
SALLEE HORSE VANS, INC.

Employee Handbook

An Equal Opportunity Employer



**A Manual of
Employee Benefits and
Personnel Policies
Effective 1/1/2009**

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Receipt of Company Employee Handbook

The Employee Handbook (sometimes called a Personnel Policy Manual, and referred to as the “Manual”) is a compilation of personnel policies, practices and procedures currently in effect at Sallee Horse Vans, Inc., an equal opportunity employer.

This Manual is designed to introduce employees to the organization, familiarize you with Company policies as they pertain to you as an employee, provide general guidelines on work rules, disciplinary procedures and other issues related to your employment, and to help answer many of the questions that may arise in connection with your employment.

This Manual and any other provisions contained herein do not constitute a guarantee of employment or an employment contract, express or implied. You understand that your employment is “at-will” and that your employment may be terminated for any reason, with or without cause, and with or without notice. Only the CEO or other authorized representative(s) of Sallee Horse Vans, Inc. has the authority to enter into a signed written agreement guaranteeing employment for a specific term. This Manual is intended solely to describe the present policies and working conditions at Sallee Horse Vans, Inc.. This Manual does not purport to include every conceivable situation; it is merely meant as a guideline, and unless laws prescribe otherwise, common sense shall prevail. Of course, Federal, state, and/or local laws will take precedence over Sallee Horse Vans, Inc. policies, where applicable.

Personnel Policies are applied at the discretion of Sallee Horse Vans, Inc.. Sallee Horse Vans, Inc. reserves the right to change, withdraw, apply, or amend any of our policies or benefits, including those covered in this Manual, at any time. Sallee Horse Vans, Inc. may notify you of such changes via email, posting on the Company’s Intranet, Portal or Website, or via a printed memo, notice, amendment to or reprinting of this Manual, but may, in its discretion make such changes at any time, with or without notice and without a written revision of this Manual.

By signing below, you acknowledge that you have received a copy of Sallee Horse Vans, Inc.’s Employee Handbook, and understand that it is your responsibility to read and comply with the policies contained therein and any revisions made to it. Furthermore, you acknowledge that you are employed “at-will” and that this Manual is neither a contract of employment nor a legal document.

Signature

Date

Please print your full name

Please sign and date one copy of this notice and return it to Human Resources. Retain a second copy for your reference.

Welcome to Sallee Horse Vans.

We are happy to have you join our organization. You'll find a genuine welcome throughout our company and we'll do all we can to make your work interesting, pleasant, and rewarding.

Sallee Horse Vans is a national organization with our main office in Lexington, Kentucky and satellite offices in Ocala, Florida and Elmont, NY. We are the nation's largest horse transportation company and a founding member of the NHCA. This handbook is designed to lay the groundwork for a successful employer – employee relationship.

To do the best job for yourself and for the company, you will need to know how Sallee Horse Vans operates, what you can expect from the company, and what is expected from you. This Manual is designed to acquaint you with Sallee Horse Vans, Inc. and provide you with general information about working conditions, benefits, and policies affecting your employment.

We, Sallee Horse Vans, Inc., are an Equal Opportunity Employer in all personnel decisions.

The information contained in this Manual applies to all employees of Sallee Horse Vans, Inc. Following the policies described in this Manual is considered a condition of continuous employment. However, nothing in this Manual alters an employee's "at-will" status. The contents of this Manual shall not constitute nor be construed as a promise of my employment or as a contract between the Company and any of its employees. The Manual is a summary of our policies, which are presented here only as a matter of information.

You are responsible for reading, understanding, and complying with the provisions of this Manual. Our objective is to provide you with a work environment that is constructive to both personal and professional growth.

We want you to enjoy working at Sallee Horse Vans, Inc and hope you find your work pleasant and satisfying.

1. Sallee Horse Vans, Inc. and its employees share a working relationship defined as employment-at-will. Simply stated, employment-at-will means that in the absence of a specific written agreement, you are free to resign at any time, and Sallee Horse Vans, Inc. reserves the right to terminate your employment for any reason (which does not violate any applicable law) with or without prior notice.
2. Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are a few examples of some of the most common circumstances under which employment is terminated:
 - Resignation - voluntary employment termination initiated by an employee.
 - Termination - involuntary employment termination initiated by Sallee Horse Vans, Inc.
 - Layoff - involuntary employment termination initiated by Sallee Horse Vans, Inc. for non-disciplinary reasons.
3. If you wish to resign, you are requested to notify your manager of your anticipated departure date at least two weeks in advance. Of course, as much notice as possible is appreciated by Sallee Horse Vans, Inc. and your coworkers. This notice should be in the form of a written statement.
4. In the case of termination due to resignation, retirement, or permanent reduction in the work force, your accrued vacation pay will be paid on a pro-rata basis.
5. Unused personal time is not paid upon termination. In the case of termination, any vacation or personal time used in excess of accrued time will be deducted from your final paycheck given your prior written permission.
6. Furthermore, any outstanding financial obligations owed to Sallee Horse Vans, Inc. will also be deducted from your final check given your prior written permission.
7. A meeting between you and your immediate manager will take place prior to your last day of work. A health insurance extension of benefits under COBRA regulations is available and is offered via mail to eligible employees. Fuel cards, keys, and company equipment must be returned to your immediate supervisor between the business hours of 8:00 am and 5:00 pm. At the time of departure from the company if you have direct deposit it will be terminated and your last paycheck will be a live check.
8. If you leave Sallee Horse Vans, Inc. in good standing, you may be considered for re-employment.

It is our policy to provide equal employment opportunity to all individuals. We are committed to a diverse workforce. We value all employees' talents and support an environment that is inclusive and respectful. We are strongly committed to this policy, and believe in the concept and spirit of the law.

We are committed to assuring that:

- All recruiting, hiring, training, promotion, compensation, and other employment related programs are provided fairly to all persons on an equal opportunity basis;
- Employment decisions are based on the principles of equal opportunity. All personnel actions such as compensation, benefits, transfers, training, and participation in social and recreational programs are administered without regard to any characteristic protected by state, federal or local law; and
- Employees and applicants will not be subjected to harassment, intimidation, threats, retaliation, coercion or discrimination because they have exercised any right protected by law.

We believe in and practice equal opportunity. The Director of Human Resources serves as our Equal Opportunity Coordinator and has overall responsibility for assuring compliance with this policy. All employees are responsible for supporting the concept of equal opportunity and diversity and assisting our Company in meeting its objectives.

Sallee Horse Vans, Inc. complies with the Immigration Reform and Control Act, employing only those persons who are legally eligible to work in the United States.

Sallee Horse Vans, Inc. complies with the Immigration Reform and Control Act of 1986 by employing only United States citizens and non-citizens who are authorized to work in the United States. All employees are asked on their first day of employment to provide original documents verifying the right to work in the United States and to sign a verification form required by federal law (INS Form I-9). If an individual cannot verify his/her right to work within three days of hire, Sallee Horse Vans, Inc. must terminate his/her employment.

Sallee Horse Vans, Inc. expects all employees to create an atmosphere free of discrimination and respect the rights of their co-workers.

In the event an employee experiences any job-related discrimination or harassment based on race, color, religion, gender, sexual orientation, national origin, age, disability, marital status, amnesty, veteran-status, or believe they have been treated in an unlawful, discriminatory manner or have been unlawfully harassed, promptly report the incident to a supervisor. If an employee believes it inappropriate to discuss the matter with their supervisor, it should be directly reported to human resources. Once made aware of your complaint, Sallee Horse Vans, Inc. is committed to commence an immediate, thorough investigation of the allegations. Complaints will be kept confidential to the maximum extent as possible.

If, at the completion of an investigation, Sallee Horse Vans, Inc. determines that an employee is guilty of discriminatory or harassing behavior, appropriate disciplinary action will be taken against the offending employee.

Sallee Horse Vans, Inc. prohibits any form of retaliation against any employee for filing a bona fide complaint under this policy, or for assisting in the complaint investigation. However, if, after investigating any complaint of unlawful discrimination, Sallee Horse Vans, Inc. determines that an employee intentionally provided false information regarding the complaint, disciplinary action may be taken against the one who gave the false information.

Sallee Horse Vans, Inc. reserves the right to terminate an employee at any time for any lawful reason with or without prior disciplinary counseling or notice. Nothing in this Handbook or any other Sallee Horse Vans, Inc. document is intended to:

- Modify this “at-will” employment,
- Promise progressive discipline or disciplinary counseling,
- Promise notice in circumstances where Sallee Horse Vans, Inc. considers immediate termination or discipline to be appropriate.

