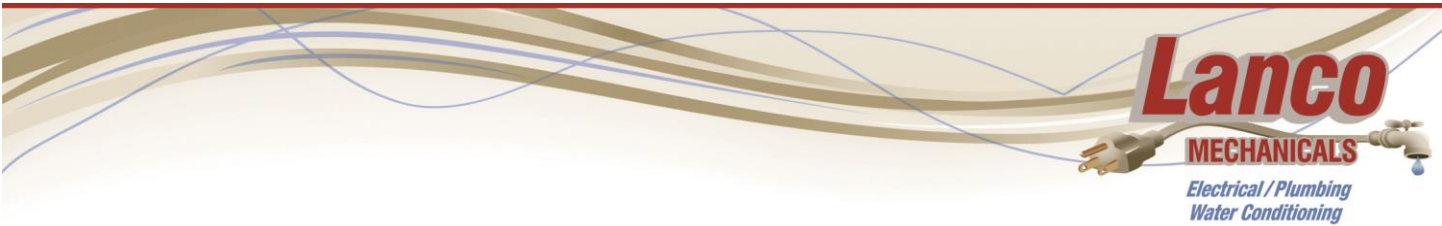
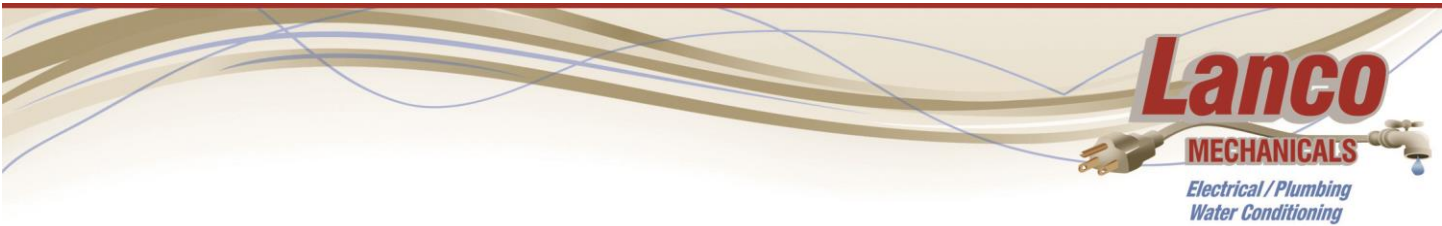




# Employee Handbook

Updated 3/20/2019





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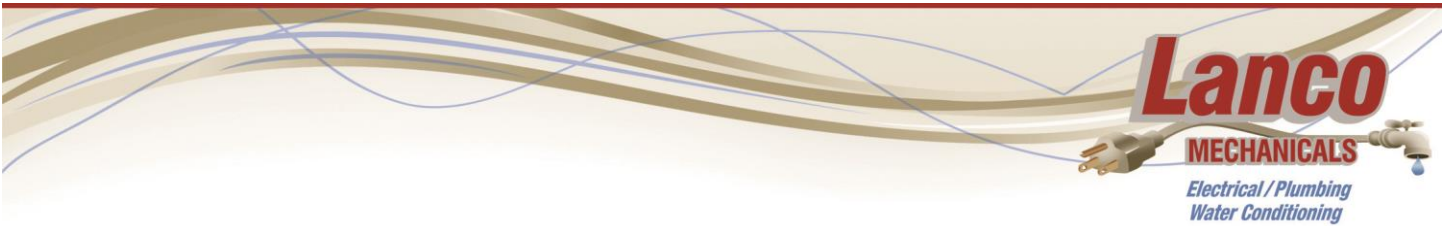
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## Section 1 - Welcome

### 1.1 History, Goals & Culture

Lanco Mechanicals was founded in 1991, providing quality plumbing and electrical service to the Lancaster, Berks, Chester, Bucks, Lebanon, York and Harrisburg areas of Central Pennsylvania. As a family-owned and operated business for nearly 25+ years with a team of 20+ experienced employees, customers have come to know us for our commitment to excellence and integrity in our work. Our goal is to grow providing opportunities for each employee while still retaining the family culture. We desire that each employee feels they are a part of the Lanco Mechanicals family.

### 1.2 Purpose of this Handbook

This handbook has been prepared to inform employees of the policies and procedures of Lanco Mechanicals and to establish Lanco Mechanicals' expectations. It is not all-inclusive or intended to provide strict interpretations of our policies; rather, it offers an overview of the work environment. This handbook is not a contract, expressed or implied, guarantying employment for any length of time and is not intended to induce an employee to accept employment with Lanco Mechanicals.

Lanco Mechanicals reserves the right to unilaterally revise, suspend, revoke, terminate or change any of its policies, in whole or in part, whether described within this handbook or elsewhere, in its sole discretion. If any discrepancy between this handbook and current company policy arises, conform to current company policy. Every effort will be made to keep you informed of Lanco Mechanicals' policies, however we cannot guarantee that notice of revisions will be provided. Feel free to ask questions about any of the information within this handbook.

This handbook supersedes and replaces any and all personnel policies and manuals previously distributed, made available or applicable to employees.

### 1.3 At-Will Employment

Employment at Lanco Mechanicals is at-will. An at-will employment relationship can be terminated at any time, with or without reason or notice by either the employer or the employee. This at-will employment relationship exists regardless of any statements by office personnel to the contrary. Only Glenn Weaver is authorized to modify the at-will nature of the employment relationship, and the modification must be in writing



## Section 2 – Workplace Commitments

### 2.1 Equal Opportunity Employment

Lanco Mechanicals is an equal opportunity employer and does not unlawfully discriminate against employees or applicants for employment based on an individual's race, color, religion, creed, sex, national origin, age, disability, marital status, veteran status or any other status protected by applicable law. This policy applies to all terms, conditions and privileges of employment, including recruitment, hiring, placement, compensation, promotion, discipline and termination.

Whenever possible, Lanco Mechanicals makes reasonable accommodations for qualified individuals with disabilities to the extent required by law. Employees who would like to request a reasonable accommodation should contact Glenn Weaver.

### 2.3 Non-Harassment Policy / Non-Discrimination Policy

Lanco Mechanicals prohibits discrimination or harassment based on race, color, religion, creed, sex, national origin, age, disability, marital status, veteran status or any other status protected by applicable law. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and is free from discriminatory practices, including without limitation harassment. Consistent with its workplace policy of equal employment opportunity, Lanco Mechanicals prohibits and will not tolerate harassment based on race, color, religion, creed, sex, national origin, age, disability, marital status, veteran status or any other status protected by applicable law. Violations of this policy will not be tolerated.

Discrimination includes, but is not limited to: making any employment decision or employment related action based on race, color, religion, creed, age, sex, disability, national origin, marital or veteran status, or any other status protected by applicable law.

Harassment is generally defined as unwelcome verbal or non-verbal conduct, based upon a person's protected characteristic, that denigrates or shows hostility or aversion toward the person because of the characteristic, and which affects the person's employment opportunities or benefits, has the purpose or effect of unreasonably interfering with the person's work performance, or has the purpose or effect of creating an intimidating, hostile or offensive working environment. Harassing conduct includes, but is not limited to: epithets; slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes and display or circulation in the workplace of written or graphic material that denigrates or shows hostility or aversion toward an individual or group based on their protected characteristic.

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors and other verbal, visual or physical conduct of a sexual nature, when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;



2. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
3. Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of sexual harassment include: unwelcome or unsolicited sexual advances; displaying sexually suggestive material; unwelcome sexual flirtations, advances or propositions; suggestive comments; verbal abuse of a sexual nature; sexually oriented jokes; crude or vulgar language or gestures; graphic or verbal commentaries about an individual's body; display or distribution of obscene materials; physical contact such as patting, pinching or brushing against someone's body; or physical assault of a sexual nature.

**Reporting:**

Any company employee who feels that he or she has been harassed or discriminated against, or has witnessed or become aware of discrimination or harassment in violation of these policies, should bring the matter to the immediate attention of his or her supervisor, Glenn Weaver, Phillip Weaver or Patrick Zook. Lanco Mechanicals will promptly investigate all allegations of discrimination and harassment, and take action as appropriate based on the outcome of the investigation. An investigation and its results will be treated as confidential to the extent feasible, and Lanco Mechanicals will take appropriate action based on the outcome of the investigation.

No employee will be retaliated against for making a complaint in good faith regarding a violation of these policies, or for participating in good faith in an investigation pursuant to these policies. If an employee feels he/she has been retaliated against, the employee should file a complaint using the procedures set forth above.

## 2.4 Drug-Free / Alcohol-Free Environment

Employees are prohibited from unlawfully consuming, distributing, possessing, selling, or using controlled substances while on duty. In addition, employees may not be under the influence of any controlled substance, such as drugs or alcohol, while at work, on company premises or engaged in company business. Prescription drugs or over-the-counter medications, taken as prescribed, are an exception to this policy. Drug tests may be required by the workers compensation insurance company.

Anyone violating this policy may be subject to disciplinary action, up to and including termination  
***See Page 31 for more comprehensive policies and procedures.***

## 2.5 Open Door Policy

Lanco Mechanicals has an open-door policy and takes employee concerns and problems seriously. Lanco Mechanicals values each employee and strives to provide a positive work experience. Employees are encouraged to bring any workplace concerns or problems they might have or know about to their supervisor or some other member of management.



## Section 3 – Company Policies and Procedures

### 3.1 Professional Conduct

Lanco Mechanicals expects its employees to adhere to a standard of professional conduct and integrity. This ensures that the work environment is safe, comfortable and productive. Employees should be respectful, courteous, and mindful of others' feelings and needs. General cooperation between coworkers and supervisors is expected. Individuals who act in an unprofessional manner may be subject to disciplinary action.

### 3.2 Dress Code

An employee's personal appearance and hygiene is a reflection on Lanco Mechanical's character. Employees are expected to dress appropriately for their individual work responsibilities and position. Service employees are expected to wear a Lanco Mechanicals service uniform; provided by the company. New construction and remodeling crew are expected to wear company logo attire that is provided by the Lanco Mechanicals.

### 3.3 Pay Day

Paychecks are distributed Bi-Weekly on Wednesday. If the pay date lands on a holiday, paychecks will be distributed on the closest business day before the holiday.

The paycheck will reflect work performed for the two-week period. Paychecks include salary or wages earned less any mandatory or elected deductions. Mandatory deductions include federal or state withholding tax, and other withholdings. Elected deductions are deductions authorized by the employee, and may include, for example, contributions to benefit plans. Employees may contact Patrick Zook to obtain the necessary authorization forms for requesting additional deductions from their paychecks.

Notify Patrick Zook if the paycheck appears to be inaccurate or if it has been misplaced. Lanco Mechanicals reserves the right to charge a replacement fee for any lost paychecks. Advances on paychecks may be permitted under special exceptions. Information regarding final paychecks can be found under the termination section of this handbook.

