

Bumgarner Oil Company



**GDL / Shell
Brothers**



Employee Handbook
March 1, 2016

About Your Employee Handbook

Bumgarner Oil Company provides this Handbook as a resource to help explain company-wide programs, practices and policies. Our Handbook encompasses the following organizations:

- Bumgarner Oil
- Cubbard Express (convenience stores)
- B&B Transport
- Climate Control Systems
- GDL Operations/Shell Brothers

Within this Handbook, the name “Bumgarner Oil Company” will include all organizations above, unless specifically stated otherwise.

Nature of Employment

Our Handbook is not a contract or promise of continued employment, and is not intended to change the employment-at-will relationship in any way, or to create enforceable legal rights.

Either you or the Company may terminate your employment, with or without cause, at any time. Bumgarner Oil Company further reserves the right, in its sole discretion and without notice, to amend or terminate any program, practice or procedure explained in this Handbook. This Handbook supersedes all other related handbooks, instructions or guides.

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Purpose

WELCOME TO BUMGARNER OIL COMPANY WE FEEL VERY PLEASED TO HAVE YOU AS A MEMBER OF OUR TEAM.

We have prepared the Bumgarner Oil Company Employee Handbook to acquaint you with our Company and our employment guidelines, including the following areas:

- ◆ Employment
- ◆ Attendance
- ◆ Employee Conduct
- ◆ Compensation
- ◆ Benefits
- ◆ Safety and Health
- ◆ Security
- ◆ Cubbard Express Employment Only

This Handbook is not intended to address every subject. If you have questions about any Company policies, we encourage you to discuss them with your manager.

Bumgarner Oil Company believes in open, direct communications, permitting a basis for mutual trust and understanding. This Handbook represents one of the many forms of communication resources available to you as an employee. With your assistance and input, Bumgarner Oil Company will continue to thrive and improve these resources.

We welcome you to our team, we look forward to your contributions, and we will strive to provide a satisfying and meaningful employment relationship.

Our History

Founded in 1954, Glenn and C.W. (Tommy) Bumgarner established Bumgarner Oil Company as a small heating oil and gasoline company. Proudly, we remain family owned and operated today.

Tommy retired in 1984, and David Bumgarner, Glenn's son, joined our team. Over the years, our company has grown through acquisitions and hard work. Today, we continue our historic philosophy to treat our employees respectfully, honestly and fairly. We remain committed to offering customers quality products and exceptional service for a fair price.

Bumgarner Oil Company currently owns and operates Heating Oil locations in Hickory, Lenoir, Morganton and Taylorsville. We also own and operate 13 Cubbard Express Convenience Store locations throughout the Unifour Area. Climate Control, our Heating and Air Division formed in 1998, offers quality service and installation of HVAC systems throughout the Greater Hickory Area. B&B Transport, our Petroleum Transport Division, delivers fuel to Cubbard Express and various other locations.

We remain proud of our growth, our success and our employees. We certainly appreciate all of our many fine employees who played major roles ensuring our success, we look forward to an exciting future, and we thank you for joining our team.

Glenn & David Bumgarner

Employee Relations Philosophy

At Bumgarner Oil Company, employees are our most vital Company resource. We strive to provide a supportive, stimulating work environment, while allowing opportunities for growth and development. To attain these goals, our objectives include:

- Attracting qualified, high caliber men and women to join our team and providing development opportunities to enable willing employees to qualify for positions of greater responsibility.
- To be fair and open in all dealings with employees and to encourage employees to share their suggestions and questions.
- To provide competitive wages and benefits, and to reward all employees in accordance with their contributions to achieving business goals.
- To be fair and consistent, concerned at all times with the well-being and personal achievement of all employees.

We expect each member of our Bumgarner Oil Company team to help accomplish these goals, as we endeavor to maintain a strong, competitive position, and to exceed the needs and expectations of our customers.

Equal Employment Opportunity

Bumgarner Oil Company Policy requires that all employment and management decisions are made based on job-related factors. We commit ourselves to compliance with federal and state laws that prohibit discrimination based on age, color, disability, national origin, race, religion, gender, veteran's status, marital status and sexual orientation.

Our policy of non-discrimination extends to all personnel practices, including, but not limited to, recruiting, hiring, job assignment, transfer, promotion, training, layoff and recall, separation and salary administration.

Employment Eligibility

Bumgarner Oil Company Policy requires that we employ only those individuals legally authorized to work in the United States. In compliance with the Immigration Reform and Control Act of 1986, Company Policy prohibits discrimination based on an individual's national origin, citizenship or intent to become a U.S. citizen.

All employees hired on or after November 7, 1986 are required to provide proof of work eligibility and identification, and must complete the employee portion of the I-9 form as required by law. Transfers, rehires and persons traveling on Company business are included.

All offers of employment will be conditioned on proof of work eligibility and identification as required by law.

Definitions of Employment Status

The Company has established definitions of employment status in order to standardize terminology and to provide common understanding in references to employees.

Employee: A person who receives wages or salaries from the Company.

Regular Full Time Employee: Employees who work a regular schedule of a minimum thirty-six (36) hours per week and who maintain continuous, regular employment status. Normally, regular full time employees are eligible for all Company benefits after defined qualifying requirements have been met.

Part Time Employee: Employees who work a regular schedule less than thirty-six (36) hours per week and who maintain continuous, regular employment. Part-time employees are ineligible for all company benefits. However, if an employee works a regular schedule of at least 30 hours per week, health insurance may be offered.

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Introductory Employee: Employees who have not completed the 90-day Introductory Period.

Temporary Worker: Those workers whose services are intended to be of limited duration (i.e., filling in for illness, vacations, summer months or on a seasonal basis, etc.). Temporary workers are not “regular” employees of the Company, and are not eligible for Company benefits.

Nonexempt Employees: Employees who are not exempt from the overtime provisions of the Fair Labor Standards Act (Wage-Hour Act).

Exempt Employees: Management, administrative, professional, and sales employees who do not receive overtime payment, provided they meet the Fair Labor Standards Act’s guidelines.

Physical Examination

Pursuant to Department of Transportation (DOT) regulations, every employee who drives or will drive a commercial motor vehicle is subject to physical examinations. Physical examinations serve as proof of medical fitness to drive as required by the DOT.

We provide required physical exams at no cost to the employee, performed by physicians designated by the Company.

Should a medical condition arise which may jeopardize roadway safety as prescribed by the DOT, management will review existing position openings to determine if another position for which the employee qualifies is available. If suitable openings are not available, the employee’s employment will normally be terminated.

Introductory Period

The first 90 days of employment with our Company will be considered an “Introductory Period.” The Introductory Period allows time to confirm a match between the job and your skills, ability and work ethic. During this period, you will participate in orientation and specific training for your job duties, enabling you to function with competence, self-assurance and integrity.

