

NELCON INC

**EMPLOYEE
HANDBOOK**

WELCOME TO NELCON INC

EMPLOYEE HANDBOOK

Dec. 2015

This handbook provides employees with information about the policies and procedures of NELCON INC.

This handbook is not intended to create any contractual rights in favor of the employee or employer. No statement, information or policy set forth in this handbook is intended to be, nor does it constitute, a contract between NELCON INC and any individual.

This handbook does not and cannot cover all situations or questions that may arise. Supplemental memos may be issued from time to time and will be included as part of future updated versions of this handbook. The employer may amend or cancel provisions of the handbook at any time and for any reason deemed sufficient by the employer, in its sole discretion.

If, after consulting the handbook, you have questions about a particular matter, please ask your supervisor.

MISSION STATEMENT

*Our Mission is to provide superior products and services for our customers, without compromising our commitment to building a **Respectful, Responsible, and Safe** working environment for our employees, while at the same time honoring our allegiance to the people and communities where we work.*

EMPLOYMENT STATUS

Exempt Employee: This term refers to an employee who is classified as not subject to the hours of work and overtime pay provisions of the Fair Labor Standards Act (FLSA). Such employees are so classified by virtue of their duties in conformance with the FLSA.

Non-Exempt Employee: This refers to an employee, regardless of title or function, who is not exempt from the hours of work and overtime pay provisions of the FLSA. Non-exempt employees are usually paid on an hourly basis and receive overtime for hours work in excess of 40 hours per week.

Probationary Employee: The probationary period for new employees is three months (90 days). During the probationary period, employment may be terminated at the will of either NELCON or the employee for any reason or for no reason. Probationary employees are not eligible for benefits described in this handbook unless otherwise stated in this handbook.

Full Time Employee: An employee hired on a full (40 hour) work week basis is considered a full time employee for all pay and benefit purposes.

Temporary Full Time Employee: NELCON INC typically hires temporary full time employees due to the seasonal nature of its work. A temporary full time employee is subject to the policies and procedures set forth in the handbook but are not eligible for benefits as outlined in this handbook. A temporary employee who chooses to make a long term commitment to the company may, upon supervisory recommendation, become a permanent employee.

Permanent Full Time Employee: This is an employee who is a seasonal employee who has been given permanent status by management. NELCON also hires certain permanent full time employees who are not considered "Seasonal" employees. These positions consist mainly of office personnel whose work does not depend on the weather and is therefore, not seasonal. Permanent employees are eligible for benefits as described in this handbook.

Hourly Employee: Any employee who receives pay based on hours actually worked.

Salaried Employee: Any employee who receives pay based on an annual total amount rather than hours actually worked.

HOURS OF WORK

NELCON INC operates on schedules as demanded by the particular work contract. These schedules can vary greatly and are at the discretion of the job supervisor. Work periods during the hours of work may vary from assignment to assignment. Non-exempt employees are required to know their work schedule and be in attendance as assigned. Exempt employees are expected to meet the requirements of their job, which may necessitate varied hours of work.

MEAL PERIODS

Meal periods are provided for employees who work eight (8) hour periods and will be at or near the middle of the work period. Meal periods that require any attention to work assignments will be counted as working time.

TARDINESS

Reporting to work on time is required. "On time" is defined as being properly dressed and prepared to begin work at the start of the scheduled work period. There will be no compensation for tardiness for non-exempt employees. Excessive tardiness is defined as three (3) times in a calendar month, or six (6) times in any part of a twelve (12) month period without pre-approval from a manager in writing.

ATTENDANCE/ABSENTEEISM

Regular attendance is required. When it is necessary to be absent, you must notify your supervisor as far in advance as possible. Requested days off must be approved by your

supervisor and advance notice is required as follows: One (1) day or less time off requires three days' notice; more than one (1) day off requires two (2) weeks' notice. Supervisor will notify the Controller's office of all approved full-day absences.