Any change in name, address, telephone number, marital status or number of exemptions claimed by an employee must be reported to Patrick Zook immediately.

### 3.4 Company Property

Company property, such as equipment, vehicles, telephones, computers, and software, is not for private use. These devices are to be used strictly for company business, and are not permitted off grounds



unless authorized. Company property must be used in the manner for which it was intended. Upon termination, employees are required to surrender any company property they possess.

Company computers, internet and emails are a privileged resource, and must be used only to complete essential job-related functions. Employees are not permitted to download any “pirated” software, files or programs and must receive permission from a supervisor before installing any new software on a company computer. Files or programs stored on company computers may not be copied for personal use.

Phones and/or cellular service are provided for business use. Lanco Mechanicals requests employees limit their personal calls and texting while on duty. If urgent, please keep personal calls to a minimum and conversations brief. Personal long-distance calls are not permitted. Streaming data is allowed but if the usages exceeds 1 GB per month they employee is responsible for the cost difference. If usage exceeds the monthly allowance the employee will be billed the amount Verizon Wireless bills Lanco Mechanicals; \$15 per GB. Employees are encouraged to monitor their cellular data usage on their phones. Employees are eligible to add an additional GB of data to their monthly plan for \$10 per GB per month.

Employees are reminded that they should have no expectation of privacy in their use of company computers or other electronic equipment. Violations of these policies could result in disciplinary action.

### 3.5 Truck Use Benefit/Policy

Employees who are team leads & service techs may drive their company trucks to and from work. With this benefit and privilege come responsibilities. Each person is required to do the following:

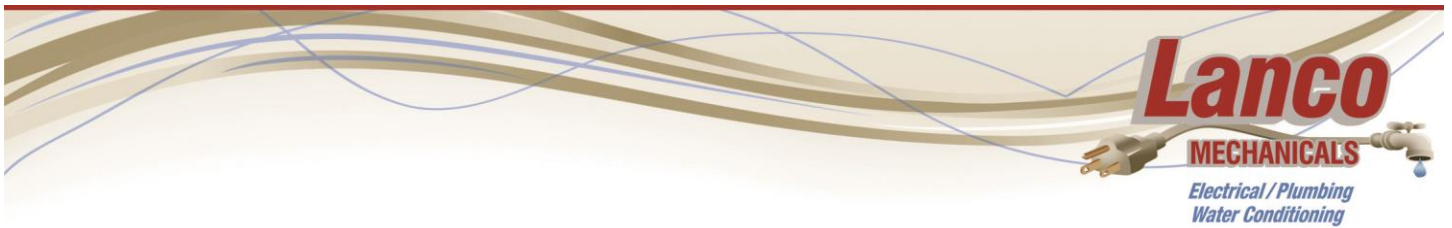
- Notify management when truck needs an oil change and inspection.
- Regularly wash and clean their outside and inside of trucks off company time; a pressure washer is provided at the shop.
- Obey all traffic laws and pay any fines associated with the violation.
- Must wear any safety/seat belt that the vehicle has installed as standard equipment; is not limited to, all forklifts, automobiles, vans, pick-up trucks, and delivery trucks.
- The company truck is not to be used for personal use, except by permission from company owners.

Failure to comply with this policy will result in disciplinary action.

### 3.6 Personal Vehicle Mileage Use & Expense

The Personal Vehicle for Company Use Policy outlines the regulations and guidelines surrounding the use of personal vehicles for business purposes.

The Lanco Mechanicals recognizes that employees may be required to use their own personal vehicle to complete Company Business. Employees who use their personal vehicle for company business will be



reimbursed based on the number of miles travelled. Employees shall only be authorized to use personal vehicles for carrying out Lanco Mechanicals business upon meeting the following conditions:

- Possess a valid driver's license
- Vehicle is legally registered
- Vehicle has been deemed safe to operate and maintained as such
- Employee holds current minimum automobile insurance

### Mileage Rates for Reimbursement

Employees will be reimbursed .545 cents per mile. This rate takes into account all actual expenses including fuel, oil, maintenance, insurance, depreciation, etc. (*Note: Mileage subject to changes on an annual basis, based on government regulations.*)

In addition, any parking expenses or tolls an employee incurs will be reimbursed by the Company. However, The Lanco Mechanicals will not reimburse any parking tickets, speeding tickets or other fines/costs incurred while driving a personal vehicle for business purposes.

Additionally, any costs associated with the maintenance, fuel, vehicle breakdown, or damage incurred while driving a personal vehicle are covered in the standard mileage rate and will not be reimbursed.

Employees who wish to be reimbursed for miles driven must document and record their mileage on their time card and reason. For any parking reimbursement, employees must also attach the original parking receipt to time card. Parking expenses without original receipts will not be reimbursed.

Employees may only claim miles driven for business purposes, they cannot claim travel over their lunch break or their daily commute to/from work. If driving from your home to the job site with their personal vehicle, work time does not start until they reach the job. If leaving from the job site in their personal vehicle to go home, work time stops when they leave the job site, not at their home.

Employees must honestly report their mileage usage; employees caught making false claims, exaggerating miles driven, claiming miles that were not related to regular company business or any other misreporting will be subject to disciplinary action up to and including termination.

### Limit of Liability

The Lanco Mechanicals will not be held liable for any accidents, damages or losses incurred by employees while using a personal vehicle for business purposes.



### 3.7 Vehicle Safety & Responsibilities Policy

Our drivers, be they regular or occasional, are expected to operate Company vehicles in a manner that will prevent accidents in spite of the adverse conditions and the mistakes of other drivers or pedestrians. A preventable accident is one in which the driver failed to do what was reasonable expected to prevent it.

It is imperative that you drive carefully. Accidents are unpredictable; you may hurt someone or be injured yourself. Subsequently, accidents have a direct adverse effect on our insurance policy. There are also "hidden" costs associated with accidents, such as, down time of the vehicle, time off of work if an injury occurs, having to send another person to do the job, and time spent of office personnel to deal with insurance claims. All of these reasons combined with the extremely litigious society that we live in, make it imperative that everyone drive as safely and defensively as possible.

Here are some helpful reminders concerning driving safety:

- Good decisions require good information. Keep your eyes moving, checking ahead to sides and rear.
- Space creates visibility; keep a safe distance from others. Generally drivers should follow no closer than two seconds behind another vehicle.
- Adjust your speed for traffic and weather conditions.
- Leave yourself an out. Avoid creating or entering situations where you have no choices.
- If you change lanes, signal and check mirrors.
- Use your headlights when fog, rain, dusk or dark cloudy conditions prevail.
- Look left, then right, then left again before pulling out from a curb or intersection.
- NEVER drink alcoholic beverages or use drugs prior to getting behind the wheel. Be aware that prescription medications can cause drowsiness, so observe the cautions that accompany them. Any person caught drinking alcohol or taking illegal drugs during work hours will be terminated immediately.
- Never leave your vehicle running unattended.
- Use extreme caution when driving and using a cellular phone. PULL TO THE SIDE of the road whenever possible or wait and replay your voicemail when you have parked your vehicle.
- The use of motorcycles and similar transportation are not considered safe practices for company business. When traveling for company business always utilize a passenger vehicle/automobile. A best practice is to utilize a passenger vehicle with a four-star safety rating.



## Company Vehicle Responsibilities

Your job requires that you drive every day. Your skills and courtesy are constantly challenged. Lanco Mechanicals' name and reputation ride with you! Please be courteous to others, observe all traffic regulations and drive defensively.

These responsibilities apply to all employees who regularly or occasionally operate a company vehicle. Upon reading each of these responsibilities, document your initials beside each item to indicate that you acknowledge and accept each responsibility as a company vehicle driver

1. All company drivers are required to have a valid drivers license. Under no condition should an employee without a valid drivers license operate any Company vehicle.
2. Ensure that the vehicle you are driving has its current registration, insurance card, and an accident report form in it.
3. Always wear your seatbelt. As the driver, it is also your responsibility to be sure all passengers are secured with seatbelts also.
4. Each driver's assistance in keeping the vehicles maintained is essential. Notify office personnel if any problems arise associated with the vehicle in your care. This also pertains to maintenance such as inspections and oil changes.
5. Drivers of a Company vehicle are responsible for a \$500 deductible per incident in which damage results to the vehicle in their care. The driver will be held totally responsible for damage to vehicles, that is the result of driver negligence (i.e. damage resulting from a low oil level, brake damage, etc.)
6. Time managers have been installed in each vehicle. On a regular basis, these modules will be removed and a report printed to show the vehicle speeds, start and stop times, and excessive idling.
7. One hour is allowed per week per vehicle for keeping them clean and organized. This is considered vehicle maintenance. A clean vehicle not only presents a good image for the Company, it is a reflection of you. Vehicle maintenance is not considered overtime unless you have over 40 worked hours in the week.
8. Drinking and driving are forbidden. Any person caught drinking alcohol or taking illegal drugs during work hours will be terminated immediately.
9. All drivers are urged to follow all safe-driving practices while operating a company vehicle. This includes driving at the posted speed limit. If you drive above the speed limit and get ticketed, you are personally responsible for whatever fines may be assessed.
10. Drive defensively and show more courtesy than the average motorist. Our Company's name is on your vehicle. Statistics show that most traffic accidents result in some way from failure to observe traffic laws and from inattention to the job of driving. Traveling too fast for conditions is the main contributing cause. Next is failure to stop at intersections. Third are improper turns and fourth is tailgating.
11. Avoid using cellular phones while driving the Company vehicle. PULL TO THE SIDE of the road whenever possible or wait and replay your voicemail when you have parked your vehicle.
12. If involved in an accident, implement the following procedures:
  - Call the police to the scene. If the other driver refuses to wait, get as much information as you can, as well as the license plate number. Pass that information along to the police when they arrive.
  - Fill out the accident report form located in the Company vehicle.
  - Contact the Office and let them know your status.
  - Never admit fault at the scene of an accident.
  - Never sign anything that a person you have been in an accident asks you to sign.
  - Always be polite and cordial, remember, YOU are representing Lanco Mechanicals.



### 3.8 Privacy & Personal Files

Employees and employers share a relationship based on trust and mutual respect. However, Lanco Mechanicals retains the right to access all company property including computers, desks, file cabinets, storage facilities, and files and folders, electronic or otherwise, at any time. Employees should not entertain any expectations of privacy when on company grounds or while using company property.

All documents, files, voice-mails and electronic information, including e-mails and other communications, created, received or maintained on or through company property are the property of Lanco Mechanicals, not the employee. Therefore, employees should have no expectation of privacy over those files or documents.

### 3.9 Company Credit Card Use and Procedures

Lanco Mechanicals issues company credit cards to crew leaders who are required to purchase gas and items need to complete their job. Each person who is issued a company credit card are required to abide following the below policy and procedures.

#### Approved Purchases

- Gas, diesel, diesel additives and oil for trucks/van.
- Business related materials required for the jobs.