- We define the Introductory Period as the first 90 days following your hire date.
- Leaves of absence are not granted during the Introductory Period.
- Employees do not receive holiday pay during the Introductory Period.

For benefits eligibility information, see the Benefits section of this Handbook, or consult our Human Resource Director.

Open Door Policy

Bumgarner Oil Company regards employees as our most *vital* resource. Meeting quality and customer service goals requires a harmonious work environment that allows and *encourages* open communications. **Always feel free to talk with your Manager concerning questions relating to your work, conditions of employment, or other related matters.**

We firmly believe that effective communications must be a two-way street, so we encourage you to share ideas, suggestions and comments concerning your job and other activities at Bumgarner Oil Company.

Occasionally, you may be asked to attend small group, department or facility-wide meetings to exchange information or share in discussions. However, you are not expected to wait for such meetings to express your ideas or concerns.

We believe an Open Door Policy is the most effective means of communication. If you have a situation to discuss, or a suggestion to make, we encourage you to begin with your Manager.

In case an issue needs to be addressed, the following steps will be followed for successful resolution:

- 1) If the matter is not resolved to your satisfaction after discussion with your Manager, it will be referred to the next management level where it will be reviewed for a recommended resolution.
- 2) If the matter is still not resolved to your satisfaction, the matter will be referred to the President of the Company for a final review and decision.

Bulletin Boards

Bumgarner Oil Company believes we should keep you informed of matters affecting employees. We maintain bulletin boards at each facility to inform personnel of pertinent and timely news. Ask your Manager for the Bulletin Board location at your workplace.

- Bulletin boards contain information on Company policies, as well as Company and community events.
- You are encouraged to check these boards on a regular basis.

Bulletin boards are intended for official company postings only. You must obtain Management approval before posting anything on a bulletin board.

Employment Records

Your Personnel file is a record of facts concerning your employment with Bumgarner Oil Company. It is vital that this record be preserved in a confidential manner and updated as needed.

It is important that you provide the Company with timely and accurate information for your personnel file. Please notify our Human Resource Director or your Manager promptly if any change occurs in the following:

- Your Name
- Address
- Telephone Number
- Emergency Contacts
- Number of Dependents
- Beneficiary
- Marital Status

Timekeeping

Bumgarner Oil Company is required by law to maintain accurate records of time worked. The following guidelines relate to accurately recording work hours:

- Time clocks are utilized to record hours worked for most hourly employees. Time worked is rounded to the closest $\frac{1}{4}$ hour.
- Employees should punch in promptly at the beginning and end of each work shift.
- Do not punch in earlier than 7 minutes prior to the beginning of your scheduled shift, unless authorized by your manager.
- Punch out within 7 minutes of end of your shift unless authorized by your Manager.
- Punching in or out for another employee will be subject to disciplinary action, up to and including termination of employment.
- **All employees** (exempt and non-exempt) must report vacation and sick time used.

Employees are responsible for insuring that their time cards accurately reflect actual time worked.

Anti-Harassment Policy

Bumgarner Oil Company Policy maintains that all employees have a right to work in an environment free of discrimination, which includes freedom from harassment — whether that harassment is based on sex, age, race, national origin, religion, sexual orientation, marital status, or membership in other protected groups. The Company prohibits

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harassment of its employees in any form — by managers, co-workers, customers, or suppliers.

Such conduct may result in disciplinary action up to and including dismissal of the employee who harasses others. With respect to non-employees, offending customers and suppliers will be asked to leave and not to return.

Specifically, no manager shall threaten or insinuate either explicitly or implicitly that any employees' submission to or rejection of sexual advances will in any way influence any personnel decision regarding that employee's employment, evaluation, wages, advancement, assigned duties, shifts, or any other condition of employment or career development.

Any harassing conduct in the workplace, whether physical or verbal, committed by managers or others is also prohibited. This includes: slurs, jokes or degrading comments concerning sex, age, race, national origin, religion, sexual orientation, marital status, or membership in other protected groups; repeated offensive sexual flirtation, advances, or propositions; continual or repeated abuse of a sexual nature; graphic verbal comments about an individual's body; and the display in the workplace of sexually suggestive objects or pictures.

Employees who have complaints of harassment should report such conduct to the human resource director. Employees who observe harassment should also report such conduct to the human resource director. The Company will investigate the matter. Where investigations confirm the allegations, appropriate corrective action will be taken. All employees are expected to cooperate with the investigation. Failure to do so may lead to discipline, including dismissal. Information provided by individual employees in the course of an investigation will be treated as confidential and only be provided to those who have a need for the information or when it is required in the course of investigating the complaint. Providing false information provided in the course of an investigation is grounds for discipline, including dismissal.

Sexual Harassment:

While all forms of harassment are prohibited, it is the policy of Bumgarner Oil Company to emphasize that sexual harassment is *specifically* prohibited.

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

- Submission is made a term or condition of employment, either explicitly or implicitly;
- Submission to or rejection of a sexual invitation is used as a basis for an employment decision; or
- The sexual advance or request for sexual favors has the purpose or effect of substantially interfering with an individual's work performance or creates an "intimidating, hostile or offensive" working environment.

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Any employee who experiences sexual harassment should report it immediately. Reporting harassment or assistance should be sought from the employee's manager, or if this is not appropriate, harassment may be reported to any other member of management.

The employee will be protected from retaliation related to the claim, and appropriate and confidential action will be taken to investigate and prevent confirmed sexual harassment.

Position on Union Affiliation

Bumgarner Oil Company provides meaningful work in a satisfactory, safe working environment where all employees have the opportunity to progress in accordance with their skills, energies and abilities while earning fair and competitive wages. Therefore, it is Bumgarner Oil Company's policy to encourage and maintain a union-free operation.

- We believe that you should have the right to think and speak freely with managers at all levels without the intervention of a third party union representative.
- Because of this firm conviction, we believe that a continued union-free operation is to the best advantage of you and the Company.
- At some point in your career, a union organizer may approach you and try to persuade you to sign something requesting union representation. Bumgarner Oil Company strongly encourages you consider all consequences before sacrificing your individual rights.
- We will comply with the law in all respects, and will resist with all legal means available, any attempts by a union to force, threaten, frighten, or otherwise coerce employees to join a union.
- We will also insist on the protection of your rights as guaranteed by law.

Attendance and Punctuality

Your attendance at work is important and when you are absent or tardy, adjustments must be made to accommodate our workload. You are expected to be on the job, on time, for each day that you are scheduled to work. Repeated absences or tardiness may result in disciplinary action, up to and including termination of employment.

We understand that emergencies and illnesses do occur and make reporting to work impossible. During these instances, please contact your manager *as far in advance as possible* to allow for work reassignment. Employees must speak directly to their manager or another management employee; do not leave a voice mail or send a text message. Do not ask co-workers to report an absence or late arrival on your behalf.

Management reserves the right to request a physician's statement for absences.

