

**WELCOME
TO
SANDERSON PIPE CORPORATION**



Revised November, 2019

WELCOME TO SANDERSON PIPE CORPORATION

Welcome to Sanderson Pipe Corporation! We are glad to have you on our team. At Sanderson Pipe Corporation, we believe that our employees are our most valuable asset. In fact, we attribute our success as a Company in significant part to our ability to recruit, hire, and maintain a highly-qualified and productive workforce that truly enjoys working for Sanderson Pipe Corporation. We hope that during your employment you will become a productive and successful member of the Sanderson Pipe Corporation team.

By choosing Sanderson Pipe Corporation, you have joined a special team. We are a leading PVC pipe manufacturer and we continuously strive to maintain this status through the combined efforts of our employees. We are a growing Company that needs people like you to continue that growth. The job you are about to begin is a most vital one. Your responsibility is to focus on doing your personal best each day to help us establish and maintain Sanderson Pipe Corporation as our customers' primary source of quality PVC pipe.

This Handbook has been prepared to help you get started in your new job and to tell you about our Company, its policies, benefits, rules and procedures.

We are proud to have you as a part of the Sanderson Pipe Corporation team, and we wish you success in helping us to meet our goals.

Sincerely,

Eric D. Howard, President
Sanderson Pipe Corporation

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Introduction to the Handbook

This Employee Handbook summarizes the Human Resources policies and procedures that govern the employment relationship between Sanderson Pipe Corporation and its employees. The policies in this Handbook are subject to change at any time at the sole discretion of the Company with or without prior notice. This Handbook supersedes any prior handbooks or written policies of the Company that are inconsistent with its provisions. You may receive updated information concerning changes in policy from time to time, and those updates should be kept with your copy of the Handbook. If you have any questions about any of the provisions in the Handbook, please ask your supervisor or the Human Resources department.

This Handbook does not create a contract of employment between Sanderson Pipe Corporation and its employees. Our employment relationship remains at-will notwithstanding any provision in this Handbook or prior communications to the contrary. Either you or the Company may terminate this relationship at any time, for any reason, with or without cause or notice. Only the President of the Company has the authority to enter into any agreement that changes the nature of our at-will relationship or deviates from the provisions in this Handbook.

Equal Opportunity Employer

Sanderson Pipe Corporation is committed to providing equal employment opportunities for all individuals. This Policy is an integral component of all of our employment policies, practices, and procedures.

Sanderson Pipe Corporation will recruit, hire, train, and promote persons in all positions, and will ensure that all personnel decisions and actions, including but not limited to compensation, benefits, transfers, promotions, layoffs, returns from layoff, discipline, terminations, company-sponsored training, education, and social and recreation programs, will be administered without regard to race, color, religion, national origin, marital status, sex (including sexual orientation, gender identity, gender expression), pregnancy, age, veterans status, genetic information, or physical or mental disability (except where the disability prevents the individual from being able to perform the essential functions of the job and cannot be reasonably accommodated in full compliance with the law), or other characteristic protected by law.

All employees are required to comply with this policy. Managers and supervisors are expected to cooperate fully in meeting our equal employment opportunity objectives. Compliance with this policy will be monitored closely and considered during their evaluations.

Employment Eligibility

Sanderson Pipe Corporation is committed to employ only United States citizens and aliens authorized to work in the United States. As a condition of employment, each new and rehired employee must properly complete, sign and date the first section of the USCIS Form I-9, as well as provide copies of qualifying documents demonstrating the employee's identity and employment authorization.

The I-9 and qualifying documents must be submitted to the Human Resources department no later than 3 business days following the date of hire; otherwise, the Company is required to discharge the employee.

Employees whose immigration status, employment authorization, or employment authorization documents have expired must present new documents that show current employment authorization. Employees should file the necessary application or petition sufficiently in advance to ensure that they maintain continuous employment authorization or valid employment authorization documents. Contact the Human Resources department if you have any questions regarding reverification of employment authorization.

Age Guidelines

Sanderson Pipe Corporation does not normally hire employees under the age of 18. For those exceptions, the Company follows applicable federal and state child labor laws. Employees under 18 will be required to show proof of age.

Background Checks

All offers of employment at Sanderson Pipe Corporation are contingent upon clear results of a thorough background check and drug screen.

Background checks may include any and all of the following, depending upon applicability to the position:

- Social Security Verification
- Prior Employment Verification
- Personal and Professional References
- Educational Verification
- Criminal History: Includes review of criminal convictions and probation. The following factors will be considered for applicants with a criminal history:
 - The nature of the crime and its relationship to the position;
 - The time since the conviction;
 - The number (if more than one) of convictions;
 - Whether hiring, transferring or promoting the applicant would pose an unreasonable risk to the business, its employees or its customers and vendors.
- Motor Vehicle Records

- Credit History

Final candidates must complete a background check authorization form and return it to the Human Resources department. If a decision not to hire or promote a candidate is made based on the results of a background check, the candidate or employee will be notified in accordance with the Fair Credit Reporting Act.

Employment Classifications

No employees of Sanderson Pipe Corporation are guaranteed employment for any specified period of time. Employees of Sanderson Pipe fall into the following categories:

Full-Time:

An employee who works 30 hours or more per week.

Part-Time:

Part-time employees, whether exempt or non-exempt, work a regular schedule of 30 hours or less per week.

Temporary Employees:

A temporary employee is hired for a specified project or time frame. A temporary employee in a non-exempt position is paid by the hour. Temporary employees do not receive any additional compensation or benefits provided by the Company. If after successful completion of 90 days the employee is offered Full Time employment, credit for 60 days toward benefit eligibility will be given.

Exempt Employees:

Exempt employees are exempt from the overtime provisions of federal and state wage and hour laws and therefore are not eligible for overtime pay.

Non-Exempt Employees:

Non-Exempt employees receive overtime pay in accordance with our overtime policy and applicable wage and hour laws.

Introductory Employees:

Every new employee goes through an initial period of adjustment in order to learn about the Company and about his/her job. The Introductory Period normally extends for 90 days. During this time each new employee will have an opportunity to find out if he/she is suited to, and likes, his/her new position, and will be provided with training and guidance from his/her Supervisor. Introductory employees may be discharged at any time during this period if his/her Supervisor concludes that he/she is not progressing or performing satisfactorily. Under appropriate circumstances, the probationary employment may be extended. Employees who successfully complete their Introductory Period remain employees at-will.

Florida:

If a new employee is discharged during his/her initial 90 days due to unsatisfactory performance, the employee may not be eligible for unemployment compensation benefits charged to the Company's account.

Non-Harassment Policy

It is the policy of Sanderson Pipe Corporation that all employees shall have the opportunity to work in an atmosphere and environment free from any form of harassment or retaliation.

"Harassment" is defined as verbal or physical conduct that denigrates or shows hostility or aversion toward an individual or that of his/her relatives, friends, or associates, and that:

- A. Has the purpose or effect of creating an intimidating, hostile, or offensive working environment; or
- B. Has the purpose or effect of unreasonably interfering with an individual's work performance; or
- C. Otherwise, adversely affects an individual's employment opportunities. Examples of harassing conduct include, but are not limited to the following:
 - 1. Epithets, slurs, negative stereotyping, or threatening, intimidating, or hostile acts.
 - 2. Written or graphic material that denigrates, bullies, or shows hostility or aversion toward an individual or group, and that is placed on walls, bulletin boards, or elsewhere on Company premises, circulated in the workplace, or placed on social media.

Similarly, sexual harassment involves:

- A. Making as a condition of employment, transfer or promotion unwelcome sexual advances, requests for sexual favors, or other offensive verbal or physical conduct directed toward an individual because of his/her sex.
- B. Making submission to or rejection of such conduct the basis for employment, transfer or promotion decisions; or
- C. Creating an intimidating, offensive, or hostile work environment by such conduct.

The following are examples of sexual harassment:

- A. Verbal -- sexual innuendos, suggestive comments, insults, threats, jokes about gender-specific traits, or sexual propositions;
- B. Nonverbal -- making suggestive or insulting noises, leering, whistling, or making obscene gestures;
- C. Physical -- touching, pinching, brushing the body, coercing sexual intercourse, or assault.

Report the Discrimination or Harassment!

Any employee who feels that he or she has suffered any form of discrimination, harassment or retaliation should **report the conduct immediately to his or her supervisor, or to your Human Resources department:**

Florida: (904) 275-2833

Tennessee: (931) 221-4800

Kansas: (620) 231-8290

Texas: (281) 448-9463

or to anyone on the Company's Executive Management Team.

All managers and supervisors are also required to report any complaints of harassment to the Human Resources department. Indeed, any employee who observes conduct that he/she believes to be harassing, retaliatory, or discriminatory should report such conduct as outlined above.

Complaint Investigations

All complaints are taken seriously by the Company, which will ensure that a prompt and thorough investigation is made, with as much confidentiality as possible and practical. To help assure the accuracy of the investigation, persons making complaints should immediately provide a written complaint which should describe:

- (1) the harassing behavior;
- (2) who did it;
- (3) where was this behavior displayed;
- (4) when was this behavior displayed;
- (5) what occurred;
- (6) is this the first time you have reported this type of behavior regarding the same person;
- (7) what, if anything, have you done already to let the harasser know that the behavior is offensive to you; and
- (8) the names of any witnesses to this behavior.