#### Card holder responsibilities:

- Keeping the card safe and in their possession only.
- They are not give the card to anyone else to use.
- Turn in all credit card receipts and invoices related to the transaction.
- Home Depot, Paul B Zimmerman's, Lowes, etc.
  - Must have the receipt and the approved PO attached to the invoice.
- Is Responsible for all transactions on the monthly Lanco Mechanicals credit card statements charged by their credit card that we do not have a receipt for.

## Section 4 - Employment Classification

### 4.1 Exempt Employees

Exempt employees are those that are excluded from the overtime pay requirements of the Fair Labor Standards Act. Exempt employees are paid a salary and are expected to work beyond their normal work hours whenever necessary to accomplish the work of Lanco Mechanicals. Exempt employees are not

eligible to receive overtime compensation. Employees should consult with an administrator if they have questions regarding their classification as an exempt employee.



## 4.2 Non-Exempt Employees

Non-exempt employees are those eligible for overtime pay of 1.5 times the regular hourly rate of pay for all hours worked over 8 hours per day. All overtime must be approved in advance. Employees should consult with an administrator if they have questions regarding their classification as a non-exempt employee.

## 4.3 Part Time, Full Time or Temporary Status

Part-time or full-time status depends on the number of hours per week an employee works. Regular employees who work fewer than 32 receive part-time classification. Part-time employees are not eligible for employee benefits as described in this handbook. Regular employees who work at least 32 receive full-time classification.

From time to time Lanco Mechanicals may hire employees for specific projects or periods of time. Temporary employees may work either part-time or full-time, but generally are scheduled to terminate by a certain date. Temporary employees who remain on duty past the scheduled termination remain classified as temporary. Only Glenn Weaver may change an employee's temporary status. Temporary employees are not eligible for employment benefits.

# Section 5 – Attendance Policies

## 5.1 General Attendance

Lanco Mechanicals does not tolerate absenteeism without excuse. Employees who will be late to or absent from work should notify a supervisor in advance, or as soon as practicable in the event of an emergency. Chronic absenteeism may result in disciplinary action.

Employees who need to leave early, for illness or otherwise, should inform a supervisor before departure. Unauthorized departures may result in disciplinary action.

## 5.2 Tardiness

Employees are expected to arrive on time and ready for work. An employee who arrives consistently after their scheduled arrival time is considered tardy. Lanco Mechanicals recognizes that situations arise which hinder punctuality; regardless, excessive tardiness is prohibited, and may be subject to disciplinary action.





### 5.3 Breaks

When working conditions permit, and pending a supervisor's approval, employees are entitled one 15 minute break in the morning and one 15 minute break in the afternoon. Meal periods are 30 minutes and unpaid.

## Section 6 – Leave Policies

### 6.1 Vacations

Lanco Mechanicals provides, as a benefit, paid vacations for its eligible employees. Forward requests for time off in advance to a supervisor, who may approve or deny the request based on company resources. Lanco Mechanicals is flexible in approving time off when doing so would not interfere with company operations. Vacation days are granted only on a full day or half-day basis.

First year full time employees are eligible to receive paid time off (PTO) after 90 days of full-time service. Employees will receive 10 hours of PTO at the beginning of each quarter. If employment meets eligibility within a quarter they will receive the 10 hours PTO for that quarter. PTO is renewed at the beginning of each year and any remaining accrued time off may not be accumulated or carried forward into the next year. Vacation benefits do not accrue during any period of extended leave of absence.

Employees will receive 1 week (40 hours) for their 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> year of employment. Employees will receive 2 weeks (80 hours) of vacation at the start of their 4<sup>th</sup> year of service. Employees will receive 3 weeks (120 hours) of vacation at the start of their 11<sup>th</sup> year of service. Any unused vacation that has not been scheduled prior to employee notice of leaving or termination will not be paid.

Employees should consult Patrick Zook regarding the amount of PTO leave they have accrued each quarter.

### 6.2 Sick Leave

Situations may arise where an employee needs to take time off to address medical or other health concerns. Lanco Mechanicals requests that employees provide notification to their supervisor as soon as possible when taking time off. Sick days are granted on an unpaid basis to regular employees or they may use vacation days. Abuse of this policy may result in disciplinary action.

### 6.3 Holidays (*Holidays are observed on a paid basis for full time employees only.*)

Lanco Mechanicals observes the following holidays:

- New Year's Day
- Easter
- Memorial Day
- Independence Day



- Labor Day
- Thanksgiving
- Christmas Day

#### 6.4 Jury Duty Time Off

Lanco Mechanicals understands that occasionally employees are called to serve on a jury. Employees who are selected for jury duty must provide a copy of their jury summons to a supervisor. Time taken for jury duty is granted on a paid basis. Employees released from jury duty before the workday is over are not expected to return to work for that day.

#### 6.5 Military Leave

Employees called to active military duty, military reserve or National Guard service may be eligible to receive time off under the Uniformed Services Employment and Reemployment Rights Act of 1994. To receive time off, employees must provide notice and a copy of their report orders to an immediate supervisor. Military leave is granted on an unpaid basis. Upon return with an honorable discharge, an employee may be entitled to reinstatement and any applicable job benefits they would have received if present, to the extent provided by law.

#### 6.6 Paternity Leave

Father's of newly born children are eligible for 2 day of additional paid leave time for their 1<sup>st</sup> child, any additional births they are eligible for 3 days of paid leave.

In the event of a death of a close family member, regular paid leave eligible employees will be excused from work with pay, commencing the date of passing through the day following the funeral, as needed to attend to arrangements and for grieving. Employees who are absent for this purpose should keep their supervisors apprised of how much time they will need to be absent so arrangements can be made to cover the work of the employees.

For the purpose of this policy, close family members are defined as the employee's spouse, children, step-children, parents, parents-in-law, step-parents, grandparents, grandparents-in-law, step-grandparents, grandchildren, siblings, and siblings-in-law. If an employee attends a funeral for another relative or friend, they must use Personal Business Leave or Vacation Leave, in order to be paid.

## Section 7 – Work Performance

#### 7.1 Expectations

Lanco Mechanicals expects every employee to act in a professional manner. High quality performance of job duties and responsibilities is key to this expectation. Employees should attempt to achieve their job



objectives, and act with diligence and consideration at all times. Poor job performance can result in disciplinary action, up to and including termination.

## 7.2 Reviews

Lanco Mechanicals may periodically evaluate an employee's performance. The goal of a performance review is to identify areas where an employee excels and areas that need improvement. Lanco Mechanicals uses performance reviews as a tool to determine pay increases, promotions and/or terminations.

All performance reviews are based on merit, achievement and other factors may include but are not limited to:

- Quality of work
- Attitude
- Knowledge of work
- Job skills
- Attendance and punctuality
- Teamwork and cooperation
- Compliance with company policy
- Past performance reviews
- Improvement
- Acceptance of responsibility and constructive feedback

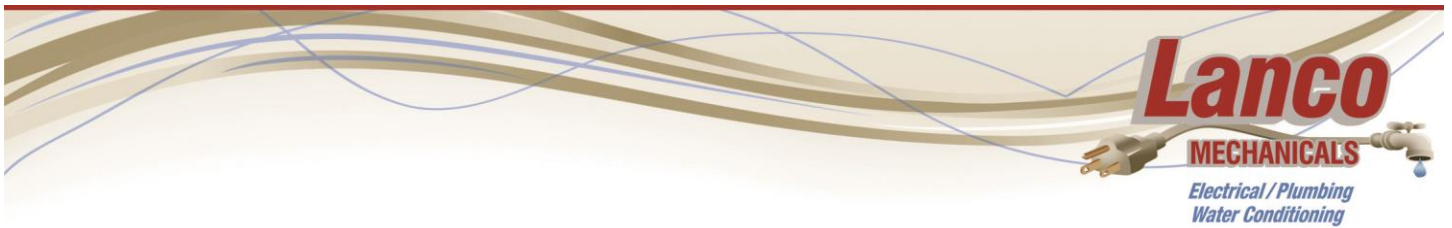
Employees should note that a performance review does not guarantee a pay increase or promotion. Written performance evaluations may be made at any time to advise employees of unacceptable performance. Evaluations or any subsequent change in employment status, position or pay does not alter the employees at will-relationship with Lanco Mechanicals.

Forward any questions about performance expectation or evaluation to the Patrick Zook conducting the evaluation.

## 7.3 Insubordination

Supervisors and employees should interact with mutual respect and common courtesy. Employees are expected to take instruction from supervisors or other persons of authority. Failure to comply with instructions or unreasonably delaying compliance is considered insubordination. Acts of insubordination are subject to disciplinary action, up to and including termination.

If an employee disagrees with a supervisor, the employee should first try to mediate the situation by explaining their position. If possible, a compromise might be met and accusations of insubordination avoided.



## Section 8 – Discipline Policy

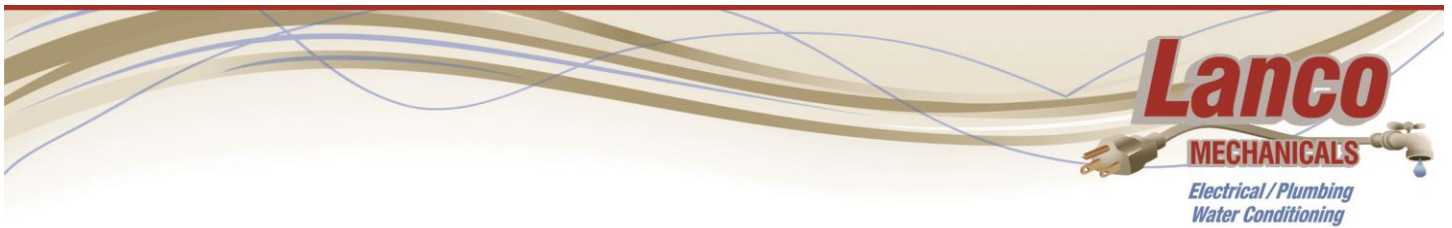
### 8.1 Grounds for Disciplinary Action

Lanco Mechanicals reserves the right to discipline and/or terminate any employee who violates company policies, practices or rules of conduct. Poor performance and misconduct are also grounds for discipline or termination.