Disciplinary actions may entail verbal, written, final warnings, suspension, or termination. All of these actions may not be followed in some instances. Sallee Horse Vans, Inc. reserves the right to exercise discretion in discipline. Prior warning is not a requirement for termination. If you are disciplined in writing, copies of your warnings are placed in your personnel file.

Sallee Horse Vans, Inc. reserves the right to take any disciplinary action it considers appropriate, including termination, at any time. In addition to those situations discussed elsewhere in this handbook, listed below are some other examples where immediate termination could result. This list is general in nature and is not intended to be all-inclusive:

- Discourtesy to a customer, provider, or the general public resulting in a complaint or loss of good will.
- Refusal or failure to follow directives from a supervisor, manager, or Sallee Horse Vans, Inc. officer.
- Breach of confidentiality relating to employer, employee, and customer, or provider information.
- Altering, damaging, or destroying company/customer property or records, or another employee’s property.
- Dishonesty.
- Providing false or misleading information to any Sallee Horse Vans, Inc. representative or on any Sallee Horse Vans, Inc. records including the employment application, benefit forms, time cards, expense reimbursement forms, etc.
- Fighting or engaging in disorderly conduct on Sallee Horse Vans, Inc.’s or customer’s premises.
- Violations of any of Sallee Horse Vans, Inc.’s employment policies including, but not limited to, confidentiality, security, solicitation, insider trading, conflict of interest, and code of conduct.
- Conduct or performance issues of a serious nature.
- Failure/Decline of a drug or alcohol test.
- Time Keeping Fraud (Ex: Clocking in & not immediately going to work or clocking in when it is not your scheduled time without prior approval).

We recognize alcohol and drug abuse as potential health, safety and security problems. It is expected that all employees will assist in maintaining a work environment free from the effects of alcohol, drugs or other intoxicating substances. Compliance with this substance abuse policy is made a condition of employment.

Employees are prohibited from the following when reporting for work, while on the job, on Company or customer premises or surrounding areas, or in any vehicle used for Company business:

- The unlawful use, possession, transportation, manufacture, sale, dispensation or other distribution of an illegal or controlled substance or drug paraphernalia;
- The unauthorized use, possession, transportation, manufacture, sale, dispensation or other distribution of alcohol; and
- Being under the influence of alcohol or having a detectable amount of an illegal or controlled substance in the blood or urine (“controlled substance” means a drug or other substance as defined in applicable federal laws on drug abuse prevention).

Any employee violating these prohibitions will be subject to disciplinary action up to and including termination.

Any employee convicted under any criminal drug statute for a violation occurring while on the job, on Company or customer premises, or in any vehicle used for Company business must notify the Company no later than 5 days after such a conviction. A conviction includes any finding of guilt or plea of no contest and/or imposition of a fine, jail sentence, or other penalty.

Drug and alcohol testing will be carried out in compliance with any applicable state and federal laws and regulations.

We recognize that employees suffering from alcohol or drug dependence can be treated. We encourage any employee to seek professional care and counseling prior to any violation of this policy.

It is Sallee Horse Vans, Inc.'s policy to provide a workplace that is safe and free from all threatening and intimidating conduct. Therefore, Sallee Horse Vans, Inc. will not tolerate violence or threats of violence of any form in the workplace, at work-related functions, or outside of work if it affects the workplace. This policy applies to Sallee Horse Vans, Inc. employees, clients, customers, guests, vendors, and persons doing business with Sallee Horse Vans, Inc.

It will be a violation of this policy for any individual to engage in any conduct, verbal or physical, which intimidates, endangers, or creates the perception of intent to harm persons or property. Examples include but are not limited to:

- Physical assaults or threats of physical assault, whether made in person or by other means (i.e., in writing, by phone, fax, or e-mail).
- Verbal conduct that is intimidating and has the purpose or effect of threatening the health or safety of a co-worker.
- Possession of firearms or any other lethal weapon on Company property, in a vehicle being used on Company business, in any Company owned or leased parking facility, or at a work-related function.
- Any other conduct or acts which management believes represents an imminent or potential danger to work place safety/security.

Anyone with questions or complaints about workplace behaviors which fall under this policy may discuss them with a supervisor or a Human Resources representative. Sallee Horse Vans, Inc. will promptly and thoroughly investigate any reported occurrences or threats of violence. Violations of this policy will result in disciplinary action, up to and including immediate termination of employees. Where such actions involve non-employees, Sallee Horse Vans, Inc. will take action appropriate for the circumstances. Where appropriate and/or necessary, Sallee Horse Vans, Inc. will also take whatever legal actions are available and necessary to stop the conduct and protect Sallee Horse Vans, Inc. employees and property.

Sallee Horse Vans, Inc.'s policy is to provide a work environment that is free from harassment. Therefore Sallee Horse Vans, Inc. will not tolerate harassment based on age, race, gender, color, religion, national origin, disability, marital status, covered veteran status, sexual orientation, status with respect to public assistance, and other characteristics protected under state, federal, or local law. Such conduct is prohibited in any form at the workplace, at work-related functions, or outside of work if it affects the workplace. This policy applies to all Sallee Horse Vans, Inc. employees, clients, customers, guests, vendors, and persons doing business with Sallee Horse Vans, Inc.

Sexual harassment, one type of prohibited harassment, warrants special mention. Sexual harassment has been defined according to Sallee Horse Vans, Inc. guidelines as:

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- *Submission to such conduct is made a term or condition, either explicitly or implicitly, of an individual's employment;*
- *Submission to or rejection of such conduct by an individual is used as a factor in decisions affecting that individual's employment; or*
- *Such conduct has the purpose or effect of interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment.*

Examples of conduct prohibited by this policy include, but are not limited to:

- Unwelcome sexual flirtation, advances, or propositions;
- Verbal comments related to an individual's age, race, gender, color, religion, national origin, disability, or sexual orientation;
- Explicit or degrading verbal comments about another individual or his/her appearance;
- The display of sexually suggestive pictures or objects in any workplace location including transmission or display via computer;
- Any sexually offensive or abusive physical conduct;
- The taking of or the refusal to take any personnel action based on an employee's submission to or rejection of sexual overtures; and
- Displaying cartoons or telling jokes which relate to an individual's age, race, gender, color, religion, national origin, disability, or sexual orientation.

If you believe that you are being subjected to workplace harassment, you should:

1. Tell the harasser that his or her actions are not welcome and they must stop, if you feel comfortable enough to do so.
2. Report the incident immediately to your supervisor/manager, the site Human Resources representative, or the Employee Relations Department.
3. Report any additional incidents or retaliation that may occur to one of the above resources.

Any reported incident will be investigated immediately and thoroughly. Complaints and actions taken to resolve complaints will be handled as confidentially as possible, given Sallee Horse Vans, Inc.'s obligation to investigate and act upon reports of such harassment. Appropriate actions will be taken by Sallee Horse Vans, Inc. to stop and remedy any and all such conduct, including interim measures during a period of investigation.

Retaliation of any kind or discriminating against an employee who reports a suspected incident of harassment or who cooperates in an investigation is prohibited. An employee who violates this policy or retaliates against an employee in any way will be subject to disciplinary action up to and including immediate termination.

Sallee Horse Vans, Inc. complies with the federal law, Consolidated Omnibus Budget Reconciliation Act of 1985, P.L. 99 272, and later amendments, otherwise known as COBRA. Covered employees and their dependants who lose insurance coverage for any of the following reasons are eligible to continue their coverage through COBRA: termination, reduction in working hours, divorce or legal separation, death of the employee, eligibility for Medicare or loss of dependent child status under the insurance plan. All administrative rules and processes as well as changes in plan benefits and premiums apply to those on continuation coverage.

In the event of divorce or legal separation, or the loss of dependent child status under the plan, a covered employee or dependent must notify Human Resources within 60 days to maintain the right to continue coverage. At that time, Human Resources will provide enrollment materials to the employee or covered dependent within 14 days of that notification.

The covered employee or dependent has 60 days to elect continuation of coverage from either the date that coverage would ordinarily have ended under the plan by reason of a qualifying event or the date of notification, whichever comes later. Election of continuation of coverage is established by completing and returning enrollment materials to Human Resources.

COBRA premiums will be billed by the applicable insurance provider, and the first premium will be due within 45 days of the date of election. Subsequent premiums must be received within the terms set forth by the provider. Failure to make timely payments will result in termination of coverage without notice.

