing under FMCSR Parts 383-383) and without advance notice. Safety-sensitive employees refusing to submit to testing will be subject to disciplinary action, up to and including termination of employment.

Whenever feasible, sample collection and testing will be conducted on site. When on-site testing is performed, all positive results will be deemed inconclusive and the employee will be immediately retested off-site at a company-approved medical clinic.

Whenever testing is conducted off-site at a company-approved medical clinic, the employee will be provided with a map to the clinic and must proceed directly and immediately to that location to provide a sample. Failure to appear at the clinic within a reasonable period of time and/or to provide an unadulterated sample will be deemed insubordination and will be treated as if the results were positive, subjecting the employee to disciplinary action, up to and including termination of employment.

703 DRUG TESTING

Budway is committed to providing a safe, efficient, and productive work environment for all employees. Using or being under the influence of drugs or alcohol on the job may pose serious safety and health risks. To help ensure a safe and healthful working environment, job applicants and employees may be asked to provide body substance samples (such as urine and/or blood) to determine the illicit or illegal use of drugs and alcohol. Refusal to submit to drug testing may result in withdrawal of offer of employment or in disciplinary action, up to and including termination of employment.

The Employee Assistance Program (EAP) provides confidential counseling and referral services to employees for assistance with such problems as drug and/or alcohol abuse or addiction. It is the employee's responsibility to seek assistance from the EAP prior to reaching a point where his or her judgment, performance, or behavior has led to imminent disciplinary action. Participation in the EAP after the disciplinary process has begun may not preclude disciplinary action, up to and including termination of employment.

Copies of the drug testing policy will be provided to all employees. Employees will be asked to sign an acknowledgment form indicating that they have received a copy of the drug testing policy. Questions concerning this policy or its administration should be directed to the Safety Manager.

704 SEXUAL AND OTHER UNLAWFUL HARASSMENT

In support of our values regarding "Integrity" and "People", Budway is committed to providing a work environment that is free of discrimination and unlawful harassment. Actions, words, jokes, or comments based on an individual's sex, race, ethnicity, age, religion, or any other legally protected characteristic will not be tolerated. As an example, sexual harassment (both overt and subtle) is a form of employee misconduct that is demeaning to another person, undermines the integrity of the employment relationship, and is strictly prohibited.

All employees are responsible for helping to assure a work place free of harassment. Any employee who wants to report an incident of sexual or other unlawful harassment should promptly report the matter in writing to his or her supervisor. If the supervisor is unavailable or the employee believes it would be inappropriate to contact that person, the employee should immediately contact the Human Resources Department or any other member of management. Employees can raise concerns and make reports without fear of reprisal.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment should promptly advise the Human Resources Department or any member of management who will handle the matter in a timely and confidential manner.

Everyone must recognize that such behavior not only violates rules of common courtesy and is a violation of company policy, but it is illegal under state and federal anti-discrimination laws. It is

Budway's policy to investigate all such complaints promptly, using the Incident Investigation Report form. If an investigation confirms the occurrence, anyone engaging in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment.

705 SOLICITATION

In an effort to ensure a productive and harmonious work environment, persons not employed by Budway may not solicit or distribute literature in the workplace at any time for any purpose.

Budway recognizes that employees may have interests in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time. (Working time does not include lunch periods, work breaks, or any other periods in which employees are not on duty.)

Examples of impermissible forms of solicitation include, but are not limited to:

- * The collection of money, goods, or gifts for community groups
- * The collection of money, goods, or gifts for religious groups
- * The collection of money, goods, or gifts for political groups
- * The sale of goods, services, or subscriptions outside the scope of official organization business
 - Example: Sale of candy for Little League
- * The circulation of petitions
- * The distribution of literature not approved by the employer
- * The solicitation of memberships, fees, or dues

In addition, the posting of written solicitations on company bulletin boards is restricted. These bulletin boards display important information, and employees should consult them frequently for:

- ◊ Affirmative Action statement
- ◊ Employee announcements
- ◊ Internal memoranda
- ◊ Job openings
- ◊ Organization announcements
- ◊ Workers' compensation insurance information
- ◊ State disability insurance/unemployment insurance information

If employees have a message of interest to the workplace, they may submit it to the Office/Terminal Manager for approval. All approved messages will be posted by the Office/Terminal Manager.