Inclement Weather

Due to the nature of our business, Bumgarner Oil Company intends to keep normal operating hours, regardless of weather conditions. Remaining open will allow us to better serve our customers in times of need.

Even though we will officially remain open, employee safety is of paramount concern to us. No one will expect an employee to drive if the employee feels their safety is in jeopardy. We would prefer employees not drive in unsafe conditions. In the event you cannot report to work during severe weather, the following guidelines have been established:

- Employees who cannot report to work (due to severe weather) should notify their manager *as soon as possible*, so that appropriate reassignment of work may be made.
- Management will determine if conditions are too severe to drive for employees who drive company vehicles. The Company values you and your safety and risks should not be taken if conditions are severe.
- Employees may use vacation time if they are unable to report to work, or may take unpaid time off (exempt and non-exempt personnel).

Standards of Conduct

Bumgarner Oil Company strives to maintain a performance-oriented work environment which encourages teamwork and cooperation. In keeping with this goal, reasonable Standards of Conduct have been established to guide the behavior of all Company employees.

We have published certain regulations to promote understanding of what is considered *unacceptable conduct* and to encourage consistent action in the event of a violation. Serious offenses may result in immediate termination without prior corrective action. The following list of offenses is **not** intended to be all-inclusive:

- Theft or misappropriation of Company property or those of an associate
- Falsifying or omission of information from Company records
- Fighting or assault while on Company property
- Horseplay, because it may result in injury, damage to property, lost time, and inefficient working conditions, regardless of the actual harm done
- Possession, use or being under the influence of alcohol, illegal drugs, or legal drugs which impair safety while on Company property
- Willful insubordination and failure to cooperate with drug tests, searches and investigations
- Willful violation of safety rules or Company safety practices
- Threatening, intimidating, coercing or interfering with work associates in any way
- Willful damage to property of the Company or that of an employee
- Behavior generally viewed as being obscene, indecent, or harassing
- Altering equipment so as to render it unsafe, or otherwise knowingly jeopardizing the safety of others
- Violation of any federal, state or local law or ordinance on Company premises or during the performance of Company work

Most violations of Company standards will be less serious than those listed above, and can be corrected by counseling. Bumgarner Oil Company will determine appropriate action based on the circumstances in each instance.

We believe that our standards are reasonable and necessary and that all of us must observe them. Since the purpose of our rules and practices is to allow us to work together as a team, we ask that you show respect for yourself and other employees by observing these guidelines.

Corrective Action

Bumgarner Oil Company has established procedures that assist in the correction and prevention of unacceptable behavior or unsatisfactory work performance.

Bumgarner Oil Company emphasizes a preventive approach to performance or behavior problems by providing employees with appropriate training and tools, which, in turn, allow employees to perform their jobs satisfactorily. When procedures are not followed, resulting in loss of productivity and time, a counseling approach is in place to foster an employee's understanding of the Company's expectations.

Examples of infractions that could trigger the need for corrective action are:

- Not following established job procedures
- Poor attendance or punctuality
- Violation of Company rules
- Insubordination
- Harassment

The following corrective action steps have been established to resolve serious or recurring problems. These steps are progressive and are intended to allow for correction of unsatisfactory performance or behavior. **However, depending on the seriousness of the situation, an individual may be subject to any step of the corrective action process.**

1. **Verbal Warning** – The manager counsels the employee following a minor performance or behavior problem. Specific actions for improvement and expectations will be discussed.
2. **Written Warning** – The manager provides the employee with written notice documenting the situation. A copy is also placed in the employee's personnel file. Documentation of all discussions will be placed in the employee's file as well.
3. **Suspension Subject to Termination** – Failure to respond to corrective action procedures or involvement in a serious offense will result in suspension subject to termination.

Tobacco Use

Bumgarner Oil Company has established guidelines for using tobacco products.

Smoking and the use of e-cigarettes is prohibited inside Company facilities. There are designated smoking areas at each facility. Ask your manager for the designated area at your work location.

Smokeless tobacco products (i.e., snuff) may be used inside the facility provided the wastes are kept in a covered container that is not transparent. Containers should be kept in an inconspicuous location and disposed of properly.

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All tobacco products must be disposed of using the proper receptacles.

Appearance and Personal Hygiene

Bumgarner Oil Company's respects the personal choices and individuality of all employees. To maintain a safe, orderly and professional work environment, we rely on employees to use good judgment relating to personal clothing and appearance. To help meet this goal, we established the following guidelines:

- Tattoos, gauges, and body piercing (including earrings for men) may not be exposed during working hours.
- Hats must be worn properly with the bill of the hat facing the front.
- We often work in close proximity to other employees and customers; please pay careful attention to personal cleanliness and oral hygiene.
- Clothing with logos or words is permitted, provided they do not create an offensive or hostile working environment.
- Clothing which displays the logos or advertises competitors is prohibited.
- Shorts are acceptable for some duties, especially during warm weather, but must be appropriate to maintain a professional appearance. Appropriate shorts must be minimum "finger tip" length, preferably close to the knee.

Uniforms

Various positions require employees to wear proper uniforms to identify themselves as Bumgarner Oil personnel. Even if off duty, employees in uniform are representatives of the Company and should conduct themselves as such. Please see details described below.

Delivery Drivers

Due to the nature of duties for our drivers, the Company employs a uniform service. Uniforms are picked up, laundered, and returned to the facility at no cost to our Drivers.

- Drivers are required to wear their uniform while on duty.
- Shirts must be tucked in pants.
- Closed-toed shoes are mandatory.

All Cubbard Express Employees

While on duty, Cubbard Express employees must wear:

- A proper uniform, including any shirt, smock, or vest issued or approved by Store Management. Generally, uniforms will be blue, black, white, red or gray and will identify employees as Exxon or Cubbard Express.
- Closed-toed shoes are mandatory. Name tag must be worn at all times

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- Bottoms may include pants or shorts that are black, khaki, navy or grey. Athletic wear is not permitted.
- Jeans may be worn as long as there are no holes or tears.

Internet, E-mail, and Computer Use

All communication systems, such as computers, telephones, fax machines, voicemail, on-line computer services (i.e., the Internet), and e-mail, and all communication and information transmitted by, received from, or stored in Company systems are the property of Bumgarner Oil Company.

The Company allows employees to use these communication systems for personal use provided that employees are “off the clock”. Bumgarner Oil Company has the right to monitor Internet use and activity. Further, employees should understand that the company communication systems are not totally private and confidential; therefore, sensitive information should not be sent via these systems.

Bumgarner Oil Company prohibits certain types of communication on our various systems. Prohibited communication includes, but is not limited to, encryption of files, offensive and/or pornographic language, disruptive messages, harassing, insulting, or non-business-related or time-consuming messages. Defamatory remarks are forbidden. Violation of this policy will lead to discipline, which may include discharge.

Only authorized persons can use company communication systems. Employees may not use unauthorized codes, passwords, or other means to gain access to co-workers’ systems.