Non-Retaliation For Making Complaint

No employee will be subject to any form of discipline or retaliation for reporting in good-faith any incident of unlawful harassment, pursuing any such claim, or cooperating in any way in the investigation of such reports. However, a deliberate filing of a false report will subject the reporting party to disciplinary action. If you believe someone has violated this non-retaliation policy, immediately report such conduct as outlined in the above complaint procedure. No supervisor will stifle, discourage, or prohibit an employee from processing a complaint.

Consequences for Violations Found

Any employee found by the Company to have discriminated against, harassed or retaliated against another employee will be subject to appropriate disciplinary action ranging from receipt of a written warning up to and including termination.

After Formal Complaint is Resolved

Upon the conclusion of the Company's investigation, appropriate action will be taken to insure your work environment is free from harassment and discrimination. However, please continue to share with your supervisor or the Human Resources department any continuing or transitional concerns you may have as efforts are made to return your workplace to normal.

Open Door Policy

Sanderson Pipe Corporation strives to provide the best possible workplace for everyone in the Company. Enjoying our jobs is the first step. Accordingly, the Company maintains an open-door policy so that employees may feel free to communicate with anyone on the management team. Our supervisors and managers extend an open invitation to all employees to voice concern or offer suggestions that you feel could enhance your work environment or improve the Company.

Bring your questions, suggestions, or complaints beginning with your supervisor. However, should you think your issue is not being handled satisfactorily, the matter should be taken up with each successive level of supervision or brought to the attention of the Human Resources department. We will consider your questions, suggestion, or concern.

Only by working together can we resolve any problems or concerns you may have. For issues covered by policies with specific reporting procedures, such as allegations of harassment, please also refer to these policies.

Rules of Conduct

Sanderson Pipe Corporation believes it is obligated to ensure that every employee has the opportunity to work in a safe, honest and professional environment. These rules were created so that every employee can help contribute to maintaining the environment. Violations are considered to be of a serious nature, and based upon the circumstances, may result in immediate discharge or other disciplinary action.

It is the Company's policy to practice fair and appropriate discipline. The Company will evaluate the severity of each violation and determine what action to take. While the Company reserves the right to impose whatever discipline is necessary, including to terminate employees at any time without cause or notice and without prior discipline, each disciplinary situation is unique and will be reviewed individually.

Examples of actions that may lead to immediate termination include, but are not limited to:

- Failing to correct unsatisfactory work performance for which the employee is primarily responsible.
- Theft or misuse of Company property.
- Unauthorized use of Company property.

- Theft of personal property from Company premises.
- Removing Company property from Company premises without authorization.
- Manufacture, distribution, dispensation, possession, sale or use of any illegal drug or improper use of alcohol or any legal drug in the workplace, in the Company vehicles or while engaged in Company business off Company premises.
- Fraud or dishonesty
- Reporting to work or driving a Company vehicle under the influence of drugs of alcohol.
- Sleeping on the job.
- Engaging in any type of harassing or intimidating conduct.
- Conducting oneself in a manner unsafe to others or self, or failing to report any unsafe condition or action to the appropriate supervisor.
- Falsifying and/or withholding facts on Company records, including employment application, time records, benefits enrollment documents and other records or correspondence.
- Completing another employee's timecard or requesting or allowing another employee to complete your timecard.
- Willful damage or wasting of supplies, property or premises.
- Excessive absences – including failure to report to work for three or more successive days without properly notifying one's supervisor.
- Leaving the job without authorization.
- Improper receipt of any gift or gratuity, which could negatively affect the Company's business interests.
- Disclosing or using confidential or proprietary information without authorization.
- Insubordination.
- Failing to cooperate fully and truthfully in any investigation.
- Participating in disorderly conduct "horseplay", practical jokes, pranks on Company premises or during work hours.
- Smoking in prohibited areas.
- Bringing weapons onto Company premises in violation of Company Firearm Policy.
- Threatening, violent or abusive behavior or language.
- Inappropriate business conduct, demonstrating a lack of integrity or other conduct unbecoming a Sanderson Pipe Corporation employee.

Conflicts of Interest

The Company expects our employees to conduct business according to the highest ethical standards of conduct. Employees are expected to devote their best efforts to the interests of the Company. Business dealings that appear to create a conflict between the interests of the Company and an employee are unacceptable. The Company recognizes the right of employees to engage in activities outside of their employment which are of a private nature and unrelated to our business. However, the employee must disclose any possible conflicts so that the Company may assess and prevent potential conflicts of interest from arising. A potential or actual conflict of interest occurs whenever an employee is in a position to influence a decision that may result in a personal gain for the

employee or an immediate family member (i.e., spouse or significant other, children, parents, siblings) as a result of the Company's business dealings.

Although it is not possible to specify every action that might create a conflict of interest, this policy sets forth the ones which most frequently present problems. If an employee has any question whether an action or proposed course of conduct would create a conflict of interest, he or she should immediately contact the Human Resources department to obtain advice on the issue. A violation of this policy will result in immediate and appropriate discipline, up to and including immediate termination.

Employment of Relatives

The employment of relatives within Sanderson Pipe Corporation may cause conflicts, favoritism and problems with employee morale. Accordingly, the employment of relatives of current Sanderson Pipe Corporation employees must be approved in advance by the Human Resources department. For purposes of this policy, a relative is any person who is related by marriage, blood, or whose relationship with the employee is similar to that of persons who are related by blood. This policy applies to all employees without regard to the gender or sexual orientation of the individuals involved.

If a relative or romantic relationship is established after employment between employees, it is the responsibility of both parties to disclose the existence of the relationship to management and the Human Resources department. If the relationship involves directly working for or directly supervising a relative or romantic partner, the employees will be given the opportunity to decide which employee is to be transferred to another available position or leave the Company if no position is available for which the employee is qualified. If the employees concerned do not make the decision within 30 calendar days, the lower ranking employee will be asked to leave the Company.

If a supervisor involved in the hiring process is acquainted with a job applicant in any way, the nature of this acquaintance must be disclosed to the Human Resources department at the beginning of the hiring process.

Outside Employment

Employees are required to obtain written approval from the Human Resources department before participating in outside work activities. Approval will be granted unless the activity conflicts with the Company's interest. In general, outside work activities are not allowed when they:

- A. Prevent the employee from fully performing work for which he or she is employed at the Company, including overtime assignments;
- B. Involve organizations that are doing or seek to do business with the Company, including actual or potential vendors or customers; or
- C. Violate provisions of law or the Company's policies or rules.

From time to time Company employees may be required to work beyond their normally scheduled hours. Employees must perform this work when requested. In cases of conflict

with any outside activity, the employee's obligations to the Company must be given priority.

Employees are hired and continue in Sanderson Pipe Corporation employ with the understanding that Sanderson Pipe Corporation is their primary employer and that other employment or commercial involvement which is in conflict with the business interests is strictly prohibited.

Gifts and Undue Influence

Employees of Sanderson Pipe Corporation should not solicit or accept for personal benefit any gift, loan, discount or any item of value over \$25 from anyone that the Company does, or has the potential to do business with. Exempted from this policy are food, beverages and moderately priced meals or tickets to local events that are supplied by and also attended by current customers, partners and vendors or suppliers in the interest of building positive business relationships. For guidance on how to handle any specific situation, contact the Human Resources department.

Off Duty Employee Rule

Except during a reasonable period of time before and after a scheduled work period, an employee is not to enter the Company's premises or any work area outside the Company's premises unless the employee is on duty or scheduled for work. Exceptions will be allowed for the purpose of attending to Company business in the administrative office, such as picking up paychecks or submitting insurance forms.

Internet and Use of Communication and Computer Systems

The Company's communication computer systems has grown to the point where many employees now use the Internet and e-mail at work. It should be known by all employees that this access is available for business use, and personal use should be kept to a minimum and not abused, or it will be revoked. Any employee deemed by management to be excessively using the Internet or e-mail capabilities for personal use may be disciplined up to and including possible termination.

All employees with Internet or e-mail access should be aware that the Company has the means in place to monitor all activity. Therefore, you and other users should have no legitimate expectation of privacy in regard to their use of the systems. The Company may access voice mail, e-mail and other electronic communication systems and obtain correspondence and communications from or within these systems, including past voice mail and e-mail messages, without notice to users of the system. This is necessary in order for the Company to maintain the system, prevent or investigate allegations of system abuse or misuse, assure compliance with software copyright laws, comply with legal and regulatory requests for information, ensure employee privacy and confidentiality and that of other business information, determine that employees are working and using systems and equipment properly, and ensure that plant operations continue appropriately during an employee's absence.

Since the Company's communication and computer systems are intended for business use, these systems may not be used to solicit for or communicate about topics unrelated to the Company's business or to promote religious, charitable or political causes or outside organizations.

Unauthorized duplication of copyrighted computer software violates the law and is strictly prohibited. Also, no employee may access, or attempt to obtain access to, another employee's computer systems without appropriate authorization or use another employee's computer or equipment log-in or password(s).

Prohibition of Harassment

The Company prohibits harassment, when using the Company's communication and computer systems. No one may use any communication or computer system in a manner that may be construed by others as harassing or offensive, bullying, or because of race, national origin, gender, age, disability, religious beliefs or any other characteristic or category protected by federal, state or local law, or by this Handbook's EEO policy.