706 ATTENDANCE AND PUNCTUALITY

To maintain a safe and productive work environment, Budway expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on Budway. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor as soon as possible in advance of the anticipated tardiness or absence.

An absence is the failure of an employee to be at a designated work area or perform assigned work because of a failure to report for work, begin or end a meal period on time, or complete a work shift as scheduled. Such absences include lost time (partial or full time) due to illness, injury, personal reasons or other reasons for which the company is not responsible. Excessive absenteeism is determined by the number of days or duration of absence. Generally, excessive absenteeism is one or more days absence per month. Excessive tardiness is 2 or more tardiness per month.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment. Any falsification or other violation of an attendance obligation to the company may also result in disciplinary action, up to and including termination of employment.

Employees who are absent for 3 consecutive work days, without notification to their supervisor of the reasons for or the anticipated length of an absence, will be considered to have voluntarily resigned without notice.

Employees who know in advance they will be absent or late are required to make the necessary arrangements with their supervisor. If prior arrangements have not been made, employees' absences or inability to be at work on time must be reported to their supervisor or other designated person **no later than 30 minutes before** their scheduled starting time on each day of absence. Employees who leave a message with anyone other than their supervisor or designee do not meet the reporting requirements.

A physician's statement may be required, at the company's discretion, for any absence due to illness or injury. The company may request an evaluation of an employee's medical condition from its appointed physician at company expense and may also require a doctor's verification that employees are capable of resuming their job responsibilities before being permitted to return to work.

Approved absences due to jury duty, family and medical care leaves, pregnancy disabilities, job related illness or active duty in the U.S. Armed Forces are exempt from the company's attendance policy.

EMERGENCY ABSENCES

In the event an employee is absent due to an emergency situation, such as sudden illness or hospitalization, their supervisor must be notified either by the employee or by the individual designated as an emergency contact. This notification should be made within 24 hours after the emergency's occurrence. Employees leaving a message with anyone other than their supervisor or designee do not meet the reporting requirements.

707 PERSONAL APPEARANCE

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image Budway presents to customers and visitors.

During business hours, employees are expected to present a clean and neat appearance and to dress according to the requirements of their positions. Employees who appear for work inappropriately dressed will be sent home and directed to return to work in proper attire. Under such circumstances, employees will not be compensated for the time away from work.

Consult your supervisor or department head if you have questions as to what constitutes appropriate attire.

708 RETURN OF PROPERTY

Employees are responsible for all Budway property, materials, or written information issued to them or in their possession or control. All Budway property must be returned by employees on or before their last day of work. Where permitted by applicable laws, Budway may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. Budway may also take all action deemed appropriate to recover or protect its property.

709 RESIGNATION

Resignation is a voluntary act initiated by the employee to terminate employment with Budway. Although advance notice is not required, Budway requests at least a one week written resignation notice from all employees.

Prior to an employee's departure, an exit interview will be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits.

710 SECURITY INSPECTIONS

Budway wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, Budway prohibits the possession, transfer, sale, or use of such materials on its premises. Budway requires the cooperation of all employees in administering this policy.

Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of Budway. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of Budway at any time, either with or without prior notice.

711 PROGRESSIVE DISCIPLINE

The purpose of this policy is to state Budway's position on administering equitable and consistent discipline for unsatisfactory conduct in the workplace. The best disciplinary measure is the one that does not have to be enforced and comes from good leadership and fair supervision at all employment levels.

Budway's own best interest lies in ensuring the well-being and fair treatment of all employees and in making certain that disciplinary actions are prompt, uniform, and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence, and prepare the employee for satisfactory service in the future. The severity of the corrective action in response to the violation will be determined by such considerations, including but not limited to, the impact of the misconduct on company operations, the potential for or extend of damage caused, and the circumstances pertaining to the misconduct.