Social Media

Bumgarner Oil understands that social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers around the world. However, use of social media also presents certain risks and carries with it certain responsibilities. To assist you in making responsible decisions about your use of social media, we have established these guidelines for appropriate use of social media.

This policy applies to all associates who work for Bumgarner Oil, or one of its subsidiary companies.

Guidelines

In the rapidly expanding world of electronic communication, social media can mean many things.

Social media includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else’s web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin

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board or a chat room, whether or not associated or affiliated with Bumgarner Oil, as well as any other form of electronic communication.

The same principles and guidelines found in Bumgarner Oil policies and three basic beliefs apply to your activities online. Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow associates or otherwise adversely affects members, customers, suppliers, people who work on behalf of Bumgarner Oil or our legitimate business interests may result in disciplinary action up to and including termination.

Know and follow the rules

Carefully read these guideline and the anti-harassment policy and ensure your postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

Be respectful

Always be fair and courteous to fellow associates, customers, members, suppliers or people who work on behalf of Bumgarner Oil. Also, keep in mind that you are more likely to resolved work-related complaints by speaking directly with your co-workers or by utilizing our Open Door Policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage customers, associates or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or company policy.

Be honest and accurate

Make sure you are always honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that you know to be false about the Company, fellow associates, customers, suppliers, or competitors.

Post only appropriate and respectful content

Maintain the confidentiality of Bumgarner Oil's trade secrets and private or confidential information. Trades secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures or other internal business-related confidential communications.

Do not create a link from your blog, website or other social networking site to a Company website without identifying yourself as a Bumgarner Oil associate.

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Express only your personal opinions. Never represent yourself as a spokesperson for Bumgarner Oil. If Bumgarner Oil is a subject of the content you are creating, be clear and open about the fact that you are an associate and make it clear that your views do not represent those of Bumgarner Oil, fellow associates, members, customers, suppliers or people working on behalf of the Company. If you do publish a blog or post online related to the work you do or subjects associated with Bumgarner Oil, make it clear that you are not speaking on behalf of the Company. It is best to include a disclaimer such as “The postings on this site are my own and do not necessarily reflect the views of Bumgarner Oil.”

Using social media at work

Refrain from using social media while on work time or on equipment we provide, unless it is work-related as authorized by your manager.

Do not use Company email addresses to register on social networks, blogs or other online tools utilized for personal use.

Retaliation is prohibited

Bumgarner Oil prohibits taking negative action against any associate for reporting a possible deviation from this policy or for cooperating in an investigation. Any associate who retaliates against another associate for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Media contacts

Associates should not speak to the media on Bumgarner Oil’s behalf without express authorization from the President of the Company. All media inquiries should be directed to the President.

For more information

If you have questions or need further guidance, please contact the HR Director.

Company Property

Under certain circumstances, the personal use of company equipment or property, (including company vehicles) may be allowed. Management approval must be granted.

Employees are responsible for all company owned property (i.e., hand tools, power tools, lawn care equipment, cell phones), materials, employee handbook, or other written information issued to them or in their possession. Employees, on or before their last day of employment, must return all such property. Where permitted by applicable laws, the Company will withhold from the employee’s check or final paycheck the cost of any items that are not returned when required. The Company may also take all action deemed appropriate to recover or protect its property.

Payroll Distribution

Bumgarner Oil Company Payroll guidelines include:

- All employees are compensated every other Friday for the previous two-week period. To ensure efficiency, we require Direct Deposit via EFT.
- Employees may access their Pay Stubs online.
- All paychecks represent the gross earnings for that particular pay period, minus the tax deductions required by law, or other deductions authorized by the employee.
- Errors on an employee paycheck should be reported immediately to the HR Director.

Overtime Compensation

Our business will sometimes demand a requirement to work overtime. Bumgarner Oil Company's Overtime Compensation Policy includes:

- Management will make every effort to provide advance notice of overtime needs.
- Non-exempt employees will be paid at the rate of 1½ times their regular rate of pay for all hours worked in excess of 40 hours in any workweek.
- The workweek is a seven day period beginning on Sunday and ending Saturday.
- Holidays, vacation, and sick time do not apply to the forty (40) hour requirement for overtime.
- Your manager must approve all overtime in advance.
- Voluntary overtime is not permitted.
- To be excused from overtime, you must obtain permission from your manager.
- No employee is guaranteed any particular number of work hours per day or any particular number of workdays per week.

Violators of this policy will be subject to disciplinary action, up to and including termination of employment.

Performance Review

Employees of Bumgarner Oil Company participate in a performance review process. This consists of a series of periodic meetings with your manager to recognize and evaluate your performance. Performance reviews will be conducted on a periodic basis.

Compensation

Management may elect to conduct a performance review at any stage of an employee's tenure with the Company.

The purpose of this process is to establish an on-going performance dialogue to harness and develop the skills and talents of each employee.

Bumgarner Oil Company recognizes that wages are of critical concern to employees. The Company's goal is to provide competitive wages. A review of wages will normally coincide with the performance review.

Payroll Deductions

Deductions from an employee's wages will be made in accordance with applicable law, and, when required, with the consent of the employee.

Payroll deductions will be made if they meet the following criteria:

- Required by law (e.g. Social Security, Federal and State income taxes).
- Deductions for fringe benefits (e.g. health insurance).
- Repayments of amounts owed to the Company.

Insurance

Bumgarner Oil Company is conscious of the unusual strain created by personal and family emergencies when they cause an interruption of income or create financial hardship. For the protection of employees, Bumgarner Oil Company provides a comprehensive choice of insurance benefits. These programs are explained during a new employee's orientation or at any other time that an employee is in need of assistance. For information on insurance coverage, the official Summary Plan Description will provide the specific information on what is covered by insurance.

- **Medical Insurance** – Medical insurance provides protection for hospitalization, surgery and physician visits for sickness or injury. The Company pays most of the health insurance premiums for the employee. A small portion of the premium is the employee's responsibility. Unless specified otherwise, employees who are regularly scheduled to work at least 30-hours per week are eligible for medical insurance benefits. Consult your human resource director or manager for current premiums. Participation is available as follows:
 - Climate Control employees – on the 90th day of employment.
 - Cubbard Express –Employees who work a regular 30-hour per week schedule are eligible on the first of the month following 60 days of employment.
 - B&B Transport, GDL & Bumagarner Oil employees: On the first of the month following 60 days of employment.
- **Dental Insurance** – We offer dental insurance on the first of the month following 60 days of employment to regular, full-time employees who are regularly scheduled to work at least 30 hours per week, including Cubbard Express Sales Clerks.

Some exclusions may apply. See Summary Plan Description (SPD) for details.