Violators of this policy may be subject to disciplinary action, up to and including immediate discharge.

Use of Telephone and Mail Systems

In the event it is necessary for someone outside the Company to contact you as a result of an emergency, or you are required to provide a callback number for business related activity, use the following numbers.

Plant	Normal Work Hours	After Normal Work Hours
Tennessee	(931) 221-4800	(931) 221-4825
Florida	(904) 275-2833	(904) 275-3026
Kansas	(620) 231-8290	(620) 231-8293
Texas	(281) 448-3276	(281) 448-3276

The Company provides selective management and non-management personnel with cell phones, two-way radios, and specialized extension phones. In addition, the Company maintains a plant-wide loudspeaker system to facilitate necessary communication amongst employees. Incoming or outgoing calls, including local calls, should be limited to breaks. Employees violating this policy will be subject to disciplinary measures in addition to being required to reimburse the employer for any charges resulting from their personal use of the Company telephone.

The use of employer-paid postage for personal correspondence is not permitted.

Use of Personal Cell Phones and Personal Communication Devices

The Company is aware that many employees have available to them personal communication devices, such as cell phones which they carry on their person. Employees are advised to leave their personal communication devices in their locker, or to turn them off while carrying them at their work station. Because the Company does not monitor calls made or received by employees on their personal communication devices, it is impossible for management to know whether the employee is using such device in response to an emergency. Accordingly, unless the employee:

- A. Is making or receiving a call on their lunch time or break time,
- B. Is making a call as a result of a notification by the office or his/her Department Head of an emergency,
- C. Is taking pictures of equipment or employees that have been authorized, or
- D. Has prior approval to receive incoming calls on an immediate basis (see below);

the Company will assume that all use of personal communication devices is inappropriate and will act accordingly. Under no circumstances is an employee permitted to leave their assigned work area to make or receive a personal call without notifying and receiving permission from the Department Head, or their Shift Supervisor.

Employees having a special need to access a phone for incoming calls should contact the Human Resources department. The Human Resources department will assist the employee in obtaining the necessary approval.

Social Media

At Sanderson Pipe, we understand 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, the Company has the right and duty to protect (1) from unauthorized disclosure of confidential information, (2) its identity, integrity, and reputation in a manner consistent with our values and policies, (3) against harassing or demeaning conduct, and (4) from disruptions to the smooth and orderly flow of our work. In the area of social media (print, broadcast, digital, and online services such as Facebook, LinkedIn, Instagram, Plaxo and Twitter, among others), employees may use such media in any way they choose as long as such use does not produce the adverse consequences noted above.

However, to assist you in making responsible decisions about your use of social media, we have established these guidelines for appropriate use of social media.

- A. Be Respectful
- B. Be honest and accurate
- C. Post only appropriate and respectful content
- D. Do not post pictures of Company equipment, processes, or personnel without proper management approval.

Ultimately, you are solely responsible for what you post online. Keep in mind that any 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 Sanderson Pipe or Sanderson Pipe legitimate business interests may result in disciplinary action up to and including termination.

Refrain from using social media while on work time or on equipment we provide, unless it is work-related as authorized by your manager or consistent with the Company Equipment Policy. Do not use Sanderson Pipe email addresses to register on social networks, blogs or other tools utilized for personal use.

Employee Monitoring

Employees should have no expectations of privacy while using the Internet. Your postings can be viewed by anyone, including the Company. The Company reserves the right to monitor comments or discussions about the Company, its employees, clients and the industry, including products and competitors, posted on the Internet by anyone, including employees and non-employees.

Discrimination and Harassment

All other Company rules and policies regarding bullying, discrimination and harassment will be applied in full force when using social media. Employees are prohibited from engaging in any conduct, activities, communication or postings which violate such policies.

Discipline for Violations

The Company will investigate reports of social media policy violations. Violation will result in disciplinary action up to and including immediate termination.

Employee Rights

This policy is not intended to restrict an employee's right to discuss wages and working conditions with co-workers or in any way limit employees' rights under the National Labor Relations Act.

Non-Disclosure of Confidential or Proprietary Information

As a Sanderson Pipe Corporation employee, you may need to have access to some of the Company's Confidential Information in order to perform your job.

The protection of the Company's confidential information and trade secrets is vital to the interests and the success of this Company. Such confidential information includes, but is not limited to, the Company's proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, customer lists and customers, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, technological data and prototypes, marketing, finances or other business

information. Such Confidential Information may be disclosed to you in writing, orally or by drawings or observation of parts or equipment.

Employees may not disclose Confidential Information to anyone who is not employed by the Company. Employees may not publicly discuss clients, affiliates, employees, vendors or suppliers.

Employees who are exposed to Confidential Information may be required to sign a nondisclosure agreement as a condition of employment. Any employee who discloses trade secrets or confidential business information will be subject to disciplinary action (including possible discharge) and legal action, even if he/she does not actually benefit from the disclosed information.

Camera Restrictions

Due to the potential for issues such as invasion of privacy, harassment, loss of productivity, disclosure of confidential information, and compromise of safety, using cameras on Company property is prohibited unless specifically authorized by the Plant Manager. Violation of that Policy is grounds for disciplinary action.

Information Postings

Bulletin boards are strategically located around the facility. Important information which must reach employees quickly will be posted on the official Company bulletin boards, as well as in the vicinity of the time clock. These posting areas are for Company business only and you are urged to check the official posting areas daily. It is a violation of Company rules for anyone to post any non-Company business-related notices or to deface or remove any notice posted at these areas. Such violation is subject to disciplinary measures under Company rules.

Job Postings and Applications

Sanderson Pipe Corporation believes in providing opportunities for its employees to advance to positions of higher responsibility. Promotions are determined based upon your behavior, qualifications, experience, education and capabilities.

A new or opening position and job description will be posted on the employee bulletin board for at least five business days at all locations. Employees who are interested in a posted position should make that interest known by applying for the position. For questions, see the Human Resources department.

Searches

The Company reserves the right to search any items brought into the Company building, including bags, purses, briefcases, backpacks, lunch boxes and other containers, to search any desk, file, locker, or any other item provided by the Company, or used in connection with Company business, and to search any Company vehicle or personal vehicle on Company property or that is used for Company business.

The Company will conduct a search only if it has a reasonable suspicion that the search will uncover information or evidence of a violation of its work rules. All reasonable efforts will be made to perform searches in the employee's presence. All searches under this policy would be carried out with the utmost discretion and consideration for the employees involved. Refusal to submit to such searches would result in discipline up to and including discharge. To further security on Company premises, security cameras have been placed in several designated locations. Tampering with any security device including video cameras will lead to disciplinary action up to and including termination. The Company facility reserves the right to request local law enforcement to perform a search.

Solicitation and Distribution of Literature

The Company does not allow solicitation and distribution of literature. This can create a difficult situation when asked to make a purchase or donation to support a fundraising drive or cause. Even though most of these projects are worthwhile, they can disrupt normal Company operations as well as put unnecessary pressure on employees to participate. Also, if non-employees are involved, this activity can also involve trespass. The following must be followed to ensure that everyone's rights and obligations are upheld:

- A. Solicitation and/or distribution of literature or products by non-employees on Company property is prohibited at all times.
- B. Solicitation and distribution of literature or products by employees on Company property is prohibited in working areas or during working time.

Dress Code

In order to present a professional image and working atmosphere, Sanderson Pipe Corporation relies on employees to maintain personal hygiene and a clean, tasteful and neat business-like appearance, especially if your job involves dealing with customers or visitors in person.

The dress code for employees working in business office environments is business casual Monday through Friday. Business casual does not mean sloppy, ragged, or weekend style casual such as exercise pants, shorts, t-shirts, tight or revealing clothing. For example, men should wear collared shirts. Neat jeans (jeans without holes, stains, ragged hems or are tight or revealing) can be worn. Shirts worn in casual environments should not contain words or pictures that would be considered a statement.

Some situations, such as meetings with customers, vendors or other member of the community may require employees to wear more formal business attire. An employee should use his/her best judgment. When in doubt, an employee should check with his/her supervisor. Management reserves the right to treat as inappropriate clothing that which may be deemed offensive, vulgar, insulting, derogatory or pornographic.

Production employees will receive Company logo shirts upon completion of 60 days of service. Once issued these shirts are to be worn during scheduled work time. Sleeveless shirts are not acceptable and Company logo shirts may not be altered to sleeveless.

Employees working in the manufacturing division are required to wear steel-toed composite shoes as directed in the safety procedures. Employees with long hair are required to pull their hair back and secure it while in manufacturing areas. Employees are allowed to wear additional outerwear as may be necessary to protect them from the weather. Scarves must be tucked into a piece of upper body apparel. Head coverings are acceptable as long as they do not become a safety hazard.

Anyone found to be wearing inappropriate attire will be asked to change to proper attire on their own time. Employees who persist in wearing inappropriate attire will be subject to disciplinary action.

Reasonable Accommodation of Religious Beliefs

The Company recognizes the importance of individually held religious beliefs by employees. The Company will reasonably accommodate an employee's religious beliefs in terms of personal grooming and workplace attire unless the accommodation creates an undue hardship. Accommodation of religious beliefs for personal grooming and attire may be difficult in light of safety issues for employees. Those requesting a workplace attire accommodation based on religious beliefs should contact the Human Resources department.