Although employment with Budway is based on mutual consent and both the employee and Budway have the right to terminate employment at will, with or without cause or advance notice, Budway may use progressive discipline at its discretion.

Disciplinary action may call for any of four steps -- verbal warning, written warning, suspension with or without pay, or termination of employment -- depending on the severity of the problem and the number of occurrences. There may be circumstances when one or more steps are bypassed.

Progressive discipline means that, with respect to most disciplinary problems, these steps will normally be followed: a first offense may call for a verbal warning; a next offense may be followed by a written warning; another offense may lead to a suspension; and, still another offense may then lead to termination of employment. If more than 12 months have passed since the last disciplinary action, the process will normally start over.

Budway recognizes that there are certain types of employee problems that are serious enough to justify either a suspension, or, in extreme situations, termination of employment, without going through the usual progressive discipline steps.

While it is impossible to list every type of behavior that may be deemed a serious offense, the Employee Conduct and Work Rules policy includes examples of problems that may result in immediate suspension or termination of employment. However, the problems listed are not all necessarily serious offenses, but may be examples of unsatisfactory conduct that will trigger progressive discipline.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and Budway.

712 PROBLEM RESOLUTION

Budway is committed to providing the best possible working conditions for its employees. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from Budway supervisors and management.

Budway strives to ensure fair and honest treatment of all employees. Supervisors, managers, and employees are expected to treat each other with mutual respect. Employees are encouraged to offer positive and constructive criticism.

If employees disagree with established rules of conduct, policies, or practices, they can express their concern through the problem resolution procedure. No employee will be penalized, formally or informally, for voicing a complaint with Budway in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs when employees believe that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps. The employee may discontinue the procedure at any step.

1. Employee presents problem to immediate supervisor within 3 calendar days, after incident occurs. If the supervisor is unavailable or if the employee believes it would be inappropriate to contact the supervisor or would be uncomfortable discussing the problem with the supervisor, the employee may present problem to Human Resources Department or any other member of management.
2. Supervisor responds to problem during discussion or within 3 calendar days, after consulting with appropriate management, when necessary. Supervisor documents discussion.
3. Employee presents problem to Human Resources Department within 3 calendar days, if problem is unresolved.
4. Human Resources Department counsels and advises employee, assists in putting problem in writing, visits with employee's manager(s), if necessary, and directs employee to either the Vice President or President.

5. Employee presents problem to the Vice President or the President in writing.
6. The Vice President or the President reviews and considers problem and will inform employee of decision within 3 calendar days, and forwards copy of written response to Human Resources Department for employee's file. The Vice President or the President has full authority to make any adjustment deemed appropriate to resolve the problem.

The Vice President or the President will conduct a hearing to investigate and resolve the problem. A complete description of the Review procedure is available from the Human Resources Department for review.

Problems, disputes, or claims not resolved through the preceding problem resolution steps are subject to mediation. Mediation will be conducted under the Employment Mediation Rules of the American Arbitration Association. Employees who choose to use mediation to resolve a problem will be expected to share the cost of mediation with Budway. A complete description of the mediation procedure is available from the Human Resources Department for review.

By following the above procedures, the company gives supervisors and employees an opportunity to work together to remedy employee problems. Supervisors are expected to create a relationship with employees that will encourage discussion of any issues in an open and direct manner.

Not every problem can be resolved to everyone's total satisfaction, but only through understanding and discussion of mutual problems can employees and management develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment, and helps to ensure everyone's job security.

800 MISCELLANEOUS

801 EMPLOYEE MEETINGS

Attending scheduled employee meetings is considered part of an employee's responsibilities. Scheduled meetings are held for an employee's benefit, as well as the benefit of the entire company, and employees are expected to attend on time and participate. Employees who are unable to attend are expected to notify their supervisor.

**802 SUGGESTION PROGRAM - "OPPORTUNITIES FOR
IMPROVEMENT"**

As employees of Budway, you have the opportunity to contribute to our future success and growth by submitting suggestions for practical work-improvement or cost-savings ideas.

All regular employees are eligible to participate in the suggestion program.