- **Supplemental Insurance** – Bumgarner Oil offers AFLAC access via Section 125 to all Full Time employees working 36-hours minimum per week.
- **Workers' Compensation** – Workers' compensation insurance provides coverage for any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. In the event of illness or injury, employees should notify their manager immediately. Likewise, report any customer injuries to your manager. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage.
 - Employees are not authorized to approve payment for customer injuries.

Retirement Savings Plans **Social Security**

Acquiring long-term financial security requires organization and planning. Bumgarner Oil supports this effort by contributing to Social Security for eligible employees.

The Federal Insurance Contributions Act (FICA) provides means to accumulate a Retirement Fund, and also provides hospital and medical insurance after retirement. Employees and Bumgarner Oil Company share the contribution to Social Security equally.

Your Social Security Benefits include:

- Retirement Insurance
- Survivor's Insurance
- Disability Insurance
- Medicare
- Supplemental Security Income

Social Security benefits may adjust as rules and regulations change. You should contact your local Social Security office to obtain the latest information concerning available benefits.

401(k) Plan

Bumgarner Oil Company offers employees the opportunity to save for retirement through our 401(k) plan. The requirements for participation are as follows: The employee must have one year of continuous service, 1,000 work hours, and be at least 21 years of age. Plan entry dates are on the first of any month.

If you contribute to the 401(k) plan, the company will match your contribution, 50 cents on the dollar, up to 6% of your wages. You may elect to contribute an additional amount to your 401(k) plan, up to the Federal Government mandated dollar maximum per year. See your Manager for program information regarding our 401(k) plan and the vesting schedule. Our plan description is the official document for information pertaining to the 401(k) program.

Employee Loans

While we discourage this practice, the company will occasionally issue employee loans to relieve financial hardship. Please exhaust other avenues (such as a relative or bank) before seeking such a loan. Generally, loan amounts will be \$500.00 or less with an average repayment time of six (6) months. Your Manager must approve loans, and employees must sign an authorization form to receive their loan.

A one-time administration fee will be assessed for each loan.

Benefits

Upon termination for any reason, all employee indebtedness to the Company will be deducted from the **final** paycheck.

Holidays

Bumgarner Oil Company provides the following six (6) Paid Holidays to eligible employees each year:

- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Regular full-time employees will be eligible for Holiday Pay *unless*:

- The employee is still within the 90-day Introductory Period.
- The employee has been absent their last scheduled shift before, or the first scheduled shift after the holiday, or absent the holiday if scheduled to work, unless prior management approval was granted.
- The employee is on personal or medical leave of absence.

Holidays which fall on a Saturday will usually be observed the preceding Friday and holidays falling on a Sunday will usually be observed the following Monday.

Although not required by law, employees who work on Christmas Day will be paid double time for hours worked plus eight (8) hours of holiday pay, if eligible.

Benefits

Vacation

Bumgarner Oil Company recognizes the positive rewards associated with spending leisurely time away from work. Therefore, we establish the following vacation policy.

Regular full-time employees (36-hours per week) are eligible for vacation time beginning January 1 after completing one (1) full year of service as follows:

1 year of service	5 days
2 - 5 years of service	10 days
6 years of service	11 days
7 years of service	12 days
8 years of service	13 days
9 years of service	14 days
10 years of service	15 days

The following guidelines have been established for using vacation time:

- Vacation should be requested in writing and approved by your Manager in advance.
- Employees wishing to take more than one (1) week consecutively must seek approval from their Manager.
- **Due to customer demands, all employees for the oil division and B&B Transport may only schedule vacation between March 1 and October 31.**
- Vacation must be used within a calendar year; carry over is not allowed. (Exception: During the initial year of employment, if an employee's anniversary date is November 1 or after, vacation can be carried over for one year only).
- Employees are encouraged to take vacation for rest and relaxation. Therefore, the Company will not pay employees for unused vacation time.
- Unused vacation will be paid to you upon termination of employment unless you are terminated due to misconduct, just cause, or fail to give a two week notice.
- Vacation time should be taken in ½ or whole day increments only.

Sick Pay

Recognizing that employees who are sick need time to rest and recover, Bumgarner Oil Company offers sick pay to regular full-time employees (36-hours week).

Employees are given 5 days per year following completion of the ninety (90) day Introductory Period.

Each employee should call their Manager directly in the event of an absence due to illness; they should not rely on a co-worker to inform their Manager of an absence.

Sick Leave may be used for an employee's own illness, or for that of an immediate family member (child or spouse).

Benefits

Sick days that are not used during the calendar year are automatically transferred to a “long term illness” banked account. (see details below).

Managers may ask for a physician’s report to substantiate illness. Any unused Sick Pay will not be paid upon termination with Bumgarner Oil Company.

Long-Term Illness

To help employees during the unfortunate occurrence of a catastrophic illness or injury, sick days can accrue up to a maximum of twenty-six (26) weeks. Once these days are “banked” in the long-term illness account, they can only be used for illnesses exceeding 5 days in duration.

If a long-term illness occurs, time away from work will be used in the following order:

1. Unused sick days for current calendar year
2. Accrued vacation time must be exhausted down to five (5) days
3. Sick days that have been banked in the long-term illness account

A physician’s report will be required to substantiate the long-term illness. Any unused Sick Pay will not be paid upon termination with Bumgarner Oil Company.

Family and Medical Leave

Purpose

On occasion, an employee may find it necessary to be absent from work while ill or to care for a family member. Family leave may also be taken to deal with “qualifying exigencies” when a spouse, child, or parent of the employee is on active duty or has been called to serve in the Armed Forces in support of a contingency operation. In addition, eligible employees who are the spouse, child, parent, or next of kin of a covered service member may take leave to care for a service member who has sustained a serious injury or illness.

Bumgarner Oil Company has established consistent guidelines for the utilization of the Family and Medical Leave Act of 1993 (and amended in 2008).

Eligibility

To be eligible, an employee must work for the Company for at least one year and worked at least 1,250 hours during the previous 12 months.

Reasons for Leave

The FMLA permits an employee to take leave for any of the following reasons:

- For serious health conditions that make the employee unable to perform his job
- To care for a spouse, son, daughter, or parent who has a serious health condition, or

Benefits

- To care for a child after birth, or placement for adoption or foster care
- Because of any qualifying exigency (as determined by the Secretary of Labor) arising out of the fact that a spouse, son, daughter, or parent of the employee is on active duty, or has been notified of an impending call or order to active duty, in the Armed Forces in support of a contingency operation;
- To care for a covered service member where the employee is the spouse, son, daughter, parent, or next of kin of the covered service member.

Length of Leave

Bumgarner Oil Company utilizes the “12-month measured forward” method for the purposes of accounting for FMLA.

12-week maximum: Under the Family and Medical Leave Act of 1993, eligible employees may receive up to 12 weeks of **unpaid** leave during a 12-month period for certain family and medical reasons, including qualifying exigency leave.

24-week maximum: **Unpaid** service member family leave is granted up to a maximum of 24 weeks in a 12-month period.