Continuation of COBRA coverage will end for any of the following reasons: Sallee Horse Vans, Inc. discontinues its insurance plan, the premium payment is not made in a timely fashion, and the person who elected continuation of coverage becomes covered under another insurance plan or Medicare. Continuation coverage will end after 18 months if the qualifying event was termination or reduction in hours, unless the qualified beneficiary is disabled at the time of termination or reduction in hours, in which case coverage may extend to 29 months. Continuation coverage will otherwise end after 36 months.

Sallee Horse Vans, Inc. provides group carrier health, dental, short-term disability, and life insurance plans to all full-time employees. Coverage is offered either on an individual or family plan.

Insurance coverage begins on the first day of the first month following 90 days of full-time employment. Employees who wish to enroll after 90 calendar days of full-time employment may do so at that time.

As a result of termination, reduction in work hours, injury or illness or in the event that an employee is on a military, jury duty or other leave of absence, an employee may be eligible to continue Sallee Horse Vans, Inc.'s group coverage by paying a monthly premium. If the employee satisfies eligibility requirements for coverage continuation and is terminated, has his/her work hours reduced, is on a leave of absence for a work-related injury or illness, is on an approved military leave or is on an approved jury duty leave, Sallee Horse Vans, Inc. will continue its contribution for one month. For continuation of coverage after that point in time, the employee is responsible for the full payment of the premium.

Employees are urged to consult the insurance summary plan description for details of the plan benefits. The plan document controls payment of any benefits.

Group insurance is an employee benefit in which an employee is not required to enroll in. There will be no increase in wages if an employee waives coverage. For inquiries, contact the Human Resources department. If you waive coverage you cannot enroll again until the next open enrollment. You can only make changes throughout the year to your coverage if you have a qualifying event such as a marriage, birth, etc. See your human resources representative if you have a question concerning a qualifying event.

Sallee Horse Vans, Inc. realizes that employees with contagious temporary illness, such as influenza, colds and other viruses need to continue with normal life activities, including working. In deciding whether an employee with an apparently short-term contagious illness may continue to work, the company considers several factors. The employee must be able to perform normal job duties and meet regular performance standards. In the judgment of the employer, the employee's continued presence must pose no risk to the health of the employee, other employees and customers. If an employee disputes the company's determination that such a risk exists, the employee must submit a statement from his or her attending health care provider that the employee's continued employment poses no risk to the employee, other employees or customers.

Supervisors are encouraged to remind employees that the company provides paid personal or vacation time to cover absences due to contagious temporary illness. All employees are urged to contact Human Resources regarding questions about the possible contagious nature of another employee's temporary illness.

As an eligible employee of Sallee Horse Vans, Inc., you are allowed to take unpaid Family and/or Medical Leave under federal law, the Family and Medical Leave Act (FMLA).

Eligibility

To be eligible for leave, you must be employed by the Company for at least 12 months. In addition, in the 12 months immediately preceding the beginning of the leave, you must have worked at least 1,250 hours to qualify for federal FMLA. In addition, you must work in an office or work site where 50 or more employees are employed within 75 miles of that office or work site.

Amount of Leave Available

As stated above, eligible employees are generally eligible for *up to* a total of 12 weeks of protected leave within a rolling twelve-month period, measured backward from the date an employee uses any Federal leave for any combination of reasons.

Under the federal FMLA, spouses employed by the Company are jointly entitled to a combined total of 12 weeks of family leave for the birth or placement of a child for adoption or foster care, and to care for a parent who has a serious health condition. (The federal FMLA does not cover care for a parent-in-law.)

Types of Leave Available

Birth or Placement for Adoption or Foster Care: Family leave is available to eligible male and female employees for the birth of a child or for placement of a child with the employee for purposes of adoption or foster care. Federal leave must be completed within 12 months of the birth or placement.

Non-continuous leave. Federal leave may not be taken intermittently. See below for more details on intermittent leave.

Certification process. The need for leave must be documented by your treating healthcare provider through our medical certification process (see below) or documented proof of placement of a child.

Serious Health Condition of Employee: If, as an eligible employee, you experience a *serious health condition* as defined by federal law, you may take medical leave under this policy (see “Definitions” for the definition of serious health condition). A serious health condition generally occurs when you:

- Receive inpatient care in a hospital, hospice or nursing home;
- Suffer a period of disability accompanied by continuing outpatient treatment/care by a healthcare provider; or

- Have a history of a chronic condition that may cause episodes of disability.

Non-continuous leave. Medical leave may be taken all at once or, when medically necessary, intermittently (see below).

Certification process. The need for leave must be documented by your treating healthcare provider through our medical certification process (see below).

Fitness-for-duty statement. A fitness-for-duty statement will be required in order for you to return from a medical leave. Failure to provide the statement will result in a delay in the return to work.

Serious Health Condition of Immediate Family Member: If, as an eligible employee, you need family leave in order to care for your son, daughter, spouse or parent who experiences a serious health condition as defined by federal law (see “Definitions” for definitions of child, spouse, parent and serious health condition), you may take medical leave under this policy.

Non-continuous leave. Medical leave may be taken all at once or, when medically necessary, intermittently (see below).

Certification process. The need for leave must be documented by the family member’s treating healthcare provider through our medical certification process (see below).

Notifying the Company of the Need for Family or Medical Leave

Generally, an application for leave must be completed for all leave taken under this policy. The need to take non-emergency leave should generally be requested from the Human Resources department at least 30 days, or as soon as practicable, in advance of the need. In cases of emergency, verbal notice should be given as soon as possible (or by your representative if you are incapacitated), and the application form should be completed as soon as practicable. Failure to provide adequate notice may, in the case of foreseeable leave, result in a delay or denial of the leave. It is your responsibility to notify your manager and Human Resources of absences that may be covered by FMLA.

You must provide sufficient information regarding the reason for an absence for the Company to know that protection may exist under this policy. Failure to provide this information within two working days of your return to work will result in forfeiture of rights under this policy. This means the absence may then be counted against your record for purposes of discipline for attendance, etc.

Medical Certification Process

In addition to an application for leave, you will be required to complete a medical certification form where leave is for a family member's or your own serious health condition. The certification form needs to be signed by the health care provider. The short-term disability certification may be sufficient where the information required is duplicative. These forms are available from Human Resources. Second or third certifications from health care providers and periodic re-certification at the Company's and/or your expense may be required under certain circumstances.

We may also require periodic reports during federal FMLA leave regarding your status and intent to return to work.

Substituting Paid Leave for Unpaid Leave

Federal FMLA leave is unpaid. The Company requires you to substitute vacation days according to the schedule below. You may also choose to substitute additional paid or unpaid leave that you have accrued.

| <u>Eligible Vacation Remaining</u> | <u>Required Substitution</u> |
|-------------------------------------------|-------------------------------------|
| Less than 5 days | None |
| 5-8 days | 3 days |
| 9-12 days | 5 days |
| 13-16 days | 7 days |
| 17-20 days | 9 days |

When an employee is absent due to a work-related illness or injury that meets the definition of a serious health condition, the absence will be counted against the employee's entitlement under this policy. In other words, the employee is using FMLA leave concurrently with the workers' compensation absence. An employee is not required to substitute paid time off for an absence covered under workers' compensation.

You may be paid for all or part of a medical leave to the extent you are eligible for benefits such as short-term disability.

Non-Continuous Leave

Intermittent and/or reduced leave will be permitted only when it is medically necessary as explained above. In all cases, the total amount of leave taken in a calendar year should not exceed your total allotment as defined earlier in this policy.

Intermittent and reduced schedule leave must be scheduled with minimal disruption to an employee's job. To the extent an employee or immediate family member has control, medical appointments and treatments related to an employee's or immediate family member's serious health condition should be scheduled outside of working hours or at such times that allow for a minimal amount of time away from work.

If you request non-continuous federal FMLA leave which is foreseeable based on planned medical treatment for purposes of providing care to a child, spouse or parent with a serious health condition or for your own serious health condition, you may be required to transfer temporarily to an available alternative position offered by the Company for which you are qualified and which better accommodates recurring periods of leave than your regular employment position. You will be entitled to equivalent pay and benefits, but will not necessarily be assigned the same duties in the alternative position.