A suggestion is an idea that will benefit Budway by solving a problem, reducing costs, improving operations or procedures, enhancing customer service, eliminating waste or spoilage, or making Budway a better or safer place to work. Statements of problems without accompanying solutions, or recommendations concerning co-workers and management are not appropriate suggestions.

All suggestions must be submitted on a suggestion form and should contain a description of the problem or condition to be improved, a detailed explanation of the solution or improvement, and the reasons why it should be implemented. If you have questions or need advice about your idea, contact your supervisor for help.

Submit suggestions to the Human Resources Department and, after review, they will be forwarded to the Suggestion Committee. As soon as possible, you will be notified of the adoption or rejection of your suggestion.

Special recognition will be given to employees who submit a suggestion that is implemented.

803 LIFE-THREATENING ILLNESSES IN THE WORKPLACE

Employees with life-threatening illnesses, such as cancer, heart disease, and AIDS, often wish to continue their normal pursuits, including work, to the extent allowed by their condition. Budway

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supports these endeavors as long as employees are able to meet acceptable performance standards. As in the case of other disabilities, Budway will make reasonable accommodations in accordance with all legal requirements, to allow qualified employees with life-threatening illnesses to perform the essential functions of their jobs.

Medical information on individual employees is treated confidentially. Budway will take reasonable precautions to protect such information from inappropriate disclosure. Managers and other employees have a responsibility to respect and maintain the confidentiality of employee medical information. Anyone inappropriately disclosing such information is subject to disciplinary action, up to and including termination of employment.

Employees with questions or concerns about life-threatening illnesses are encouraged to contact the Human Resources Department or Budway's Employee Assistance Program for information and referral to appropriate services and resources.

900 DRIVER SPECIFIC POLICIES

901 DEFENSIVE DRIVING

Budway Enterprises is strongly committed to a sound and thorough defensive driving policy. The company's defensive driving program is based on the principles set forth in the *National Council Defensive Driving Course*. Those principles include emphasis on the following:

1. Good vision;
2. Alertness;
3. Sound judgment; and
4. Fast reactions.

While operating company vehicles, drivers should always drive in the safest and most professional manner possible. Likelihood of accidents will be minimized, and a positive image for the company will be promoted in the eyes of the general public. Specifically, our drivers must operate company vehicles in accordance with all provisions of Part 392 - Driving of motor Vehicles of the Federal Motor Carrier Safety Regulations.

902 DRIVER SAFETY RECORDS

As part of Budway's overall commitment to operating in a safe and legal manner, a Safety Performance record will be kept for each driver. These Safety Performance Files will be a chronological listing of all accidents and other safety related incidents involving individual drivers. The goals of these Safety Performance Files are: (1) to take a proactive stance in detecting patterns of unsafe driving behavior, (2) to take immediate corrective action with all drivers performing in an unsafe manner, or who are involved in accidents or incidents, and (3) to recognize those drivers who consistently demonstrate the ability to operate safely and within the regulations.

903 DAILY VEHICLE INSPECTION REPORT

Budway is committed to following a strong daily inspection program. Department of Transportation (DOT) regulations require commercial motor vehicles to be inspected on a daily basis. Our daily inspection procedures will help avoid DOT penalties and provide a sound basis for a good inspection and maintenance program. Daily inspection of vehicles will help prevent small problems from becoming big problems.

Each driver is required to prepare daily pre-, as well as, post-trip Driver's Vehicle Inspection Reports on a three-part form; the original and one copy to be submitted to the Dispatch Office at end of the day, one copy to remain in the vehicle until the next inspection report is prepared; except in the case of needed repairs. At that time, all copies are turned into the Dispatch Office with repairs needed noted. The driver will also review the last completed Driver's Vehicle Inspection Report to verify that any needed repairs were made to the vehicle. If an authorized signature certifies that defects were corrected or that correction was unnecessary, the driver shall sign the third signature line of the form. If the defects noted were not acknowledged by an authorized signature, the driver shall not drive the vehicle until the defects are handled appropriately.

