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Chapter 1 - Welcome to Matheson

Overview

Introduction

We are pleased to welcome you to our growing family at Matheson Trucking, Inc. We are happy to have you as part of our team. You were hired because we believe you can contribute to the success of our business and share our commitment to achieving our goals.

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About Matheson

Introduction

Matheson Trucking, Inc. is a diversified national transportation carrier proudly serving the United States Postal Service since 1964. We offer specialized hauling, time sensitive material handling and transportation, less-than-truckload freight delivery, underwing airport operations, and terminal handling services.

Matheson is a privately-held, family owned and operated company with headquarters in Sacramento, California. We manage a fleet of over 2,700 tractors, trailers, and aircraft ground support equipment, as well as maintenance facilities across the Western United States.

Divisions

Matheson Trucking is the parent company of the following divisions:

Matheson Postal Services
Transports mail for the United States Postal Service providing local, intermediate, long-haul, and trans-continental services.

Matheson Mail Transportation
Transports mail for the United States Postal Service in Northern California.

Matheson Fast Freight
Offers overnight and second-day less-than-truckload freight delivery services to private industry customers in the Western and Midwestern United States.

Matheson Flight Extenders
Specializes in terminal handling and ground support services for the United States Postal Service and other commercial carriers across the nation.

Core Values

Our founders, Robert and his wife Carole Matheson, held strongly to three basic core values. These values have been maintained throughout the years by our leadership team and are found in the heart of our mission statement and guiding principles.

1. Give our customers the best service possible.
2. Take care of our people.
3. Be safe in all we do.

Continued on next page
About Matheson, Continued

Mission Statement
We at Matheson Trucking, aim to set the standard by which all highway contractor service providers are measured. We achieve this mark by providing the highest quality service possible to our customers, committing to a safe and healthy environment for all people, and an unwavering dedication to our guiding principles.

Guiding Principles
Our guiding principles focus on the importance of:

Customers
We achieve the highest possible levels of customer satisfaction with every service encounter. We accomplish and monitor this standard by developing and maintaining meaningful long-term relationships with each customer and incorporating their feedback into our company’s goals. Our integrity is unsurpassed.

Performance
We strive for excellence in all aspects of performance. In the spirit of continuous improvement, each of us brings forth our finest efforts in our tasks and endeavors, while looking for better and more efficient ways of performance.

Employees
We invite all people to join us. We treat employees with the dignity and respect we wish for ourselves. We train, empower, and expect our employees to participate in the decision making process, thus allowing them to contribute to our customer satisfaction, work environment, and overall success.

Guidance
We provide clear and consistent guidance and direction at all levels. Our guidance focuses on providing safe, standardized, and professional service to our customers and our people.
The culture of an organization is the embodiment of its values and philosophy. It is reflected in what we do and how we do it each day. We at Matheson agree to work aggressively to re-define our culture. At every opportunity available, we will strive to:

- Be respectful and trusting of each other to do the right thing. This includes being responsive and supportive of each team member, being passionate about teamwork, and recognizing the need for balance in our work and personal life.

- Expect, encourage, and recognize high levels of performance from everyone. We will define clear and realistic goals/tasks and will work responsibly to achieve them. Being achievement-oriented, we hold ourselves and each other accountable to drive high performance results.

- Be committed to our customers and to providing superior service. We understand that we have the authority to do what is necessary to meet the needs of our customers.

- Cultivate an environment of open and honest communications. We understand that listening is a form of communications and we will listen to others opinions and respect them. We will work at providing relevant and frequent information related to the Company’s performance, direction, and status.

- Be a great place to work! A place where people feel valued. A place where you are proud to come each day.

We all have a role in ensuring that we conduct ourselves in accordance with our culture. Culture change can be like turning a ship – it takes effort and time. The ship is turning and the time is now.
About the Handbook

Entity
These policies apply to all regular full-time employees, regular part-time Service Contract Act (SCA) employees, regular part-time non-Service Contract Act (SCA) employees, and temporary employees.

Disclaimer
This handbook is intended to outline the current policies, procedures, and benefits at Matheson. It is important for you to take the time to read the entire handbook so you have a complete understanding of what is expected. While we cannot anticipate every situation or answer every question about your employment in this handbook, we can provide you with some general guidelines. Understand these guidelines are not intended to create or imply a contractual relationship.

Chain of Command
The term "supervisor" refers to the person to whom you directly report. The term "management" refers to supervisors, managers, directors, general managers, vice presidents, and senior management.

Exceptions
Exceptions to policies, procedures, or benefits in this handbook should be discussed with management or the Director of Human Resources.

Changes to the Handbook
Business conditions, federal and state laws, and business needs are constantly changing. Matheson reserves the right to add, change, or delete employment policies, procedures, and benefits in this handbook at any time.

Any changes to the policies, procedures, or benefits contained in this handbook require written approval by the Chief Executive Officer of the Corporation.
# Employment at Will

## Introduction
Employment at Matheson is "at will". This means the relationship is at the mutual consent of the company and you.

## Your Rights
You have the right to resign from your position at any time, with or without notice, and with or without cause.

## Matheson's Rights
The company has similar rights to terminate the employment relationship at any time, with or without notice, and with or without cause.

## Expectations
While it is expected the working relationship is mutually satisfactory, neither you nor Matheson have entered into any express or implied contract of employment of any specified period of time.

## Notice of Resignation
If you choose to resign from your employment with Matheson, it would be appreciated if you could give as much advance notice as possible. You will be required to return all company owned property before leaving the premises on your final day of employment.

## Termination
Matheson may terminate employment at any time for any reason. Any personal property, plus your final paycheck including any earned vacation pay, if applicable, will be given to you in a timely manner as defined by state laws.

## Exceptions
Any modifications to this policy must be expressed in writing and signed by the Chief Executive Officer of the Corporation.
# Open Door and Open Line of Communication

## Introduction
It is our objective to provide a work environment free from elements which would deter you from doing your best work. During your employment at Matheson, there may be times when you disagree with a company decision, have a suggestion, or want to discuss safety, operational, or other work-related concerns.

## Open Door Policy
All concerns may be expressed through our open door policy. Management at Matheson maintains this open door policy to discuss any issues that are of concern to you. Feel free to express yourself about work related or personal matters. We welcome your input.

If you feel you have been a subject of discrimination or harassment, you are encouraged to express concern through this open door policy or by contacting the Human Resources Department directly.

In situations which involve operations or work specific topics, we prefer that you follow the appropriate chain of command and discuss them with your supervisor first since they are in the best position to address these issues. However, the Human Resources Department is always available to assist, counsel, or be a sounding board for your concerns.

## Open Line Forms
Matheson encourages you to submit comments, complaints, suggestions, solutions, or questions which may benefit the company or working conditions. All Open Line Forms received are kept absolutely confidential.
# Contact Human Resources

At any time, feel free to contact the Human Resources Department at our corporate office.

**Address**
Matheson Flight Extenders  
9785 Goethe Road  
Sacramento, CA 95827

**Phone Number**
(916) 685-2330  
(800) 455-7678

**Fax Number**
(916) 685-8875

**Email**
HRGroup@mathesoninc.com
Chapter 2 - Employment

Overview

Introduction

Matheson is committed to quality and unparalleled customer service in all aspects of our business. We achieve this through dedicated hard work and commitment from every employee. As part of our team, we hope you discover the pursuit of excellence is a rewarding aspect of your career here.

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### Affirmative Action and Equal Employment Opportunity

#### Introduction
Matheson is an equal opportunity employer. We are committed to providing equal opportunity in all of our employment practices including job postings, selection, hiring, compensation, benefits, promotion, transfer, demotion, reduction in force, and termination.

#### Equal Opportunity
This equal opportunity applies to all qualified applicants and employees without regard to age, race, religion, color, sex, marital status, pregnancy, sexual orientation, national origin, ancestry, citizenship status, military status, medical condition, disability, or any other protected status in accordance with the requirements of all federal, state, and local laws.

#### Employee Rights
Matheson takes appropriate action to ensure the rights of employees to file a complaint, furnish information, participate in an investigation, attend a public hearing, or other activity related to equal employment opportunity laws are respected.

#### Employment of Relatives
Matheson allows family members and relatives of employees to be considered for full-time or part-time employment, provided they are qualified for the position and no other conflict of interest exists. Hiring decisions will be the exclusive responsibility of the Human Resources Department and the General Manager.

Matheson discourages hiring relatives of employees who are employed at the same work site. We feel this could lead to perceptions of favoritism, opportunities for possible mishandling of funds, breach of confidentiality, difficulties in managing objectively, the need to take appropriate disciplinary actions, and inhibit promotional opportunities of one party or the other.

#### Employment of Minors
Matheson complies with federal and state laws concerning employment of minors. Before employing minors, proper approvals must be obtained by the Human Resources Department. Applicants less than 18 years of age will not be hired and applicants less than 21 years of age will not be hired as commercial drivers.