Benefit Continuation During Leave

The Company will maintain group health insurance coverage and other employment benefits (such as group life insurance, AD&D, health and dependent flexible spending accounts, etc.) for you while on FMLA leave whenever such insurance was provided to you before the leave was taken and on the same terms as if you had continued to work. You will be required to pay your regular portion of insurance premiums – contact Human Resources for an explanation of your options.

Benefits that are accumulated based upon hours worked shall not accumulate during the period of FMLA leave.

The company reserves the right to recover premiums it paid to maintain health insurance coverage for an employee who fails to return to work from FMLA leave.

Returning to Work

If the reason for FMLA leave is for your own serious health condition, you will be required to present a Fitness-For-Duty certification immediately upon return to work.

If you wish to return to work before the scheduled expiration of an FMLA leave, you must notify the Company of the changing circumstances as soon as possible but no later than two working days prior to your desired return date.

An employee who fails to return to work immediately after the expiration of the leave period will be considered to have voluntarily terminated his/her employment.

Rights Upon Return From Leave

Upon return from Family or Medical Leave, you will be returned to the position you held immediately prior to the leave if the position is vacant. Certain exceptions exist for Key Employees as defined by law. If the position is not vacant, you will be placed in an equivalent employment position with equivalent pay, benefits, and other terms and conditions of employment. If you exhaust all leave under this policy and are still unable to return to work, your situation will be reviewed to determine what rights and protections might exist under other Company policies.

The law provides that an employee has no greater rights upon a return from leave than the employee would have if the employee had continued to work. Therefore, you may be affected by a layoff, termination or other job change if the action would have occurred had you remained actively at work.

If you do not qualify for the types of leave described in this policy, we may approve a personal leave of absence, depending on your circumstances. Except where mandated by law, we cannot guarantee that benefits will continue or that your position will remain open in your absence.

This policy provides an introduction to the rights and provisions of the federal FMLA. Questions you may have about this law should be directed to Human Resources.

Definitions

“Spouse”

A husband or wife as defined or recognized under state law for purposes of marriage in the state where the employee resides.

“Parent”

A biological parent or an individual who provides or provided day-to-day care and financial support to the employee when the employee was a child. This includes foster parent, adoptive parent, step-parent, and legal guardian. Parent does not mean a parent-in-law.

“Child”

A biological, adopted or foster child, stepchild, legal ward, or under the federal FMLA, the child of a person having day-to-day care and financial responsibility for the child. Child includes a person 18 years of age or older who is incapable of self-care because of a mental or physical disability.

“Incapable of self care”

The child requires active assistance or supervision to provide daily self care in three or more “activities of daily living,” or “instrumental activities of daily living,” including adaptive activities such as caring appropriately for one’s grooming and hygiene, bathing, dressing, eating, or instrumental activities such as shopping, taking public transportation, maintaining a residence, etc.

“Physical or mental disability”

A physical or mental impairment that substantially limits one or more major life activities of the individual.

“Serious Health Condition”

Illness, injury, impairment or physical or mental condition that involves:

- Inpatient care in a hospital, hospice or residential medical care facility
- A period of incapacity of more than three consecutive calendar days (including any subsequent treatment or period of incapacity relating to the same condition) that also involves: 1) treatment two or more times by or under the orders of a health care provider; or 2) treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of a health care provider
- Any incapacity due to pregnancy or for prenatal care
- Chronic conditions requiring periodic treatment by or under the supervision of a health care provider which continue over an extended period of time and may cause an episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.)
- Permanent/long-term conditions requiring supervision for which treatment may not be effective (e.g., Alzheimer’s, a severe stroke, or the terminal stages of a disease)

Multiple treatments by or under the supervision of a health care provider either for restorative surgery after an accident or other injury or for a condition that would likely result in a period of incapacity of more than three calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy), severe arthritis (physical therapy) or kidney disease (dialysis).

We have taken into consideration the personal needs that arise from the death of an **immediate** family member. You will be allowed one day with full pay. Funeral leave pay will not be granted to employees attending a funeral during periods when, for other reasons, they are not at work, such as a scheduled day off, vacation, holidays, and illness.

Immediate family is understood to include father, mother, spouse, child, sister, brother, mother-in-law, father-in-law, grandparents, or any relative who lives with the employee.

Non-Immediate family – You may request vacation or personal time to attend services.

Sallee Horse Vans, Inc recognizes that it is the duty of every citizen to serve on a jury when called. If you are called to serve it is your responsibility to

- Show your supervisor your summons to serve on a jury prior to the time that you are scheduled to serve.
- Furnish your supervisor with evidence of having served on a jury for the time claimed.

Jury absence will be noted on your time sheet or time card. Time spent on jury duty will not be counted as hours worked for the purpose of computing overtime pay.

This benefit cannot be applied to any court appearance other than jury duty unless such appearance is related to your employment.

Lunch Periods

Employees are allowed an unpaid 30 minute lunch break. Lunch breaks generally are taken between the hours of 11:00 - 1:30. The schedule for meal periods should be established on the basis of work requirements in each office. Staggered meal periods are necessary in customer service locations. Supervisors should be sure that each location is adequately staffed and that someone with authority to resolve minor problems is available at all times.

Rest Periods

Two paid rest periods of 15 minutes each should be permitted each day. The schedule for these breaks should depend completely on the needs of each office.

Rest periods are considered time worked, and employees will receive compensation for such periods.

Leave for Annual Training

Employees who are members of the U.S. Army, Navy, Air Force, Marines or Coast Guard reserves or the National Guard may be granted leaves of absence for the purpose of participating in reserve or National Guard training programs.

Employees shall be granted the minimum amount of leave needed to meet the minimum training requirements of their units. No employee will be required to use vacation time for military duty, but employees who do elect to schedule their vacations to coincide with military duty will receive their full regular vacation pay in addition to any pay from the military.

Leave for Active Reserve or National Guard Duty

Permanent employees who are members of the U.S. Army, Navy, Air Force, Marines or Coast Guard reserves or the National Guard may be granted leaves of absence for the purpose of participating in active duty tours.

Employees will be granted leave as required to complete the tour of duty, for up to five (5) years of cumulative uniformed service-related absences. There are some exceptions that may apply that are exempt from counting towards this five year accumulation.

Employees with leaves of less than 31 days must report back to work by the beginning of the first regularly scheduled work period after the end of the last calendar day of duty, plus the time required to return home safely and have an eight hour rest period.

Employees with leaves between 31 and 180 days must apply for re-employment no later than fourteen (14) days after completion of uniformed service. Employees with leaves longer than 180 days must apply for re-employment no later than ninety (90) days after completion of uniformed service.

Time spent in the reserves or the National Guard will be credited to all employees toward meeting length of service requirements for eligibility for retirement benefits and vacation entitlement. Employer pension contributions, however, may be suspended during military service because the employee is not in pay status, and employees will not accrue vacation while in the military.

Sallee Horse Vans, Inc. believes that employees should have opportunities to enjoy time away from work to help balance their lives. For this reason, we provide vacation time to all full-time employees.

Vacation is time-off-with-pay to provide employees with the freedom to decide how to use their time off. Advances of vacation pay will not be authorized. If there is a break in employment, vacation along with all other benefits will reset to the new hire date.

Procedure

All employees are required to submit a written request for vacation leave at least 2 weeks prior to the date they wish their vacation to begin. This form should be submitted to the department manager for approval. Managers will resolve conflicting leave requests within a department by considering factors such as:

- Departmental staffing needs
- Seniority
- Length of desired vacation
- Elapsed time since employee’s last 5-day (or longer) vacation

Vacations during holidays will be rotational within each department. You will be permitted to carry over 1 week of vacation from one year to the next. Prior year’s vacation days must be taken in non-peak periods.

Peak Season:

March 10 - June 1

July 14 – December 15

During the peak season, there is limited availability for time off. Vacations during this time will be granted based on the following criteria;

- Safe driving record
- Years of service/seniority

There may also be blackout periods that could affect whether or not your vacation request is approved.

Eligibility for Vacation:

All full-time employees are eligible to earn vacation. The company “computes” earned vacations on a “calendar year” basis starting January 1st and ending December 31st.

Hourly Employees - Vacation time off is paid at the employee’s base rate at which the time was earned. It does not include overtime or any special forms of compensation such as incentives, commissions, or bonuses.