Family and medical leave will run concurrently with other forms of leave (e.g., workers’ compensation, short and long-term disability).

Use of Vacation and Sick Leave

Bumgarner Oil Company’s policy requires employees to exhaust accrued vacation down to forty (40) hours, and to exhaust all sick leave and long term illness pay as part of the 12-week approved FMLA leave of absence.

Notification

The Company requires 30 days’ advance notice when the need for leave is foreseeable. If the leave is not foreseeable, the employee must provide advance notice as soon as possible. The employee must have a medical certification form completed by the health care provider to support a request for leave if the leave is to care for the employee or a family member.

If the employee is on FMLA leave because a serious health condition renders the employee unable to perform the functions of his job, the employee must obtain a “return to work certificate” from the health care provider.

Continuation of Benefits

Bumgarner Oil Company will continue to provide health insurance benefits as usual during the period of leave. Any premiums due by the employee must be paid timely, on a bi-weekly basis, while on leave.

Full leave details and provisions will be provided upon application for leave.

Educational Assistance

Bumgarner Oil Company enthusiastically supports the efforts of employees who wish to pursue educational goals.

The Company may provide financial assistance to employees who pursue curricula relating to their present work or to future work opportunities with Bumgarner Oil Company. The Company may also pay the cost of books and materials needed for related assignments.

Prior approval is required, so consult your Manager for further information and approval to participate in this program.

Bereavement Leave

Bumgarner Oil Company recognizes that a time of bereavement is very difficult for employees. We realize the unusual strain placed on employees when death occurs in their family, so we make every reasonable effort to ensure that employees may properly handle family matters, and we wish to express our sympathy and concern.

Reasonable time required, up to a maximum (2) two full days, will be granted and paid to attend a funeral when death occurs in an employee's immediate family. Although additional time off will not be compensated, please advise your Manager if you need more than two days off for bereavement. "Immediate family" includes the following:

- Spouse
- Parent
- Step-parent
- Parent-in-law
- Relative who resides with employee
- Legally adopted child
- Sibling
- Child
- Step-child
- Grandparent
- Relative-in-law who resides with employee
- Grandchild

Under this policy, employees will be compensated at their normal rate (straight time), and only for time excused from the employee's regularly assigned work schedule.

Military Service Leave

Bumgarner Oil Company policy allows leave for military service according to applicable Federal and State law.

- Employees who need time off for military service should notify their Manager immediately.

Benefits

- The Manager and Company Management will provide details regarding the leave.
- Verification of military duty may be required.
- Military leave is unpaid.
- Seniority will not be lost during a military leave of absence.

Jury Duty

Bumgarner Oil Company recognizes your obligation when called to jury duty and has established the following provisions:

- The Company supports this obligation by paying the difference between jury pay and your regular straight time earnings.
- You are expected to report for work during any regular hours that you are not required in court.
- Paid jury duty leave is for a maximum of ten (10) working days.
- If you receive notice of Jury Duty, you should immediately notify your Manager, so appropriate arrangements can be made to cover your work responsibilities.
- You are required to give the notice for jury duty form to your Manager.

Parental Leave

Bumgarner Oil Company supports and promotes the involvement of employees in the education of their children.

State law provides for up to four (4) hours of **unpaid** leave per year for this purpose. Parental Leave may be used for the following purposes:

- 1) To meet with a teacher or administrator of any child care program, elementary school, middle school or high school authorized to operate under the laws of North Carolina concerning the employee's children, stepchildren, or children over whom the employee has legal custody.
- 2) To attend any function by the childcare program or school as defined above in which their children are participating.
- 3) To perform volunteer work approved by a teacher, school administrator or program administrator.

Any employee needing to take parental leave must request the leave from their Manager as far in advance (at least one workday) of the leave as possible.

Safety Policy

Bumgarner Oil Company strives to comply with the spirit and letter of the **Occupational Safety and Health Act** to ensure safe and healthful working conditions. Each employee will be responsible for strict adherence to all safety and health rules and regulations designed to carry out the purpose of the statute.

The Company has gone to great effort to make the facility a safe place in which to work and is continually on the alert to prevent accident hazards.

Most importantly, employees may be most familiar with work areas and potential hazards, so we strongly encourage you to report hazardous conditions to your Manager for correction.

Our goal is to promote an accident-free work environment by providing effective training, implementation of appropriate safety measures and prompt accident investigation.

For additional information, consult the "Safety Manual" (separate document) for details. Please see your Manager for a copy.

Housekeeping

Our housekeeping, orderliness and cleanliness greatly impact the perception of visitors and customers to our facility, and contribute to the safety of our working environment.

If your particular facility offers a break room, we expect each employee to accept responsibility to maintain a clean, tidy environment.

Bumgarner Oil Company expects all employees to take pride in a clean, organized and professional work environment. We ask that ALL employees assist in preserving our standard of housekeeping by maintaining all work areas consistent with this policy.

Cubbard Express Employees

- Spills are to be cleaned immediately for safety reasons. Proper signage should alert customers to wet floors.
- Restrooms should be checked and cleaned if needed on a regular basis.

General Safety Rules

Safety, recognized as a core value of Bumgarner Oil Company, must be the shared responsibility of ALL employees.

Safety rules must be obeyed throughout the facility. Some critical facility-wide safety rules include, but are not limited to, the following:

Safety & Health

- Employees must not override safety mechanisms on equipment.
- Ask for assistance if objects are too heavy to lift. Always utilize proper lifting techniques.
- Horseplay of any type has no place on the job or on Company premises.
- Running is NOT allowed in the facility.
- Employees should wear clothing that is neat and safe.
- Employees should report any suspected hazardous conditions to their Manager immediately.
- Emergency exits or aisle ways are NEVER to be blocked.

Any employee who is in violation of safety rules or instructions will be subject to corrective action, up to and including termination of employment, depending on the seriousness of the incident, as determined by Company Management.

Workplace Injuries

Employees depend on each other to use safe practices and sound judgment in every phase of work. Employees are required to report perceived hazardous conditions to their Manager, who will inform them about specific safety rules for their work areas.

Every injury, no matter how slight, must be reported immediately to your Manager. Failure to report any such injuries may jeopardize eligibility for Workers' Compensation benefits.

Employees normally will be required to submit to a drug and alcohol test if injured on the job. Medical approval may also be required prior to the employee's return to work.

Fire and Emergencies

Fire or emergencies are always possible, despite the most stringent safety programs.

- Employees should make every effort to guard against fire hazards.
- Employees should familiarize themselves with the locations of fire escape routes.
- **If employees are notified to evacuate the facility, employees should leave via the nearest exit, and assemble at the parking area so that all employees can be accounted for as quickly as possible.**

Drug and Alcohol Policy

Safety & Health

Being under the influence of a drug or alcohol while on the job poses serious safety and health risks to the user and to co-workers. Therefore, Bumgarner Oil Company has established the following zero tolerance policy to ensure a drug-free work environment.