The following actions are unacceptable and considered grounds for disciplinary action. This list is not comprehensive; rather, it is meant merely as an example of the types of conduct that Lanco Mechanicals does not tolerate. These actions include, but are not limited to:

- Engaging in acts of discrimination or harassment in the workplace;
- Possessing, distributing or being under the influence of illicit controlled substances;
- Being under the influence of a controlled substance or alcohol at work, on company premises, or while engaged in company business;
- Unauthorized use of company property, equipment, devices or assets;
- Damage, destruction or theft of company property, equipment, devices or assets;
- Removing company property without prior authorization or disseminating company information without authorization;
- Falsification, misrepresentation or omission of information, documents or records; Lying
- Insubordination or refusal to comply with directives;
- Failing to adequately perform job responsibilities;
- Excessive or unexcused absenteeism or tardiness;
- Disclosing confidential or proprietary company information without permission;
- Illegal or violent activity;
- Falsifying injury reports or reasons for leave;
- Possessing unauthorized weapons on premises;
- Disregard for safety and security procedures;
- Working for another plumbing/electrical/HVAC contractor without written consent from Lanco Mechanicals owners.
- Setting up an after-hours business that competes with Lanco Mechanicals.
- Employee uses proprietary information, such as customer lists or mailing lists, for another employer (or in his own business) even if the second employer doesn't compete with Lanco Mechanicals.
- Disparaging or disrespecting supervisors and/or co-workers; and
- Any other action or conduct that is inconsistent with company policies, procedures, standards or expectations.

This list exhibits the types of actions or events that are subject to disciplinary action. It is not intended to indicate every act that could lead to disciplinary action. Lanco Mechanicals reserves the right to determine the severity and extent of any disciplinary action based on the circumstances of each case.



Consistent violation of company policy and/or procedures may result in a 90-day employment probation or termination. 90-day employment probation is subject to periodic employee performance with a final review after the 90 days followed which may or may not include termination.

## 8.2 Procedures

Disciplinary action is any one of a number of options used to correct unacceptable behavior or actions. Discipline may take the form of oral warnings, written warnings, probation, suspension, demotion, discharge, removal or some other disciplinary action, in no particular order. The course of action will be determined by Lanco Mechanicals at its sole discretion as it deems appropriate.

## 8.3 Termination

Employment with Lanco Mechanicals is on an at-will basis and may be terminated voluntarily or involuntarily at any time.

Upon termination, an employee is required:

- To continue to work until the last scheduled day of employment;
- To turn in all reports and paperwork required to be completed by the employee when due and no later than the last day of work;
- To return all files, documents, equipment, keys, access cards, software or other property belonging to Lanco Mechanicals that are in the employee's possession, custody or control, and turn in all passwords to his/her supervisor;
- To participate in an exit interview.

## Section 9 – Health and Safety

### 9.1 Workplace Safety

Lanco Mechanicals takes every reasonable precaution to ensure that employees have a safe working environment. Safety measures and rules are in place for the protection of all employees. Ultimately, it is the responsibility of each employee to help prevent accidents. To ensure the continuation of a safe workplace, all employees should review and understand all provisions of Lanco Mechanical's workplace safety policy. Employees should use all safety and protective equipment provided to them, and maintain work areas in a safe and orderly manner, free from hazardous conditions. Employees who observe an unsafe practice or condition should report it to a supervisor or Patrick Zook immediately. Employees are prohibited from making threats against anyone in connection with his/her work or engaging in violent activities while in the employ of Lanco Mechanicals. Any questions regarding safety and safe practices should be directed to Phillip Weaver.

In the event of an accident, employees must notify a supervisor immediately. Report every injury, regardless of how minor, to a supervisor immediately. Physical discomfort caused by repetitive tasks must also be reported. For more information about on the job injuries, refer to the worker's



compensation section of this handbook. Employees should recognize any potential fire hazards and be aware of fire escape routes and fire drills. Do not block fire exits, tamper with fire extinguishers or otherwise create fire hazards.

## 9.2 Workplace Security

Employees must be alert and aware of any potential dangers to themselves or their coworkers. Take every precaution to ensure that your surroundings are safe and secure. Guard personal belongings and company property. Visitors should be escorted at all times. Report any suspicious activity to a supervisor immediately.

## 9.3 Emergency Procedures

In the event of an emergency, dial 911 immediately. If you hear a fire alarm or other emergency alert system, proceed quickly and calmly to the nearest exit. Once the building has been evacuated, only a supervisor may authorize employees to reenter.

# Section 10 – Employee Benefits

## 10.1 Health Insurance

Lanco Mechanicals does not provide group health benefits available to any of their employees.

## 10.2 Retirement Plan

Lanco Mechanicals participates in a 401(k) plan so that employees may save a portion of their earnings for retirement. Full time employees are required to work at least two years from hire date before they are eligible to participate. Employees may elect to make regular contributions to the 401(k) plan up to the maximum amount allowed by federal law. Lanco Mechanicals will match up to 3%.

Contact Patrick Zook for detailed information regarding eligibility, employee contributions, vesting period or employer contributions. More information can also be found in the plan summary description, which is available from Patrick Zook. If there are any inconsistencies between this handbook and any of the Summary Plan Descriptions, the Summary Plan

Descriptions shall govern. Lanco Mechanicals reserves the right to modify or terminate any or all of its retirement benefits or to change benefit providers at any time with or without notice.

## 10.3 Workers' Compensation

- (1) The workers' compensation law provides wage loss and medical benefits to employees who cannot work, or who need medical care, because of a work-related injury.



- (2) Benefits are required to be paid by your employer when self-insured, or through insurance provided by your employer. Your employer is required to post the name of the company responsible for paying workers' compensation benefits at its primary place of business and at its sites of employment in a prominent and easily accessible place, including, without limitation, areas used for the treatment of injured employees or for the administration of first aid.
- (3) You should report immediately any injury or work-related illness to your employer.
- (4) Your benefits could be delayed or denied if you do not notify your employer immediately.
- (5) If your claim is denied by your employer, you have the right to request a hearing before a workers' compensation judge.
- (6) The Bureau of Workers' Compensation cannot provide legal advice. However, you may contact the Bureau of Workers' Compensation for additional general information at: Bureau of Workers' Compensation, 1171 South Cameron Street, Room 103, Harrisburg, Pennsylvania 17104-2501; telephone number within Pennsylvania (800) 482-2383; telephone number outside of this Commonwealth (717) 772-4447; TTY (800) 362-4228 (for hearing and speech impaired only); [www.state.pa.us](http://www.state.pa.us), PA Keyword: workers comp.

See **Appendix A** for additional information regarding workers' compensation and Employee Notification form.

## Section 11 – Termination

### 11.1 Voluntary Termination

Lanco Mechanicals recognizes that personal situations may arise which require a voluntary termination of employment. Should this occur, Lanco Mechanicals requests that the employee provide two weeks advance notice; an exit interview may be requested but not required. This request does not alter an employee's at-will relationship with Lanco Mechanicals.

All rights and privileges of employment with Lanco Mechanicals terminate upon the date of separation. As further discussed in Section 8.3, terminating employees are required to return all company property assigned to them. Failure to do so may result in the withholding of their final paycheck.

### 11.2 Final Paycheck

Employees who terminate employment with Lanco Mechanicals will be given their final pay check on the next scheduled payday. Should the employee be unable to personally retrieve their paycheck, it will be mailed to the address on file.

### 11.4 Exit Interview

Lanco Mechanicals may request an exit interview upon notice of termination. The purpose of the exit interview is to complete necessary forms, collect company property and discuss employment experiences with Lanco Mechanicals.



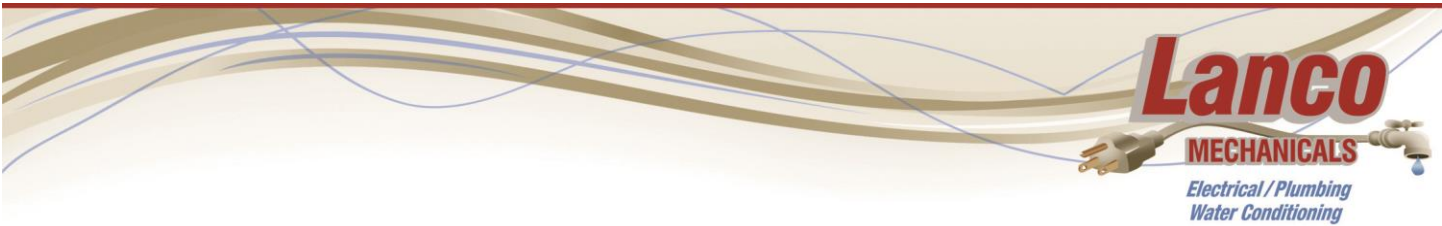
## Company Vehicle Responsibilities

Your job requires that you drive every day. Your skills and courtesy are constantly challenged. Lanco Mechanicals' name and reputation ride with you! Please be courteous to others, observe all traffic regulations and drive defensively.

These responsibilities apply to all employees who regularly or occasionally operate a company vehicle. Upon reading each of these responsibilities, document your initials beside each item to indicate that you acknowledge and accept each responsibility as a company vehicle driver

1. All company drivers are required to have a valid driver's license. Under no condition should an employee without a valid driver's license operate any Company vehicle.
2. Ensure that the vehicle you are driving has its current registration, insurance card, and an accident report form in it.
3. Always wear your seatbelt. As the driver, it is also your responsibility to be sure all passengers are secured with seatbelts also.
4. Each driver's assistance in keeping the vehicles maintained is essential. Notify office personnel if any problems arise associated with the vehicle in your care. This also pertains to maintenance such as inspections and oil changes.
5. Drivers of a Company vehicle are responsible for a \$500 deductible per incident in which damage results to the vehicle in their care. The driver will be held totally responsible for damage to vehicles, that is the result of driver negligence (i.e. damage resulting from a low oil level, brake damage, etc.)
6. Time managers have been installed in each vehicle. On a regular basis, these modules will be removed, and a report printed to show the vehicle speeds, start and stop times, and excessive idling.
7. One hour is allowed per week per vehicle for keeping them clean and organized. This is considered vehicle maintenance. A clean vehicle not only presents a good image for the Company, it is a reflection of you. Vehicle maintenance is not considered overtime unless you have over 40 worked hours in the week.
8. Drinking and driving are forbidden. Any person caught drinking alcohol or taking illegal drugs during work hours will be terminated immediately.
9. All drivers are urged to follow all safe-driving practices while operating a company vehicle. This includes driving at the posted speed limit. If you drive above the speed limit and get ticketed, you are personally responsible for whatever fines may be assessed.
10. Drive defensively and show more courtesy than the average motorist. Our Company's name is on your vehicle. Statistics show that most traffic accidents result in some way from failure to observe traffic laws and from inattention to the job of driving. Traveling too fast for conditions is the main contributing cause. Next is failure to stop at intersections. Third are improper turns and fourth is tailgating.
11. Avoid using cellular phones while driving the Company vehicle. PULL TO THE SIDE of the road whenever possible or wait and replay your voicemail when you have parked your vehicle.
12. If involved in an accident, implement the following procedures:
  - Call the police to the scene. If the other driver refuses to wait, get as much information as you can, as well as the license plate number. Pass that information along to the police when they arrive.
  - Fill out the accident report form located in the Company vehicle.
  - Contact the Office and let them know your status.
  - Never admit fault at the scene of an accident.
  - Never sign anything that a person you have been in an accident asks you to sign.
  - Always be polite and cordial, remember, YOU are representing Lanco Mechanicals.