Section: Time Away From Work**Vacation Policy****How Earned:**

Vacation eligibility shall be earned on the following basis

| Years of CONTINUOUS SERVICE as of January 1st | Office/Shop/Local Drivers/Barn | OTR Drivers |
|------------------------------------------------------|---------------------------------------|---------------------|
| Less than 1 Year | See Chart Below | See Chart Below |
| Over 1 yr but not over 2 yrs | 5 Days / 40 Hours | 7 Days / 56 Hours |
| Over 2 yrs but not over 10 yrs | 10 Days / 80 Hours | 14 Days / 112 Hours |
| Over 10 yrs but not over 15 yrs | 15 Days / 120 Hours | 21 Days / 168 Hours |
| Over 15 Yrs | 20 Days / 160 Hours | 28 Days / 224 Hours |

Vacation time for less than one year of continuous employment.

| Hire Month | Vacation Days due Jan 1st of following year Office/Shop/Local Drivers/Barn | Vacation Days due Jan 1st of following year OTR Drivers |
|-------------------|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Jan-Feb | 5 Days / 40 Hours | 7 Days / 56 Hours |
| Mar-Apr | 4 Days / 32 Hours | 5 Days / 40 Hours |
| May-June | 3 Days / 24 Hours | 3 Days / 24 Hours |
| July-Aug | 2 Days / 16 Hours | 2 Days / 16 Hours |
| Sept-Oct | 1 Day / 8 Hours | 1 Day / 8 Hours |
| Nov-Dec | 0 Days / 0 Hours | 0 Days / 0 Hours |

Example 1: A “Shop” employee is hired March 15, 2009.

March 15 – December 31, 2009 – That employee has no vacation.

January 1, 2010 – That employee has 4 days vacation to be used from Jan 1 – Dec 31, 2010.

January 1, 2011 – That employee has 5 days vacation to be used from Jan 1 – Dec 31, 2011.

January 1, 2012 – That employee has 10 days vacation to be used from Jan 1 – Dec 31, 2012.

Example 2: An “Over the Road” driver is hired August 2, 2009.

August 2 – December 31, 2009 – That employee has no vacation.

January 1, 2010 - That employee has 2 days vacation to be used from Jan 1 – Dec 31, 2010.
January 1, 2011 – That employee has 7 days vacation to be used from Jan 1 – Dec 31, 2011.
January 1, 2012 – That employee has 14 days vacation to be used from Jan 1 – Dec 31, 2012.

Section: Time Away From Work

Vacation Policy

Use and Management of vacation:

Vacation time is credited to you as of January 1st of each year. Vacation may be taken in half-day increments of time. Vacation in excess of 1 week not used by the end of the calendar year will be forfeited.

Sallee Horse Vans, Inc. encourages employees to use their vacation responsibly and, whenever possible, to schedule time off in advance for vacations or personal leave appointments. The time off request will be evaluated and subject to approval depending upon staffing needs at the time. Sallee Horse Vans, Inc. understands there may be occasions, such as a sudden illness, when you may not be able to give sufficient advance notice. In those situations however, be sure to inform your supervisor as soon as possible. If you are a driver and have a trip scheduled then you must give sufficient notice so that a substitute driver can be assigned and dispatched on time to your trip.

Vacation time also includes time off for unexpected emergencies or illnesses, but is not to be used to cover time missed from work due to tardiness, except in the case of inclement weather.

Types of Non-Vacation Leave:

Situations that require time off such as jury duty, bereavement, and workers compensation will not be charged against your accrued vacation time but all other time off will be charged against your vacation accrual. *NOTE: See separate company policies on those topics to address such situations.*

Vacation Tracking:

Sallee Horse Vans, Inc. has an automated vacation tracking system to keep a record of your accrued vacation balance.

Payment of Vacation upon Termination:

You will be paid for all accrued and unused vacation upon resignation, separation, or retirement from Sallee Horse Vans, Inc. In the event of a voluntary termination of employment, no payment may be made unless the employee gives at least a two-week notice and if involuntary termination no payment of vacation will be made.

Being a service-oriented organization, it is crucial that you begin work at your assigned time. If you are tardy, you should report the reason to your supervisor. It is very much to your advantage to do all that you can to have a good attendance record since regular attendance is one of the best indications of interest in your job and will be taken into account at your performance evaluation. If you are unable to report for work because of illness or for any other reason, please call your supervisor at least 1 hour prior to your scheduled work time. Explain the reason for the absence and tell him/her when you expect to return to work. If you are unable to return to work on the expected day, you should call your supervisor at least an hour prior to your scheduled work time on that day to inform him/her of the status of your return. If your supervisor is unavailable, contact Nicole. A night watchman or security personnel does not constitute a supervisor. If you need to be off for scheduled appointments, please notify your supervisor immediately, in writing. There is a form available. If work is missed and a form is not completed, your absence will be considered unexcused. Unexcused absences are grounds for termination.

Personal Time – Office/Shop/Security

Personal time (if eligible) will be a total of 7 Days. 2 of these days can be taken in minimum increments of 1 hour and the remaining can be taken in minimum increments of 4 hours. Personal time will be awarded on Jan 1 after your first continuous year of employment. If you have less than one year of continuous service on Jan1 then you should refer to the table below to see how many personal days you are eligible for.

| Hire Month | Personal Days as of Jan 1st of Following Year |
|-------------------|-----------------------------------------------------------------|
| Jan – Feb | 7 Days / 56 Hours |
| Mar – Apr | 6 Days / 48 Hours |
| May – June | 5 Days / 40 Hours |
| July – Aug | 4 Days / 32 Hours |
| Sept – Oct | 3 Days / 24 Hours |
| Nov – Dec | 2 Days / 16 Hours |

Example 1: An “Office” employee is hired on April 10, 2009.
April 10 – December 31, 2009 – That employee has no personal time.
January 1, 2010 – That employee has 6 personal days to be used from Jan 1 – Dec 31, 2010.
January 1, 2011 – That employee has 7 personal days to be used from Jan 1 – Dec 31, 2011.

Example 2: A “Shop” employee is hired October 14, 2009.
October 14 – December 31, 2009 – That employee has no personal time.

January 1, 2010 – That employee has 3 personal days to be used from Jan 1 – Dec 31, 2010.
January 1, 2011 – That employee has 7 personal days to be used from Jan 1 – Dec 31, 2011.

Section: Time Away From Work

Personal Time Policy

Personal Time is time you elect to use for the following reasons:

- Physician and dental appointments for yourself or family members;
- Time away from the office when either you or a family member is sick;
- Time away from the office for any personal reason.

You are not required to give any specific reason for using your personal time. However, when you plan to use time for “personal” reasons and/or scheduled appointments, you must notify your manager of this preference and schedule the time off as far in advance of the event as possible. If you miss 3 or more consecutive days without prior approval then you must present a doctor’s note upon returning to work. You will not be permitted to return to work without it.

Personal leave is a benefit provided to you in the event you need to take time off because of your health or for any personal reason. It is not merely additional paid vacation, thus no pay is provided for unused personal leave at the end of employment or at the end of the calendar year.

There are no unpaid days off. If you miss a scheduled day you will be required to use vacation or personal time to cover this absence. If you are out of vacation/personal time then this will be considered an unexcused absence and you will be put into the disciplinary process up to and including termination for repeat offenses.

Extended Leave

Employees who have used up their available paid sick leave and remain unable to report for work may be eligible for unpaid family and medical leave (FMLA leave). Eligibility for health care benefits continues during FMLA leave.

Section: General Practices

Holidays

The nature of our business prohibits Sallee Horse Vans, Inc from guaranteeing drivers will have recognized holidays off. As a family business; however, we understand the importance of families being together for the Christmas holiday. Thus, Sallee will guarantee that each driver will be home for Christmas.

Eight hours holiday pay will be available to the following employees after your 90 day probationary period. This will be paid out using your straight time pay rate and the holiday hours will not be counted in the overtime calculation for the week. You must work your scheduled shift (or have a prior approved absence) before and after the holiday in order to qualify for holiday pay.

Local Drivers & Barn

New Years Day
Christmas Day

Office / Dispatch / Shop / Security

New Years Day
Memorial Day
Fourth of July
Labor Day
Thanksgiving Day
Christmas Day

We want to ensure that everyone and everything is safe and secure at a minimum inconvenience to you. Main entries are open from 6:30 a.m. until 5:00 p.m. Monday through Friday.

All visitors are to be escorted by authorized personnel to ensure proper client confidentiality. Please do not allow visitors to roam the premises unattended. All visitors, including attendants and friends/family, are required to check in at the main office and sign in and out.