Irregular attendance, unexcused absences and unreported absences cause disruption to NELCON INC and are unacceptable.

An unexcused absence is one in which an employee requests but is not granted time away from their assigned work schedule. An unreported absence is one in which an employee does not contact NELCON INC the day he or she is out. Irregular attendance is defined as approved unpaid absences but does not include a formal leave of absence.

Two unexcused absences or an unreported absence for a period of two (2) consecutive hours may be considered a voluntary resignation.

TIME REPORTING

It is up to each employee to see that his/her supervisor has your time each day. For those who use timecards, these **MUST** be turned in to your supervisor by the start of the following day's shift. If you are on the road, you may call, fax or e-mail your timecards. If you come to the office after hours, please use the mailbox in front of the shop. Time must be turned in by 11:00 am for the previous day. If it is turned in after 11:00 am, you **will not** be paid until the following pay period. If you are calling in or leaving a message about your time, be sure you leave complete information, such as name, job name, task code, equipment hours, quantities and time.

PAY PERIOD/PAY DAY

The pay period is weekly. Each work week begins on Monday and ends on Sunday for which you will be paid the following Friday.

In the event of termination, either voluntary or involuntary, the employee will receive his/her final paycheck on the next scheduled payday for the pay period. When an employee is discharged by reason of theft of property or funds connected to the employee's work, NELCON INC may withhold from the employee's final paycheck an amount sufficient to cover the value of the theft only under the circumstances set forth in 39-3-205, MCA.

DEDUCTIONS

Each paycheck will have those deductions required by law. Any other deductions must be authorized by the employee and approved by NELCON INC.

OVERTIME

Non-exempt employees receive overtime pay for all hours worked over forty (40) hours in one week. The overtime rate is one and one-half (1 ½) times the base rate of pay.

PERFORMANCE EVALUATION

A performance evaluation will be made periodically by your supervisor and is for the express purpose of determining your standard of performance in relation to the job position and employment policies and procedures.

WAGE AND SALARY

You will receive a rate of pay commensurate with your job position and experience level.

PERSONNEL INFORMATION

For accurate administration of your wages and benefits and for compliance with federal and state regulations, it is necessary that current and accurate personnel records be maintained. If there are changes to or if you observe or are aware of any errors in your personnel records, please notify your supervisor immediately. Falsification of any personnel information is cause for termination.

HOLIDAYS

NELCON INC is closed on the following holidays:

New Year's Day
Memorial Day

Independence Day
Labor Day

Thanksgiving Day
Christmas Day

NELCON has the option to designate additional holidays. Employees do not receive holiday pay.

VACATION

Salaried employees may receive vacation pay only at the discretion of, and based on individual agreement with, the management of NELCON INC. The decision to approve paid vacation time will be based on recent job performance rather than length of service, seniority or prior precedent.

PERSONAL/SICK LEAVE

Employees are not paid for personal leave or sick leave. The employee is expected to notify his/her supervisor prior to the start of his or her scheduled work assignment if unable to work due to illness, medical appointment, hospitalization or accident. Management may require written doctor verification.

UNEMPLOYMENT & INDUSTRIAL ACCIDENT INSURANCE

Unemployment and industrial accident insurance are provided by NELCON INC and cover all employees. If you are injured on the job, you must report such injury and/or accident to your supervisor immediately. Failure to immediately report an injury could cause a claim to be disallowed.

If you are injured on NELCON INC property or in an accident involving NELCON INC equipment, you must report your injury to your supervisor or management immediately.

EARLY RETURN TO WORK

NELCON INC believes employees are our most important assets. We are committed to assisting our injured employee's return to work as soon as medically appropriate and to work with the medical community to help our injured employee regain their livelihood and self-respect.