Smoke Free Workplace

The Company follows local and state laws regarding a smoke-free workplace. All Sanderson Pipe Facilities are designated as Smoke Free Work Places. Smoking will be permitted ONLY in designated areas during designated breaks. These areas will be clearly marked, and provisions will be made for proper disposal of the smoking products. We ask that, should you see a visitor of the plant smoking, you make them aware of the policy, or report them to your supervisor.

Within these guidelines, smoking is defined as being in possession of a burning cigarette, e-cigarette, pipe, cigar or other burning tobacco products. It also includes burning butts sitting in ashtrays. The ban also prohibits smoking outside the enclosed area in such a way that the smoke drifts back into the work area. Smokeless tobacco products are allowed as long as those using them act in a responsible, sanitary manner.

Management reserves the right to ban the use of any tobacco products on Company grounds at any time.

Workplace Violence

To preserve workplace safety and security, employees are forbidden to make acts or threats of physical violence, including intimidation, harassment, and/or coercion, that involve or affect Sanderson Pipe Corporation employees, customers, vendors, or any other associates that occur on Company property or in the conduct of business.

Specific examples of conduct that may constitute threats or acts of violence under this policy include, but are not limited to:

- Threats or acts of physical or aggressive contact directed toward another individual;
- Threats of physical harm directed toward an individual or his/her family, friends, associates or property;
- The intentional destruction, defacing of, or threat of the defacing or destruction of Company property or another employee's property;
- Harassing or threatening phone calls;
- Stalking;
- Veiled threats of physical harm or similar intimidation; and
- Any conduct resulting in an arrest or conviction under any criminal code provision relating to violence or threats of violence.

Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others.

Employees must report threatening behavior or any risk of violence to a supervisor, Human Resources department, or in cases of imminent danger, contact 911 or the local police. Sanderson Pipe Corporation will promptly and thoroughly investigate all reports of threats or actual violence and of suspicious individuals or activities. The identity of the employee making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees, either with or without pay, pending investigation.

Any employee determined to have committed threats, threatening conduct, or any other acts of aggression or violence in the workplace will be subject to disciplinary action, up to and including termination. Non-employees engaged in violent acts on the employer's premises will be reported to the proper authorities and fully prosecuted.

Firearms/Weapons

The Company prohibits employees from possession of firearms, including handguns, rifles, ammunition and other firearm accessories, or other weapons, including knives with a blade over 3" in length, tasers, self-defense chemical spray or any other devices that could be used to inflict bodily harm on an individual, while on Company property, except where permitted by law. Possession of a firearm in any Company vehicle is strictly prohibited.

Employees may possess firearms that are lawfully in their possession so long as:

- The employee has a concealed weapons permit, or the state is a Constitutional Carry state, and
- The firearms are securely encased or otherwise not readily accessible for immediate use inside a locked personal vehicle in the Company parking lot, and
- The personal vehicle is lawfully parked in the Company's parking lot.

Additionally, the Company will not inquire about an employee's lawful possession of a firearm located in a personal vehicle in a Company parking lot, search any employee's vehicle for lawfully possessed firearms, nor take an adverse employment action against

any employee for lawfully possessing a firearm that is locked and secured within their personal vehicle in a Company parking lot.

A Company parking lot is defined as any property owned or leased by the Company for the purposes of allowing employees, customers and visitors to park their vehicles.

Use of Company Vehicles

Only authorized employees may drive Company vehicles and are required to have the appropriate and driver's/operator's license. All personnel using Company vehicles must operate the vehicle in a safe manner while obeying all city and state traffic laws. Reports or complaints of reckless, careless, discourteous or unsafe driving will be thoroughly investigated and may result in disciplinary action. Any moving violation tickets will be paid for by the employee and not by the Company.

Any employee who has a driver's license revoked or suspended shall immediately notify his/her supervisor on the next business day, and immediately discontinue operation of the Company vehicle. Failure to do so may result in disciplinary action, including termination of employment.

Drivers must report all tickets for moving violations received while driving a Company vehicle, whether driving for business or personal use, within 72 hours to his/her supervisor.

Motor vehicle records will be obtained on all drivers prior to employment and no less than every year thereafter. A driving record that fails to meet the criteria stated in this policy will result in a loss of the privilege of driving a Company vehicle. Criteria that may indicate an unacceptable record includes, but is not limited to:

- A. Two or more moving violations in a year;
- B. Two or more chargeable accidents within a year. Chargeable means that the driver is determined to be the primary cause of the accident through speeding, inattention, etc. Contributing factors, such as weather or mechanical problems, will be taken into consideration.
- C. Any combination of accidents and/or moving violations.

All personnel who are responsible for the operations of a Company vehicle are required to keep the vehicle orderly and free of refuse as well as make a safety and maintenance check on their vehicles prior to operation.

Passengers are prohibited in Company vehicles except for employees or business guests traveling together on Company business. No one other than an employee of the Company, except for qualified maintenance personnel of a third-party vendor, is permitted to operate a Company vehicle.

In the event of an accident involving a Company vehicle, it is mandatory that the driver involved in an accident report and complete an accident report, and submit it to the

Human Resources department. The report must be in writing and must contain the details of the accident including:

1. Other driver's name, address, telephone number, operator's license number, complete identification of the other driver's insurance carrier;
2. Condition of Company vehicle, if towed, to what location;
3. Description, license number of other vehicle(s) involved in the accident;
4. Location, time, general description of the accident;
5. General description of the road and weather conditions;
6. Were law enforcement officers on the scene? If so, who and where are they stationed, did they ticket anyone?

Used and Salvage Equipment and Material

Any and all scrap pipe, scrap lumber and junk or worn-out equipment is the property of Sanderson Pipe Corporation. All such items will be sold for the highest amounts available in the market. Employees shall not remove any such items from Company premises without permission of Management.

Care and Return of Company Property

Employees are responsible to take proper care of all Company uniforms, equipment and other property with which they are entrusted. Additionally, upon termination, employees must return all Company property in proper working order. Employees may be held financially and legally responsible for property that is not returned or which is damaged.

Substance Abuse Policy/Drug Free Workplace

The use, illegal possession, purchase, manufacture, distribution, dispensation, sale, plan for sale or transfer of illegal drugs, alcohol or any prescription drugs that have not been properly prescribed to you on the Company's premises, in Company vehicles, or while engage in Company activities is strictly forbidden. Company premises include parking lots and other outlying areas.

Sanderson Pipe Company maintains a firm commitment to safeguard the health of our employees and to provide a safe environment for everyone, while respecting individual privacy. Drug and alcohol abuse leads to decreased productivity, increased risk of accidents, high turnover, and decreased morale.

Support for Voluntarily Seeking Help

Sanderson Pipe Company encourages early diagnosis and sound treatment for drug- and alcohol-related problems and encourages employees to voluntarily and confidentially seek help. In an effort to assist in obtaining treatment, the Company offers the services of an Employee Assistance Program (EAP). Employees with such problems should seek confidential assistance from an EAP or other community resources before drug or alcohol problems lead to disciplinary action, which can include discharge for a first offense. Information about a self-referred employee's contact with the EAP is confidential and will

not be disseminated without the employee's permission. For further information about our EAP, see the EAP policy below in this Handbook or speak with the Human Resources department.

In some circumstances, the Company believes that employees with drug- or alcohol-related problems can be treated while continuing in their positions. In situations where an employee requests leave for treatment; the Company will do its best to accommodate such requests.

Sanderson Pipe Corporation will utilize every reasonable means to maintain a drug-free work environment for its employees, including supervisor training, employee education, providing employees access to information concerning drug and alcohol abuse programs, and implementing substance abuse testing of employees and job applicants to detect use of illegal substances.

Drug Testing

Testing is the only way to know with certainty whether someone has used drugs or alcohol in violation of the Company's Drug-Free Workplace Policy. The methods used to determine the presence of alcohol or drugs in the system under this policy include urine, saliva, blood, and/or breath tests.

For the safety of our employees, the Company may test for drugs and/or alcohol in the following circumstances:

Pre-employment Drug Testing

Job offers are conditioned upon the job applicant passing a drug test administered by an approved testing laboratory to determine whether illegal drugs or alcohol are present. Failing a pre-employment drug test will result in revocation of an offer of employment. Job applicants will have the right to challenge any drug test at the applicant's expense.

Post-Accident Testing

When an employee is involved in an accident that causes injury to himself or to any other person or damage to any property. Unless medical attention is needed, an employee must remain available for testing after an accident. An employee who does not make himself or herself readily available for testing may be deemed to have refused to be tested. If the individual must leave the scene of the accident, he/she must make every effort to be tested or to contact his/her supervisor to inform the manager of his/her whereabouts.

Reasonable Suspicion Testing

Reasonable suspicion testing may occur when, in the opinion of two supervisors, or a supervisor and an additional competent co-worker, there is reasonable suspicion that an employee is visibly impaired while at work or in any way may be abusing or under the influence of illegal drugs or alcohol.

Supervisory personnel will document, in writing, the basis for their reasonable suspicion.

Reasonable suspicion testing will not be based on rumor, speculation, or unsubstantiated information of third parties.

Random Drug Testing

Random Drug Testing is conducted at each facility on a quarterly basis, the selection process conducted by a third party.