It is a federal requirement for commercial drivers who transport hazardous materials “in commerce” be at least 21 years of age. Minors may be considered for temporary, part-time, or summer employment within the limitations of state and federal laws. The Federal Fair Labor Standards Act prohibits the employment of minors under 18 in any occupation deemed to be hazardous.

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Continued on next page
### Employee Referrals

Matheson may pay an award to encourage employees to refer qualified applicants who are subsequently hired as regular full-time employees. This program is initiated periodically and notice is given regarding the positions needed and the amount of the referral reward.

### Questions

Questions or concerns regarding any aspect of this policy should be directed to the Human Resources Department.
## E-Verify

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<th>Federal law requires all employers to verify the identity and employment eligibility of all persons hired to work in the United States.</th>
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<td><strong>Form I-9</strong></td>
<td>Matheson will provide the Social Security Administration (SSA) and if necessary the Department of Homeland Security (DHS), with information from each new employee’s Form I-9 to confirm work authorization.</td>
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<td><strong>Work Authorization</strong></td>
<td>If the Government cannot confirm that you are authorized to work, Matheson is required to provide you written instructions and an opportunity to contact SSA and/or DHS before taking adverse action against you, including terminating your employment.</td>
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# Employee Classification

## Introduction

Employment classifications are defined so that you understand your status and benefits eligibility. These classifications do not guarantee employment for any specified period of time.

Management and the Human Resources Department are responsible for properly defining the job duties of employees. In addition, they must periodically review employee work schedules to ensure proper classification and enrollment in benefit plans.

## Non-Exempt Employees

Employees are classified as non-exempt if they are not exempt from various federal and state laws such as the Fair Labor Standards Act. These laws generally relate to overtime, minimum wages, and other terms and conditions of employment.

## Exempt Employees

Employees are classified as exempt if they are exempt from various federal and state laws such as the Fair Labor Standards Act. These laws generally relate to overtime, minimum wages, and other terms and conditions of employment. Exempt employees include outside salespersons, executive, administrative, and professional employees.

## Regular Full-Time Employees

Employees are classified as regular full-time if they work 35 or more hours per week on a continual basis and do not have a termination date. Regular full-time employees are eligible for employment benefits and coverage.

## Regular Part-Time Employees

Employees are classified as regular full-time if they work less than 35 hours per week on a continual basis and do not have a termination date. Regular part-time employees are eligible for certain employment benefits and coverage.

## SCA Employees

Employees are classified as SCA if they are covered by the Service Contract Act (SCA) and have their pay rate set by the Department of Labor’s Wage Determination (WD).

Continued on next page
Employee Classification, Continued

Temporary Employees

Employees are classified as temporary if they have been hired for a short-term duration, such as for unusual business volume, vacation replacements, or special projects. Employment may be extended by the mutual agreement of the company and the employee. If desired, Matheson can change employee status from temporary to regular. Temporary employees may be eligible for certain employment benefits and coverage.
## Salary Administration

### Introduction
It is in our best interest to attract and retain qualified people to fill positions at all levels. Therefore, it is Matheson's policy to maintain salary ranges consistent with the economic requirements of the company and to be competitive with those in the industry and community in which Matheson operates.

### Service Contract Act (SCA)
Positions covered by the Service Contract Act (SCA) have their pay rate set by the Department of Labor's Wage Determination (WD). The WD is adjusted every 2 years, or at the renewal of the USPS Contract.

The WD is made up of the hourly wage and the Health & Welfare (H&W) premium. The hourly wage is paid for every hour worked. The H&W premium is paid for every hour up to 40 hours per week.

### Salary Grades and Salary Ranges
Non-SCA positions are assigned salary grades and salary ranges. Salary grades are established to account for different levels of skill, responsibility, and knowledge. Salary ranges consist of a minimum, midpoint, and maximum element.

### Position Evaluations
Non-SCA positions are evaluated jointly by management and the Human Resources Department. Evaluations are based on relative comparative salaries in the community for similar work performed and the relative nature of the content of the positions.

### Performance Evaluations
Performance evaluations are based on past performance, productivity, achievement, dependability, attitude, adherence to policies, and disciplinary actions if any. Evaluations outline the competencies needed to perform job functions successfully. Contributions to the department and Matheson are also reviewed and documented. Performance reviews become a permanent part of the employee's personnel file.

### Annual Salary Increases
Salary increases for non-SCA employees are based upon annual performance evaluations. Management and the Human Resources Department determine if salary increases are applicable.
Position Requirements and Opportunities

Introduction
It is our desire to see each and every employee achieve their highest potential. We do our best to provide the opportunity and offer training, education, and guidance whenever possible. Employees who are newly hired, changed jobs, or been promoted are given job objectives which detail the requirements and expectations of the position.

Training and Certification
You are responsible for maintaining current qualifications, training, and certifications, if applicable for your primary job function. Documentation must be provided to the Human Resources Department supporting this compliance.

Drivers are required to maintain current documentation which qualifies them to drive under U.S. Department of Transportation regulations. Pursuant to those regulations, specifically 49 C.F.R. Part 391, Qualification of Drivers, drivers are required to have a physical examination at least every 24 months. These examinations are performed at a medical facility contracted and paid for by Matheson.

Inter-Company Transfers
If you wish to transfer from one Matheson operating company to another, this requires prior approval from both General Managers and the Director of Human Resources. Naturally, they will review your past performance, consider your skills and experience, and determine if there is a need.
# Work Schedule

## Introduction

Regular days and hours of work may vary, based upon the conditions agreed upon at the time of hire, the nature of the job, and the needs of the business. Matheson may change days and hours of work for employees, in order to meet the needs of our customers or for other business reasons.

## Non-Exempt Employees

For non-exempt employees, a normal workday may consist of a shift ranging from 3-8 hours per day. In some cases, you may be assigned a split shift.

## Exempt Employees

Exempt employees generally work the same hours, but may be required to work more hours as the work dictates.

## 10 Minute Break

In California, non-exempt employees scheduled to work more than 3½ consecutive hours in a day, shall receive a paid 10 minute break for every 4 hours of work in the day. Schedules vary between employees and departments based on their work schedule.

Other States may mandate paid breaks.

## Meal Break

In California, non-exempt employees scheduled to work more than 5 consecutive hours in a day, shall receive 30-60 minutes of unpaid time. Schedules vary between employees and departments based on their work schedule. Employees are expected to take meal breaks at authorized times and if desired, in authorized locations on company premises.

Employees expected to work a 6 hour day, may elect not to take a meal break. This election should be in writing or agreed in advance between employee and supervisor.

Other States may mandate meal breaks.
Overtime

Introduction
With variations in work load based on demand from our customers, it is Matheson’s responsibility to meet critical deadlines, sometimes with little notice. Employees may be asked by their supervisor to work overtime during these times.

Non-Exempt Employees
Non-exempt employees are paid overtime pay in accordance with all legal requirements.

Outside California and Alaska, hours of work performed by hourly employees over 40 hours in any 7 day period, qualify for payment at a rate of 1½ times the regular hourly pay.

In California and Alaska, hours of work performed in excess of 8 hours in a workday, qualify for the overtime rate.

Exempt Employees
Exempt employees are not covered by overtime laws and do not receive overtime pay.

Drivers
Drivers whose hours of service are regulated by the U.S. Department of Transportation Code of Federal Regulations, Title 49, Sections 395.1 to 395.13, Hours of Service of Drivers, are not covered by overtime laws and do not receive overtime pay.

Restrictions
Vacation, holidays, and any type of leave of absence do not count as hours worked for purposes of calculating overtime pay.
## Time Cards

### Introduction
Employees are responsible for accurately recording their hours worked. The company uses a swipe time clock for purposes of recording time worked. Swiping or entering time for a co-worker is strictly prohibited and may result in disciplinary action.

### Non-Exempt Employees
Non-exempt employees are required to use the company provided time clock to swipe into and out of work. If the time clock is not available, time cards or some other method of recording time worked will be provided.

### Exempt Employees
Exempt employees are not required to fill out time cards.

### Workweek
You are responsible for accurately recording your time worked. For each day worked, the following must be recorded:

- The time work started.
- The time a meal break started or the time any other unpaid time off during the workday started.
- The time a meal break ended or the time any other unpaid time off during the workday ended.
- The time work ended.

### Notification
Vacation and any type of leave of absence must be specifically noted on an Absence Request Form and turned in with the time card.
Pay Periods and Payroll

Introduction
Matheson pays its employees weekly. Regardless of shift schedule, the workweek begins on Sunday and ends on Sunday.

Paydays
Paydays are on Friday for hours worked in the preceding pay period. In the event a payday falls on a holiday, the payday reverts to the last workday prior to the holiday.

Matheson reserves the right to change a payday or pay period depending on the circumstances of a facility. No advances on wages or salaries are granted.

Deductions
As required by law, Matheson withholds federal taxes and state taxes from employee earnings, as well as social security (FICA) and Medicare.