904 HOURS OF SERVICE

Budway is committed to following the hours of service regulations. Department of Transportation (DOT) regulations require all motor carriers and drivers to follow the hours of service requirements. Our hours of service procedures will help avoid DOT penalties and reduce driver fatigue.

Budway's Hours of Service policy requires all new drivers be trained in the hours of service regulations as part of the company's driver orientation program. In addition, all current drivers are required to be retrained in the hours of service regulations annually.

Driver supervisors are responsible to ensure all current drivers are re-certified annually in hour of service regulations training. All training is to be documented and put in the driver's file. Scheduling hours of service refresher sessions are to be done at least 5 working days in advance.

905 DRIVER LOGS

Budway is strongly committed to full compliance with the current federal Hours of Service Regulations, as well as any additional local regulations which may apply. The Hours of Service (logging) Regulations are part of the Federal Motor Carrier Safety Regulations, specifically contained in Part 395 of the FMCSR.

A major element of individual compliance with the Hours of Service Regulations is regular completion of the company's specified log form, including all 11 required items.

Drivers should use only the forms provided by the company to keep track of their hours of service.

All newly-hired drivers will be trained in, and are expected to fully understand, the driver log requirements as a condition of employment. This training will be done as part of Budway's driver

orientation process. All current drivers are required to take refresher training in driver log requirements every 24 months as a condition of their continued employment.

A sample of the log form to be used is attached to this policy.

906 LOG AUDITING

Budway is committed to operating in a safe and legal manner at all times. The submission of accurate, true, neat and legible daily logs is an integral part of this commitment. Budway has established a zero tolerance standard for hours of service violations. The company will audit drivers daily records of duty status to ensure compliance with the FMCSR, Part 395. Continual non-compliance with hours of service regulations will not be tolerated at Budway Enterprises, Inc.

Budway's log auditing procedures consist of four steps. First, all drivers are expected to submit accurate, true, neat, and legible daily logs in a timely manner. Second, daily logs will be forwarded to Budway's Safety Department for audit and review. Third, drivers will be given feedback and/or corrective action based on results of log audits. Fourth, recognition will be given to drivers who submit zero defect logs.

Budway's log auditing policy requires all new drivers be trained in log violations prevention training as part of the company's driver orientation program. In addition, all current drivers are required to be retrained in log violations prevention annually.

Driver supervisors are responsible to ensure all current drivers are re-certified annually in log violation prevention training. All training is to be documented and put in the driver's file. Scheduling log violation prevention refresher sessions are to be done at least 5 working days in advance.

911 DISPATCH OPERATIONS

Budway Enterprises, Inc., is committed to providing all of its drivers with a reasonable supply of work. Our goal is to ensure that our over-the-road drivers have the opportunity to safely and legally secure, on average, between 2250 and 2500 miles per week.

Budway is also committed to providing quality time at home for its drivers. Our goal is to get our drivers home every weekend when possible. Although some layover and missed time at home opportunities are inevitable, the company is committed, through working with our customers, operations personnel, and drivers, to keeping these instances to an absolute minimum.

The goals stated in this policy should not be interpreted as guarantees, but as reasonable expectations based on historical company performance.

Current Dispatch System

Budway utilizes a dispatch system located at each of its individual terminal locations. All available drivers will be dispatched from these locations. The load or work information will then be communicated to drivers through their supervisor on a daily basis.

All available loads will be assigned based on the following priority: available hours of service, customer need, utilization, driver need - except towards the end of the week, when routing drivers to domicile location or home will take priority over utilization.

Current Load/Work Assignments

Budway operates under the following dispatch system. Drivers are expected to complete all load/work assignments they are given under the following two conditions:

- * If the driver can safely and legally make the run, and
- * The load/work assignment does not conflict with a previously approved need for personal time off or upcoming event.

In situations where conflicts do arise, the company will make every effort to accommodate the driver through relay, load swapping, etc.

Drivers will be assigned based on customer need. In other words, the first available driver will be assigned to the first available load or earliest customer pick-up appointment. However, the company believes that length of service is important and should be recognized. Therefore, whenever possible, drivers will be given a choice of load/work assignments based on seniority - especially when assigning weekend loads for Monday delivery.