Return After Lay-Off Drug Testing

Employees who return to work in safety-sensitive positions following a lay-off of sixty (60) days or more will be required to take drug tests prior to their return to work.

Post-Treatment or Positive Test Testing

An employee who is returning to work from drug or alcohol related testing, or anyone who returns to work after failing a drug or alcohol test, may be tested anytime within 6 months following his/her return to work.

An employee receiving a positive result, will be subject to disciplinary action, which may include termination even for the first offense, or may be referred to the EAP depending upon the surrounding circumstances and Company practice.

Searches

To ensure that illegal drugs and alcohol do not enter or affect the workplace, the Company reserves the right to search all vehicles, containers, lockers, or other items on Company property to ensure compliance of this policy. Individuals may be requested to display personal property for visual inspection upon Company request. Failure to consent to a search or display personal property for visual inspection will be grounds for discharge or denial of access to Company premises.

Safety and Emergency

Safety and Health of Employees

Sanderson Pipe Corporation conducts its operations in compliance with applicable health and safety laws and regulations in a manner designed to minimize the risk of occupational injury, illness and property damage.

These safety and health rules and procedures are designed to ensure that each job and area of the workplace will be as free as possible from hazards. Employees who are aware of an unrecognized or poorly identified hazard or potential hazard in their jobs or the workplace should report such hazards to their supervisor, Safety & Environmental department or Plant Manager.

Each employee, supervisor or manager must practice safety awareness by thinking defensively, anticipating unsafe situations and reporting unsafe conditions immediately.

Good Housekeeping

Good work habits and a neat place to work are essential for job safety and efficiency. You are expected to keep your place of work organized and materials in good order at all times. Report anything that needs repair or replacement to your supervisor. General cleaning and housekeeping of work areas are a part of everyone's job description.

Precautions

Additionally, please observe the following precautions:

- Do not wear loose clothing that might get caught in the machinery;
- Anyone with hair below the shoulders must wear their hair put up to prevent it from getting caught in machinery;
- Notify your supervisor of any emergency situation. If you are injured or become sick at work, no matter how slightly, you must inform your supervisor immediately;
- Use, adjust and repair machines and equipment only if you are trained and qualified;
- Use personal protective equipment as directed by your supervisor;
- Get help when lifting or pushing heavy objects and use proper lifting procedures;
- Understand your job fully and follow instructions. If you are not sure of the safe procedure, don't guess...ask your supervisor;
- Know the locations, contents and use of first aid and firefighting equipment;
- Do not extend cords across doorways, aisles or other walkways;
- Use of headphone equipment on the production floor is strictly prohibited;
- Follow all required lock out/tag out procedures;
- Earbuds and musical equipment are prohibited;
- Be familiar with all Safety Data Sheets (SDS) related to your job;
- Use of any musical equipment at unacceptable volumes level is prohibited. (Solely determined by management);
- Follow all Company safety policies, procedures and manuals.

A violation of a safety precaution is in itself an unsafe act. A violation may lead to disciplinary action, up to and including termination.

Fire Safety

Fire Extinguishers

Fire extinguishers are located at specified places throughout the premises. All employees should be familiar with the location and use of these fire extinguishers. New employees will be shown the location of fire extinguishers for their department and how they are operated. Fire extinguishers are charged with the proper chemicals for the type of fire which could occur in the immediate vicinity of that fire station. The Company prohibits the use of fire extinguishers for any purpose other than that for which they are intended.

Fire Control Information

Anyone seeking information (Fire Marshall, Insurance Inspector, and OSHA Inspector) concerning fire safety, prevention, or fire suppression capabilities, should be directed to the Safety & Environmental department.

Firefighting Steps

The following steps should be followed in case of a fire on or adjacent to the Company's facilities:

1. Notify the local Fire Department -- DIAL 911;
2. Evacuate all nonessential personnel;
3. Extinguish with fire extinguisher from the nearest fire control station, if possible.

NEVER PUT WATER ON ANY FIRE UNLESS DIRECTED TO DO SO BY QUALIFIED EMERGENCY PERSONNEL.

Attendance

Being Present and On Time

The successful operation of Sanderson Pipe Corporation depends largely upon the attendance of each of its employees. Employees are expected to be present and on time. Those employees who do not conscientiously accept this responsibility affect not only facility operations, but the way in which fellow employees are able to do their jobs.

Absenteeism is defined as not being at work on any scheduled work day, whether or not an employee has reported off. Absences are further classified as follows:

- A. Excused – Excused absences are to be approved by your supervisor prior to the absence, other than in emergency situations.
- B. Unexcused – Unexcused absences are: (1) those non-emergencies that have not been timely requested, or (2) absences which are not approved.
- C. Unexcused Tardiness is defined as: (1) not being at work on any scheduled work day at the employee's prescribed start time, without prior authorization or (2) leaving work on any scheduled work day prior to the employee's prescribed stop time, without prior authorization.

Properly Requesting Time Off or Notifying Unexpected Absence or Tardiness

Employees requesting time off for PTO or Vacation should submit their requests as early as possible and as described below in this Company's PTO and Vacation Policies.

For all other absences or tardiness, employees must notify their supervisor as early as possible, but at no time later than 30 minutes before the scheduled start time. Each employee is expected to report the reason for their absence himself/herself. Third party notifications are unacceptable except in an emergency situation.

Point System Progressive Discipline

Accurate records of tardiness or absenteeism will be maintained from the reports generated by the timecard system for hourly-paid employees, or from information supplied by Department Heads for salaried employees. Tardiness of hourly paid employees is recorded by the time clock on a one-minute basis, and 1 point is assigned for every hour or fraction of an hour missed.

Records under this policy will be maintained for a rolling twelve (12) month period, starting with the employee's first occurrence of unexcused absence or tardiness.

When an employee incurs twenty-four (24) points within a rolling twelve (12) month period, a verbal warning notice will be given.

When an employee incurs thirty-six (36) points within a rolling twelve (12) month period, a written warning will be given.

When an employee incurs sixty (60) points within a rolling twelve (12) month period, a second written warning will be given.

Eighty-four (84) or more points within a rolling twelve (12) month period may result in a further disciplinary action up to and including termination.

Paid Leaves of Absences

Jury Duty - Court Summons

A copy of the court summons commanding your presence and a document from the court attesting to your presence as a witness or juror (not as a plaintiff or defendant) in a civil or criminal case must be provided to the Human Resources department.

Voting

Employees who wish to vote must inform the Human Resources department and be coordinated with your supervisor so that arrangements can be made to properly cover any absences. Hours paid while voting will not apply toward overtime.

Funeral Leave for Immediate Family Members

Employees are permitted to take funeral leave on the day of funeral, the day immediately before and after the day of funeral, and for reasonable travel time. Verification of the funeral should be presented to the Human Resources department upon the employee's return to work. Immediate family members are considered:

- A. Parents or grandparents by blood, adoption or marriage;
- B. Brothers or sisters by blood, adoption or marriage;
- C. Mother and Father in-laws, Brother and Sister in-laws;
- D. Current spouse;
- E. Children or grandchildren by blood, adoption or marriage.

The Company will compensate employees for up to three (3) days of straight time pay for bereavement in the case of the death of a child, spouse, parents, or in-laws.

Personal Time Off

Each employee will receive (3) personal time off (PTO) days **upon** hire or January 1st of each year. PTO's must be pre-approved by the immediate supervisor prior to the occurrence. Employee's cannot accumulate or roll over any PTO days into the next calendar year.

Vacation

Each employee shall have paid vacation leave added to his/her PTO account:

1. 80 hours of PTO on the first, second, third, and fourth anniversary date of employment.
2. 120 hours of PTO on the fifth through ninth anniversary date of employment.
3. 160 hours of PTO on each subsequent anniversary date of employment.
 - a. Vacation must be used in either 8- or 12-hour increments.
 - b. A maximum of three weeks may be taken at a time.
 - c. Vacation must be submitted for approval at least 1 week prior to the time requested.

Employees may request distribution of amounts in their Vacation account for whatever reason they deem appropriate, subject to the following:

- A. Said request must be in writing presented to the Human Resources department, except in the case of a voluntary or involuntary termination of the employee, where written notice is not required;
 - If the employee's written request is received by 8:00 a.m. on Friday of any calendar week disbursement of requested amounts will begin with payroll the following week.
- B. Use of time shall be used in 8- or 12-hour increments; depending on individual employee's schedules however, 4-hour increments can be used for personnel working 7:00 a.m. - 3:00 p.m., or 8:00 a.m. - 4:00 p.m. Use of time may be subject to guidelines enumerated in other sections of the Employee Manual.

An employee may allow his/her Vacation PTO to accumulate hours to be used at some future date, except that Vacation PTO may not accumulate a balance of more than 320 hours at the end of any calendar month. The value of any hours in excess of 320 hours shall be disbursed to the employee by selling 40 hours per week until balance is at 320.

Employees shall not accrue personal leave time while they are on "worker's compensation leave" or "FMLA leave", or other non-paid leave of absence extending for a period longer than two (2) weeks within one year.

Variations from the above-described policy and procedures may only be made with permission of the Human Resources department.