PER DIEM

Per Diem reimbursement requests must be turned in on a weekly basis. Effective January 1, 2009 per diem pay will be included in your weekly paycheck for the prior week. Your weekly per diem form must be received at one of the Sallee offices on Tuesday by noon. If it is not turned in on a weekly basis it **will not** be paid out. It will show up on your paycheck as a separate non-taxable item. This includes all reimbursed expenses such as tolls, truck washes, etc.

Per Diem Amounts

| Meal | Amount |
|-------------------------|----------------|
| Breakfast | \$4.00 |
| Breakfast/Lunch | \$8.00 |
| Lunch | \$4.00 |
| Lunch/Supper | \$16.00 |
| Supper | \$12.00 |
| Supper/Breakfast | \$16.00 |
| All Day | \$20.00 |

Hotel Rooms

Sallee Horse Vans, Inc recognizes the need to provide hotel rooms in certain situations. The following rules will apply in regards to company paid hotel rooms.

Situations in which rooms will NOT be paid by the company.

- If you are at your home base, the company will not pay for a hotel room.
- If you arrive into the Lexington office (or your home base) after mid-night and are going out first thing in the morning, you may stay in your truck. Please use good judgment if the weather is mile, and do not run your truck.
- If drivers must layover and they have an Attendant, an extra room will not be approved by the company for the attendant. (Inclement weather permission may be granted by Nicole).

Situations in which rooms will be paid by the company.

- If you arrive into a city (not your home base) that you have to layover to come out the next day, Sallee will pay for a room.

i.e. Arrive in Saratoga on Monday a.m., load equipment at 4:00 pm, and load on Tuesday a.m.
- If you are doing the Race Shuttle in Louisville and are not based/reside in Louisville.

Rooms will only be paid for by the company if there is a purchase order give to the hotel prior to check-in. If you do not get prior approval and get a room at a hotel that we have an account with, we will deduct the hotel charges from your paycheck.

We expect our employees to respect others property. If there are any fees charged to the company because of damage, etc. then those fees will be passed through to you through a payroll deduction. If your accommodations are in a non-smoking hotel room and a Sallee Horse Vans is charged a smoking fee then that will be passed along as well.

Idling

Idling has become a huge problem both with fuel costs and local emission laws. Please keep idling to a minimum. We will speak with individual drivers who abuse this privilege.

General Usage

Sallee Horse Vans, Inc. requires a General Computer Usage Policy to accomplish its business objectives in a secure and timely manner. Instituting such a policy demonstrates the commitment Sallee Horse Vans, Inc. has to safeguard corporate information assets. That commitment must extend from every individual involved in business operations.

- All data on information systems at Sallee Horse Vans, Inc. is classified as Company proprietary information.
- Any attempt to circumvent Sallee Horse Vans, Inc.'s security procedures is strictly prohibited.
- Unauthorized use, destruction, modification, and/or distribution of Sallee Horse Vans, Inc.'s information or information systems is strictly prohibited.
- All Sallee Horse Vans, Inc.'s information systems will be subject to monitoring and auditing at all times. Users acknowledge that they have no expectation of privacy with regard to their activity on Sallee Horse Vans, Inc.'s information systems.
- Use of any Sallee Horse Vans, Inc.'s information systems or dissemination of information in a manner bringing disrepute, damage, or ill- will against Sallee Horse Vans, Inc. is not authorized.
- Individual passwords will be kept strictly confidential. In no situation should a username and password be given to another individual.
- Misuse, as defined in this policy, will be handled directly with the offender and could include disciplinary action up to and including discharge.

Internet Usage

Internet usage is provided to Sallee Horse Vans, Inc. employees to conduct work-related business. Incidental and occasional personal use is permitted. This privilege should not be abused and must not affect a user's performance of employment related activities. Non-business Internet activity will be restricted to non-business hours. Employees violating this policy will be subject to disciplinary action up to and including suspension and termination.

E-mail Usage

E-mail accounts are provided to Sallee Horse Vans, Inc. employees to conduct work-related business. While this resource is to be used primarily for business, the Company realizes that employees may occasionally use this privilege for personal matters, and therefore permits limited personal e-mail during non-business hours.

- All e-mail on the Sallee Horse Vans, Inc. information systems, including personal e-mail, is the property of Sallee Horse Vans, Inc. As such, all e-mail can and may be periodically monitored.
- Outgoing and incoming e-mail of an offensive, pornographic, or otherwise inappropriate nature is prohibited. Violations of this may result in disciplinary action, up to and including termination of employment.

Desktop Services

Sallee Horse Vans, Inc. discourages/prohibits the downloading of software from the Internet because of significant risk of infecting the Company systems with a virus and the unreliability of such downloaded software. All Sallee Horse Vans, Inc.'s information systems will be subject to periodic inventory and inspection for compliance.

Sallee Horse Vans, Inc. prohibits the use of any recording device on Company property and/or during working hours unless specifically permitted by the Company. The Company prohibits the use of picture phones or any other camera or device that may capture visual images without the Company's prior written permission. The use of picture phones or other recording of visual images is specifically prohibited in locker rooms, restrooms, or any other area where members of the public or coworkers would enjoy a reasonable expectation of privacy and in any areas in which sensitive or closely guarded corporate or business materials are used or housed. Any employee found in violation of this policy will be subject to discipline up to, and including, termination of employment and may also be subject to prosecution to the fullest extent permitted under the law.

1. Sallee Horse Vans, Inc. expects that every employee will be regular and punctual in attendance. This means being in the office, ready to work, at their starting time each day. Absenteeism and tardiness places a burden on other employees and on Sallee Horse Vans, Inc.
2. When you are unable to work due to illness or an accident, please promptly notify your immediate supervisor. In the event your immediate supervisor is unavailable, you must speak with a manager. Leaving a message with another staff member or on voicemail does not constitute an accepted notification of absence. If you do not report for work and Sallee Horse Vans, Inc. is not notified of your status, it will be assumed after two consecutive days of absence that you have resigned, and you will be removed from the payroll.
3. If you become ill at work or must leave the office for some other reason before the end of the workday, be sure to inform your supervisor of the situation.
4. You will be compensated for authorized absences according to the provisions described in this Manual. Authorized absences beyond the time allowed under that policy are authorized without compensation.
5. In the event of inclement weather, we remain open for business during regularly scheduled working hours. You are expected to report for work in inclement weather if it is at all possible to do so safely. In the event we close due to inclement weather, someone in your work group will contact you. Please keep your work group and manager informed on how to reach you on such occasions. See also, Inclement Weather Policy.
6. Should undue tardiness or absenteeism become apparent, disciplinary action up to and including discharge may be required.

Sallee Horse Vans, Inc. conducts background checks on all job candidates post-job offer. Sallee Horse Vans, Inc. may also use a third party administrator to conduct the background check. The type of information that may be collected is as follows: criminal background check, employment history, education, credit and professional or personal references.

This information may also be sought out during reassignment or promotional periods.

Sallee Horse Vans, Inc. will conduct background checks in compliance with the federal and state statutes of the Fair Credit Reporting Act.

Purpose:

Sallee Horse Vans, Inc. will reimburse employees for all necessary and reasonable travel expenses related to the normal conduct of business. To administer uniform guidelines for reimbursement of business related travel, meals, and entertainment expenses, the following policies and procedures have been established. While this policy provides many answers and useful guidance, it cannot address every possible situation. If you have any questions regarding the business nature and/or reimbursement of such expenses, check with your supervisor before you commit to spending any funds. The most useful guide to cost effective business travel is to spend money as if it were your own.

Auto Allowance/Mileage:

Employees receive reimbursement for direct business mileage. Employees may receive either a monthly auto allowance or direct mileage reimbursement based on an evaluation of the use of their personal automobile for purposes of conducting Company business. Auto allowances are paid on a monthly basis. Direct mileage is reimbursed at the current IRS standard rate and is paid upon submission of a signed and supervisor approved "Monthly Mileage Report" form. Because it is more cost effective than direct mileage reimbursement, Sallee Horse Vans, Inc. prefers that employees rent an automobile if round trip mileage on a business trip will be more than 200 miles. See section on "Car Rentals" below.

Car Rentals:

Sallee Horse Vans, Inc. has a preferred relationship with a car rental agency Budget offering discounted rates and direct billing. Employees should use this agency whenever possible when making reservations for both in-town and out-of-town rentals. Sallee Horse Vans, Inc. suggests the use of full-size vehicles unless a larger vehicle is necessary and justifiable for business purposes. Collision and liability insurance coverages should not be purchased when renting a car for domestic business purposes. The car rental needs to be made in both the name of Sallee Horse Vans, Inc. and the name of the employee to be covered by the Company's insurance. Human Resources should be contacted immediately in the event of any accident or damage with a rented vehicle.