There are many ways to implement an Early Return To Work Program that meets the needs of both NELCON INC and our injured employee. Our focus will be to modify the employee's existing position and/or work schedule temporarily or to create a position to accommodate the temporary physical restrictions identified by the treating medical provider. If the injury results in permanent restrictions, we will strive to accommodate them in compliance with the Americans with Disabilities Act (ADA).

For this program to be successful, the injured employee must report all injuries to your supervisor on the same day of the incident. Please advise your treating medical provider of our Early Return To Work Program so he/she is able to help design a temporary transitional duty assignment to allow return to work as soon as possible.

Please remember that most injuries can be prevented.

RESIGNATION

A resignation is the voluntary decision of an employee to terminate his/her employment with NELCON INC. Unless otherwise approved by management, a notice of resignation two (2) weeks prior to the termination date is required for any employee who is not considered a probationary or temporary employee.

JURY DUTY

All employees are encouraged to accept civic responsibility; therefore, a leave of absence will be granted when you are called to jury duty or subpoenaed as a witness.

FINANCIAL RESPONSIBILITY

You may be held financially responsible for any breakage or damage you may cause to NELCON INC property or equipment if the same shall have been caused by willful disregard for the property of NELCON INC.

EQUIPMENT FAILURE DAMAGE

Damage to or needed repair of NELCON INC equipment must be reported immediately. Report anything you think needs attention on or about the equipment you are using to your supervisor. Your supervisor will contact the mechanic on the job. If there is damage to the equipment, an incident report is to be filled out, signed and reported to your supervisor at once. On the day of the occurrence, this must also be reported to the main office.

TELEPHONE AND INTERNET USAGE

The telephone and internet access (if applicable) at NELCON INC and other equipment is furnished for the operation of the business. Telephone use for personal calls shall be kept to a minimum. No personal long distance calls are to be made and charged to NELCON INC. Those employees with internet access may not use the internet for personal use. NELCON INC may monitor any telephone, internet or e-mail usage.

REPORTING OF ARRESTS

All arrests, tickets received or summons for legal violations for matters occurring while on NELCON INC business and/or while operating NELCON INC equipment must be reported immediately to your supervisor.

VEHICLE USE

You may be required to operate a motor vehicle owned by NELCON INC while performing your job duties. Your responsibilities will include strict compliance with NELCON INC policy and all traffic regulations of the city, county and state. NELCON will check your driving record prior to employment and may check your driving record at any time after being hired. NELCON INC is required by DOT to annually check the driving records of all truck drivers. Upon request, you must cooperate in providing NELCON INC with approval to check your driving record.

When operating a vehicle on behalf of NELCON INC, you must possess a valid operator's license and have proper insurance coverage. Persons not authorized by or employees of NELCON INC may not operate or ride in company vehicles unless authorized by management. **Vehicles operated by employees are not for personal use.**

Accidents and/or traffic violations which occur while performing services for NELCON INC must be reported immediately to immediate Supervisor, Safety Manager, Fleet Safety Coordinator.

COMPANY USE OF PERSONAL VEHICLE

NELCON INC will reimburse an employee for authorized use of a personal vehicle on company business at the federal standard mileage rate in effect at that time. **Authorized means use that is pre-approved by management on a case-by-case situation.**

NELCON's insurance policy covers you when directly performing your work duties. This excludes any unauthorized passengers.

LAWS AND REGULATIONS

You are expected to be knowledgeable about your job and applicable laws and regulations pertaining to your job. Whenever you have a question relating to applicable laws or regulations, you should seek out appropriate advice before acting.

Under no circumstance is it acceptable for any representative of NELCON INC to instruct, influence or coerce any employee of NELCON to perform any portion of his or her job against any applicable law or regulation. If you feel you have been instructed in such a manner, you may report this incident using the grievance procedure outlined below.

CUSTOMER RELATIONS

To preserve and foster the public's trust and confidence in NELCON INC, it is imperative that all employees act with honesty and fairness.