**Appendix A**

**EMPLOYEE ACKNOWLEDGEMENT OF RIGHTS AND DUTIES**

Workers’ Compensation is designed to provide wage loss benefits and payment for reasonable medical care for one who is injured on the job.

**Remember: It is important to tell your employer about your injury immediately.**

Your employer, in compliance with the Workers’ Compensation Act, has posted a list of at least six (6) medical providers from which you must select. You must obtain treatment from one or more of these providers for ninety (90) days from the date of your first visit.

If you have a medical emergency, you may go to the closest hospital, physician or other health care provider of your choice. If follow up treatment is needed, you must then seek treatment from a physician or other health care provider listed on your employer’s physician panel list for the first ninety (90) days from the date of your first treatment.

If during the initial 90-day period you wish to change medical providers, you must once again re-visit your employer’s panel and select a new physician. If you seek treatment from a non-panel provider within the first ninety (90) days following your first visit, your employer will not have to pay for those services.

In the event invasive surgery is prescribed by a physician or other health care provider on your employer’s panel, you are entitled to a second opinion from any other health care provider of your choice. If the opinion differs from the one provided by the panel provider, you may choose which course of treatment to follow. However, the second opinion must state a specific course of treatment. If you choose the treatment offered by the second opinion you must receive that treatment from a panel provider for a period of ninety (90) days from the date of the visit to the provider of the second opinion.

After the initial 90-day period, if additional or continued treatment is needed, you may now choose to go to another physician or health care provider of your choice. Should you decide to change providers, you must notify your employer within five (5) days of your first visit with your new provider. Failure to notify your employer will relieve your employer of the responsibility for the payment of services rendered if such services are determined to have been unreasonable or unnecessary. The non-panel provider must provide an initial report to the employer, within ten (10) days of the first treatment and every thirty (30) days thereafter, as long as the treatment continues.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**Your signature on this form indicates that you understand your rights and duties under the above provisions of the Workers’ Compensation Act.**

I hereby acknowledge that I have been informed of and understand my rights and duties under the Workers’ Compensation Act.

<i><b>At Time of Hire</b></i>	<i><b>After an Injury</b></i>
Employee Signature _____	Date _____
Witness Signature _____	Date _____

## NOTICE TO EMPLOYEES IN CASE OF WORK-RELATED INJURIES

Eastern Alliance Insurance Group  
PO Box 83777, Lancaster, PA 17608-3777  
(717) 396-7095 ▪ (855) 533-3444

Panel Date: 5/11/2019

1. If you suffer a work-related injury, your employer or its insurance company must pay for reasonable surgical and medical services and supplies, orthopedic appliances and prosthesis, including training in their use.
2. In order to ensure that your medical treatment will be paid for by your employer or the insurance company, you must select from one of the following health care providers:
3. You must continue to visit one of the physicians listed below, if you need treatment, for ninety (90) days from the date of your first visit.
4. If one of the persons below refers you to another licensed specialist, your employer or their insurer will pay the bill for these services.
5. After this ninety- (90) day period, if you still need treatment and your employer has provider a list as set forth below, you may choose to go to another health care provider for treatment. You should notify your employer of this action within five days of your visit to said provider.
6. If a physician on the list prescribes invasive surgery, you may obtain a second opinion from any physician of your choice. If the second opinion is different than the listed physician's opinion, you may determine which course of treatment to follow; however, the second opinion must contain a specific and detailed treatment plan. If you choose the second opinion, the procedures in that opinion must be performed by one of the physicians on the list for the first ninety- (90) days. Therefore, in this situation, the employee may be required to treat with an employer designated provider for up to 180 days.
7. If you are faced with a medical emergency, you may secure assistance from a hospital, physician, or health care provider of your choice for your work-related injury. However, when the emergency is resolved, you must seek treatment from a provider listed below.

**PLEASE CALL EASTERN ALLIANCE'S SCHEDULING SERVICES TOLL FREE AT  
1-866-695-3265 FOR ASSISTANCE IN SCHEDULING WITH PHYSICAL/OCCUPATIONAL  
THERAPY OR CHIROPRACTIC REHABILITATION.**

Name	Address	Scheduling	Area of Specialty
Wellspring Occupational Health	446 N Reading Road Ephrata, PA 17522	717-721-4760	Occupational Medicine
Wellspring Family Medicine - Crossroads	4131 Oregon Pike Brownstown, PA 17508	717-859-1123	Family Practice
Lancaster Orthopedic Group	175 Martin Avenue Suite 315 Ephrata, PA 17522	717-733-9200	Orthopedics
Orthopedic Associates of Lancaster	2913 Spooky Nook Rd Ste 100 Manheim, PA 17545	717-299-4871	Orthopedics
William L Ives MD	21 N State St Ephrata, PA 17522	717-721-9717	General Surgery
Family Eye Group PC	155 N Reading Rd Ephrata, PA 17522	717-299-9232	Ophthalmology
One Call PT Network	Call Toll Free for Closest Location	1-866-695-3265	Physical Therapy
One Call Chiro Network	Call Toll Free for Closest Location	1-866-695-3265	Chiropractic
One Call Care Management	Call Toll Free for Closest Location	1-800-872-2875	MRI
Carlisle Medical, Inc.	Call Toll Free for Closest Location	1-800-553-1783	DME
KeyScripts	Call Toll Free for Closest Location	1-866-446-2848	DME/Pharmacy
Homelink	Call Toll Free for Closest Location	1-800-571-2943	DME/Supplies



## **Mission**

*Bring EXCELLENCE in EVERY plumbing and electrical job by doing it right the 1<sup>st</sup> time.*

## **Vision**

*To be the company our employees feel like they are apart of a family and a company people rave about.*

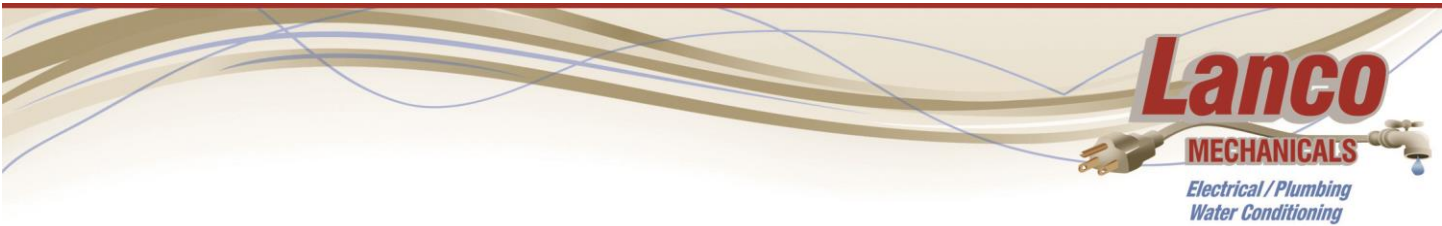
## **Core Values**

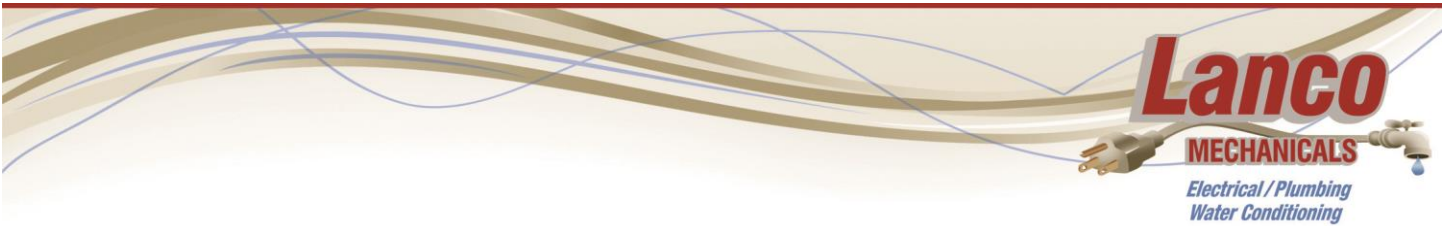
*Serve others with humility and respect.*

*Care for our customers and each other.*

*Take personal responsibility, no blame game.*

*Provide excellence in all we do.*





## Acknowledgement of Receipt for Employee Handbook

I acknowledge that I have received a copy of the Employee Handbook. I understand that I am responsible for reading the information contained in the Handbook.

I understand that the handbook is intended to provide me with a general overview of Lanco Mechanical's policies and procedures. I acknowledge that nothing in this handbook is to be interpreted as a contract, expressed or implied, or an inducement for employment, nor does it guarantee my employment for any period of time.

I understand and accept that my employment with Lanco Mechanicals is at-will. I have the right to resign at any time with or without cause, just as Lanco Mechanicals may terminate my employment at any time with or without cause or notice, subject to applicable laws. I understand that nothing in the handbook or in any oral or written statement alters the at-will relationship, except by written agreement signed by the employee and Glenn Weaver.

I acknowledge that Lanco Mechanicals may revise, suspend, revoke, terminate, change or remove, prospectively or retroactively, any of the policies or procedures outlined in this handbook or elsewhere, in whole or in part, with or without notice at any time, at Lanco Mechanicals' sole discretion.

\_\_\_\_\_

(Signature of Employee)

\_\_\_\_\_

(Print Name)

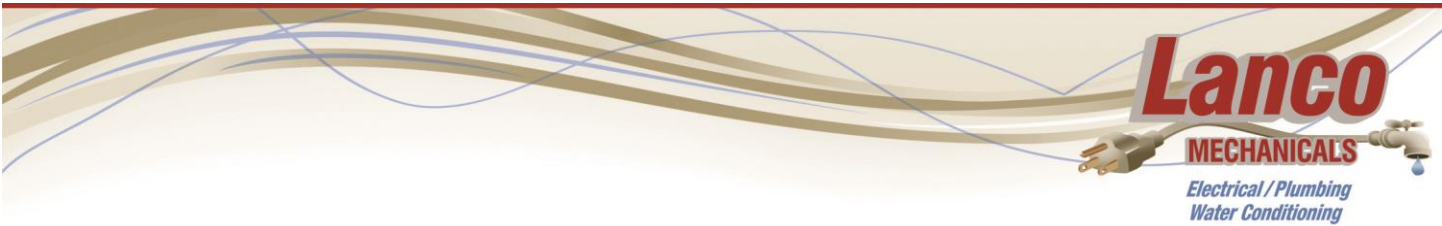
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(Date)

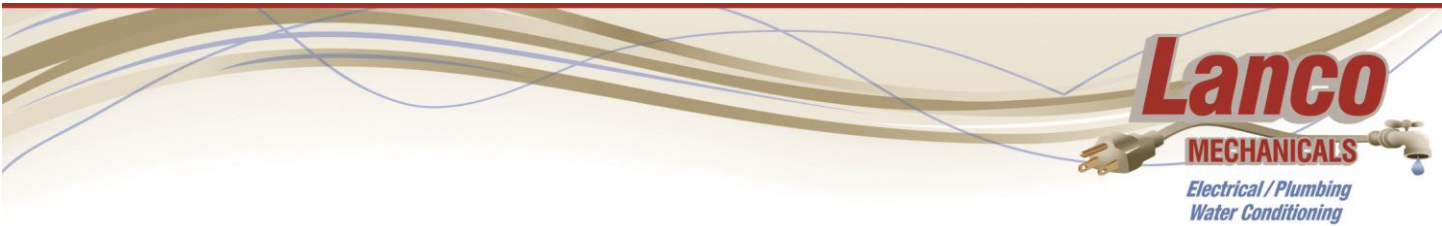
\_\_Patrick Zook\_\_\_\_\_

(Company Representative)





# **Drug, Alcohol, and Controlled Substance Policy & Procedures**



Updated 7/24/2017

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## INTRODUCTION

Lanco Mechanicals is committed to maintaining a safe and drug-free workplace and to providing a quality service to our customers. Successful attainment of these goals is directly dependent upon the establishment and maintenance of a workplace that is free from the adverse effects of drug and alcohol abuse/misuse. Consistent with these goals, our policy on drugs, alcohol, and controlled substances which applies to all of the employees, hereinafter referred to as the employee, and applicants, is as follows:

### 1.1 Applicability/Compliance

Lanco Mechanicals requires that all employees comply with this policy as a condition of employment. Employees include: full-time, part-time, seasonal, and temporary employees; paid and unpaid interns; volunteers.

