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Introduction

This employee manual outlines certain policies, procedures and information with respect to hiring, working conditions, compensation, benefits, job descriptions and discipline of BS&R Equipment Company. Health insurance and Simple IRA options are also described in the manual.

The Policies and procedures contained in this employee manual do not encompass or anticipate every situation, answer every question, or solve every problem about employment. Consequently, the information contained within can only be a resource for employee education or training and cannot be construed as a legal document or an employment contract.

The purpose of this handbook is to provide information as to Company policy. It is not to be construed or considered to be in any way a contract or a guarantee of continued employment. The employee may resign or BS&R Equipment may terminate the employee relationship at any time for any reason.

We hope your employment here at BS&R Equipment is a long and prosperous one.

BS&R Equipment reserves the right to add, delete or revise any policies and procedures whenever such action is warranted.

Hiring Policies

Equal Employment Opportunity

It is BS&R Equipment's policy to offer equal employment opportunity to all persons with out discrimination or preference as to race, creed, color, sex age, national origin, religion, disability or veteran's status.

This policy applies to recruiting, hiring, promotions, upgrading, layoffs, compensation, benefits, termination and all other privileges, terms and conditions of employment. The procedures that will be followed in providing equal employment and advancement opportunities at BS&R Equipment will be based on individual qualifications, potential and job performance.

BS&R Equipment will afford reasonable accommodation that does not cause undue hardship to qualified applicants and employees with a known disability or for an employee's religious beliefs.

Every member of management will carry forward BS&R Equipment policy of nondiscrimination, equal employment opportunity and reasonable accommodation. All employees are expected to conduct themselves in a manner that is not offensive as to the sex, race, color, age, creed, religion, national origin, and disability or veteran status of any employee.

Every newly hired employee will have a 90-day probationary period.

Appearance and Behavior

BS&R Equipment maintains a high standard of customer service and employee behavior. The following are guidelines for employee appearance and behavior while on the job at our company.

A.) Employees must be well kept and groomed. For men: all beards and mustaches must be trimmed and neat in appearance. Your hair must be trimmed and neat in appearance. Cleanliness is necessary for proper presentation to our customers. Any foul or deemed unwarranted odor will not be accepted. Management

reserves the right to dismiss the employee till proper cleanliness has been met.

B.) Appropriate dress is required broken down by department below:

- 1.) Salesmen – Dress business casual while on the sales floor. Levis are permitted on a case by case basis. No profane language or profane graphic designs are permitted where visible on clothing.
- 2.) Warehouse/ Shipping & Receiving/Installation – Any work attire i.e. Levis, Carharts etc that is deemed necessary to function in these areas. No profane language or profane graphic designs are permitted where visible on clothing.

Our Customers and You

Next to our employees, our customers are the most important people in our business. Without them we do not have a service to deliver. Consequently, we need your help in providing the best service to all of our Customers.

The key to excellent customer/employee relations is courtesy. Each and every employee can make an important contribution to BS&R Equipment's image and the quality of its service. Be the best at what you do in a courteous manner and you will make a significant difference. When you deal with customers all day long, day after day, it takes a professional effort to be courteous time after time – sometimes under difficult circumstances. Giving a smile can usually overcome the most awkward and difficult situations.

Employee Relations Policy

The purpose of this policy is to communicate to employees what BS&R Equipment will attempt to do in providing a positive working relationship with its employees and, in return, what the company expects from its employees to help sustain this mutual positive regard.

It is the policy of BS&R Equipment to offer a rewarding work environment in which our employees can expect consistent, fair and uniform treatment. To achieve this result requires a positive commitment from all employees. The company encourages its employees to bring their problems or concerns to their managers.

Employee Absence from Work

Sick Leave

If an employee intends to miss work due to illness, accident or any other reason, the employee must call at least one hour before his/her scheduled shift to inform a supervisor or manager of the situation.

All sick leave is taken without pay.

Excessive absences may be grounds for disciplinary action up to and including termination, or qualify the employee for a medical leave of absence if management deems it appropriate.

Missing work without notifying an appropriate supervisor or manager constitutes a "no call/no show" status. Repetition of this status may be grounds for disciplinary action up to and including termination.

Medical Leave of Absence

Employees may be granted a personal medical leave of absence, without pay, up to a maximum of 4 weeks to recuperate from illness, injury or maternity.