- ◆ The possession, use, purchase, or sale of the following substances on Company premises, including Company owned vehicles, poses unacceptable risks for safe, healthful and efficient operations, and will not be tolerated:
 - An illegal drug
 - A legal drug which interferes with safe performance, or
 - AlcoholAdditionally, employees who report to work under these conditions will be removed from the workplace and required to undergo testing.

- ◆ The possession, use, or sale of illegal drugs is also a criminal offense and will not be tolerated.

- ◆ The following conditions or scenarios include those that will warrant a drug test:
 - Employees occupying sensitive positions from a safety and health or security standpoint, including all transportation positions, are randomly tested or tested on at least an annual basis. All other employees will be subject to random drug testing as well.
 - Pre-employment testing. A positive test may reverse the Company's offer of employment.
 - If an employee is involved in an on-the-job accident.
 - If management has reason to believe that an employee is under the influence of alcohol or drugs due to observed erratic or inconsistent behavior or another observable action or behavior. If, in the opinion of the manager, the employee is considered impaired, the employee should be sent to a drug testing facility by taxi or other safe transportation alternative and accompanied by the manager or designee.

The Company will pay for related drug and/or alcohol tests. The employee must pay for any additional tests not requested by the employer.

An employee who refuses to be tested, or who tests positive for the use of drugs and/or alcohol (beyond the legal limit) will be terminated.

Investigations

The livelihood of Bumgarner Oil Company employees depends on the success of the Company. When our success is threatened from drug use, theft, or other wrongful activities, all employees should seek to resolve the issue as quickly and as accurately as possible. Investigations protect the Company, its employees and their livelihoods.

Safety & Health

- Bumgarner Oil Company reserves the right to use any lawful method of investigation which, in its sole discretion, it deems reasonable and necessary to determine whether any employee has engaged in conduct warranting corrective action.
- Investigations may include interviews with other employees or searches of personal property on Company premises such as coats, lunch boxes, purses, vehicles, or records such as voice mail, email, or documents kept on Company computers.
- Results of any investigation will be made available only to those employees with legitimate need to know.
- Those persons whom the Company has reason to believe have engaged in actions contrary to the policies or best interests of the Company will be subject to corrective action, up to and including termination of employment.

Workplace Violence

All employees, customers, vendors and business associates should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, “horseplay” or other conduct that may be dangerous to others. Conduct that threatens, intimidates or coerces another employee, customer, vendor or business associate will not be tolerated. Bumgarner Oil resources may not be used to threaten, stalk or harass anyone at or outside the workplace. Bumgarner Oil treats threats coming from an abusive personal relationship as it does other forms of violence.

Indirect or direct threats of violence, incidents of actual violence and suspicious individuals or activities should be reported as soon as possible to a supervisor or the Human Resources Director. When reporting a threat or incident of violence, the employee should be as specific and detailed as possible. **Employees should not place themselves in peril, nor should they attempt to intercede during an incident.**

Employees should promptly inform the HR department of any protective or restraining order that they have obtained that lists the workplace as a protected area.

Employees are encouraged to report safety concerns with regard to intimate partner violence. The Company will not retaliate against employees making good-faith reports. Bumgarner Oil is committed to supporting victims of intimate partner violence by providing referrals to community resources and providing time off for reasons related to intimate partner violence. Employees may use vacation or unpaid leave time if the need arises.

Investigations and Enforcement

Bumgarner Oil will promptly and thoroughly investigate all reports of threats of violence or incidents of actual violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as possible. The Company will not retaliate against employees making good-faith reports of violence, threats or suspicious individuals or activities. To maintain workplace safety and the integrity of its investigation, Bumgarner Oil may suspend employees suspected of workplace violence or threats of violence, either with or without pay, pending investigation.

Safety & Health

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

The Company encourages employees to bring their disputes to the attention of their supervisors or the HR department before the situation escalates. Bumgarner Oil will not discipline employees for raising such concerns.

Confidentiality

Protecting confidential business information is vital to the success of Bumgarner Oil Company.

Confidential information is any and all business related information known by an employee as a consequence of employment with Bumgarner Oil Company. Each employee should respect the need to protect this information.

For this reason, no employee shall engage in any occupation or activity in direct or indirect competition with the products or services of Bumgarner Oil Company or any of its subsidiaries.

Identity Theft Protection

Our Company is dedicated to maintaining the privacy and protection of your personal information and that of our customers. All records, hardcopy and electronic, including but not limited to medical, social security numbers, credit card numbers, addresses and phone numbers will be maintained and protected. Only individuals with an authorized need to know will have access. Any unauthorized access will be considered a breach in security and will be immediately reported to you by Human Resources.

When no longer needed, all personal information and files will be disposed of in compliance with appropriate State and Federal laws.

Contact our Human Resource Director if you have any questions or concerns regarding this matter.

Visitors

As an employee, your most critical responsibility is customer service (to employees and customers). This requires your full, undivided attention to serve their needs.

Visitors to our facilities such as friends and relatives distract us from our jobs and from achieving excellent customer service and should be limited in frequency and duration.

Violations of this policy may include disciplinary action, up to and including termination.

Media Relations & External Communications

Security

The manner in which Bumgarner Oil Company is perceived by its business associates, clients and the general public is a function of the external communications activities carried out by our management and employee team.

These communications have a vital impact on our current and future operations.

For the best image of the Company to be portrayed, it is critical that the messages communicated be consistent with Company philosophy, policies and procedures.

Therefore, it is the policy of Bumgarner Oil Company that the President (or the President's designee) serves as an "information channel" for news media and for all external communications representing the Company. The President is responsible for approval of all press releases, responses to media inquiries, use of cameras inside all facilities, and for coordination of media interviews.

Searches

Bumgarner Oil Company may conduct investigations necessary to maintain a safe, healthy and secure workplace. It is our goal to protect the Company and employees from conduct that interferes with or adversely affects our business. Therefore, the following policy has been developed concerning searches at the workplace.

Following is a list of potential sites where searches may be necessary. This list is not intended to be all-inclusive:

- Vehicles
- Mail
- Electronic mail
- Computer logs
- Coats
- Employee Workspace
- Files
- Facsimile pages
- Purses
- Handbags
- Briefcases
- Lunch boxes
- Cell phones

We anticipate infrequent need to exercise this policy, but full cooperation of all employees is expected should a search become necessary.

To ensure quality customer service, Bumgarner Oil Company may also monitor customer transactions.

This section applies to Cubbard Express Employees Only

Unless states otherwise in this handbook, Cubbard Express employees must follow the procedures outlined in the section in addition to the other policies contained herein.

Check Acceptance Policy

SALES CLERKS ARE RESPONSIBLE FOR OBTAINING INFORMATION NEEDED TO PROCESS A CHECK.