In addition, this policy applies to all applicants who have been made a conditional offer of employment for drug testing purposes only. Any applicant who has been given a conditional offer of employment must receive a negative drug test result.

### 1.2 Contract Disclaimer

This policy is designed to serve as guidelines for management action. It is not intended to create any contract or binding agreement between Lanco Mechanicals and any employee. This policy is subject to change or modification at Lanco Mechanicals' discretion at any time that particular circumstances warrant.

### 1.3 Employment-At-Will Disclaimer

This policy is not intended to create a contract binding the employee or Lanco Mechanicals to an agreement of employment for a specific period of time. Either the employee or Lanco Mechanicals can terminate an employee's employment at any time, for any lawful reason, with or without notice. No representative or agent of Lanco Mechanicals can authorize or sign an employment agreement contrary to the above terms or otherwise make any binding offer of employment for a specific term, and then only in writing.

### 1.4 Reporting Violations

Each employee is required to immediately report any violations to Lanco Mechanicals' Policy on Alcohol, Drugs, and Controlled Substances to his/her supervisor. Any employee who fails to report such violations is subject to disciplinary action, up to and including discharge.



## 2.1 Terms and Definitions

For the purpose of this policy, the following terms and definitions are provided.

**Alcohol** means the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols including methyl and isopropyl alcohol.

**Alcohol Test Positive** means an alcohol test will be considered “positive” when the alcohol concentration level registers 0.02.

**Alcohol concentration (or content)** means the alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test under this part.

**Alcohol use** means the drinking or swallowing of any beverage, liquid mixture or preparation (including any medication), containing alcohol.

**BAT** refers to a Breath Alcohol Technician which is a person who instructs and assists employees in the alcohol testing process and operates an evidential breath testing device.

**Lanco Mechanicals Business** includes, but is not limited to, work performed on or in a non-company vehicle being used for company business, and the term also includes meal and break times.

**Confidentiality and Privacy** includes that Lanco Mechanicals will attempt to insure all aspects of the testing process are as private and confidential as reasonably practical.

**Confirmation (or confirmatory) drug test** means a second analytical procedure performed on a urine specimen to identify and quantify the presence of a specific drug or drug metabolite.

**Confirmation (or confirmatory) validity test** means a second test performed on a urine specimen to further support a validity test result.

**Confirmed drug test** means a confirmation test result received by a Medical Review Officer (MRO) from a laboratory.

**Consortium/Third party administrator (C/TPA)** means a service agent that provides or coordinates one or more drug and/or alcohol testing services. C/TPAs typically provide or coordinate the provision of a number of such services and perform administrative tasks concerning the operation of the employers’ drug and alcohol testing programs. This term includes, but is not limited to, groups of employers who join together to administer, as a single entity, a drug and alcohol testing programs of its members (e.g., having a combined random testing pool). C/TPAs are not “employers” for purposes of this part.



**Controlled substances** mean the following five drugs.

- Marijuana metabolites.
- Cocaine metabolites.
- Amphetamines.
- Opiate metabolites.
- Phencyclidine (PCP).

**Designated Employer Representative (DER)** is an individual identified by the employer as able to receive communications and test results from service agents and who is authorized to take immediate actions to remove employees from safety-sensitive duties and to make required decisions in the testing and evaluation processes. Glenn Weaver and Patrick Zook are the listed DERs.

**Discipline** means the consequences an employee may encounter when caught in the following situations:

- possessing
- using
- selling
- buying or transferring drugs or alcohol

**Direct Observation (DO)** means the collector or another person that the collection site approves of, being of same gender as the employee, must instruct the employee to raise clothing, just above the navel; lower clothing, to mid-thigh; then turn around to show the same gender observers they do not have prosthetic devices for beating the tests. If no device is detected, the employee is permitted to return clothing to its proper observed-collection position. Then the observed collection will take place. Drug testing is mandatory for all Return to Duty and Follow Up Testing.

**Licensed medical practitioner** means a person who is licensed, certified, and/or registered, in accordance with applicable Federal, State, local, or foreign laws and regulations, to prescribe controlled substances and other drugs.

**MRO** refers to a Medical Review Officer who is a Licensed Medical practitioner and who is in compliance with all certification and continuing education requirements.

**Performing a safety-sensitive function** means all job requirements are considered performing a safety-sensitive function during any period in which he or she is actually performing, ready to perform, or immediately available to perform any safety-sensitive functions.

**Refuse to submit (to an alcohol or controlled substances test)** means that an employee:

- An employee admits to the collector that he or she adulterated or substituted their specimen.
- The employee behaves in a confrontational way that disrupts the collection process.

- The employee fails to follow the observer's instructions to raise and lower their clothing and to turn around to permit the observer to determine if the employee has a prosthetic or other device that could be used to interfere with the collection process.
- The employee possesses or wears a prosthetic or other device that could be used to interfere with the collection process.
- The employee refuses to wash his or her hands – after being directed to do so.
- Failing to provide adequate breath for an alcohol test without a valid medical explanation,
- Failing to submit to a test as directed,
- Engaging in any conduct which clearly obstructs the testing process.
- Fail to appear for any test (except a pre-employment test) within a reasonable time, as determined by the employer, after being directed to do so by the employer.
- Fail to remain at the testing site until the testing process is complete. Provided, that an employee who leaves the testing site before the testing process commences a pre-employment test is not deemed to have refused to test;
- Fail to provide a urine specimen for any drug test required by this part. Provided, that an employee who does not provide a urine specimen because he or she has left the testing site before the testing process commences for a pre-employment test is not deemed to have refused to test;
- In the case of a directly observed or monitored collection in a drug test, fails to permit the observation or monitoring of the employee's provision of a specimen.
- Fail to provide a sufficient amount of urine when directed, and it has been determined, through a required medical evaluation, that there was no adequate medical explanation for the failure;
- Fail or declines to take a second test the employer, MRO or collector has directed the employee to take;
- Fail to undergo a medical examination or evaluation, as directed by the MRO as part of the verification process, or as directed by the DER. In the case of a pre-employment drug test, the employee is deemed to have refused to test on this basis only if the pre-employment test is conducted following a contingent offer of employment;

- Fail to cooperate with any part of the testing process (e.g., refuse to empty pockets when so directed by the collector, behave in a confrontational way that disrupts the collection process, refuse a direct observation test, refuses to wash hands when directed by the collector); or
- Is reported by the MRO as having a verified adulterated or substituted test result.

**Safety-sensitive function** means all time from the time an employee begins to work or is required to be in readiness to work until the time he/she is relieved from work and all responsibility for performing work.

**Screening test (or initial test)** means:

- In drug testing, a test to eliminate “negative” urine specimens from further analysis or to identify a specimen that requires additional testing for the presence of drugs.
- In alcohol testing, an analytical procedure to determine whether an employee may have a prohibited concentration of alcohol in a breath or saliva specimen.

**Under the Influence** means, with respect to drugs, the presence in an employee’s system of any detectable amount of a drug, or its metabolites, and speech, actions or an appearance which lead a supervisor to reasonably suspect the employee’s ability to perform his or her job safely and effectively has been impaired by drugs.

**Voluntary Treatment and Counseling** means that an employee who feels he or she may have a substance abuse problem and is seeking assistance through the Self Identification Program.

### 3.1 Prohibited Conduct

Employees may not possess, use, purchase, sell, or transfer illegal drugs, alcohol, or controlled substances of any amount on Lanco Mechanicals’ property (including parking lots). Illegal drugs or substances are those, which cannot be legally obtained, including controlled dangerous substances and controlled substance analogues, as well as those drugs, which, although legal, have been obtained illegally (i.e., prescribed drugs not being used as prescribed).

Drug testing will be performed through urinalysis and will test for the presence of drug and/or metabolites of the following controlled substances: Marijuana metabolites (THC), Cocaine metabolites, Opiates, Amphetamines and Phencyclidine (PCP).

Employees may not consume alcohol, illegal drugs, or substances on or off Lanco Mechanicals’ property during working hours, lunch periods, breaks or relief periods.

Employees may not report to work under the influence of alcohol. “Under the influence” means reporting for duty or remaining on duty with an alcohol concentration of .020 or greater.



Employees are prohibited from possessing any amount of **alcohol (INCLUDING POSSESSING MEDICATIONS WHICH CONTAIN ALCOHOL)** while on duty or driving, unless the alcohol is manifested and being transported as part of the shipment

Off-the-job illegal drug use which could adversely affect an employee's job performance, jeopardize the safety of others, the public, or Company equipment, or adversely impact Lanco Mechanicals' reputation, is proper cause for disciplinary action up to and including termination of employment.

Employees who are convicted of off-the-job drug or alcohol-related activity may be considered to be in violation of this policy. In deciding what action to take, management will take into consideration the nature of

the charges, the employee's present job assignment, and the employee's record with Lanco Mechanicals and other factors relating to the impact and circumstances of the employee's arrest.

Employees may not report to work with any illegal drugs or substances in his/her system.

Employees are required, as a condition of employment, to submit to a Reasonable Suspicion/Cause, Randoms, Return-to-Duty, Follow-up alcohol and/or drug test when required. Refusal to test will result in immediate termination of employment.

Employees performing "safety-sensitive functions" shall not use alcohol while performing such functions or during the four hours prior to performing such functions. "**Safety-sensitive functions**" include all on-duty time, i.e., the entire time from the moment an employee begins to work or is required to be in readiness for work until the time he/she is relieved from work and all responsibilities of work.