In dealing with the public, you are expected to exercise good judgment and common sense. All customer-requested work beyond the scope of the assigned project must be pre-approved and negotiated by authorized personnel only. The products and services of NELCON INC must be presented accurately and fairly.

If you become aware of actual or potential problems in any area of the business regarding improvements to policies, procedures, products and/or possible business opportunities that will contribute to customer satisfaction and enhance NELCON INC, you are urged to bring those improvements to the attention of your supervisor.

INFORMATION MEETINGS

On certain occasions, you may be required to attend meetings to receive information regarding NELCON INC policies, safety issues and policies, product and/or project information or other pertinent information. Your supervisor will notify you of these scheduled meetings and you may be required, as part of your workday, to attend.

SOLICITATION

NELCON INC prohibits solicitation, distribution, or similar activity on its premises. Employees and non-employees (except representatives of suppliers properly identified for normal business)

are prohibited from soliciting funds or signatures, conducting membership drives, distributing literature of gifts or offering to sell merchandise or services.

Employees wishing to conduct fund drives for charitable organizations or employee gifts must request permission from their supervisor.

BULLETIN BOARDS

Bulletin boards are used to provide various types of information that pertain directly to you and your job, including benefits, legal and special notices. It is your responsibility to read the information that may be posted. Since certain information changes frequently, you should check the bulletin board on a routine basis.

Only authorized personnel are permitted to approve the posting and/or removal of notices and information. The posting or removal of information by anyone other than authorized personnel is not permitted.

CONFLICT OF INTEREST AND OUTSIDE EMPLOYMENT

Outside work in the same business as or in a role that might be perceived as competing with NELCON INC will be evaluated case by case by management to determine if a conflict of interest exists. It is management's discretion to decide what outside jobs are competing or in the same business or whether to give or rescind permission.

The employee is responsible for protecting the interests of NELCON INC and preventing outside jobs from interfering with operations or schedules of NELCON INC. An employee who does perform outside work has a special responsibility to avoid any conflict with NELCON's business interests. Outside work cannot be performed on NELCON's time or premises.

GIFTS OR FAVORS

Acceptance of money, gifts or favors from any individual or concern, which you have reason to believe may transact business or may seek to transact business with NELCON INC constitutes a violation of NELCON INC policy unless such gifts or favors involve no more than an ordinary social amenity. All offers of gifts of more than nominal value must be immediately reported to your supervisor.

USE OF COMPANY ASSETS AND RESOURCES

No facilities, equipment or other materials can be used for personal activities (either for personal convenience or profit/non-profit organizations). No non-employee may be on site or use equipment. Management must approve any exceptions to this policy in advance. No alcohol may be on site during on and off-hour use. Employee equipment and personal items will not be left on site for storage or repair.

ADVANCES

NELCON INC reserves the right to provide payroll advances at its discretion.

VISITORS

All visitors are required to come directly to the main office receptionist area to check in. Hardhats and safety vests are required to be worn in the pit by everyone, including visitors.

HOUSEKEEPING

You are responsible for good housekeeping practices and for keeping your assigned work area and equipment clean. Good housekeeping is essential to a safe, clean and pleasant work atmosphere.

Housekeeping areas include you work area, whatever equipment you may be using, whether assigned to you or not, restrooms and break areas. Proper disposal of trash and waste materials is mandatory.

SAFETY

NELCON INC has a separate Safety Plan Manual.

FIREARMS

Possession of firearms, handguns or any related items or materials while performing job duties or while on NELCON INC premises is prohibited.

ALCOHOL/DRUG POLICY AND SCREENING

NELCON INC has a separate policy related to alcohol and drugs, including testing. This policy is included in the SafeTrac Manual.

CODE OF CONDUCT

You should always be mindful of the position of NELCON INC in the community. Good reputation and success require continuing adherence to high standards. Nelcon has adopted a code centered in acting being *respectful, responsible, and safe*.