Sickness or Illness

If you are unable to work due to sickness, or if a member of your immediate household is ill and you are the only person able to be the caregiver, such absence is excused. For absences greater than one (1) day, a doctor's excuse is required to be provided to the Human Resources department stating that the patient is excused from work. To be paid for absences due to illness, you must designate the days off as PTO or vacations and have available PTO or vacation days.

Approved Unpaid Leave

This shall only be deemed an excused absence if the personal leave is requested in an appropriate manner. In no case shall shift supervisors have authority to approve Personal Leave. Personal Leave must be taken in 8 hour or 12-hour increments.

- A. A request for up to 24 hours of Approved Personal Leave, except in the case of an emergency, shall be made to the Human Resources department no less than one (1) week in advance of the desired time off. Whether something is an emergency shall be evaluated case by case.
- B. A request for more than 24 hours, but less than two (2) weeks, of Approved Personal Leave shall be made to the Human Resources department no less than two (2) weeks in advance of the desired time off.
- C. A request for more than two (2) weeks of Approved Personal Leave shall be made to the Human Resources department no less than four (4) weeks in advance of the desired time off.

Military Leave

A military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Such employees should provide the Human Resources department with notice of the need for military leave as far in advance as possible and provide a copy of the applicable orders.

Employees on military leave may, at their option, use any or all unused paid vacation or PTO during their absence. All regular employees are eligible for re-employment after completing military service, under certain conditions. Please see the Human Resources department for more information.

If scheduled work is missed for National Guard or Reserves summer camp, or for the first two (2) weeks if called to active duty, the Company will pay to the employee his/her regular hourly wage or salaried amount less any military compensation or allotments, provided the Company is notified at least two (2) weeks in advance of the impending absence, or within 48 hours of the employee being notified, whichever is later. Military duty will not count against vacation time, unless the employee so elects.

Work Schedules

The Sanderson Pipe Corporation work week begins Sunday. Specific hours for each job are established by the location and may be flexible to accommodate the needs of the Company. Employees will be advised of their assigned standard work week at the time of their hire, and of revisions of their standard work week as a result of their promotion or transfer.

12-HOUR SHIFT - Employees working 12-hour shifts will be assigned to one of the two-day shifts or one of the two-night shifts. Employees working one of the day shifts or one of the night shifts will work Monday, Tuesday, Friday, and Saturday of Week One, and Sunday, Wednesday, and Thursday of Week Two. Employees working the other day shift or other night shift will work the opposite days. The cycle will repeat every two weeks. Accordingly, each person working on a 12-hour shift will work 7 out of each 14 days.

8-HOUR SHIFT - Employees working 8-hour shifts will normally work Monday through Friday from 7:00 a.m. to 3:00 p.m., including a half hour for lunch.

All other employees will normally work Monday through Friday from 7:00 a.m. to 4:00 p.m. with one hour for lunch.

Overtime

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

Overtime compensation is paid to hourly employees at the rate of 1½ times the employee's regular hourly rate of pay for any hours worked over 40 hours in accordance with applicable law and is based on actual hours of work. Time off on personal leave or any leave of absence will not be considered hours worked for purposes of performing overtime calculations.

Failure to work scheduled overtime or overtime worked without prior authorization from the supervisor may result in disciplinary action up to and including discharge.

Shift Differential

The Company will compensate all employees who are assigned to work "second shift" an additional amount of shift differential pay to be determined at the Company's discretion. Shift differential pay is subject to overtime pay.

Employees who are not assigned to a second shift, who fill in on second shift, shall be entitled to shift differential work for the time they work on any second shift if they work a minimum of 8 hours on each second shift that they agree to work. Employees who are assigned to a second shift who fill in during the day shall not earn shift differential pay for the daytime work. The 2 hours of minimum guaranteed hours given to maintenance staff called in during their off hours will not count toward the 8-hour minimum as described above.

On-Call Requirement

Second to the welfare of our employees, the efficient and continuous running of our equipment is of paramount importance. Accordingly, when equipment fails during other than normal business hours, it may be necessary for the Maintenance department, Tool & Die, or other personnel, to come in to correct the problem. In consideration for personnel being “on-call”, in addition to being paid for the actual hours worked by the employee during the call-in, the Company may pay the responding employee 2 hours of call in pay provided they worked a minimum of 1 hour. The specific arrangement may change from time to time as management believes is appropriate under the circumstances.

Time Clock

All non-exempt employees must accurately record all work time each day. In the event you fail to “clock in” or “clock out”, report it as soon as you discover it to your supervisor. Timecard error may result in an employee’s wages being delayed. Habitual offenses with clocking in and out will lead to disciplinary action.

Occasionally, inadvertent mistakes can happen. If you identify any errors, report them immediately to your supervisor. When mistakes do happen and are called to our attention, the Company will promptly make any corrections necessary.

Non-exempt employees are not permitted to work any hours that are not authorized by your supervisor. Do not start work more than seven (7) minutes prior to your scheduled starting time, nor stay more than seven (7) minutes after your scheduled stop time unless your supervisor has given expressed authorization prior to the event. Also, do not work during a meal break or perform any other extra or overtime work unless you are authorized to do so and the time is recorded on your timecard. Employees are prohibited from performing any “off-the-clock” work. “Off the clock” means work you perform but fail to report on your timecard. Employees should not clock in until they are ready to work. Also, altering, falsifying, tampering with time records, or recording time on another employee’s time record is prohibited and may result in disciplinary action, up to and including dismissal.

Each exempt employee is responsible to ensure that each paycheck is accurate as well. The Company does not allow deductions that violate wage and hour law and will not intentionally make improper deductions from the salaries of exempt employees. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, you will be promptly reimbursed for any improper deduction made.

Payday/Direct Deposit

Earning statements are issued each week on the official payday of Thursday to all employees for the previous work week. In the event that a regularly scheduled payday falls on a holiday, employees will receive pay on the last day of work before the regularly

scheduled payday. The employee may authorize the Company to give his/her earning statement for any or all pay periods to another person, and release the Company from all liability in doing so. Such authorization must be in writing.

The Company requires all employees to enroll in the direct deposit process, as this will allow each employee's check to be automatically deposited in their bank, a pay card will be provided in the event of an employee not having access to a bank account. The pay period runs Sunday through Saturday. Direct deposits may occur earlier than the official payday of Thursday, however the actual payday is Thursday of each week.

Domestic Violence Leave

An employee who is the victim of domestic violence requires leave for specific reasons related to the domestic violence, may take up to three (3) working days of leave within a 12-month period. Such reasons include to:

- Seek an injunction for protection;
- Obtain medical care or mental health counseling for the employee or a family or household member;
- Obtain services from a victim-services organization;
- Make the employee's home secure or seek new housing;
- Seek legal assistance to address issues and to attend and prepare for court-related proceedings arising from domestic violence.

Except in cases of imminent danger, the employee is required to provide advance notice to his/her supervisor or Human Resources department and may be required to provide the Human Resources department sufficient documentation of the domestic violence. The employee is required to use any available but unused PTO or vacation days; otherwise, the leave will be unpaid.

Sanderson Pipe Corporation will keep all information relating to the leave confidential. Under no circumstances will any disciplinary action be taken against the employee related to the use of the domestic violence leave.

Family and Medical Leave

FMLA leave permits eligible employees to take up to 12 weeks of family or medical leave in any 12-month period. This leave may be extended beyond the 12-month period if approved by the Human Resources department.

Eligibility

To be eligible for FMLA leave, you must be a regular full-time employee with at least 12 months service and have worked at least 1,250 hours during the 12-months immediately preceding the date on which the leave would commence. Eligible employees may request FMLA leave for the following reasons:

- The birth of your child and in order to care for that child;
- The placement of a child with you for adoption or foster care;
- The care for your spouse, child, or parent who has a serious health condition; or
- A serious health condition that renders you incapable of performing the essential functions of your job.

Requests for and Approval of Leave

A medical leave of absence will be granted to an employee upon request supported by a medical certification indicating that the employee has a serious health condition. If your need for FMLA leave is foreseeable, you must give the Company at least 30 days' prior written notice. If this is not possible, you must at least give notice as soon as practicable (within one to two business days of learning of your need for leave). Failure to provide such notice may be grounds for delaying FMLA-protected leave, depending on the particular facts and circumstances. Contact the Human Resources department when wanting to take FMLA leave or regarding questions concerning the FMLA leave process.

Additionally, if you are planning a medical treatment or a series of treatments, you must consult with the Company first regarding the dates of such treatment to work out a schedule that best suits the needs of both you and the Company.

Also, the Company may request that an employee take a medical leave of absence when the employee becomes medically unable to perform his/her job or if the employee's medical condition could affect the work, safety, or health of any employee or the property of the Company.

Certification of Need for Leave

As a part of requesting FMLA leave, Human Resources will provide you with a "Medical Certification" form for your healthcare provider to complete and when it is due (usually at least 15 days after you request leave). Failure to provide complete and sufficient medical certification in a timely manner may result in denial of FMLA leave until it is provided.

The Company, at its expense, may require an examination by a second healthcare provider designated by the Company. If the second healthcare provider's opinion conflicts with the original medical certification, the Company, at its expense, may require a third, mutually agreeable, healthcare provider to conduct an examination and provide a final and binding opinion.