Employees are prohibited from testing positive for drugs and/or alcohol.

Claiming the ingesting of hemp food products will not be an acceptable defense of a positive in a drug test.

Medicinal and Recreational Marijuana usage is not an acceptable defense for a positive drug test. The employee must contact Philip Weaver, Glenn Weaver or Patrick Zook if there is a medical need by Doctor/prescription consent to use medical Marijuana. The level work responsibility will be determined based on doctor's prescription and recommended working conditions.

Employees shall not violate any applicable federal and/or state requirement governing the use of drugs or alcohol.

Employees shall not do anything to obstruct Lanco mechanicals' goals with respect to drug and alcohol testing





#### 4.1 Duty to Report

**Convictions.** An employee who is convicted for a criminal drug statute, the employee must notify Human Resources no later than five calendar days after the conviction. A conviction means a finding of guilty (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violation of the Federal or State criminal drug statutes. The term “criminal drug statute” means a law involving manufacture, distribution, dispensation, use, or possession of any controlled substance.

**Prescription and Over-the-Counter drug use.** Whenever an employee is legally prescribed drugs or directed by a physician to use over-the-counter drugs, it is the employee’s responsibility to ask the prescriber whether the drug or medicine, if taken as prescribed or directed, is likely to affect the employee’s work performance in such a way that it would jeopardize safety, or substantially reduce the employee’s effectiveness. If so, the employee is obligated to report that fact to Lanco Mechanicals’ Human Resource Department; Patrick Zook.

Additionally, if an employee is legally using an over-the-counter drug whose labeling indicates that its use is likely to affect the employee’s work performance in such a way that it would jeopardize safety, or

substantially reduce the employee’s effectiveness, the employee is obligated to report that fact to Lanco Mechanicals’ Human Resource Department. When required to report, an employee is not required or asked to report his or her medical condition or the drugs used; the employee should merely report that he or she is using medication that is likely to affect work effectiveness. Lanco Mechanicals will then determine whether the employee may continue to work during the course of treatment, full or limited capacity, and may require the employee to be examined by or seek a second opinion from a physician.

If the Lanco Mechanicals learns, through any means including an employee’s job performance, that an employee is using prescription or over-the-counter drugs that have the potential to affect performance in such a way that would jeopardize safety or substantially reduce the employee’s effectiveness, even if a physician has advised the employee that it will not, Lanco Mechanicals may require the employee to be examined by or seek a physician.

#### 5.1 Dilute Specimen

A dilute specimen is when abnormally large quantities of fluids are consumed (in vivo) the urine becomes dilute and the creatinine levels are substantially reduced, as well as other urine constituents including drugs and their metabolites.

**Positive Dilute Result:** When the Lanco Mechanicals receives a result from the MRO (Medical Review Officer) that states Positive Dilute, Lanco Mechanicals shall treat the result as a verified positive result. The employee shall not be able to take another drug test based on the fact that the specimen was dilute. See Violation section of the policy for consequences.



Negative Dilute: When Lanco Mechanicals receives a result from the MRO that states a Negative Dilute drug test Lanco Mechanicals shall do the following:

Lanco Mechanicals shall direct the employee to take another unannounced test immediately. Recollection of the specimen shall not be collected under direct observation unless there is another basis to support a directly observed collection.

When Lanco Mechanicals receives the second result after the initial Negative Dilute result and the result is again Negative Dilute Lanco Mechanicals shall accept this result, unless the MRO asks for another collection under direct observation. If the MRO requires another recollection the employee must do so immediately.

The employee shall comply with the MRO and Lanco Mechanicals or this shall constitute a refusal to test with immediate voluntary termination.

#### 6.1 Inspection of Lockers, Possessions, and Vehicles

Where Company has reason to believe that an employee is in violation of Company drug and alcohol policy, he/she may be asked to submit immediately to a search of his/her person, lunch box, purse, packages, personal belongings, desk, vehicles, or any other receptacle he/she uses or has access to, available for inspection. Such search or inspection shall always be conducted in the presence of at least one witness other than the Lanco Mechanicals representative performing the search or inspection, and the contents resulting from such a search or inspection shall be inventoried. Entry onto company premises (including parking lots and job sites) constitutes consent to search and inspection. Refusal to consent to search or inspection shall constitute immediate voluntary termination.

#### 7.1 Violation of The Policy – Consequences

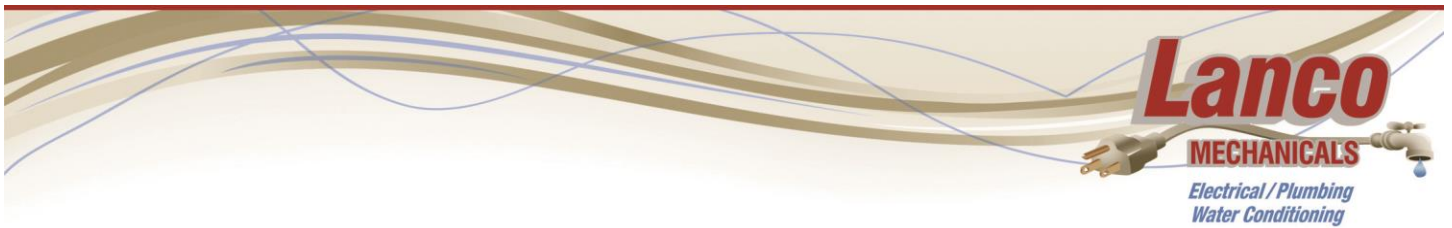
Any employee who violates the provisions of this policy or engages in prohibited conduct as set forth herein may be subject to:

A violation of the policy may result in immediate termination of employment. If employment termination is not mandated for the specific violation, Lanco Mechanicals can suspend the employee for a given time, and mandate the employee to seek counseling through an Employee Assistance Program or a Substance Abuse Professional and a separate Counselor.

#### 8.1 Self-Identification and Rehabilitation Program

Rehabilitation following self-identification:





- Employees who believe they may have a drug and/or alcohol problem are encouraged to seek help (“self-identify”) from the management of Lanco Mechanicals. An employee who seeks help voluntarily, and is not currently in the process of being evaluated for testing as defined in this policy, will not be disciplined for any involvement with drugs and/or alcohol, which he or she admits to in connection with his or her initial request for help.
- An employee who self-identifies may be eligible for and/or be required to take a leave of absence (using paid time off, to the extent available, and thereafter, unpaid time) and will be permitted to return to work subject to the terms, conditions and restrictions set forth by Lanco Mechanicals.
- The employee must be evaluated within seven days, from the date on which he/she self-identified to Lanco Mechanicals. A certified Substance Abuse Professional associated with a supervised drug and alcohol treatment program must do the evaluation.
- Before the employee can return to work, the employee must comply with the following terms and conditions:
  - The employee must be cleared by the Substance Abuse Professional who must certify to Lanco Mechanicals in writing that the employee has complied with his or her treatment plan, if applicable, and is physically and mentally fit to Return-to-Duty.
  - The employee must submit to and test negative on a drug and/or alcohol test.
  - The employee must comply with any ongoing treatment recommended.
  - The employee must submit to unannounced Follow-up testing for drugs and/or alcohol for up to sixty months. There will be a minimum of six Follow-up tests in the first twelve months following the employee’s return to work.
- The employee will be terminated immediately in the event he/she:
  - Refuses to comply with the treatment plan recommended for him/her, if applicable, either before or after he/she returns to work.
  - Tests positive for drugs and/or alcohol and/or refuses to submit to a drug and/or alcohol test on the date and time required.
  - Otherwise fails to meet Lanco Mechanicals’ expectations for performance or behavior.
  - Is identified for termination under any other circumstances deemed appropriate by Lanco Mechanicals.



## 9.1 Testing

Lanco Mechanicals has implemented six circumstances for drug testing:

1. Pre-Employment testing
2. Post-Accident/Injury/Incident testing
3. Reasonable Suspicion / Cause
4. Return-to-Duty - (Self Identification Program only.)
5. Follow-up – (Self Identification Program only.)

Lanco Mechanicals has implemented five circumstances for alcohol testing:

1. Post-Accident/Injury/Incident - **CONTACT YOUR LEGAL ADVISOR FOR GUIDANCE – OSHA Regulation May 2016**
2. Reasonable Suspicion / Cause
3. Return-to-Duty - (Self Identification Program only.)
4. Follow-up – (Self Identification Program only.)

## 9.2 Refusal to Test

Refusal to submit to the types of drug and alcohol tests employed by Lanco Mechanicals will be grounds for refusal to hire applicants and will result in the termination of employment of existing employees. Refusal to test will be considered a voluntary resignation. A “refusal to test” is defined as any conduct, which would obstruct the proper administration of a test. A delay in providing a specimen may constitute a refusal. If an individual cannot provide a sufficient specimen, a physician of Lanco Mechanicals’ choice will evaluate the employee. If the physician cannot find a legitimate medical explanation for the inability to provide a specimen, the individual will be considered to have refused the test. All refusals will result in termination.

## 9.3 Employee Responsibility

Employees and prospective new hires are required to provide a specimen for testing, as a condition of employment. Employees acknowledge to Lanco Mechanicals, and its selected vendors for any testing required as prescribed in this policy, and for the release of information, concerning these tests results and/or the successful participation in a treatment program approved by Lanco Mechanicals. If an individual refuses the test, adulterates, or substitutes the specimen of another person, or refuses to cooperate in the testing process in such a way that prevents completion of the test, the employee will be terminated or the employment candidate will not be hired.

When a company management representative has concerns that an employee requested/required to undergo drug and/or alcohol testing may currently be under the influence, and their ability to operate a



motor vehicle may be impaired, they may be provided with transportation to the appropriate testing facility and to their home at Lanco Mechanicals' expense. Lanco Mechanicals will not and does not condone individuals operating motor vehicles when a question exists regarding the possibility of impairment.

## 9.4 Types of Testing

### **Pre-Employment**

This test shall be completed prior to an applicant being hired. The applicant will be informed to report for a drug test. All offers to hire an applicant are contingent upon the applicant taking the required drug test and having negative result. If Lanco Mechanicals receives a result from the Medical Review Officer (MRO) stating the result is negative with a dilute specimen the applicant shall not be considered for employment or another unannounced drug test will be required at the expense of the employee or company's expense.

### **Post-Accident/Injury/Incident**

In the event of an on the job accident Lanco Mechanicals may require a drug/alcohol test.

### **Reasonable Suspicion / Cause**

Any affected employee must report to a collection site and provide a specimen if, in the opinion of a company official (who has received training covering the indications of probable drug and/or alcohol abuse), there is reasonable cause to suspect the use of drugs and/or alcohol. Their observations must be documented.