All employees are required to refrain from harassing of any type, offensive conduct verbally or physically, and fighting or physical assault (whether serious or playful) while on duty or on company or job premises. Smoking is permitted in designated places only. Smokeless tobacco is permitted in the work area, but requires proper hygiene.

DISCIPLINE AND TERMINATION

After you have completed the probation period, you may be disciplined and/or terminated for job related reasons, including a failure to satisfactorily perform job duties, disruption of business operations, failure to comply with employment, safety or other company policies and procedures, or other actions deemed serious, and/or other legitimate business reasons including business changes in the operations of NELCON INC. If at any time it is deemed by your supervisor that you are not performing your job as required, there may be a form of discipline required ranging from a verbal notice up to and including termination.

GRIEVANCES

It is important to Nelcon that you should feel free to communicate your ideas, suggestions and/or grievances to your supervisor in a truthful civilized manner.

An appropriate grievance is defined as “an employee’s expressed feeling of dissatisfaction concerning an application or interpretation of work related matters”. If you have a grievance, you must follow the grievance procedure contained in this Employee Handbook. It is not proper to use the procedure by presenting a grievance in bad faith for the purpose of delay or harassment or by presenting a grievance that a reasonable person would judge to have no merit.

GRIEVANCE PROCEDURE

The grievance procedure for claims of discrimination is set forth in a separate section. This section addresses the grievance procedure for all other claims. If you feel you have a legitimate and an appropriate grievance, you must proceed as follows:

STEP ONE - Immediately bring the grievance to the attention of your supervisor and attempt to resolve your grievance informally.

STEP TWO - If you are unable to resolve your grievance informally, present your grievance in writing to your immediate supervisor or to Mike White, within ten (10) days of the occurrence of the grievance matter. NELCON INC will respond within ten (10) days of receiving your written grievance.

NON-DISCRIMINATION POLICY

NELCON INC values diversity. We believe that all employees and applicants should be treated with dignity and respect. At NELCON, we do not discriminate in employment based upon race, color, national origin, age, physical or mental disability, marital status, religion, creed, sex, sexual orientation or genetic information. Information regarding equal opportunity employment policy and procedures regarding complaints are posted on the main office bulletin board as required by law. Nelcon Supervisors, Foreman, Managers, and Corporate Officers will not retaliate for making or participating in a complaint of discrimination.

DISABILITY

NELCON INC does not discriminate against any applicant or employee in hiring, training, promotions, compensation, job assignments, terminations or any other terms, privileges or conditions of employment due to physical or mental disability.

NELCON INC provides a reasonable accommodation to an otherwise qualified applicant or employee with a known disability that prevents the individual from participating in the application process, competing in the selections process, performing the essential functions of the job and enjoying equal benefits and privileges of employment. Any otherwise qualified applicant for employment or employee with a disability who needs a reasonable accommodation should apprise our human resource manager and/or your immediate supervisor of the nature of the disability and the accommodation requested.

SEXUAL HARASSMENT

It is the policy of NELCON INC to provide a work environment free from sexual harassment of employees, customers and any other person. At NELCON INC, we prohibit unwelcome sexual conduct that interferes with an employee's job performance or creates an intimidating, hostile or offensive working environment. This includes displaying sexually suggestive e-mails, objects, pictures, cartoons or posters. NELCON INC prohibits verbal abuse of a sexual nature, sexually oriented jokes, innuendos or obscenities.

PREGNANCY

NELCON INC will not discriminate against any applicant or employee in hiring, terminating, promotions, compensation, job assignments and other terms, conditions or privileges of employment based upon a temporary disability resulting from pregnancy, childbirth or related medical conditions.

NELCON INC will grant a request by an employee for a reasonable leave of absence for that period of time during which an employee is incapable of performing normal job duties due to pregnancy. NELCON INC may require medical verification of disability. NELCON INC will not require any employee to take a mandatory pregnancy leave for an unreasonable length of time.