Additional deductions for eligible employees and dependents may be withheld for Health Insurance, voluntary benefit plans, and Matheson’s 401(k) Plan.

eMatheson
eMatheson provides you with a convenient way to access your payroll and tax information 24 hours a day, 7 days a week.

Visit www.ematheson.com to:

- View your most recent earning statement or prior earning statements.
- View and change your direct deposit account information. If you choose not to have direct deposit, you will be paid via the ADP Total Pay Card.
- View and change your IRS Form W-4 (Employee’s Withholding Allowance) exemptions and amounts.
- Request your previous IRS Form W-2 (Wage and Tax Statement) to be reissued and mailed to your home address.

Direct Deposits
Matheson offers the option to have your payroll checks electronically deposited to a bank or credit union account. We limit the number of institutions that you can direct your payroll checks to only one. Direct deposits are safe, confidential, and convenient.

Continued on next page
Pay Periods and Payroll, Continued

ADP TotalPay Cards
Matheson also offers the option to have your payroll deposited to an ADP TotalPay Card. This card enables you to get cash back at nearly 1 million point-of-sale locations including grocery stores, gas stations, and convenience stores.

Visit https://totalpay.everywherepaycard.com or call (866) 402-1237.

To find Money Network locations with surcharge free ATMs, visit http://moneynetwork.via.infonow.net/locator.

Employment and Income Verification
The Work Number is an automated service which provides instant employment and income verification. This fast, secure service is used when applying for a mortgage or loan, for reference checking, leasing an apartment, or any other instance where proof of employment or income is needed. You benefit from having control of the process by authorizing others access to your information.

The Work Number can be used anytime, anywhere, and is available 24 hours a day, 7 days a week.

Visit www.theworknumber.com or call (800) 367-2884. Employer code: 12960

Pyramiding of Pay and Benefits
There shall be no pyramiding of pay and benefits. This means vacation, holiday, bereavement, and other benefits shall not be paid for on the same day. If a holiday is observed during vacation time off, employees will be paid for the holiday and will not be charged the vacation day.

Garnishments
You are expected to take care of your personal financial responsibilities so wage attachments are not levied against your paycheck. If wages are garnished, you will be asked to contact the creditor involved and make every effort to have a release issued.

If you receive 3 separate and unrelated wage attachments, which are not released and the wages are actually garnished, other than for child support in any one year, you will be subject to disciplinary action, up to and including termination.

Questions
For questions regarding a paycheck, contact your supervisor or the Human Resources Department.
Chapter 3 - Benefits and Coverage

Overview

Introduction
Matheson believes you are the fundamental key to its success and want to help insure you have access to a quality benefit program. Full details of the benefit plans are contained in the official documents, which will govern in the case of any discrepancies.

Matheson reserves the right to change, amend, or terminate the benefit plans at anytime, with or without notice at the sole discretion of the company's management.

In cases where employees are covered under the Service Contract Act (SCA), Matheson provides compensation or fringe benefits equal to the allowance defined in the Health & Welfare (H&W) Act.

Important
It is important for your personnel file at Matheson be accurate at all times. To ensure the continuation of benefits and insurance coverage, you must promptly notify your supervisor of any change in your name, home address, phone number, marital status, number of dependents, income tax withholding information, or emergency contacts.

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Medical, Dental, Vision, and Life Insurance

Introduction
Matheson makes every effort to provide a competitive and comprehensive benefits package. This package includes medical insurance, dental insurance, vision insurance, and life insurance.

Eligibility

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<tr>
<td>Regular part-time SCA employees</td>
<td>Eligible</td>
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<tr>
<td>Regular part-time non-SCA employees</td>
<td>Eligible</td>
</tr>
<tr>
<td>Temporary employees</td>
<td>Not eligible</td>
</tr>
</tbody>
</table>

Requirements
Regular full-time employees and regular part-time SCA employees are eligible for limited medical, dental, and life benefits on the first day of employment with Matheson.

Regular full-time employees are eligible for open choice medical, dental, vision, and life benefits on the first day of the month after completing 90 days of employment with Matheson.

Dependents
Dependents may also be eligible for certain plans. A spouse is considered an eligible dependent in addition to unmarried dependent children or stepchildren under age 19, or to age 25 if attending an accredited college on a full-time basis with 12 or more credits.

Exceptions
Exceptions may apply if you are on family or medical leave. If you do not meet the qualification requirements in a given month, you are notified and allowed the option to make your own contribution.
401(k) Plan

Introduction

With Matheson’s 401(k) plan, employees can receive help in reaching their financial goals for retirement.

<table>
<thead>
<tr>
<th>Employee Classification</th>
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<tbody>
<tr>
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<td>Eligible</td>
</tr>
<tr>
<td>Temporary employees</td>
<td>Eligible</td>
</tr>
</tbody>
</table>

Requirements

Employees must be at least 18 years old and are eligible to contribute on the first day of employment with Matheson.

Employee Contribution

Through automatic payroll deduction, you may contribute between 1% and 100% of your eligible pay up to the annual IRS dollar limit.

Company Contribution

For regular full-time employees and regular part-time non-SCA employees, Matheson will match every dollar that you contribute through your deferral up to 2% of your eligible compensation. The match is deposited into your account once a year, usually within 6 months following the end of the plan year.

For regular full-time and part-time SCA employees, a percentage of the Health & Welfare monies will be deposited into your 401(k) account each month. Matheson will contribute an amount each month into your 401(k) account. The amount is a formula driven by a percent of your hourly pay rate. The exact percentage is subject to change as the Health & Welfare changes.

Auto-Enrollment

The 401(k) plan has an automatic enrollment feature. A pre-tax deferral contribution will be made at a set deferral rate of earnings. This non-forfeitable contribution will be automatically deducted from your pay each payroll cycle. You do have the option of opting out of this plan by contacting Fidelity Investments.

Contact Fidelity Investments

Contact Fidelity Investments to obtain more information, elect not to participate, elect a deferral rate, or make investment elections.

Visit www.netbenefits.com or call (800) 294-4015.
Employee Assistance Plan

Introduction
The Employee Assistance Plan (EAP) is a confidential service designed to help employees manage challenges in their life. Matheson realizes everyone needs a helping hand once in a while, and this plan can provide it.

Eligibility

<table>
<thead>
<tr>
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</thead>
<tbody>
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<td>Regular full-time employees</td>
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<td>Regular part-time non-SCA employees</td>
<td>Eligible</td>
</tr>
<tr>
<td>Temporary employees</td>
<td>Not eligible</td>
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</tbody>
</table>

Requirements

Employees are eligible for EAP benefits on the first day of employment with Matheson.

Member Services

Services are provided for:

- Emotional health
- Health and fitness
- Family and work
- Financial and legal

Contact MHN

EAP benefits are available 24 hours a day, 7 days a week.

Visit [www.members.mhn.com](http://www.members.mhn.com) or call (800) 327-0556.
Company code: matheson
Holidays

Introduction
Each year, Matheson recognizes the following holidays:

- New Years Day
- Martin Luther King’s Birthday
- President’s Day
- Good Friday (Anchorage, AK and Salt Lake City, UT only)
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans’ Day
- Thanksgiving Day
- Christmas Day

Eligibility

<table>
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<tr>
<td>employees</td>
<td></td>
</tr>
<tr>
<td>Temporary employees</td>
<td>Not eligible</td>
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</tbody>
</table>

Requirements
Employees are eligible for holidays after completing 30 days of employment with Matheson.

Holiday Pay
You will be paid the equivalent of 1 day of pay but not to exceed 8 hours of pay. A day of pay is based on the average daily hours worked the week prior to the holiday week.

Holiday Observances
When a holiday falls on a Saturday or Sunday, or if the business dictates, Matheson reserves the right to change the day on which a holiday is observed. Notification of the change to employees will be made as far in advance of the holiday as possible.
Vacation

Introduction
Matheson feels vacation time is important for rest and relaxation and encourages employees to take time off.

Eligibility

<table>
<thead>
<tr>
<th>Employee Classification</th>
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<tr>
<td>employees</td>
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<tr>
<td>Temporary employees</td>
<td>Not eligible</td>
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</tbody>
</table>

Requirements
Regular full-time employees are eligible for vacation after completing 1 year of employment with Matheson.

Regular part-time SCA employees are eligible for vacation after completing 1 year of employment with Matheson.

Awarded Time
Regular full-time and part-time employees receive the following award:

<table>
<thead>
<tr>
<th>Anniversary Date</th>
<th>Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 4 years</td>
<td>2 weeks paid vacation</td>
</tr>
<tr>
<td>5 to 14 years</td>
<td>3 weeks paid vacation</td>
</tr>
<tr>
<td>15 years +</td>
<td>4 weeks paid vacation</td>
</tr>
</tbody>
</table>

Calculating Time
Vacation benefits are paid at your current straight time pay rate, at the time vacation is taken. Vacation is based on average weekly pay capped at 40 hours per week. This is calculated by the total hours worked in the 12 months prior to the anniversary date divided by 52 weeks.