Specimen collection for reasonable suspicion testing will take place under the following circumstances:

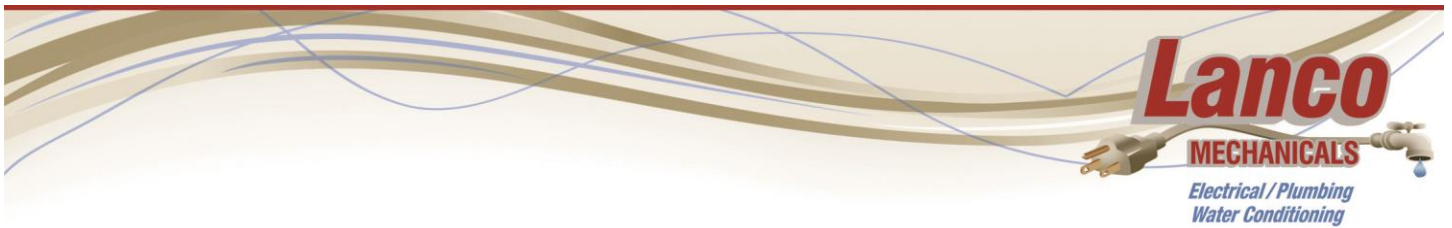
- when an employee's error appears, on the basis of a preliminary investigation, to have caused an accident, injury or damage to Lanco Mechanical or employee property or vehicle(s)
- based upon their appearance, speech, body odor or actions, a supervisor reasonably suspects that the employee's ability to work may be impaired by alcohol and/or drugs, or the withdrawal effects of alcohol and/or drugs.

Employees who refuse to be tested shall be terminated

An agent of Lanco Mechanicals will escort the employee to the collection site and arrangements will be made for them to be transported to his/her home after the specimen is collected.

An employee who is directed to take a reasonable suspicion test will be placed on unpaid suspension pending the test results. If the result is negative the employee will be reimbursed for the time of suspension.

Employees will be required to undergo testing when his/her conduct and/or actions cause concern that he/she may be unfit for duty. When possible, observations will be determined by two members of



supervision/management. Numerous supervisors have been trained in detecting signs, symptoms, and characteristics of drugs and/or alcohol abuse.

### **Return-to-Duty (or for Self-Identification Program)**

An employee, who has self-identified to Lanco Mechanicals or has a positive test, regarding a Drug and/or Alcohol problem, will be required to submit to a return-to-duty test and achieve a negative result, provide a course of treatment plan and be provided a release from the certified substance abuse professional before he/she can return to work. This test is to be paid by the employee.

### **Follow-up Testing (or for Self-Identification Program)**

Following a determination that an employee is in need of assistance in resolving problems associated with alcohol misuse and/or use of controlled substances, an employee will be required to submit to unannounced follow-up testing for Drug and/or Alcohol for up to (60) sixty months. If the results are positive, the employee will be immediately terminated. This test is to be paid by the employee.

## **9.5 Testing Procedures**

### **Drug Testing**

Drug testing will be performed through urinalysis and will test for the presence of drugs and/or metabolites of the following controlled substances: Marijuana (THC), Cocaine, Opiates, Amphetamines, and Phencyclidine (PCP).

1. Marijuana Metabolites
2. Cocaine Metabolites
3. Opiates
4. Amphetamines
5. Phencyclidine (PCP)

OR

### **10 Panel Urine Drug Test**

1. Marijuana
2. Cocaine
3. Opiates
4. Amphetamines
5. Phencyclidine (PCP)
6. Barbiturates



7. Benzodiazepines
8. Methadone
9. Methaqualone
10. Propoxyphene

Lanco Mechanicals reserves the right to test for other drugs, if the facts and circumstances on a case-by-case basis lead to a conclusion that a particular drug not listed above may have been ingested or used, in violation of this Policy.

Split sample urine specimens will be collected at a designated collection site. Urine specimens will be sealed in the presence of the applicant/employee and sent to the designated United States federally certified laboratory along with the custody and control form (CCF) for testing. Detailed records will be kept preventing misidentification of samples.

The following protocol will apply to all specimen collections:

The applicant/employee will provide a urine sample at the assigned collection site at the appointed time.

The applicant/employee will participate in the custody and control procedures in order to insure accurate collection by:

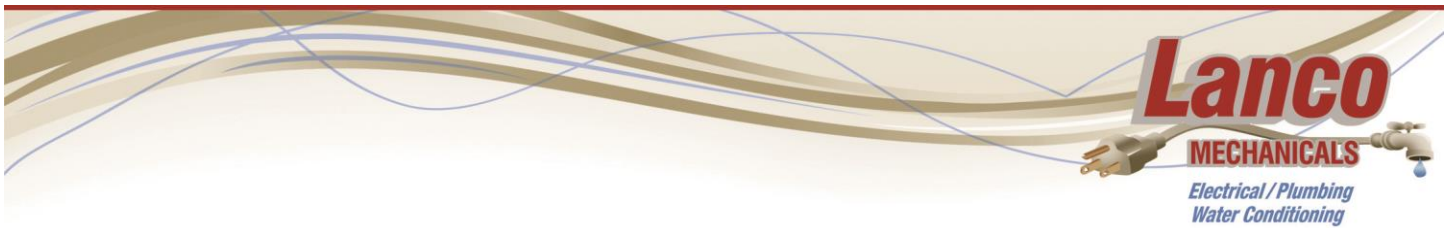
- collection site providing photo identification.
- following the urine specimen guidelines for all urine collection procedures in cooperation with the site.

Under split specimen procedures, the donor must provide 45 ml. in a specimen container. The collector will pour 30 ml. into one bottle and seal it; the remaining sample of 15 ml. will be sealed in a second bottle. Both bottles will be sent to the laboratory. The bottle with the 30 ml. will be the primary specimen and the second bottle will be held by the laboratory and analyzed only after a verified positive by the MRO and the employee requests the analysis within 72 hours of notification by the MRO.

If the applicant/employee refuses to provide the specimen for the drug testing, the situation will be considered equal to a positive test and the same consequences will apply.

All positive urine screens will be confirmed through GC/MS testing (Gas Chromatography/Mass Spectrometry) before any discipline is imposed or hiring decisions are made.

A Medical Review Officer (MRO) will review all drug tests performed by the laboratory. The MRO is to determine whether positive test results indicate illegal drug use or whether other medical explanations could account for the result. The MRO will inform the employee of his findings.



On all “positive” drug screen results, the MRO/MRO Assistant will make three attempts within a twenty-four hour period to contact the applicant/employee and review his findings. If the applicant/employee cannot be reached during the above-mentioned time frame, Lanco Mechanicals management will be contacted and informed to contact the applicant/employee and have such a person make themselves available to be contacted by the MRO to review his findings. If the applicant/employee does not make themselves available to be contacted by the MRO, the consequences to the applicant/employee will be equal to that of a positive test result, which is immediate termination.

Individual test results will be released to Lanco Mechanicals and will be kept confidential, an individual who has submitted to drug testing under this policy is entitled to receive the tests results. Requests should be made in writing.

All specimens shall be collected and split into two vials (split specimen collection). Employees testing positive may request to have the split specimen tested at another federally certified laboratory. The testing of the split specimen will be for the presence of the drug that was deemed positive, with no cut-off levels. If the result of the split specimen test is negative the MRO will cancel the test. Such requests must be made within 72 hours of the individual being notified of the positive result from the MRO. The employee is responsible for the payment of the split specimen test.

Lanco Mechanicals requires urine specimen collection(s) to be performed in accordance with 49 CFR Part 40 and the Urine Specimen Guideline from the Office of Drug and Alcohol along with any updates, if amended.

#### Alcohol Tests

All alcohol tests conducted under this Policy require that the employee provide a breath specimen. The employee must take either a breath or blood specimen, as directed by a law enforcement officer after an accident.

Alcohol tests will be administered using a breath specimen, taken by a breath alcohol technician (BAT) using an approved breath testing device (EBT).

Before being tested by Lanco Mechanicals, each employee will be required to (i) present his/her personal identification, and (ii) execute an Alcohol Testing Form provided by the BAT. An employee, who refuses to provide his/her identification, refuses to execute the Alcohol Testing Form, or who otherwise refuses or fails to cooperate, will be treated as though he or she has tested positive and will be terminated.

Prior to each alcohol breath test conducted by Lanco Mechanicals, the BAT will instruct the employee on how the test will be performed.

To protect each employee, the BAT will attach to the testing device an individually sealed mouthpiece in the employee’s view. The employee will then be directed to blow forcefully into the breath-testing device until an adequate amount of breath has been maintained.





In the event that an employee is unable to provide an adequate amount of breath for the initial or confirmatory test after several attempts to do so, the employee will be required to submit to an evaluation by a licensed medical physician to determine whether a valid medical condition exists. If the physician determines that a valid medical condition does exist, the test result will be reported to Lanco Mechanicals as a “cancelled”. If the physician determines that a valid medical condition does not exist, the result will be reported to Lanco Mechanicals as a “refusal”.

In the event that the employee provides an adequate breath specimen and the initial test registers as alcohol concentration level that is less than 0.02, the test result will be recorded, as a “negative” and no additional test will be required at that time.

In the event that an employee provides an adequate breath specimen and the initial test registers an alcohol concentration level of 0.020 or greater, a confirmatory test will be performed. In the event that the employee provides an adequate breath specimen and the confirmatory test registers less than 0.020, the test result will be reported to Lanco Mechanicals as “negative”.

Company requires that all breath alcohol testing is in accordance with 49 CFR Part 40 along with any updates, if amended.

## 9.6 Confidentiality and Privacy

Lanco Mechanicals will attempt to insure that all aspects of the testing process are as private and confidential as reasonably practical. Actual test results will be provided to supervisors and managers who have a need to know such information, to the person tested and any person permitted or required by law or regulation to receive such information. Except as required by law, test results will not be disclosed to co-workers, an employee’s family, uninvolved supervisors, or law enforcement authorities without the specific permission of the person tested.

Lanco Mechanicals will, however, inform the police of trafficking in illegal drugs by employees and will turn over any illegal drugs confiscated on Company property to the police.

## 9.7 Discipline for possessing, using, selling, buying or Transferring Drugs and Alcohol

Employees caught possessing, using, selling, buying or transferring drugs or alcohol while at work, on Company premises, or while using Company Vehicles will be terminated.

Employees arrested for selling drugs to, or buying them from another employee will be suspended without pay, and if convicted, terminated. Depending on the circumstances, employees arrested for and convicted of other drug offenses may also be terminated.





## 9.8 Miscellaneous

This policy is not intended to create a contract of employment, whether expressed or implied, or to alter the employment relationship insofar as employment is to be considered terminable by Lanco Mechanicals at will, with or without cause.

Lanco Mechanicals reserves the right to grant exceptions to, modify, add, and/or cancel its policies, procedures, and/or benefits at any time.

## 9.9 Questions

If you have any questions, please direct them to your immediate supervisor or designated employer representative.