Load Refusals

Budway considers the refusal of a load or other work assignment an act of resignation under the following two conditions:

- * If the driver can safely and legally make the run, and
- * The load/work assignment does not conflict with a previously approved need for personal time off or upcoming event.

The company will make every attempt to accommodate drivers load preference, but our customers will ultimately determine where our drivers go.

921 CARGO HANDLING

Budway is committed to the safe and efficient handling and transporting of our customers' products. Our goal is to incur zero cargo loss or damage as a result of company or driver carelessness, negligence, or unpreparedness. Budway believes that by following procedures for

the loading/unloading, and cargo transporting procedures, we can ensure the security and integrity of our customers' products from point of origin to final destination, and enhance the personal safety of our drivers.

General cargo handling and in-transit procedures have been developed to establish consistent routines at points of origin and destinations of loads, maintain Budway's high safety standards, and minimize risk of damage or loss to the customers cargo. All drivers for Budway will be trained in proper loading/unloading and cargo securement procedures.

931 ANNUAL VEHICLE INSPECTION

Budway is committed to following an annual commercial vehicle inspection program. Department of Transportation (DOT) regulations require commercial motor vehicles to undergo a thorough inspection at least annually. All equipment items not meeting the minimum standards must be repaired before the vehicle is put back into service. Our annual inspection procedure will help avoid DOT penalties and provide a sound basis for a good inspection and maintenance program.

All vehicles subject to Budway's control must be inspected at least annually. This includes each vehicle in a combination. For example, for a tractor semi-trailer / full trailer combination, the tractor, semi-trailer, and the full trailer (including the converter dolly) must each be inspected. The components that are to be inspected are listed in Appendix G to the FMCSR. In addition, Budway will inspect for general cleanliness of its vehicles.

932 EQUIPMENT MAINTENANCE

Systematic maintenance of equipment is an essential element of a safe and efficient operation. Part 396 of the Federal Motor Carrier Safety Regulation requires motor carriers to "inspect, repair and maintain all motor vehicles" under their control. Even if there were no federal regulations in place, it makes excellent business sense to have an organized maintenance program in operation. It is company policy to keep all company equipment well maintained and in safe and excellent operating condition at all times.

It is further the policy of Budway to use the "preventive maintenance" approach with our equipment. The specifics of that approach are detailed in the Equipment Maintenance Policy and Procedures Manual.

933 ROADSIDE INSPECTIONS

Roadside inspections are a fact of life for drivers of commercial motor vehicles and at Budway. Department of Transportation (DOT) regulations authorize special agents to enter upon and perform inspections of a motor carriers vehicles in operations. Budway Enterprises, Inc. expects its drivers to behave in a professional, courteous manner when asked to participate in a roadside inspection. Directions given by the inspection official must be followed. Failure to comply with the procedures set forth in the Policy and Procedures Manual may result in disciplinary action.

934 VEHICLE BREAKDOWN AND ROAD REPAIR

The goal of Budway is to minimize over-the-road equipment breakdown through having strong vehicle inspection and preventive maintenance programs. As part of its overall driver support system, Budway is committed to providing its drivers with expedient and reliable breakdown and road repair service in the event of equipment failures.

When an equipment breakdown does occur, the safety of the driver and the general motoring public will take priority, but the needs of the customer must also be considered. With this in mind, Budway has implemented vehicle breakdown and road repair procedures which all drivers will be trained in and expected to follow.

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RAIL TRANSLOADING & DISTRIBUTION

TECHNOLOGY USE & PRIVACY POLICY

PURPOSE

The purpose of this policy is to provide guidelines governing employee use of company-provided technology resources.

POLICY

Technology resources consist of all electronic devices, software, and means of electronic communication including, but not limited to, the following: personal computers and workstations; laptop computers; mini or mainframe computers; computer hardware such as disk drives, tape drives, and monitors; peripheral equipment such as printers, modems, fax machines, and copiers; computer software applications and associated files and data, including software that grants access to external services, such as the internet; electronic mail; PDAs; telephones and cellular phones; pagers; and voicemail systems.