Recertification

In the case of your own serious health condition or of your family member's, the Company may require medical recertification under the following circumstances as applicable to the type of leave: (1) every thirty (30) days, (2) upon expiration of the minimum duration of the condition set forth in a previous certification, (3) when the employee requests an extension of leave, (4) when circumstances described in the original medical certification have changed significantly (such as the duration or nature of the illness or complications) or, (5) if the Company receives information that casts doubt on the continuing validity of the medical certification. The Company may provide your healthcare provider with

information about your attendance and ask the provider to evaluate whether your attendance pattern is consistent with the need to be absent for the condition in question.

Reporting While on Leave

If you take leave because of your own serious health condition or to care for a covered relation, **you must contact your Human Resources department directly at least once every two (2) weeks** regarding the status of the condition and your intention to return to work. In addition, you must give notice as soon as practicable (within two business days if feasible) if the dates of leave change or were initially unknown.

Calculating Leave Entitlement

The Company calculates the 12 weeks of unpaid leave using a “rolling” method that is measured backward from the date you use FMLA leave.

Leave is Unpaid – PTO Substitution Required

FMLA leave is unpaid. You will be required to substitute any unused vacation/PTO days for unpaid FMLA leave.

FMLA Counted During Disability Leave

To the extent a paid leave of absence under workers compensation or under the Company's disability plan (or other similar Company provided leave), the Company may count the leave of absence against the employee's leave entitlement under this policy. However, in such a situation, the requirement to substitute unused PTO or vacation days leave is not applicable.

Both Spouses Employed by Sanderson Pipe Corporation

A husband and wife who are both employed by the Company may be entitled to combined total of 12 weeks of leave during any 12-month period if the leave is taken for the birth of the employees' child, for the placement of a child with the employees through adoption or foster care, or to care for a parent with a serious health condition.

No Moonlighting During FMLA Leave

Without Company permission, an employee may not work for any other Company during his/her leave of absence from the Company.

Benefits While on Leave

An employee is not paid during any period of absence covered by this policy (except to the extent unused PTO or vacation pay is substituted for unpaid FMLA leave). Unless you choose not to do so, when on FMLA leave, you shall continue to be covered for up to 12 weeks under the Company's group healthcare plan and will have all rights of election under such plans as the same level and under the same conditions as provided prior to the employee's taking leave. If an employee on leave under this policy chooses not to continue group health coverage during the leave, then upon return from leave, the employee will be reinstated to group health coverage on the same terms as prior to having taken the leave. This shall include family and dependent coverage without any qualifying

period, physical examination, exclusions of pre-existing conditions, or other similar limitations.

If an employee on leave fails to return to work after the leave expires, the Company may recover all healthcare premiums paid in order to continue group health plan coverage for that employee.

To the extent the Company's group healthcare plan requires participants to pay some portion of their health insurance premiums, an employee on leave under this policy who chooses to continue his/her coverage under the Company's group health plan must continue to pay the employee share of premiums for such coverage that he/she would be required to pay if he/she were not on leave and on the same due dates that would be applicable if he/she were not on leave.

1. If leave taken under this policy is substituted paid leave, the employee's share of premiums will be paid using the same method as is applicable to employees who are not on paid leave.
2. If leave taken under this policy is unpaid, an employee on leave must make premium payments each month while on leave. If payment of the employee's share of premiums is not received within 30 days of the due date, the Company reserves the right to cancel the employee's health insurance coverage.

Reinstatement to Work

An employee returning from FMLA leave that does not exceed 12 weeks is entitled to reinstatement to his/her former position, if available, or to a comparable available position for which the employee is qualified. If the employee's former position is not available, the employee will be reinstated to a position with equivalent employment benefits, pay, and other terms and conditions of employment. Refusal of an offer of reinstatement will be treated as a voluntary resignation.

Fitness for Duty Certification

If you take leave because of your own serious health condition (except if you are taking intermittent leave), you are required, as are all employees returning from other types of medical leave, to provide a fitness for duty certification that you are able to resume work and can perform the essential functions of your job. Otherwise, you will not be permitted to resume work until it is provided. Ensure that you provide your healthcare provider with a copy of your job description, a copy which may be obtained from your supervisor.

Key Employee Exception

A salaried employee whose compensation is in the top 10 percent of all employees located within a 75-mile radius of the employee's work site is not entitled to reinstatement if:

- A. The denial of reinstatement is necessary to prevent substantial and grievous economic injury to the Company.

- B. The Company notifies the employee of its intent to deny reinstatement on such basis.
- C. The employee, after the leave has commenced, elects not to return to employment after receiving such notice.

Qualified Exigency FMLA Leave

Eligible employees may also take Qualified Exigency FMLA Leave when the covered military member is on covered active duty or called to covered active duty.

An employee whose spouse, son, daughter or parent either has been notified of an impending call or order to covered active military duty or who is already on covered active duty may take up to 12 weeks of leave for reasons related to or affected by the family member's call-up or service. The qualifying exigency must be one of the following:

- A. Short-notice deployment;
- B. Military events and activities;
- C. Child care and school activities;
- D. Financial and legal arrangements;
- E. Counseling;
- F. Rest and recuperation;
- G. Post-deployment activities; or
- H. Additional activities that arise out of active duty, provided that the employer and employee agree, including agreement on timing and duration of the leave.

Injured Service Member Caregiver FMLA Leave

Eligible employees are entitled to up to 26 weeks of leave in a single 12-month period to care for a spouse, son, daughter, or parent who is a current member of the Armed Forces, and who has a serious injury or illness incurred in the line of duty on active duty for which he or she is undergoing medical treatment, recuperation, or therapy; or otherwise in outpatient status. The 26-week maximum, however, includes all forms of FMLA leave which an employee may take.

Early Return to Work Program

Sanderson Pipe Corporation has an early return to work program designed to assist employees who have become temporarily disabled due to a work-related injury or illness. Under the program, the Company has established a limited number of part-time and/or light-duty tasks ("modified work") that temporarily disabled employees may perform. The number of employees which can be accommodated under the modified work program and the nature of such work is subject to the needs of the Company and may change without notice. Employees are required to provide a physician's release to return to work, even modified work. When application is made by an employee for modified work, the Human Resources department, Safety department and the employee's supervisor will work closely with the employee in an attempt to design "modified work" [1] that fills a need of the Company, [2] that the employee is capable of performing, and [3] is within the physical limitations of the employee as directed by the employee's physician.

All modified work is temporary, is offered at the discretion of the Company, and may be offered in any department. Modified work will only be offered between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday. No person on a modified work schedule will be allowed to work overtime.

If an employee is offered a modified work position that has been cleared by the employee's physician, failure to report at the designated time and place may affect the employee's benefits, such as loss of compensation and/or worker's compensation benefits. Failure to report may also subject the employee to disciplinary action, up to and including termination.

Contact the Human Resources department to request a modified work schedule.

Performance Management

Performance management is intended to be an ongoing process of communication between the supervisor and the employee focused on helping the employee achieve his/her best performance while accomplishing the goals and strategic objectives of the organization.

At Sanderson Pipe Corporation, performance management is a shared commitment to high performance that balances autonomy and accountability at the individual and organization levels while encouraging continuous learning. The Sanderson Pipe Corporation performance management system ensures that:

- The work performed by employees accomplishes the work of the organization;
- Employees have a clear understanding of the quality and quantity of work expected from them;
- Employees receive ongoing information about how effectively they are performing relative to expectations;
- Awards and salary increase based on employee performance are distributed accordingly;
- Opportunities for employee development are identified; and
- Employee performance that does not meet expectations is addressed.

This continuing year-long performance process includes:

- Communicating employee performance expectations.
- Conducting annual performance appraisals, which will include supervisors meeting with their employees, establishing expectations regarding their employees' performance, specifying how employees' actual performance will be measured and their success determined, and communicating to them an understanding of how meeting these expectations will contribute to the achievement of the Company's strategic objective. The appraisals will also evaluate employees' performance during the past year compared to their performance expectations using verifiable information collected and documented throughout the year to

determine the extent to which actual performance has met the expectations. Prior to discussing a completed performance appraisal with an employee, the supervisor will review the appraisal with the next-level manager to ensure that ratings are appropriate and consistent.

- Maintaining ongoing performance dialogue.
- Documenting progress toward meeting expectations throughout the year.
- Supporting employee efforts to meet or exceed their performance expectations.

Addressing Poor Performance

When an employee's performance falls below expectations at any time during the year, the supervisor will document the performance deficiency and take actions, including, if appropriate, disciplinary action, to assure that performance expectations will be met within a reasonable period of time. If performance deficiencies persist, an employee may be presented with a Performance Improvement Plan ("PIP"). A PIP will:

- Document the performance that falls short of expectations by preparing a Performance Improvement Plan or other documentation and specifying:
 - The performance problem.
 - The steps to be taken to improve performance including the timeframe for improvement and the consequences of failure to improve.
- Be considered successfully completed only when the employee's actual performance had improved to the point where expectations are being met.

Employee Development

Employees may express interest in growing in their current positions or in furthering their career at Sanderson Pipe Corporation. Supervisors will work with these employees to identify strengths and weaknesses and, if appropriate, help prepare individual development plans so that employees can more fully apply strengths in current positions, build up areas of weakness, enhance performance in current positions, or develop the skills and experience needed for possible future assignments.