Employees returning to work after a medical leave of absence are assured employment in the same or equivalent job classification and pay scale without loss of continuous employment service.

Before the employee may return to work, written permission from the employee's physician must be presented to the department manager indicating the employee's return to work date.

Military Leave

Employees who leave BS&R Equipment from a full-time position for service in the Armed Forces are entitled to re-employment rights upon their honorable separation or discharge, provided application for re-employment is made within ninety (90) days following release from active duty. BS&R Equipment will cooperate with members of the Reserve and Guard in scheduling leave needed for active duty. Reservists must make application for re-employment within 31 days of leaving active duty.

An employee who is a member of a Reserve or National Guard unit may be granted leave without pay to attend the regular training programs. Accrued vacation, if available, may be used for such leave if the employee so desires. A written request for leave, along with a copy of military orders, should be presented to your supervisor as soon as the Military advises you of your training schedule.

Performance Appraisals/Raises

BS&R Equipment believes in formalized and timely employee performance appraisals for the purpose of:

- Letting employees know how they are performing their job responsibilities relative to what is expected of them in accordance with their job descriptions.

- Identifying ways in which employees' present performances can be sustained or improved.

- Identifying those employees who do not warrant retention of their present position.

- Discussing present job and career objectives for possible future advancement within company.

Safety & Accident Prevention

If an injury occurs during working hours employee must fill out a Worker's Compensation - First Report of Injury or Illness form within 24 hours from date of injury and submit it to management. Forms are available from a supervisor, the HR Department, or the Intranet. A report must be submitted even if medical attention is not required.

Hourly/Salary/Overtime Compensation

Hourly Employees: Hourly employees will receive overtime wages for work done over the standard payroll period. (Overtime is defined as hours worked over 40 during each consecutive 7 days of the two week payroll period) The payroll period is every two weeks (26 pay periods per year) beginning on a Monday and ending on a Sunday. Pay checks are issued on the first Friday following the end of the pay period.

Any employee that has reached the weekly period hour limit (40 hours) will let their supervisor know before they go into overtime hours. We may ask the employee to leave early during the work week to reduce any overtime if there is not productive work to be done.

Mangers: A manager is considered a salaried employee. Wages are based on productivity and workload, to be reviewed yearly.

Salesmen

Definition: Outside salesman are considered territory managers. Only outside sales people receive their bonus based on sales. All other employees receive a bonus based on how the store does. See the compensation section in the employee manual.

Out of town expenses: salesman pays their own expenses other than normally paid expenses. Normal expenses are, vehicle, pager, phones, office supplies and gas. All other hourly employees expenses will be paid as follows:

1. If an employee works 12 hours in a single day in the field on delivery or installs the employer will allow up to \$10.00 for dinner. Receipts must be turned in for compensation.
2. If there is an overnight stay required/ needed (i.e. on job installs and some deliveries) being a distance over 100 miles from that employees working base store/branch, the employer will pay the 1st day out, reasonable hotel costs and meals as follows; dinner that night up to \$10.00 (no alcohol), breakfast next morning up to \$6.00 per person. Meals after that will be reviewed by management and approved per incident.
3. There are no expenses paid for "in town" deliveries or office workers. (Within 100 miles of that working employees base store)

Company Credit & Use of Company Credit Cards

Company credit cards can only be used for company business. Any purchases other than food or gas must be sent into accounts payable with receipt and purchase order. If the receipt is not turned in with a purchase order it will be considered personal use and will be deducted for the employees next payroll check. If the company credit cards are used over the phone and a receipt is not available, a purchase order will be sent to accounts payable with a full explanation. If meals are purchased with the company credit card the receipt has to be turned in with the paper work for the job. If the company credit card is used without permission for other than business, it will be grounds for dismissal.

Credit cards

1. Company credit cards can only be used for company business.
2. Any purchases other than for food or gas must be sent into accounts payable with receipt and purchase order. If receipt is not turned in with purchase order it will be considered personal use and will be deducted from employees next check.
3. If credit cards are used over the phone and receipt is not available purchase order will be sent to accounts payable with full explanation.
4. If meals are purchased with credit card the receipt has to be turned in with what job the employee was working on.
5. Abuse of company credit cards will be as punished as followed:
 - A) First offense the employee is put on probation.
 - B) Second offense the employee will be relieved of all employer credit cards and will be responsible for turning in receipts to be reimbursed upon approval.
 - C) Third offense the employee could/will be terminated as employer sees fit.
 - D) All receipts with date/time must be turned in with job name. Any receipts not turned in

will be charged against the employees' wages.