Air Travel:

Reservations for all domestic air travel can be made by the employee either on line or directly with the various airlines. It is expected that employees make every effort to minimize the cost of air travel, including considering Saturday night stays or departures out of airports.

Spouse's Travel:

Travel expenses related to an employee's spouse are not reimbursable by the Company.

Lodging:

The selection of overnight lodging should be guided by considerations of safety, quality and reasonableness of room rates. Again, the most useful guide to cost effective accommodations is to spend money as if it were your own. When rooms are guaranteed for late arrival and the trip is cancelled or other lodging is secured, the reservation must be cancelled to avoid being billed for a "No Show." Hotels may require either a 24 or 48-hour cancellation notice to avoid these charges. The cost of in-room movies is not reimbursable. Only the cost of the room plus tax will be covered.

Business Meals:

Employees will be reimbursed for reasonable and actual expenses for meals incurred while on business trips away from their normal business hours. All original receipts must be included with the employee's travel and expense report. Any employee expense report received without the receipts will be returned to the employee.

Sallee Horse Vans, Inc. provides vehicles for business use to allow employees to drive on company-designated business and to reimburse employees for business use of personal vehicles according to the following guidelines. Sallee Horse Vans, Inc. retains the right to amend or terminate this policy at any time.

1. Sallee Horse Vans, Inc. employees may not drive any business vehicles without prior approval. Before being approved to operate a company vehicle, an employee's driving records will be reviewed, with consent of employee, and the existence of a valid driver's license will be verified. Employees approved to drive on company business are required to inform Sallee Horse Vans, Inc. of any changes that may affect either their legal or physical ability to drive or their continued insurability.
2. Employees holding jobs requiring regular driving for business as an essential job function must, as a condition of employment, be able to meet the driver approval standards of this policy at all times. For all other jobs, driving is considered only an incidental function of the position.
3. If possible, company vehicles will be permanently assigned to departments that have demonstrated a continued need for them. Trucks are maintained in the fleet, and when assigned for a short/long assignment should be taken care of with respect. Property damage will not be tolerated and disciplinary action up to and including termination.
4. Employees who need transportation in the course of their normal work may be assigned a company vehicle for their use. All other employees needing transportation for company business may use vehicles assigned to their department or drawn from the motor pool. As a last alternative, when no company vehicles are available, employees may use their own vehicles for business purposes with prior approval.
5. Employees who drive a vehicle on company business must, in addition to meeting the approval requirements above, exercise due diligence to drive safely and to maintain the security of the vehicle and its contents. Employees are also responsible for any driving infractions or fines as a result of their driving.
6. Non-employees and non-business passengers (i.e. family members, friends, and hitchhikers) are prohibited from riding in company vehicles.
7. Employees who use their personal vehicles for approved business purposes will receive a mileage allowance equal to the Internal Revenue Service optional mileage allowance for such usage. This allowance is to compensate for the cost of gasoline, oil, depreciation and insurance. Employees who operate personal vehicles for company business should obtain auto liability coverage for bodily injury and property damage with special endorsement for business use, when necessary as determined by their personal insurance agent.

8. Employees must report any theft, or malicious damage involving a company vehicle, regardless of the extent of the damage. Such reports must be made as soon as possible, but no later than 48 hours after the incident. However, employees should make no voluntary statement other than in reply to questions of investigating officers.
9. Employees who are on call on a 24-hour basis may be allowed to take a company vehicle home so they can respond as soon as possible. Such employees need to provide a written acknowledgement that they fully understand that the vehicle is used only as part of emergency response and not for personal use.
10. Employees are not permitted, under any circumstances, to operate a company vehicle or a personal vehicle for company business when any physical or mental impairment causes the employee to be unable to drive safely. Additionally, employees shall not operate any company vehicle at any time or operate any personal vehicle while on company business while using or consuming alcohol, illegal drugs or prescription medications that may affect their ability to drive. These prohibitions include circumstances in which the employee is temporarily unable to operate a vehicle safely or legally because of impairment, illness, medication or intoxication.

Section: General Practices **Confidential Information and Company Property**

During your employment by the Sallee Horse Vans, Inc., you may have access to confidential and proprietary data which is not known by competitors or within the field of horse transportation and trailer fabrication business generally. This information (hereinafter referred to as "Confidential Information") includes, but is not limited to, data relating to the Company's marketing and servicing programs, procedures and techniques; the criteria and formulae used by the Company in pricing its products and services; the structure and pricing of special packages that the Company has negotiated; lists of customers and prospects; the identity, authority, and responsibilities of key contacts at Company accounts; the composition and organization of accounts' businesses; the peculiar risks inherent in their operations; sensitive details concerning the structure, conditions, and extent of their existing products and services; contract expiration dates; commission rates; service arrangements; proprietary software, Web applications and analysis tools; and other data showing the particularized requirements and preferences of the accounts. This Confidential Information constitutes a valuable asset of the Company, developed over a long period of time and at substantial expense.

To protect the Company's interest in this valuable asset, you must (a) not use any such Confidential Information for your personal benefit or for the benefit of any person or entity other than the Company, and (b) use your best efforts to limit access to such Confidential Information to those who have a need to know it for the business purposes of the Company. In addition, you should minimize those occasions on which you take documents, computer disks, or a laptop containing such Confidential Information outside the office. On those occasions where it is necessary, consistent with the best interests of the Company and doing your job effectively, to take documents, a computer disk, or a laptop containing Confidential Information outside the office, all appropriate precautionary and security measures should be taken to protect the confidentiality of the information.

During the course of your employment with the Company, you will be provided and/or will generate correspondence, memoranda, literature, reports, summaries, manuals, proposals, contracts, customer lists, prospect lists, and other documents and data concerning the business of the Company. Any and all such records and data, whether maintained in hard copy or on a computer disk, computer hard drive, computer tape, or other medium is the property of the Company, regardless of whether it is or contains Confidential Information. Upon termination of your employment at the Company, you are required to return all such records to the Company and may not retain any copy of any such records or make any notes regarding any such records. We reserve the right to search for such information and property in personal items while on Company premises such as vehicles, purses, briefcases, etc.

All employees have a duty to further the Company's aims and goals, and to work on behalf of its best interest. Employees should not place themselves in a position where the employee's actions or personal interests may be in conflict with those of the Company. Examples include soliciting or profiting from the Company's client/prospect base or other Company asset for personal gain, acting on behalf of the Company in servicing or obtaining a client and limiting the best solution for the client/prospect for personal financial gain, and acting as director, officer, employee, or otherwise for any business or institution with which the Company has a competitive or significant business relationship without the written approval of the CEO.

Employees should report to their manager any situation or position (including outside employment by the employee or any member of the employee's immediate household) which may create a conflict of interest with the Company.

Your pride in both yourself and as a representative of our organization is reflected in your appearance and image you create. We feel our business image is important and request that our employees maintain standards of dress and appearance appropriate to the organization as a whole and your individual position responsibilities. Dress, grooming, personal cleanliness, and professional behavior standards contribute to the professional image we present to our customers and visitors. Therefore, while performing duties for our organization employees are expected to dress in attire appropriate to the business environment and to behave in a professional and businesslike manner at all times to best represent our business.

Guidelines:

- Due to the nature of our business and our continuous client contact, the employees at Sallee Horse Vans, Inc. have followed a more traditional business attire dress policy. Our formal dress guidelines now include a more relaxed dress or “Business Appropriate” dress, which we feel is in the best interest of Sallee Horse Vans, Inc., our employees and our clients (please see below).
- Employees may dress according to the requirements of their position, however our beliefs regarding business appropriate dress is that business is always first. This means that employees should keep their day’s schedule in mind. We recognize that different levels of dress may be appropriate for different occasions. As a general rule, when meeting with clients, prospects, or outside visitors, traditional business casual attire should always be worn except where it doesn’t make good business sense.
- All employees should judge their business attire for meetings and contacts outside of the office by the type of function that will be attended. Also, on occasion there may be a specific business reason to require that all employees dress in traditional business casual attire. In such instance this will be communicated to employees in advance and they will be required to dress accordingly.
- Our business appearance and image is important to us. However, we respect individual preference and choice in dress and appearance. We are confident that employees will use their best judgment in following our dress and attire guidelines. We ask that at all times employees make certain that their appearance is well groomed and clean and that clothing is appropriate, neat, clean, and well-fitting. While relaxed business attire is acceptable within the stated guidelines, we want to be sure our environment does not jeopardize professionalism and productivity.