It is the company's policy to provide various technology resources to authorized employees to assist them in performing their job duties for the company. Each employee has a responsibility to use the company's technology resources in a manner that increases productivity, enhances the company's public image, and is respectful to other employees. Failure to follow the company's policies regarding its technology resources may lead to disciplinary measures, up to and including termination of employment.

PROCEDURES

Authorization

Access to the company's technology resources is within the sole discretion of the company. Generally, employees are given access to the company's various technologies based on their job functions. Only employees whose job performance will benefit from the use of the company's technology resources will be given access to the necessary technology.

Use

The company's technology resources are to be used by employees only for the purpose of conducting company business. Employees may, however, use the company's technology resources for the following incidental personal uses so long as such use does not interfere with the employee's duties, is not done for personal financial gain, does not conflict with the company's business, and does not violate any company policy:

- To send and receive necessary and incidental personal communications;
- To prepare and store incidental personal data (such as personal calendars, personal address lists, and similar incidental personal data) in a reasonable manner;
- To use the telephone system for brief and necessary personal calls; and
- To access the internet for brief personal searches and inquiries during meal times or other breaks, or outside of work hours, provided that employees adhere to all other usage policies.

The company assumes no liability for loss, damage, destruction, alterations, disclosure, or misuse of any personal data or communications transmitted over or stored on the company's technology resources. The company accepts no responsibility or liability for the loss or non-delivery of any personal or electronic mail or voicemail communications or any personal data stored on company property. The company strongly discourages employees from storing any personal data on any of the company's technology resources.

Improper Use

Prohibition Against Harassing, Discriminatory, and Defamatory Use

The company is aware that employees use electronic mail for correspondence that is less formal than written memoranda. Employees must take care, however, not to let informality degenerate into improper use. The company does not tolerate discrimination or harassment based on gender, pregnancy, childbirth (or related medical conditions), race, color, religion, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, family care or medical leave status, veteran status, or any other status protected by state and federal laws. Under no circumstances may employees use the company's technology resources to transmit, receive, or store any information that is discriminatory, harassing, or defamatory in any way (e.g., sexually-explicit or racial messages, jokes, cartoons, and pictures).

Prohibition Against Violating Copyright Laws

Employees must not use the company's technology resources to copy, retrieve, forward, or send copyrighted materials unless the employee has the author's permission or is accessing a single copy only for the employee's reference.

Other Prohibited Uses

Employees may not use any of the company's technology resources for any illegal purpose, violation of any company policy, in a manner contrary to the best interests of the company, in any way that discloses confidential or proprietary information of the company or third parties, or for personal or pecuniary gain.

Company Access to Technology Resources

All messages sent and received, including personal messages, and all data and information stored on the company's electronic-mail system, voicemail system, or computer system are company property regardless of the content. As such, the company reserves the right to access all of its technology resources, including its computers, voicemail, and electronic-mail systems, at any time in its sole discretion.

Privacy

Although the company does not wish to examine personal information of its employees, on occasion, the company may need to access its technology resources including computer files, electronic-mail messages, and voicemail messages. Employees should understand, therefore, that they have no right of privacy with respect to any messages or information created or maintained on the company's technology resources, including personal information or messages. The company may, at its discretion, inspect all files or messages on its technology resources at any time for any reason.

Passwords

Certain of the company's technology resources can be accessed only by entering a password. Passwords are intended to prevent unauthorized access to information. Passwords do not confer any right of privacy upon any employee of the company. Thus, even though employees may maintain passwords for accessing technology resources, employees must not expect that any information maintained on the technology resources, including electronic-mail and voicemail messages, are private. Employees are expected to maintain their passwords as confidential. Employees must not share passwords and must not access coworkers' systems without express authorization.

Data Collection

The best way to guarantee the privacy of personal information is not to store or transmit it on the company's technology resources. To ensure that employees understand the extent to which information is collected and stored, below are examples of information that may be maintained by the company. The company may, in its sole discretion and at any time, alter the amount and type of information that it retains.