If an employee requires pregnancy leave, the employee will provide NELCON INC with reasonable notice of the expected date of leave. An employee returning from pregnancy leave shall provide reasonable notice of her intent to return to work as well as written medical verification of her ability to perform her full job duties. Upon receiving notice of an employee's intent to return to work, and following Nelcon's (HSE) Return to Work Program, NELCON INC will reinstate the employee as soon as reasonably possible, to her original job or to an equivalent job with equivalent pay and accumulated seniority and other benefits.

UNLAWFUL HARASSMENT

NELCON INC's policy is to provide employees with a work environment free of harassment. Harassment of employees, customers and any other persons doing business with NELCON INC because of a person's race, color, national origin, age, physical or mental disability, marital status, religion, creed, genetic information or sexual orientation is prohibited.

RELIGIOUS DISCRIMINATION

NELCON INC does not treat employees or applicants less or more favorable because of religious beliefs or practices. NELCON INC will make reasonable accommodations for religious beliefs or practices. An employee whose religion conflicts with an employment requirement has a duty to inform NELCON INC of the conflict in a timely manner. Once informed of a religious-based conflict, NELCON INC will initiate good faith efforts to accommodate the conflict. NELCON INC and the employee will work together to find a reasonable resolution of conflicts that may arise between an employer's business and employee's religion. An accommodation that creates an undue hardship on NELCON INC is not a reasonable accommodation.

GRIEVANCE PROCEDURE FOR CLAIMS OF DISCRIMINATION

If you believe you have been subjected to a violation of our discrimination policies, immediately provide notice, in writing, to your immediate supervisor, Nelcon's EEO Officer and/or Mike White.

NELCON INC management personnel will begin an investigation as soon as possible and make a factual report no later than ten (10) working days after receiving notice of the alleged violation. The investigation will include interviewing as many people as possible that have knowledge of the matter and reviewing any relevant documents.

Upon receipt of the complaint alleging harassment, NELCON INC management personnel will take all appropriate steps to prevent the alleged conduct from continuing, pending completion of the investigation. Steps to be taken will be determined by balancing the rights of the alleged victim, including the severity of the alleged conduct, and the rights of the alleged harasser.

Within two working days of receiving the factual report, Mike White will, in writing, inform the complainant, any other employees directly involved, their immediate supervisor, and Nelcon's EEO Officer of the results of the investigation. Otherwise, the factual report and the results of the investigation will remain confidential and will be disseminated only to persons having a need or right to know which outweighs the privacy rights of the persons involved.

If the results of the investigation establish that there is insufficient evidence that a policy violation occurred, Mike White will inform all parties involved that the matter is concluded.

If the results of the investigation establish that a policy violation occurred, NELCON INC will take appropriate action, including, but not limited to, disciplinary measures pursuant to our disciplinary policy.

No representative of NELCON INC who was involved in the incident will investigate the incident or communicate the results of the investigation. In the event your immediate supervisor or Mike White were involved in the incident, please report the matter directly to an owner, manager or the EEO Officer of NELCON INC who was not involved in the incident. An owner or manager and a neutral person who were not involved in the incident will perform the investigation under the grievance procedure.

RETALIATION

Retaliation is “getting back at someone for complaining (getting revenge). Retaliation is against the law and is denying the legal right to complain to someone, and will not be tolerated. Nelcon Supervisors, Foreman, Managers, and Corporate Officers will not retaliate against an employee for making or participating in a complaint of discrimination.

NELCON’S GUIDING MOTTO

Be Respectful, Be Responsible, Be Safe

Enclosed is our NELCON INC New Employee Handbook. Please sign and date below and return this page to the office.

Thank you,

Human Resources

I have received and will read the enclosed Employee Handbook for NELCON INC. to become familiar with Nelcon's policies and Procedures.

Employee Signature: _____

Employee Name: (Print) _____

Date: _____