Example: 2,080 hours worked divided by 52 weeks = 40 hours or 5 days

Continued on next page
Vacation, Continued

Maximum Accrual

The maximum amount of vacation that you can accrue at anytime is 1½ times your annual vacation award. If accrued vacation reaches the maximum, your annual vacation award will only be the amount necessary to bring you to the maximum accrual amount allowed. You can not accrue vacation in excess of the maximum.

Example: An employee who is awarded 10 days of vacation per year can accrue up to 15 days.

Scheduling

You should schedule your first week of vacation to be taken at one time. Additional vacation can be taken in daily increments. However, we encourage you to take your vacation in weekly segments.

Notification

Requests for time off need to be completed on an Absence Request Form. Supervisor approval must be done in advance and depends on the demands of the business and the number of employees already scheduled for vacation or leave during the time period requested.

Restrictions

Vacations will not be paid in advance of their being awarded on your anniversary.

Paid company holidays which occur during vacation time off are not counted as vacation days. Vacation is not earned while you are on a leave of absence or other unpaid status, such as workers' compensation. Annual awards will be adjusted to account for any unpaid status time.
Leave of Absence

Introduction
Matheson adheres to all applicable federal and state laws regarding leave of absence benefits.

Eligibility

<table>
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<tr>
<th>Employee Classification</th>
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<tr>
<td>Temporary employees</td>
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</tr>
</tbody>
</table>

Requirements
Different eligibility rules apply for different types of leaves.

Family and Medical Leave Act (FMLA)
The Family and Medical Leave Act (FMLA) provides certain employees with up to 12 workweeks of unpaid, job-protected leave a year, and requires group health benefits to be maintained during the leave as if employees continued to work instead of taking leave.

Paid Family Leave (PFL)
For California workers covered by State Disability Insurance, Paid Family Leave (PFL) insurance provides up to 6 weeks of benefits for individuals who must take time off to care for a seriously ill child, spouse, parent, or registered domestic partner, or to bond with a new minor child.

Pregnancy Disability Leave (PDL)
Pregnancy Disability Leave (PDL) for California workers may be taken for the duration of the disability up to 4 months for each pregnancy. PDL does not need to be taken in one continuous period of time, but can be taken on an as needed basis.

California Family Rights Act (CFRA)
The California Family Rights Act (CFRA) was established to ensure secure leave rights for the following:

- Birth of a child for purposes of bonding.
- Placement of a child in the employee’s family for adoption or foster care.
- For the serious health condition of the employee’s child, parent, or spouse.
- For the employee’s own serious health condition.

State Disability Insurance (SDI)
State Disability Insurance (SDI) provides partial wage replacement to eligible California workers who are unable to work because of a disability.

Continued on next page
Vacation, Continued

**Notification**
You are required to notify your supervisor or the Human Resources Department as soon as possible.

**Documentation**
Employees requesting a leave of absence will be required to provide appropriate medical or legal documentation.

**Restrictions**
Depending on the leave of absence, Matheson may require all accrued vacation benefits be paid out until exhausted.

**Questions**
Contact the Human Resources Department for additional information concerning legal requirements governing the specific leave of absence.
**Bereavement Leave**

**Introduction**
When a death in the family occurs, Matheson grants bereavement leave for the purposes of arranging for family matters and attending memorial services.

**Eligibility**

<table>
<thead>
<tr>
<th>Employee Classification</th>
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<tr>
<td>Regular full-time non-SCA employees</td>
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<tr>
<td>Regular full-time and part-time SCA employees</td>
<td>Not eligible</td>
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<tr>
<td>Regular part-time non-SCA employees</td>
<td>Not eligible</td>
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<tr>
<td>Temporary employees</td>
<td>Not eligible</td>
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</tbody>
</table>

**Requirements**
Employees are eligible for bereavement leave after completing 30 days of employment with Matheson.

**Immediate Family**
Immediate family is defined as a father, mother, husband, wife, brother, sister, son, and daughter.

**Extended Family**
Extended family is defined as a grandfather, grandmother, grandfather, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepbrother, stepsister, stepson, and stepdaughter.

**Bereavement Time**
For immediate family, Matheson will grant 2 days off with pay. For extended family, Matheson will not grant any days off with pay.

**Documentation**
You may be required to provide documentation to support entitlement for bereavement pay.

**Restrictions**
Bereavement leave is not granted when you are on vacation or on holiday pay status.
Civic Duty Leave

Introduction
Matheson encourages employees to accept their civic duty responsibilities when called upon and grants civic duty leave in compliance with all applicable laws.

Eligibility

<table>
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</table>

Requirements
Employees are eligible for civic duty leave after completing 30 days of employment with Matheson.

Civic Duty Pay
Non-exempt employees will not be paid for this leave.

Exempt employees will be paid for any workweek in which they perform any work for the company. As a result, exempt employees must surrender any money received by the court for serving jury duty.

Notification
Employees should promptly notify their supervisor or the Human Resources Department in order to get advance approval.

If work time remains after any day in court, you are responsible for calling your supervisor to see if you are needed to work the remainder of your shift.

Documentation
For jury duty or court subpoenas, you are required to provide a copy of the official documentation.
Military Leave

Introduction
Matheson grants reasonable time off work to employees who are called for training or duty in the military reserve or National Guard.

Eligibility

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<td>Temporary employees</td>
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</tbody>
</table>

Requirements
In accordance with state and federal laws, employees are eligible for military leave on the first day of employment with Matheson.

Notification
Employees should promptly notify their supervisor or the Human Resources Department in order to get advance approval.

Documentation
Prior to approval of leave, written verification from the appropriate military authority must be submitted, along with an Absence Request Form.
Military Family Leave

Introduction
The National Defense Authorization Act (NDAA) amended the Family and Medical Leave Act (FMLA) to provide eligible employees working for covered employers two important new leave rights related to military service.

Eligibility

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</tbody>
</table>

Requirements
Employees are eligible for military family leave on the first day of employment with Matheson.

Qualifying Reason for Leave
Eligible employees are entitled to up to 12 weeks of leave because of “any qualifying exigency” arising out of the fact that the spouse, son, daughter, or parent of the employee is on active duty, or has been notified of an impending call to active duty status, in support of a contingency operation.

Leave Entitlement
An eligible employee who is the spouse, son, daughter, parent, or next of kin of a covered servicemember who is recovering from a serious illness or injury sustained in the line of duty on active duty is entitled to up to 26 weeks of leave in a single 12 month period to care for the servicemember. This military caregiver leave is available during “a single 12 month period” during which an eligible employee is entitled to a combined total of 26 weeks of all types of FMLA leave.

Notification
Employees should promptly notify their supervisor or the Human Resources Department in order to get advance approval.

Documentation
Prior to approval of leave, written verification from the appropriate military authority must be submitted, along with an Absence Request Form.
**Workers’ Compensation**

**Introduction**
Employees injured on the job at Matheson are covered by workers’ compensation insurance pursuant to the laws of the state in which they live. Premium costs are paid by Matheson and claims are paid directly to employees.

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Employee Classification</th>
<th>Status</th>
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<tbody>
<tr>
<td></td>
<td>Regular full-time employees</td>
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<tr>
<td></td>
<td>Regular part-time SCA employees</td>
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<tr>
<td></td>
<td>Temporary employees</td>
<td>Eligible</td>
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</tbody>
</table>

**Requirements**
Eligibility requirements are governed by state and federal laws. With few exceptions, the laws of your state of residence will apply. Employees are eligible for workers’ compensation on the first day of employment with Matheson.

**Notification**
You are required to immediately report all job related accidents or injuries to your supervisor. Failure to comply could result in difficulty with the claim process.

**Documentation**
You will be required to provide a certificate from the treating physician of the release date allowing you to return to work.
COBRA

Introduction
The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries who lose health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary termination of employment for reasons other than gross misconduct or the reduction in the number of hours of employment.

Eligibility

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<td>Temporary employees</td>
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</tbody>
</table>

Requirements
Eligible employees must have been enrolled in Matheson’s health plan when the qualifying event occurred. Employees are responsible for paying the premium for continued coverage.

Questions
Contact the Human Resources Department for specific details on coverage and procedures for applying.
Chapter 4 - Employee Conduct

Overview

Introduction
Matheson expects you to act in a professional manner and extend the highest courtesy to anyone with whom you interact with as a representative of the company. A cheerful and positive attitude to fellow employees, management, customers, vendors, and visitors is essential in our commitment to the Matheson Culture.

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<td>Violence in the Workplace</td>
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</tbody>
</table>
## Policies and Disciplinary Action

### Introduction

Employees are expected to follow the generally accepted practices of business and professional conduct while employed at Matheson. This code of conduct applies to job performance, attendance, appearance, interpersonal relations, overall honesty, and integrity.