In store financing

1. Credit is always required for approval.
2. An explanation of what kind of equipment and amount of purchase
3. A personal observation will also be discussed with salesman. Salesman should know how long the customer has been in the area, years of experience and an overall view of customer.
4. Salesman is required to help collect any in store financing.
5. If customer defaults on the loan and the equipment is picked up no commission will be deducted.
6. If store has to finance equipment that was not approved and customer defaults then the amount of the default is taken out of salesman gross margin.
7. In store financing is designed for sales up to \$10,000.00.

Credit

Salesman is required to get a credit application on any new open accounts. If salesman charges to a new account without approval then the salesman is responsible for that account in full. Open accounts are only designed for smallware accounts under \$200.00 or other approved amount. All new accounts are to be paid in full within 7 days of installation. Salesman is required to get a minimum 30% down on all orders unless otherwise approved by store manager.

Collection Procedures

- (1) Check with the salesman on past due amounts. New installs are past due after installation is done, unless other arrangements are made.
- (2) Before a phone call is made, check with the salesman to get an O.K. to call.
- (3) If you have little or no success with a phone call, the salesman will make personal contact.
- (4) If you are still unsuccessful contact store manager or the office manager with the history of the customer.

Remember: KEEP ON TOP OF NEW JOBS, the salesman must collect right AFTER install. Most open accounts are less than \$1000.00; anything over this amount must be approved and reviewed by the comptroller.

CCF Collection Procedures

- (1) Call account if no payment for the month has been made over 30 days.
- (2) Do not allow an account to get more than one payment behind.
- (3) If there is no luck with a phone call, ask store manager to call.
- (4) If there is no luck with the store manager, turn account over to the Office Manager and salesman may be asked to stop by and see them.
- (5) Other payment options may be available with prior approval of the comptroller.

Bad Checks

- (1) Call customer and then try to re-deposit.
- (2) If the check won't deposit within three (3) days, call account for a cashiers check. If possible have salesman pick up cashiers check.

Harassment Policy

BS&R Equipment believes that each employee has the right to work in an environment free from all forms of discrimination, including freedom from anxiety or stress caused by sexual harassment. Harassment is a form of misconduct, which undermines the integrity of the employment relationship. For these purposes the term harassment includes slurs and any other offensive remarks, jokes, other verbal, graphic or physical conduct.

Submission to the conduct is made on explicit or implicit condition of employment. Submission to or rejection of the conduct is used as the basis for and employment decision affecting the harassed employee; or the harassment substantially interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

The proper procedures to handle sexual harassment are as follows:

Politely but firmly confront whoever is doing the harassing. State how you feel about his or her actions and request that the person cease harassing you immediately.

If the harassment continues, or if you believe some employment consequences may result from your confrontation, report the matter to your immediate supervisor in person and in writing. This action may be taken without fear of reprisal. Every effort will be made to maintain confidentiality.

If after a reasonable length of time you believe inadequate action is being taken to resolve your complaint, go directly to the owner for resolution of your problem. The policy of BS&R Equipment is to listen to all reasonable complaints, seek early corroboration, and quickly apply sanctions when appropriate.

BS&R Equipment recognizes that false accusations of harassment can have serious effects. Therefore, all investigations regarding sexual harassment will be conducted with as much discretion as is possible and still allow all the facts to be obtained.

Employee Benefits

Paid Vacation: Employee's receive 5 days of paid vacation after one (1) year of full time employment. Ten (10) days of paid vacation after two (2) years of full time employment. Employees must notify their department manager of the time frame for their respective vacation. Vacation schedules are given on a "first come first serve" basis. At this time only one (1) employee may be off during any given time period unless authorized by your department manager. This is subject to change as our business and employees grow. Vacation days are to be taken during the year. Untaken vacation days will not roll over to the next year and are on a "Use it or Lose it" policy.

Paid Holidays: The following are paid holidays for full time employees. New employees must have 90 days of employment with BS&R to qualify for holiday pay. New Years Day, Memorial Day, July 4th, Labor Day, Thanksgiving and Christmas.