Benefit Programs

The following is a brief descriptive summary of the Company's benefit programs. The actual benefits provided under the Group Benefits Program are more fully described in benefit plan documents, which are available to you from the Human Resources department. In all cases, the Plan documents shall be controlling regarding any terms or conditions of an employee's benefit.

Benefit Eligibility

Benefits begin for all employees effective after a 60-day waiting period, then the first day of the following month, with the exception of holiday pay, which is effective after their 30th day of employment.

Temporary employees who are hired by the Company will be eligible for holiday and Group Benefits in accordance with the other provisions of this employee handbook. Credit will be given for 60 days worked after 90-day completion for temporary employees subsequently hired.

Group Benefits

You may elect coverage for yourself, or for you and your legal dependents. If you elect coverage, your premium will be deducted from your weekly paycheck. Your contribution provides you the following: The Company offers medical, life, dental, vision and disability coverage for its employees, a portion of the cost of which is paid for by employees through payroll deductions. See your insurance benefits package for more information.

Holidays

Paid holidays are as follows:

1. New Year's Day
2. Memorial Day
3. Fourth of July
4. Labor Day
5. Thanksgiving
6. Christmas Day

Hourly paid employees will receive 8.0 hours of straight time pay for the holidays listed, provided that they meet the following qualifications:

- A. They must be employed by the Company at least 30 days prior to the holiday.
- B. If their normal work schedule would require that the person work on the holiday, he/she must actually work on that day.
- C. If their normal work schedule would not require that the person work on the holiday, he/she must actually work their regularly scheduled workdays immediately prior to and after the holiday.

The 8.0 hours is not considered hours worked in the computation of overtime. Properly excused absences will not count against an employee so long as he/she works their regularly scheduled workday immediately before or after the excused absence (see the Company's Absenteeism Policy), as the case may be. "Working that day" and "working the workdays" means working the employee's entire scheduled shift, whether that be an 8, 12, or other agreed upon shift duration.

Sanderson Pipe 401K Tax Deferred Savings Plan

The Company provides a 401(k) tax-deferred savings plan which was designed to assist you in your efforts to provide for your future financial security. Saving for the future is never easy, especially when there are so many current demands on your earnings. Saving can be made easier; however, through the payroll deduction, the Company-matching contribution, and by the deferral features, which allow you to save money on present taxes.

After you complete 60 days of continuous service with the Company, you are eligible to participate in the 401(k) Tax Deferred Savings Plan. When you become eligible, you will receive material which contains a detailed description of the Plan and the investment

options. Enrollment for the 401(k) program can take place at any time provided eligibility requirements are met.

Employee Assistance Program

The Company regards its employees as its most important asset. Accordingly, the Company utilizes the services of Employee Assistance Programs (EAP), which provides assessment, counseling, and referral services for employees with drug- and alcohol-related problems or other personal problems. This service should be assessed directly and is available 24 hours a day, 365 days a year. Anonymity and confidentiality are assured. The EAP telephone number is posted on Employee bulletin boards at each location.

An employee is not subject to discipline solely as a result of a self-referral to an EAP for treatment. However, use of an EAP or other community resources will not shield the employee from disciplinary action for a violation of the Company's substance abuse policy if such violation comes to the Company's attention through other means, such as direct observation, job performance, drug testing, etc.

Participation in any EAP or other evaluation, treatment, or counseling program will be at the employee's expense unless the employee is entitled to such benefits under the terms of the Company's group health plan or by other available benefits. Time lost from work for such a program shall be without pay unless the employee is otherwise entitled to pay pursuant to Company policy.

Contact the Human Resources department for information on EAP programs.

Workplace Accidents/Injuries

It is essential that you report any work-related accident or injury to your supervisor immediately, no matter how minor the accident or injury may appear. Failure to do so may result in the denial of your claim by the insurance company and disciplinary action. To receive insurance payments under workers' compensation, you must use the medical care specified by the insurance company and Sanderson Pipe Corporation.

Special Incentive Programs

From time to time, the Company may institute special incentive programs. As of the effective date of this edition of the Employee Handbook, the Company has instituted the following programs:

1. New employee referral bonus and employee retention bonus
2. Perfect attendance bonus
3. Reward for information leading to the arrest and conviction of any person stealing anything on Company property
4. Company T-shirts and hats purchase
5. Safety boot discounts
6. Service awards

- 7. Birthday recognition
- 8. Tuition reimbursement

The Company reserves the right to add, delete, or modify any and all such programs at its sole discretion.

Separation from Employment

Termination Process

Since employment with this Company is based on mutual consent, both the employee and the employer have the right to terminate employment at will, with or without cause, at any time. Termination is an inevitable part of employment activity within any organization, and many of the reasons for termination are routine.

It is Company policy that the Human Resources department and the Department Head have the authority to terminate an employee on behalf of the Company. Other members of Management have the authority to recommend termination and to send an employee home pending review by the Human Resources department.

Employee benefits will be affected by employment termination. All vested benefits that are due and payable at termination will be paid. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance (COBRA). In the event of dismissal for misconduct, all benefits end at the end of the month. COBRA may not be available to anyone dismissed from Sanderson Pipe for gross misconduct.

Final Paycheck

All amounts due employees will be paid following normal Company procedures, provided that all items the employee is responsible for have been returned to the Company. In the event an employee leaves the Company without clearing all outstanding balances with Sanderson Pipe Corporation, the Company reserves the right to make appropriate deductions from the employee's final paycheck and further pursue collections as allowed by law. As a condition of employment or continued employment, employees must sign an authorization to withhold wages form.

Notice of Resignation Required

In the event that an employee wishes to voluntarily terminate his employment, he/she should present a written resignation to Human Resources department at least two (2) weeks in advance of the date of termination. Your final paycheck will not include any pay in lieu of available but unused PTO or vacation days if proper notice of resignation was not provided or if your employment termination resulted from misconduct or a violation of a policy in this Handbook.

If you have any questions regarding this policy, contact the Human Resources department in advance to discuss the proper procedures.

Layoff, Resignation, Discharge and Rehire

Layoff and Recall

If the Company must reduce employment because of adverse economic or other conditions, layoffs and recall from layoffs will be determined solely by the Company, but based on the following criteria:

- Promotion potential and transferability of skills to other positions within the unit.
- Demonstrated current and past performance.
- The needs of the Company and specific projects.
- Length of service with the Company

An employee's length of service is measured from the original date of employment with the Company, as long as there has not been a break in service greater than one year, in which case the employee shall receive credit for service only from their most recent date of hire with the Company.

While on the recall list, employees should keep a current home address on record with the Company and report to the Company if they become unavailable for recall. If the layoff is expected to exceed 30 days, you will receive pay for available but unused PTO and vacation days.

Cobra Notice

Employees who leave Sanderson Pipe Corporation shall receive notification of their rights to continue coverage under the Company's group health insurance policy. In order to timely receive this notice, former employees should notify Human Resources of any changes to your mailing address. A more complete discussion regarding COBRA and your right to healthcare continuation will be provided to you during your exit interview.

Arbitration Agreement

All employees are required to sign an Arbitration Agreement. In general, this Arbitration Agreement provides a mechanism for resolving employment disputes that cannot be resolved informally. The Arbitration Agreement is separate and distinct from the policies outlined in this Handbook. Please refer to the terms and conditions of that agreement for details. Contact the Human Resources department if you have any questions concerning your Arbitration Agreement.

Authorization to Withhold Wages From Final Paycheck

In the event any employment shall terminate, either voluntarily or involuntarily, I, _____, hereby authorize Sanderson Pipe Corporation to withhold from my final paycheck any amount I may owe the Company, including for any lost, damages or unreturned Company property, except to the extent prohibited by federal or state minimum wage law.

Applicant/Employee Signature

Date

Printed Name

EMPLOYEE ACKNOWLEDGEMENT

This Employee Handbook is an important document intended to help me become acquainted with employment at Sanderson Pipe Corporation and the Company's expectations from me as an employee. I agree and understand that the Handbook is intended to provide guidelines and general descriptions only; it is not the final word in all cases. Individual circumstances may call for individual attention and that individual specific written Company policies may control over any language or provision of this Handbook. I also acknowledge that the contents of this Handbook may be changed by the Company at any time, with or without notice.

I understand that my employment or continued employment with the Company is contingent upon any completion of this acknowledgment and returning it to the Human Resources department either prior to my first Workday, or other the date specified.

I acknowledge that I have received, read and understand the provisions and procedures in this Handbook, including the Handbook's policies against workplace violence, unlawful harassment of any kind and drug and alcohol abuse and testing, and agree to conform to and abide by the same. I understand and agree that I have the responsibility and obligation to keep myself informed of changes to this Handbook. I further understand that my failure to comply with this Handbook may result in disciplinary action up to and including discharge.

I further acknowledge that this Handbook constitutes neither an expressed nor an implied contract of employment and may be amended or modified by authorized management personnel at any time, with or without prior notice. I also understand that my employment is entered into voluntarily and I am free to resign at any time. Also, the Company is free to terminate my employment at any time for any reason.

Employee's Full Name Printed

Job Position and Title

Employee's Social Security Number

Employee's Signature

Date

**THIS PAGE IS TO BE TURNED IN TO HUMAN RESOURCES DEPARTMENT AT THE
BEGINNING OF YOUR EMPLOYMENT OR OTHER SPECIFIED DATE**