### Behavior and Performance

Disciplinary concerns are defined as behavior or performance which is not consistent with the policies, procedures, rules, or regulations, as set forth in this employee handbook.

### Work Rule Violations

Violations are divided into major work rule violations and minor work rule violations. Both are discussed in detail in the following topics.

### Reporting

You are expected and sometimes required to report dishonest, unethical, unsafe, and illegal behavior to management or the Human Resources Department.

### Investigation

Reported activities may be investigated to determine the appropriate means for proper resolution.

### False Accusations

Employees making false accusations are in violation of this policy and may be subject to disciplinary action, up to and including termination.

### Retaliation

Retaliation is a violation of this policy and may be subject to disciplinary action, up to and including termination.

### Corrective Counseling

When appropriate, Matheson utilizes a corrective counseling approach to deal with conduct or performance issues. Employees found to be in violation of company policy are given official notice of the infraction. All reasonable attempts to resolve the problem are made to constructively resolve the situation.

Continued on next page
# Policies and Disciplinary Action, Continued

## Progressive Discipline
Matheson generally follows a policy of progressive discipline in correcting inappropriate behavior, but there will be times when progressive discipline is not used. The severity and frequency of disciplinary concerns may necessitate counseling or other disciplinary action, up to and including termination. Civil and criminal penalties may also apply, depending on state and federal laws.

## Verbal Warning
A verbal warning is an informal discussion of marginal performance or unacceptable conduct. This counseling may be documented in memo form and filed in the employee's personnel file. This step may be skipped depending on the severity of the infraction.

## Written Warning
A written warning is a formal notice of unacceptable performance or conduct. The supervisor may state the concerns in detail where appropriate, identify specific policies or job description items, and discuss expectations. Any previous verbal warnings may also be referenced. The original Corrective Counseling Notice should be filed in the employee's personnel file.

## Right of Appeals
Employees who believe they have been falsely charged with an infraction can appeal the charge to the Director of Human Resources. Appeals must be in writing clearly defining the reason why charges are believed to be false. After documentation and facts are reviewed, a final ruling is made.

## Criminal Convictions
If you are arrested for any crime while employed by Matheson, you are expected to report this to your supervisor or the Human Resources Department. Matheson makes every effort to evaluate the nature and circumstances of the convictions. Unless there is a business requirement, employment decisions may be delayed until there is a verdict.

Criminal convictions are taken seriously at Matheson. Failure to report an arrest may result in automatic termination.

With the safety and well being of others at stake, convicted employees may be subject to appropriate disciplinary action, up to and including termination.

Continued on next page
Termination

Some types of disciplinary problems are sufficiently severe to warrant immediate termination without previous warnings. For repeated violations of company policies, termination may be the only recourse. Employees will be given an opportunity to appeal their termination through the General Manager and the Director of Human Resources. These employees will be escorted from the premises immediately.
**Major Work Rule Violations**

**Introduction**
Matheson considers certain types of behavior as major work violations. Although the following lists are not complete, they provide you with an example of what is considered unacceptable. Several of these items are discussed in more detail later in this handbook.

**Safety**
Violations include:

- Reporting to work or working under the influence of intoxicants or non-prescribed drugs. This includes consuming alcohol or drugs, or possession of either while on company premises or company time.
- Engaging in unsafe or careless behavior which endangers the safety of others or results in significant damage to property.
- Failure to report unsafe conditions, careless acts, or knowledge in planning of such situations.
- Failure to report an accident on the job.
- Failure to observe safety rules or procedures.
- Failure to wear protective clothing, gear, or equipment.
- Failure to comply with a direct safety order from a supervisor.
- Unauthorized operation of company vehicles or equipment.
- Carrying unauthorized passengers or carrying any passenger without prior approval.
- Excessive accidents, tickets, or revocation of drivers’ license.
- Failure to wear seatbelt.
- Defeating or attempting to defeat any safety device.

**Falsification of Records**
Violations include:

- Falsification, inaccurate completion, or alteration of company documents including employment applications, time cards, logbooks, daily paperwork, invoices, medical history records, or accident/injury reports.
- Any act of dishonesty including pilferage.

**Insubordination**
Violations include:

- Refusing to comply with a direct order from a supervisor.
- Interfering with or hindering work schedules or productivity.
- Interfering with or hindering an investigation by management.
- Disclosing confidential information to unauthorized persons.
- Stopping work without authorization.

Continued on next page
Major Work Rule Violations, Continued

Violence in the Workplace

Violations include:

- Possessing dangerous weapons such as knives or firearms on company premises or while conducting company duties.
- Coercion, threats, intimidation, or fighting with anyone with whom you interact with as a representative of the company.
- Failure to comply with the sexual harassment policy.
- Engaging in loud, offensive, profane, or abusive language.
- Disrespectful or discourteous conduct to customers, management, or peers. This includes remarks on clothing and appearance.
- Theft, misappropriation, misuse, unauthorized removal, or willful destruction of company property or the property of anyone with whom you interact with as a representative of the company.
Minor Work Rule Violations

Introduction
Matheson considers certain types of behavior as minor work violations. Although the following lists are not complete, they provide you with an example of what is considered unacceptable. Several of these items are discussed in more detail later in this handbook.

Absenteeism and Breaks
Violations include:

- Excessive, unauthorized, or unexcused absenteeism or tardiness.
- Failure to take required breaks or meal periods.
- Taking meal periods in unauthorized locations or at unauthorized times.
- Unauthorized absence from work area.

General Behaviors
Violations include:

- Gambling on company premises.
- Poor work performance.
- Sleeping or loitering on the job.
- Failure to comply with the personal appearance and dress code guidelines.
- Careless handling of confidential company information.
- Smoking in unauthorized areas.
- Any unauthorized use of company phones.
- Failure to comply with time clock rules.
- Working unauthorized overtime.
- Failure to comply with the solicitation and distribution policy.
- Failure to keep trucks clean.
Confidentiality and Security

Introduction

As a matter of course, employees of Matheson have access to confidential and proprietary information.

Confidentiality

Confidential and proprietary information includes, but is not limited to operations, planning, financial status, business plans, training programs, technical information, pricing, client lists, account information, contractual agreements, intellectual property, marketing, sales strategies, and personnel files. This information is for company use only. You are required to maintain such information in strict confidence. It is a condition of employment that employees not disclose this information to third parties during or 2 years after employment. Disclosure of Matheson confidential information without express written approval is prohibited.

Should an occasion arise in which you are unsure of your obligation under this policy or you receive a request for such information, it is your responsibility to consult with management or the Director of Human Resources.

Disclosure

As to any matter pertaining to our business, you may not appear as a witness, give testimony, or sign a statement advocating a position at the request of outside parties except as required by law, or lobby before any government, legislative, judicial, or administrative body without specific prior approval from the Director of Human Resources.

Any request for speeches, newspaper or magazine articles and media interviews or comments should be referred to or discussed with the Director of Human Resources. Any request to submit comments to a public official or governmental body should be referred to the Director of Human Resources.

Security

It is the responsibility of all employees to make sure their work areas are secure. If you are entrusted with facility keys make certain the facility is secure when the last to leave. This responsibility includes, but is not limited to, turning off appropriate computers, office machines, coffee machines, and lights. In addition, windows and doors must be closed and locked before setting security alarms. Report any potential security risks to management.
**Business Relations**

**Introduction**
We at Matheson believe a company must behave ethically, lawfully, and as a good corporate citizen to earn the right to continue operating. To be considered successful, a company must meet this standard. Employees of Matheson are to conduct themselves in a responsible, respectful, courteous, professional, and ethical manner.

**Business Accounts**
Accounts with various vendors and suppliers are to be used for company business purposes only.

**Gifts**
Matheson employees and their families are not allowed to give or receive business gifts, favors, meals, or entertainment to or from any customers or suppliers of Matheson. Doing so could place employees under obligation to current or potential suppliers of goods or services, or other persons seeking to do business with us, and if publicly disclosed would be embarrassing. Cash gifts of any amount are never acceptable. If you are approached to give or receive such gifts, you are required to request permission from the Human Resources Department.

**Solicitation and Distribution**
In order to avoid disruption of our operations, Matheson prohibits employees to solicit or accept gratuities for any organization during working time or in working areas for any purpose. Work areas do not include break areas or locker rooms. Working time does not include 10 minute breaks, meal breaks, and the time before or after work.

In addition, the distribution of advertising materials or other literature is prohibited in all working areas at all times. Email, fax machines, and voicemail may not be used to advertise or solicit employees.

Similarly, persons not employed by Matheson may not come on company premises at any time to solicit for any cause or distribute material or literature of any kind for any purpose.

**Personal Contributions**
From time to time, employees may take up a collection to benefit a fellow employee for any number of reasons, be it a birth, wedding, or good-bye gift. While we understand these contributions are thoughtful and often times desirable, it should be recognized they are not company-sponsored activities. In order to avoid hurting those who do not wish to contribute or receive such contributions, we recommend the employee who is actually doing the collecting, distribute a notice stating contributions can be sent to his/her home address.