Workmen's Compensation: BS&R Equipment Company will pay up to two (2) weeks wages or until Workmen's Compensation starts for employees that are hurt on the job and cannot work. Proof of injury and treatment will be needed.

Unpaid Time Off: Employees may take extra time off without pay. A two (2) week advance notice will be required and given to your department manager.

Health Insurance: Health insurance (HSA Plan) is available to employees after 90 days of employment. An employee can elect to have his or her own insurance outside of the company. BS&R will pay for insurance upon proof from an outside insurance company and the cost for the BS&R employee. Outside insurance cannot exceed the cost of what is offered at BR&R Equipment Company. Employee dependants can be covered via our Cafeteria plan and is paid for with pre-tax dollars.

Bereavement Leave: All full-time employees bereaved by a death in the immediate family will be granted time off from work without loss of pay according to the following provisions.

Eligible employees granted Bereavement Leave will be paid for the time actually lost from their regularly scheduled work not to exceed three- (3) work day. Circumstances and events may sometimes require additional bereavement Leave. The employee's work history and performance may be considered as basis for any additional time off without pay at the option of management. Manager approval is required.

Time off for Bereavement Leave will not be counted as hours worked for computing overtime.

If a death occurs during a vacation, additional vacation days may be granted to compensate for those days used as Bereavement Leave.

For benefits purposes, "immediate family" is defined as an employee's spouse, child, parent, brother or sister. Prior to benefits being paid, BS&R Equipment reserves the right to request proper documentation.

To be eligible for Bereavement Leave pay, an employee must return to work for 30 days after the approved leave.

Any extension of the policy to cover additional relatives or circumstances will be determined on an individual basis by Management.

Cell Phone Usage

The uses of business cell phones are intended for business use only. Any "excessive" use of minutes for personal use will be billed back to the individual that used those minutes.

Internet & E-mail Usage

Personal e-mail and web sites not related to company business are against company policy.

Vehicle Maintenance

Any employee using any company vehicle will check the oil and other vital fluids when putting gas in the tank and fill as necessary

Discipline

A supervisor or manager has several options available when faced with a disciplinary situation. The following guidelines or examples of progressive discipline may be used at the discretion of the supervisor or manager.

Verbal warning
Written warning
Suspension
Termination

Depending on the circumstances and the severity of the offense a supervisor or manager may exercise any

level of progressive discipline at their own discretion at any time, with the exception that only a department manager, with owner approval has the authority to initiate employee terminations. All terminations must have the final approval of the Owner.

Where appropriate, supervisors/managers may wish the Owner to review intended disciplinary actions for additional recommendations.

As stated above, employees can request the Owner to review disciplinary actions they received and offer appropriate recommendations to employees and/or supervisors/managers

Termination

Voluntary Termination

If an employee decides to voluntarily terminate his/her employment with BS&R Equipment Co. at least two-weeks notice is required. This notice is needed so that a suitable replacement can be found.

In accordance with Idaho State Law, employees who quit or resign must be paid no later than the day on which they would have regularly been paid or within seven working days, whichever occurs first.

Discharged Employees

According to Idaho State Law, wages are immediately payable to a discharged employee.

If a discharged employee wishes to seek a review of his/her situation, see section on "Discipline" for possible options

Exit Interviews

If you leave the company, you may be asked to fill out an exit interview form.

References on Former Employees

All reference requests and/or release forms should be forwarded to the Owner for dispensation.

Responses to reference requests on former employees will be strictly limited to date of hire, last position held and date of termination. Additional documented information from the employee's personnel file may only be given upon receipt of release form signed by the former employee. Personal opinions should never be given under any circumstances.

All signed release forms will be permanently placed in the employee's personnel file.

PLEASE NOTE:

This employee manual is not a contract for employment or binding in any way.

DAILY GUIDE TO HAPPINESS

PRAY:

It is the greatest power on Earth.

LOVE:

It is a God-Given privilege.

READ:

It is the fountain of wisdom.

THINK:

It is the source of power.

BE FRIENDLY:

It is the road to happiness.

GIVE:

It is too short a day to be selfish.

PLAY:

It is the secret of perpetual youth.

LAUGH:

It is the music of the soul.

WORK:

It is the price of success.

SAVE:

It is the secret of security.