- **CHECK WRITER'S NAME**
- **PHYSICAL ADDRESS (NO P. O. BOXES)**
- **HOME OR WORK TELEPHONE #**
- **DRIVER'S LICENSE # (MUST VERIFY ID)**
- **EMPLOYEE'S INITIALS**
- **CUSTOMER SIGNATURE ON ELECTRONIC CHECK TRANSFER RECEIPT**

CHECKS PAYABLE TO: CUBBARD EXPRESS for the exact amount of the purchase only.

ACCEPT ONLY PERSONAL CHECKS – (NO PAYROLL/TWO-PARTY CHECKS)
Do not accept temporary or starter checks

MANAGER APPROVAL REQUIRED TO ACCEPT NON-ELECTRONIC CHECKS

IF A CHECK IS RETURNED WITH IMPROPER INFORMATION, THE EMPLOYEE ACCEPTING THE CHECK WILL BE HELD PERSONALLY RESPONSIBLE.

Occasionally, with proper Management approval, we may cash payroll checks drawn on known, legitimate businesses including our own. To help ensure compliance with our Anti-Money Laundering Program required by The Bank Secrecy Act (1970) and The USA Patriot Act (2001), we must not cash any checks for \$1000.00 or more.

Sales Clerks must report any suspicious activity regarding check cashing to their Store Manager. If we suspect transactions may be linked to terrorist activity against the United States or otherwise require quick attention, we should immediately call the Financial Institutions Hotline at 1-866-556-3974.

Voided Transactions

All employees must save any voided transaction for their manager. All voids must be accompanied with a correction and/or an explanation, especially if no correction exists.

Proper documentation will allow your manager to explain their total voids and better control cash and inventory.

All managers will be responsible for seeing that all voids are saved and properly documented every day.

Dropping Money

Excess cash in the register drawer creates an unsafe environment and probably encourages robberies more than any other factor. To combat problems caused by excess cash availability, we have established the following guidelines:

1. All \$20's, \$50's and \$100's must be dropped immediately. They should never enter the drawer.
2. Everyone should work to keep below \$50 in their drawer at all times; even less (below \$35) at night and during "slow" periods.
3. \$100 should be the absolute most any manager allows in their drawer at any time.
4. Let customers see you "drop" money as soon as you complete their transactions. This will let them know that there's no excess cash available.
5. Drop checks and other monies as you receive them, just as you would drop cash.
6. Money received for money orders must be verified and dropped immediately. Drop the money, give the customer their change, complete the transaction, then "cut" the money orders.
7. Drop all monies, including credit cards, into safe before leaving the store at night.
8. Good excuses not to follow these guidelines DO NOT EXIST. "Busy" stores do not justify a failure to comply with these guidelines. Please learn to use your Tidel Safe effectively and efficiently!

We designed this policy to create a safer environment for you. Employees who fail to comply with these goals may be subject to disciplinary action, up to and including termination. Store Managers will be held responsible for making sure that their employees follow these guidelines.

Money Orders

Employees must use caution when issuing money orders. You are responsible for all transactions. When printing money orders use the following procedure:

1. Collect, verify and drop cash before printing money orders.
2. Be certain register receipt and money order totals balance.
3. Verify all money orders before handing to customer.
4. Accept CASH only for money orders.
5. Store manager must approve refunds.

Employees must reimburse cash shortages caused by failure to follow company policy.

To help ensure compliance with our Anti-Money Laundering Program required by The Bank Secrecy Act (1970) and The USA Patriot Act (2001), we DO NOT complete Money Order Transactions totaling over \$2500.00 for one person in a single day. These laws would require us to log such transactions of \$3000.00 or more, including: Date, Sales Clerk's name, Money Order serial #'s, Amounts, Name and address of purchaser, Driver's license or proper ID #, Social Security or Alien ID #, Birth date, and the Purchaser's occupation.

Suspicious transactions must be reported to your Store Manager to facilitate filing Suspicious Activity Reports (SARs) as required by law. If you suspect any Money Order Transaction of \$2000.00 or more to involve Money Laundering, the law requires we file a SAR within 30 days. If we suspect transactions may be linked to terrorist activity against the United States or otherwise require quick attention, we should immediately call the Financial Institutions Hotline at 1-866-556-3974.

Please remain mindful that the law requires us to keep SAR's confidential and prohibits us from telling anyone involved that we filed a SAR. Such requirements seek to prevent suspected criminals from altering their behavior to avoid detection by law enforcement. For the same reasons, we must verify the credentials and identity of State and Federal Agents who may request SAR information.

Store Managers must report any suspicious activity involving Money Order purchases to Cubbard Express Management for proper evaluation and timely filing of Suspicious Activity Reports.

Cell Phone Use

Seeking to better serve our customers, Cubbard Express will adhere to the following policy regarding cell phone use. We all know cell phones offer many conveniences, but all too often they've become an annoying distraction throughout our society. We believe our customers expect and deserve our full attention, uninhibited by cell phone distractions.

As our main goal, we expect to neither see nor hear cell phones on or near the sales area. Specifically, store managers may disallow cell phones inside the store and / or restrict cell phone use until an employee is on a break, well away from the sales area.

Safety may be a legitimate reason to keep cell phones close. Each store maintains a landline to be used for emergencies.

Each week contains 168 hours. Even employees who work 40 hours a week have 128 hours every week to "play" on their cell phones.

In an effort to enforce our main goal, corrective action for violating this policy will include:

1st offense: Verbal warning

2nd offense: Written warning, with 3 days of unpaid suspension

3rd offense: Termination of employment

Store Computer Policy

Store computers can be burdened by games, excessive downloads and ad/spy ware from internet surfing. Computers are supplied for business reasons, not for entertainment purposes. All employees will earn their compensation by being attentive to customer service and attending to store needs while 'on the clock.' Very limited personal use of company computers may be allowed, but ONLY during non-working hours (i.e., off the clock).

Using computers during paid time for other than store business will warrant the following disciplinary action:

1st offense: 1 week suspension without pay

2nd offense: Termination

Cubbard Express employees must also comply with the "Internet, E-mail, and Computer Use" policy located in the policies for all employees.

Acknowledgement of Receipt

Acknowledgment of Receipt

We have prepared this handbook as a guide that contains policies, benefits and general information to assist you during your employment. However, these guidelines should not be construed as a contract; employment is "at will" for an indefinite period unless terminated at any time by you or the Company. The Company reserves the right to make changes in content or application, as it deems appropriate, and these changes may be implemented even if they have not been communicated, represented or substituted in this handbook.

The provisions in this handbook are effective March 1, 2016, and supersede any previous edition.

I acknowledge receipt of the Employee Handbook and I agree to read, become familiar with, and be responsible for, its contents. I understand that a copy is made available to me at my work location and on-line. I understand that Bumgarner Oil will provide me a personal copy for my own use if I request one. I agree to return a personal copy upon termination of employment.

Employee Signature

Employee Name Printed

Date