Continued on next page
## Business Relations, Continued

### Conflict of Interest

A conflict of interest is any circumstance which could cast doubt on employees and their ability to act objectively regarding Matheson, or any situation which benefits employees to the detriment of Matheson. If Matheson employees are involved in personal or financial relationships with other Matheson employees, this could impact or be perceived as impacting the ability of these employees to make objective decisions in the best interests of Matheson. For further clarification, discuss the situation with the Human Resources Department.

### Outside Employment

Matheson allows employees to engage in outside work or hold other jobs as long as it is determined their activities and conduct away from the job do not compete, conflict with, or compromise its interests. In addition, the outside work does not adversely affect job performance or limit their ability to fulfill all responsibilities to Matheson. You must notify your supervisor and obtain prior approval before any outside full-time, part-time, or other employment activity is undertaken.

### Outside Directorships

Employees, officers, or directors must seek prior approval from the Chief Executive Officer before accepting an invitation to serve as a director or trustee of another business or a non-profit organization.

### Company Premises

Company premises are defined as facilities which are owned by or leased on behalf of Matheson. Employees are prohibited from being on company premises during off-duty hours without the consent of management. Employees are forbidden from using company personnel or facilities for personal gain.
Discrimination and Harassment

Introduction
Matheson firmly believes in providing a work environment free from any type of illegal discrimination or harassment from anyone with whom you interact with as a representative of the company.

Discrimination
Discrimination is prohibited on any basis, including but not limited to age, gender, race, color, ancestry, national origin, religion, citizenship status, sexual orientation, marital status, domestic partnership, name change, pregnancy, medical condition, genetic characteristic, AIDS or HIV-positive status, disability, military status, or any other protected class in accordance with the requirements of all federal, state, and local laws.

Harassment
The law defines harassment due to sex, as sexual harassment, gender harassment, and harassment due to pregnancy, childbirth, or related medical conditions.

Example:

- Verbal harassment includes epithets, derogatory comments, or slurs.
- Physical harassment includes assault, impeding movement, blocking movement, or any physical interference with normal work or movement when directed at an individual.
- Visual harassment includes graphic materials, derogatory posters, cartoons, or drawings.
- Sexual favors include unwanted sexual advances which condition an employment benefit upon an exchange of sexual favors.

It is impossible to define every action or all words that could be interpreted as sexual harassment. The examples are not meant to be a complete list of objectionable behavior nor do they always constitute sexual harassment.

Non-Employees
With respect to non-employees, offending customers, vendors, or visitors will be asked to leave Matheson and not return.

Claims made by customers, vendors, visitors, or other non-employees will be investigated with the same diligence as if the charging party were a co-worker. Depending on the results of the investigation, employees may be subject to disciplinary action, up to and including termination.

Continued on next page
Discrimination and Harassment, Continued

Reporting

If you experience what you believe to be discrimination or harassment or accusations of discrimination or harassment, you should report it promptly. We encourage following the chain of command in reporting any complaints. If you are concerned about confidentiality or if the problem involves management, consult with the Director of Human Resources. Employees will not be discriminated against or discharged because of bringing or assisting in the investigation of a complaint.

Matheson investigates complaints made against any employee, regardless of job position. If discrimination or harassment charges are determined to be valid, that employee may be subject to disciplinary action, up to and including termination.
Personal Appearance and Dress Code

Introduction
Matheson encourages employees to dress comfortable, with consideration given to maintaining a neat, clean, and professional appearance. In addition, good personal hygiene habits should be maintained.

For health and safety reasons, Matheson advises appropriate clothing be worn around machinery and equipment.

It is not the intention of this policy to infringe upon the personal rights of employees, but merely to put forth legitimate business needs for requiring appropriate dress, grooming, and safety standards.

Business Attire
Appropriate attire includes:

- Docker style pants, slacks, skirts, or dresses
- Collared shirts or blouses
- Shoes or pumps that fully encase the foot

Business Casual Attire
Appropriate attire includes:

- Docker style pants, slacks, skirts, or dresses
- Polo style collared shirts or knit tops with seams around the neck and sleeves
- Shoes or pumps that fully encase the foot

Administrative Office Attire
Appropriate attire includes:

- Docker style pants, slacks, jeans, skirts, or dresses
- Polo style collared shirts or knit tops with seams around the neck and sleeves
- Shoes, pumps, sandals, tennis shoes, or running shoes unless identified as “unacceptable” elsewhere in this policy

Uniformed Employee Attire
Appropriate attire includes:

- Docker style pants, jeans, or shorts
- Company provided uniformed shirts
- Company provided hats for wear with company uniforms
- Sturdy soled shoes (not athletic shoes) which fully encase the foot and are designed for safety and operation environments

Continued on next page
Personal Appearance and Dress Code, Continued

Uniforms/Hats
If uniforms/hats are provided, employees are required to wear them and they must be neat, clean, and properly maintained. Hats will be issued once per year or as required depending on wear.

If you choose to wear a hat, only a Matheson logo hat is authorized. The hat must be neat, clean, and properly maintained.

Shoes
Requirements for shoes are based on the type of work performed. Shoes should be in good repair and appropriate for safety and the business environment.

Example: Dock and driver employees must wear shoes that protect the feet from the environment. Tennis shoes and running shoes are not allowed in the dock operations area or on Matheson equipment.

Unacceptable
The following items are considered unacceptable:

- Shirts displaying advertisements, messages, writing, or pictures deemed inappropriate by the company
- Any clothing with spaghetti straps or tank tops
- Any clothing that reveals bare backs or midriffs
- Shorts in an office or managerial environment
- Skirts or dresses shorter than 3 inches above the knee
- Overalls, sweat suits, jogging suits, leggings, or stirrup pants
- Any clothing deemed revealing, provocative, sheer, or transparent
- Open-toed shoes, thongs, or flip-flops
- Body piercing on visible parts of the body, excluding earrings for female employees
- Tattoos displaying inappropriate writings or pictures
- Buttons for political campaigns, religious statements, or miscellaneous slogans

Continued on next page
**Personal Appearance and Dress Code, Continued**

**Policy Violations**

Employees violating the personal appearance and dress code policy may be subject to disciplinary action.

<table>
<thead>
<tr>
<th>Violation</th>
<th>Disciplinary Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 instance</td>
<td>Verbal warning and management reviews the specifics of the policy.</td>
</tr>
<tr>
<td>2 instances</td>
<td>Written warning and employees are sent home to change clothes. Time lost from work will be unpaid and documented on the weekly timecard.</td>
</tr>
<tr>
<td>3 or more instances</td>
<td>Employees will be warned that further infractions might result in termination of employment.</td>
</tr>
</tbody>
</table>
# Attendance and Punctuality

## Introduction
Since employees are part of a working team, regular attendance on scheduled workdays is critical. Absenteeism or tardiness is disruptive to our operations and interferes with our ability to satisfy the needs of our customers. Punctual attendance is mandatory for efficient job performance.

## Absences
Absences are when employees do not report to work during the hours they are normally scheduled to work.

## Notification
If you are going to be late or absent from work for any reason, you must personally contact your supervisor as far in advance as possible, and at the latest 4 hours before your starting time, so proper arrangements can be made to handle the work. Of course some situations may arise in which prior notice can not be given. In those circumstances, you are expected to notify your supervisor as soon as possible. Each day of a short-term absence, daily notification is required.

## Excused Absences
Excused absences are when employees notify their supervisor of the absence and the reason for the absence. In order for the absence to be excused, the supervisor must approve it.

## Unexcused Absences
Unexcused absences are when employees do not give their supervisor timely or acceptable notification of an absence. It is also defined as deciding to be absent even though supervisor permission was not granted. Unexcused absences will be noted in the employee’s personnel file.

## Patterned Absences
Patterned absences are when employees are absent from work on Mondays, Fridays, or days in connection with holidays. These days may be indications of abuse, and will be reviewed and evaluated regardless of the amount of total time missed or whether they were excused absences.

## No Call/No Show
A no call/no show is when employees fail to notify their supervisor directly that they will not be present for the next scheduled shift.

## 3 Day Absence Rule
The 3 day absence rule is when employees are absent for 3 consecutive workdays without supervisor notification or permission. In these cases, employees have voluntarily terminated employment with the company.

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**Attendance and Punctuality, Continued**

**Tardiness**

Tardiness is when you are not on the job at the time work is normally scheduled to begin. Habitual tardiness is when the lateness is unauthorized or unexcused on a continual basis.

If you plan to be tardy or cannot avoid being tardy, notification and anticipated arrival time must be given as early as possible to your supervisor.

**Early Departures**

Early departures are when you leave company premises before the end of your scheduled workday without notification or authorization.

If you need to leave early or plan to leave the premises anytime during the day, notification and anticipated departing time must be given as early as possible to your supervisor.

**Policy Violations**

Employees violating the attendance and punctuality policy may be subject to disciplinary action.