- Telephone Use and Voicemail: Records may be kept of all calls made from and to a given telephone extension. Although voicemail is password protected, an authorized administrator can reset the password and listen to voicemail messages.
- Electronic Mail: Electronic mail may be backed-up and archived. Although electronic mail is password protected, an authorized administrator can reset the password and read electronic mail.
- Desktop Facsimile Use: Copies of all facsimile transmissions sent and received may be maintained in the facsimile server.
- Document Use: Each document stored on company computers has a history that shows which users have accessed the document for any purpose.
- Internet Use: Internet sites visited, the number of times visited, and the total time connected to each site may be recorded and periodically monitored.

Deleted Information

Deleting or erasing information, documents, or messages maintained on the company's technology resources is, in most cases, ineffective. All employees should understand that any information kept on the company's technology resources may be electronically recalled or recreated regardless of whether it may have been "deleted" or "erased" by an employee.

Because the company periodically backs-up all files and messages, and because of the way in which computers re-use file storage space, files and messages may exist that are thought to have been deleted or erased. Therefore, employees who delete or erase information or messages should not assume that such information or messages are confidential.

The Internet and On-Line Services

The company provides authorized employees access to on-line services such as the internet. The company expects that employees will use these services in a responsible way and for business-related purposes only. Under no circumstances are employees permitted to use the company's technology resources to access, download, or contribute to the following:

- engaging in illegal, fraudulent, or malicious conduct;
- working on behalf of organizations without any professional or business affiliation with the company;
- sending, receiving, or storing offensive, obscene, or defamatory material;

- annoying or harassing other individuals;
- sending uninvited e-mails of a personal nature;
- monitoring or intercepting the files or electronic communications of employees or third parties;
- obtaining unauthorized access to any computer system;
- using another individual's account or identity without explicit authorization;
- attempting to test, circumvent, or defeat security or auditing systems of the company or any other organization without prior authorization; or
- distributing or storing chain letters, jokes, solicitations, offers to buy or sell goods, or other nonbusiness material of a trivial or frivolous nature.

Employees must not sign "guest books" at websites or post messages to internet news groups or discussion groups at websites using their company internet account. These actions will generate junk electronic mail and may expose the company to liability or unwanted attention because of comments that employees may make. The company strongly encourages employees who wish to access the internet for activities unrelated to their work to get their own personal internet access accounts.

Instant messaging during work hours is discouraged as disruptive behavior and nonconducive to a professional work environment. Employees engaging in instant messaging of a personal nature will be subject to discipline up to and including termination.

Some of the information to which the company has access is confidential. Employees should avoid sending confidential information over the internet except when absolutely necessary. Employees should also verify electronic mail addresses before transmitting any messages.

The company reserves the right to limit access to the internet by any means available, including revoking access altogether.

Software Use

License Restrictions

All software in use on the company's technology resources is officially licensed software. No software is to be installed or used that has not been duly paid for and licensed appropriately for the use to which it is being put. No employee may load any software on the company's computers, by any means of transmission, unless previously authorized in advance by the manager for information systems. Authorization for loading software into the company's computers will not be given by the manager for information systems until the software to be loaded has been thoroughly scanned for viruses.

Software for Home Use

The company endeavors to license its software so it may be used on portable computers in addition to office computers. Software may also be licensed for home computers, but before transferring or copying any software to another computer, employees must request permission and receive authorization from the manager for information systems.

Confidential Information

The company is very sensitive to the issue of protecting trade secrets and other confidential and proprietary information of both the company and third parties. Therefore, employees are expected to use good judgment and to adhere to the highest ethical standards when using or transmitting confidential information on the company's technology resources. Any confidential information transmitted via technology resources should be marked with the following confidentiality legend:

This message contains confidential information. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use, or distribute this information. If you have received this message in error, please advise (employee's name) immediately at (employee's telephone number) or return promptly by mail.

Security

The company has installed a variety of programs and devices to ensure the safety and security of the company's technology resources. Any employee found tampering or disabling any of the company's security devices will be subject to discipline up to and including termination.

Audits

The company may perform auditing activity or monitoring to determine compliance with these policies. Audits of software and data stored on the company's technology resources may be conducted without warning at any time.