<table>
<thead>
<tr>
<th>Violation</th>
<th>Disciplinary Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 instance of a tardy or unexcused absence</td>
<td>Verbal warning</td>
</tr>
<tr>
<td>2 instances of a tardy or unexcused absence within a 30 day period</td>
<td>Written warning</td>
</tr>
<tr>
<td>3 instances of a tardy or unexcused absence within a 12 month period</td>
<td>Final written warning</td>
</tr>
<tr>
<td>4 instances of a tardy or unexcused absence within a 12 month period</td>
<td>Termination</td>
</tr>
<tr>
<td>1 instance of a no call/no show</td>
<td>Final written warning</td>
</tr>
<tr>
<td>2 instances of a no call/no show in a 12 month period</td>
<td>Termination</td>
</tr>
<tr>
<td>1 unexcused absence and 1 no call/no show in a 12 month period</td>
<td>Termination</td>
</tr>
</tbody>
</table>
Health and Safety

Introduction
In accordance with the Occupational Safety and Health Act of 1970, Matheson is dedicated to providing a clean, healthy, safe, and hazard-free working environment.

Smoking
Smoking is prohibited inside Matheson facilities and company vehicles. All office spaces are designated environmentally smoke free. Smoking is only allowed outdoors in designated smoking areas. Smoking is never allowed in areas where there are flammable paints, liquids, or other hazardous materials. While smoking, employees should be considerate of others. All smoking materials must be extinguished properly and disposed of in appropriate receptacles.

Safety Rules
You must adhere to all posted safety rules, instructions, warning labels, procedures, regulations, and orders from your supervisor. If you are unsure of a procedure, you are instructed not to proceed until you have received proper instruction.

Safety Equipment
Safety equipment is provided by Matheson. You should familiarize yourself with this equipment and use it when required or necessary. If the position requires, you must wear protective clothing, gear, equipment, sturdy shoes, or gloves. You should never attempt to defeat any safety device. You are responsible for reasonable upkeep of the safety equipment.

Fire Extinguishers
Areas around fire extinguishers and fire sprinklers are to be kept clear at all times. You should familiarize yourself with the location of fire extinguishers and how to use them. If a fire extinguisher is used, report it to management.

Doors and Emergency Exits
You are responsible for knowing all the emergency exits throughout the Matheson facility in which you work. Areas around doors and emergency exits are to be kept clear at all times. You should not stand or talk in front of closed doors since they may open suddenly.

Liquids and Hazardous Chemicals
In case of spills, you are expected to clean up water, oil, grease, and other liquids as soon as they happen. If working with hazardous chemicals, follow the appropriate instructions. In the event of a hazardous spill, notify management immediately.
Health and Safety, Continued

Tools, Equipment, and Machines

Only employees with prior training and authorization are allowed to operate Matheson tools, equipment, and machines. The Training Department will only grant certification to those employees required to operate forklifts. To avoid injury, do not lean on power driven machines in motion or interrupt employees operating machines. You should not make any repairs on machinery unless authorization is given.

Moving and Lifting

When moving or carrying items, you should be sure you can see above and around the load. Use proper lifting techniques and ask for assistance in lifting heavy objects. Load heavy items on the bottom and lighter items on top. Push objects rather than pulling them, since it is less strenuous on the back and reduces the chance of something falling.

Terminals and Stations

Matheson expects you to practice good housekeeping in terminals, offices, and workstations. Docks, trailers, and floors should be free of debris to prevent trips and fall hazards. You must always walk and slow down when approaching blind corners. You should not jump over cords, boxes, carts, or pallets. Jumping off the dock is prohibited. You must use ramps, stairs, or ladders.

Reporting

You are required to immediately report any accidents, personal injuries, unsafe equipment, hazardous conditions, careless acts, or violations occurring on company premises to management, the Safety Department, or the Human Resources Department.

Failure to do so can result in violation of federal and state safety laws and can lead to difficulties in processing insurance benefit claims. Ignorance of a minimum standard of safety is not an acceptable excuse for such a violation. Retaliation is not tolerated against any employee who makes such a report.
Company Property and Practices

Introduction
Matheson expects employees to keep their work areas and equipment clean, neat, and orderly.

Inside Offices
You should always walk when inside Matheson facilities. If using stairs, always hold handrails and never run. Paperwork should be read at a workstation, not while walking around. Remember to handle sharp objects carefully and store them in their appropriate place.

Furniture
Matheson expects you to follow good ergonomic principles at your workstation. Sit squarely in the chair and adjust it for proper comfort. Check office furniture for sharp edges, splinters, and loose casters or bolts. Remember to open only one file cabinet drawer at a time and when done, close them. Use appropriate step stools or ladders to stand on, not office furniture.

Flooring
You should keep floors and aisles clear of all trip and fall hazards. Be sure to report frayed or loose carpeting, broken floor tiles, and drawers and doors in need of repair.

Wires
Areas around electrical panels and panel boxes are to be kept clear at all times. You should keep electrical cords and phone cords out of traveled areas. Electrical outlets must not be overloaded and they should not have repairs made to them.

Office Supplies
Office supplies, postage, and company letterhead are for business purposes only. You may not use these supplies for personal reasons or correspondence.

Reimbursement of Expenses
Expenses to be reimbursed by Matheson must be approved in writing prior to expenditure. We appreciate your expenditures on behalf of Matheson and will make every effort to reimburse you in a most timely fashion. If you require an advance for expenses, see your supervisor. To receive reimbursement from the Accounting Department, employees should provide receipts for all expenses other than per diem or mileage and a properly completed Expense Report signed by their supervisor.

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<th><strong>Company Property and Practices, Continued</strong></th>
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<tr>
<td><strong>Lost or Damaged Equipment</strong></td>
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Company Property and Practices, Continued

Badges

You may be issued a variety of badges including a Matheson badge, a USPS Security badge, and an Airport Identification badge. These badges are your responsibility to maintain and if necessary renew in a timely manner.

Airport badges issued to you are the property of the issuing Governmental entity – federal, state, city, or county.

If you lose your badge or fail to return it upon termination, you could be held personally responsible for incurred violations and fines.
Computers and Office Machines

Introduction
Matheson provides employees with the necessary equipment to perform their job requirements. Computers, printers, copiers, and all production tools are to be used exclusively for Matheson business purposes only. Remember to turn off computers and office machines before leaving for work.

Hardware
You are required to maintain your computers and related equipment in good working order. If any equipment needs service or repair, you should notify your supervisor.

You shall not use company systems to knowingly violate any city, state, or federal laws. Company equipment shall not be used to store or display information which would be defined as discrimination or harassment.

Software
Software on Matheson computers must be properly licensed. Installation of software must be at the approval of the Senior Network Engineer. You are not permitted to install or download any type of software or store your personal files. Upon termination of employment, you shall not remove any software or data from Matheson owned computers.

Restrictions
You may not use this equipment for personal reasons or remove it outside the physical facility of Matheson, unless they have management approval and the job specifically requires it.
Internet Usage

Introduction

This policy applies to all employees with access to Internet and related services through the company network infrastructure. Internet related services include all services provided with the TCP/IP protocol, including but not limited to Electronic Mail (email), File Transfer Protocol (FTP), and World Wide Web (WWW) access.

Acceptable Use

Access to the Internet is specifically limited to activities in direct support of official company business. In addition to access in support of specific work-related duties, the company Internet connection may be used for work-related educational and research purposes only.

If you have questions as to what constitutes acceptable use, you should check with your supervisor for additional guidance. Management shall consult with the Director of Information Technology for clarification of these guidelines.

Inappropriate Use

Internet access shall not be used for:

- Any illegal or unlawful purposes. Examples of this would be the transmission of violent, threatening, defrauding, pornographic, obscene, or otherwise illegal or unlawful materials.
- Harassing, intimidating, or otherwise annoying another person with the use of company electronic mail or messaging services.
- Private, recreational, or other non-company related activity such as Internet radio, downloading games or music, or playing online games.
- Commercial or political purposes.
- Personal gain such as selling access of a company user login.
- Performing work for profit with company resources in a manner not authorized by the company.
- Circumventing or subverting security measures on the company’s network resources or any other system connected to or accessible through the Internet.
- Interception of network traffic for any purpose unless engaged in authorized network administration.
- Making or using illegal copies of copyrighted material, storing such copies on company equipment, or transmitting these copies over the company network.

Continued on next page
Internet Usage, Continued

**Security**

If you identify or perceive an actual or suspected security problem, immediately contact the Director of Information Technology and the Senior Network Engineer.

You shall not reveal account passwords or allow other persons to use your account. Similarly, you shall not use the account of another user.

You shall not reveal private or personal information without specific approval from management.

Access to company network resources shall be revoked for users identified as a security risk or a demonstrated history of security problems.
Email Etiquette

Introduction
Use of company electronic mail or messaging services shall be used for the conduct of company business only. Company and personal email sent or received is the possession of Matheson. These emails are the property of the company and are therefore subject to inspection. They are regarded as official company communication regardless of content. All laws governing copyright, defamation and discrimination apply to email.

Guidelines
Follow these email guidelines:

- Never open emails from unknown or suspicious senders.
- Use email in a professional manor. Be polite, with conditions. Not every email requires a reply, especially just to say thanks.
- Give a specific overview of the message in the subject line to grab the attention of recipients and make it much easier to locate emails later.
- Do not send large attachments. The system will not send or receive any attachment over 20 MB.
- Do not leave email accounts open when leaving the computer. Always lock the workstation when not in use.
- If sending emails from a wireless device, let people know. If sending email from a smart phone like a Treo or Blackberry, make sure to include a tagline informing recipients of the device used.
- Divide the body of an email into 3 distinct sections: (1) action to summarize the purpose, (2) background to present the key points, and (3) close to clarify the next steps. It is easier to read and retain the information if it is broken into sections or bulleted points, rather than long, dense paragraphs.
- Spell check emails.
- Manage the inbox by filing smart and storing purposefully.
- To avoid email overload, it may be necessary to pick up the phone.
- If using a signature at the end of a message, it should not contain more than 4-6 lines of business contact information.

Inappropriate Use
Emails should not be used for:

- Sending abusive, harassing, or threatening messages.
- Communicating vulgar or obscene language.
- Sending replies to “All Recipients” or “Reply to All” unless there is a very specific need for everyone to receive the message.
- Sending or forwarding chain letters, requesting others to do so, or forwarding email with embedded images, audio clips, video clips, or jokes.
- Replying to spam email. Delete it immediately without replying even if it includes an “unsubscribe” address.
- Creating message footers with catchy quotes at the end of your signature.
- Creating borders or stationary backgrounds.
# Phone Calls, Visitors, and Mail

## Introduction
To avoid distractions and lost productivity, Matheson expects employees to follow the policy on phone calls, visitors, and mail.

## Office Phones
The phone lines at Matheson must remain open for business calls to service our customers. You are discouraged from making personal incoming and outgoing calls, with the exception of emergency calls. If personal calls have to be made, do so during 10 minute breaks or meal breaks, and hold the conversation to a minimum. Before making long distance calls, you must get approval by your supervisor unless your job duties include the routine making of long distance calls. Under no circumstances are you permitted to use company phones to call 900, 976, or similar pay-per-call services.

## Cell Phones
If you are required to carry a Matheson supplied cell phone, you must silence your phone before attending company meetings. These phones are routinely monitored for usage patterns.

Use of personal cell phones during work hours should be for emergencies only. You are to refrain from bringing personal cell phones into meetings.

## Visitors
Receiving personal visits by relatives or friends during business hours can be disruptive to our operations and is discouraged. If the situation occurs, visitors must announce themselves in the reception area and wait for you to meet them. Non-employees are strictly forbidden from entering unauthorized areas. Notify management of any unauthorized visitors.

## Mail
All mail delivered to Matheson is presumed to be related to our business. Personal mail should not be addressed to you at Matheson. All personal mail should be sent to you at your home address.
Company Vehicles and Driving Records

Introduction
Employees must have prior authorization from management in order to operate a company vehicle. Matheson expects employees to keep company vehicles clean at all times.

Vehicles
Vehicles are to be used strictly for company business and for traveling to company business locations. Use of company vehicles for personal purposes is prohibited. Carrying unauthorized passengers or carrying any passengers without prior approval is also prohibited.

Driving
You are required to wear seat belt at all times and drive within the designated speed limits.

DMV
You must maintain a good driving record and notify Matheson immediately if you receive a ticket, are involved in an accident, or have had your license revoked.
Introduction

Employees are expected to be honest, trustworthy, and responsible during their employment at Matheson.

Fraud

Falsification, inaccurate completion, or alteration of company documents including employment applications, time cards, logbooks, daily paperwork, invoices, medical history records, or accident/injury reports is strictly prohibited.

Theft

Matheson prohibits employees from stealing, misappropriating, pilfering, or removing unauthorized property from company premises. Mishandling of funds or assets will not be tolerated.

Matheson is not responsible for personal items brought on company premises or left in vehicles. To safeguard company property and the property of anyone with whom you interact with as a representative of the company, we reserve the right to inspect purses, briefcases, packages, lockers, and vehicles.
Alcohol and Drugs

Introduction
In accordance with our commitment to provide a safe workplace, we will not hire or employ individuals who abuse alcohol or use illegal drugs.

Alcohol
You are prohibited from reporting for duty or being on duty while under the influence of alcohol. You are not allowed to consume, possess, sell, transfer, or purchase alcoholic beverages on company premises or in company vehicles. This includes 10 minute breaks, meal breaks, and time spent while conducting business off company premises.

Illegal Drugs
Illegal drugs are defined as any drug or drug-like substance whose sale or possession is unlawful and which may alter an individual’s mental or physical capacity. You are prohibited from reporting for duty or being on duty while under the influence of illegal drugs. You are not allowed to use, possess, sell, transfer, or purchase illegal drugs on company premises or in company vehicles. This includes 10 minute breaks, meal breaks, and time spent while conducting business off company premises.

Prescription Drugs and Over-the-Counter Drugs
You are expected to advise your supervisor when you are on prescription or over-the-counter drugs which could affect your mental or physical condition or job performance. Matheson may require you to provide a certificate from the treating physician as to whether the use of the drug will impair your ability to perform the job properly and safely.

If the company determines the use of such drugs may adversely affect job performance or the safety of other employees, Matheson may relieve you from duty during the period the drugs are being used. We may require a medical evaluation to determine fitness for work before you resume your duties.
**Alcohol and Drugs, Continued**

**Testing**

Within the limits of federal and state laws, Matheson reserves the right to ask you to submit to a medical examination and/or be clinically tested for the presence of alcohol and/or drugs.

Such situations include:

- Consuming, using, possessing, selling, transferring, or purchasing alcohol or drugs on company premises or in company vehicles.
- Reporting for duty or being on duty under the influence of alcohol or drugs.
- As part of an investigation of any accident in the workplace, in which there are reasonable grounds to suspect alcohol or drugs contributed to the accident.
- On a random basis for employees who have a commercial driver's license, drive a company vehicle, or perform safety sensitive functions for Matheson.
- As a follow-up to a rehabilitation program.
- As necessary for the safety of employees, customers, clients, or the public at large.
- When you return to duty after an absence other than from accrued time off, such as vacation.

**Company Activities**

In all company related situations, whether specifically referenced in this policy or not, you are expected to demonstrate reasonable use of alcohol.

Such situations include:

- Internal business meetings or social activities: For employees and families only, the consumption of alcohol on company premises is prohibited.
- Business meetings or social activities: It may be suitable in the interest of the client relations to provide an alcoholic beverage as part of business entertainment. Sensitivity to specific client attitudes regarding the use of alcohol should be the guideline in determining the appropriateness. Moderation and good judgment are necessary in these situations, particularly at family events.
- Third party vendor: When feasible, Matheson will utilize the services of a third party vendor when sponsoring or hosting an event where alcoholic beverages will be consumed. Any such activity shall adhere to the liability provisions relating to vendors.

**Reporting**

You are expected to report evidence of alcohol or drug use to management or the Human Resources Department. In cases where there is an imminent threat to the safety of persons or property, you must immediately report the violation. Failure to do so could result in disciplinary action for non-reporting employees.
# Violence in the Workplace

## Introduction

Matheson is very strict in its policy towards violence in the workplace. This policy excludes self-defense.

## Threats

Matheson will not tolerate employees engaging in loud, offensive, profane, obscene, abusive language or gestures. Intimidation, coercion, or threats of violence are unacceptable.

## Weapons

Weapons are defined as knives, guns, or any objects which could do harm to individuals when used. Possession of a weapon on company premises or while on duty performing company business at any location is prohibited.

## Violence

Acts of violence include assault upon or fighting with anyone with whom you interact with as a representative of the company.

## Reporting

You must report any such violence immediately to management or the Human Resources Department. All complaints and threats will be thoroughly investigated and if necessary may involve local law enforcement.
Employee Handbook Acknowledgement Form

I acknowledge I have access to a copy of the Matheson Flight Extenders Employee Handbook which represents the current policies, procedures, and benefits of the company. I understand this handbook is not intended to cover every situation which may arise during my employment, but is simply a general guide. I also understand this handbook does not create a promise or representation of continued employment, and my employment may be terminated at the will of either Matheson or me.

I have read, understand, accept, and agree to comply with the information contained in this handbook. It certifies my at-will employment status supersedes all prior agreements, understandings, and representations concerning my employment with Matheson.

After signing this Acknowledgement Form, I will forward it to my supervisor. I am aware a copy of this acknowledgement appears at the back of the handbook for my records.

__________________________________________________
Print Employee Name

__________________________________________________
Employee Signature

__________________________________________________
Employee ID Number

__________________________________________________
Date