Appropriate Business Attire/Appearance Includes:

- For men, relaxed business attire includes dress or sport shirts with collars and/or ties, polo shirts, tailored slacks, khakis/chinos, dress corduroy slacks, neat jeans, knee length khaki or jean shorts, and business shoes including socks.
- For women, relaxed business attire includes dress shirts, polo shirts, blouses, sweaters, traditional split skirts, casual dresses, skort outfits, tailored slacks, khakis/chinos, dress corduroy slacks, neat jeans, knee length khaki or jean shorts, business shoes (heels, flats or other casual shoes).

Inappropriate Attire or Appearance Includes:

- Casual shorts (above the knee), cut off shorts, leggings, jogging or sweat suits.
- Tank tops, oversized shirts, low cut/ unbuttoned shirts, wife beaters.
- Exceptionally short dresses/skirts or crop tops.
- Clothing made of leathers (pants) or spandex.
- Any clothing item displaying an offensive comment or graphic illustration; logo clothing including sport teams, cartoon characters, etc., unless otherwise specified.
- Any body piercing seen as a safety hazard.
- Dirty, ragged, ungroomed, or sexually provocative, revealing, or see through clothing or appearance.
- Any other attire or appearance Sallee Horse Vans, Inc. deems to be inappropriate to the business environment.

If an employee is unclear about our dress and appearance guidelines, they are encouraged to consult with their supervisor and/or our Human Resources staff. If an employee reports to work in questionable attire or appearance, a notification and/or discussion will occur with the employee to advise and counsel them regarding the inappropriateness of the attire.

Depending upon the circumstance the employee may also be sent home and directed to return to work in proper attire. Any work time lost will be expected to be made up by the employee. Continued or frequent departures from these guidelines will not be permitted and employees who appear for work inappropriately dressed or groomed may be disciplined up to and including termination.

Purpose

Driver inattention is a factor in a majority of motor vehicle accidents. We are not only concerned about your welfare as a Sallee Horse Vans, Inc. employee, but also the welfare of others who could be put in harm's way by inattentive driving. As a driver, your first responsibility is to pay attention to the road. When driving on Sallee Horse Vans, Inc. business, or driving while conducting business on behalf of the Company in any other manner, the following applies:

Cellular Phone Use

Cell phone use while driving is a common, often harmful, distraction. We are concerned about your safety as well as the safety of others. For this reason, the use of cell phones while driving is strongly discouraged. Do not accept or place calls unless it is an emergency, meaning the call cannot wait until you safely pull off the road or arrive at your destination. If you must use your cell phone while driving, please use good judgment: keep the call short, use a hands-free device if available, get to know your phone and its features, and suspend conversations during hazardous driving conditions (rain, snow, ice, fog, glare, heavy traffic, etc.). Note that each state has its own cell phone law and you are required to follow the laws of each state. Limit all personal calls until you are off duty and no personal calls of any kind around customers or while loading and unloading. There shall be no texting while you are driving.

Obey the Law

Sallee Horse Vans, Inc. is not responsible for any moving traffic violations, parking tickets, or any other city ordinances or state/federal laws regarding your driving habits and operation/care of your personal motor vehicle. Any tickets issued are the employee's responsibility, even if the ticket is issued while conducting business for Sallee Horse Vans, Inc. Notify your employer immediately of any violation.

Other Safe Driving Precautions:

- Use better judgment when road conditions are poor.
- Make an effort to avoid distractions such as eating, applying makeup, paying too much attention to your radio/CD player, or other distracting behavior.
- Do not drive if your ability to drive safely is impaired by the influence of medications.
- Laptop computers should never be used at any time while driving.
- If using a vehicle not your own (rental or otherwise), be sure to properly adjust the mirrors and familiarize yourself with the vehicle's controls before operating.
- Be concerned for your coworkers' safety. Ask them to call you back at a safer time if they call you while driving.

Section: Workplace Conduct

Driving While on Company Business

- As a business against drunk driving, be responsible when entertaining clients. Abide by the law and use a designated driver or the BADD program.
- Employees who drive for company business must have a current, valid driver's license.

Employees are classified as either exempt or non-exempt for pay administration purposes, as determined by the federal Fair Labor Standards Act (FLSA).

The definitions of the worker classification categories can be summarized as follows:

Exempt: Management, supervisory, professional, sales or administrative employees, whose positions meet FLSA standards, are exempt from overtime pay requirements.

Non-exempt: Employees whose positions do not meet the FLSA exemption standards are paid overtime. Employees classified as non-exempt generally work in non-supervisory, non-professional or non-administrative capacities. Overtime work, however, is prohibited without specific supervisor authorization.

In addition, each employee's status is defined as one of the following:

Full-time: Employees who work a minimum of 35 per week are considered to be full-time. Such full-time employees are eligible for benefits after applicable requirements for length of service have been met.

Sallee Horse Vans, Inc. supplements its regular work force with temporary or part-time/seasonal employees to help compensate for workload, employee absences, or other situations. Management will determine which positions are permanent part-time and which are considered temporary or seasonal.

Part-time: Employees who work less than 35 per week are considered to be part-time. Employees who work 35 or less per week, or who work on a temporary project basis, will receive all legally mandated benefits (such as workers compensation and Social Security benefits), but are ineligible for other benefit programs.

Temporary/Seasonal: Temporary/seasonal employees are those engaged to work either part-time or full-time on Sallee Horse Vans, Inc.'s payroll, but have been hired with the understanding that their employment will be terminated no later than upon their completion of a specific assignment. This category includes interns and co-op students. Such employees may be either "exempt" or "non-exempt" but are not eligible for Sallee Horse Vans, Inc. benefits except as mandated by law.

Independent Contractors: Consultants, freelancers or independent contractors are not employees of Sallee Horse Vans, Inc. The distinction between employees and independent contractors is important because employees may be entitled to participate in the Company's benefits programs, while independent contractors are not. In addition, Sallee Horse Vans, Inc. is not required to withhold income taxes, withhold and pay Social Security and Medicare taxes, or pay unemployment tax on payments made to an independent contractor.

Sallee Horse Vans, Inc. offers an employee discount to its employees. The employee discount is one of the benefits for working for Sallee Horse Vans, Inc when driving your own horse off the clock. Employees are entitled to a price of \$75 + actual fuel used for local trips and stall space less fuel surcharge for over the road trips. You are given this benefit with the understanding that you must still fuel @ networked Sallee fuel locations with the Sallee credit card. All charges will be via a payroll deduction. For over the road discounts see Nicole for pricing information.

Sallee apparel and merchandise is sold to the employee at our discounted cost. We encourage our employees to represent our company well by wearing our apparel.

Section: General Practices Employee Referral Bonus Award Program

An award has been established to encourage our present staff to refer quality people to our organization. If the referral is hired, the staff member that referred will receive a total of \$1000. The first \$250 will be issued after the new recruit has been employed for 90 days. After the next 90 days you will receive another \$250 if the recruit is still here. If the new recruit remains another 180 days (360 days total) then you will receive the final \$500. In order to qualify for the award program, a current employee should provide the referral for either a posted position or as a general referral. Following are the guidelines to this program:

1. Get out there and start promoting Sallee.
2. Fill out a recruitment referral card. The form must be completely filled out, or you will not get credit for the referral.
3. After you have the driver sold on calling Sallee and getting an application to fill out, make sure to tell the recruit to include your name on the application as the referral.
4. Turn in the card directly to human resources.

Members of your immediate family will be considered for employment on the basis of their qualifications. Your immediate family may not be hired, however, if it would:

- Create a direct supervisor/subordinate relationship with a family member,
- Have the potential for creating an adverse impact on work performance, or
- Create either an actual conflict of interest or the appearance of a conflict of interest.

This policy must also be considered when hiring, assigning, or promoting an employee.

If a circumstance arises that results in a direct supervisory relationship between immediate family or close personal relatives (e.g., marriage, reduction-in-force, reorganization, priority placement), one of the relatives may be reassigned to an appropriate vacancy. During the period that a direct supervisory relationship exists between immediate family or close personal relatives, the supervisory relative will not be involved in any personnel action involving his/her relative. Typical first-level supervisory responsibilities will be referred to the next higher level in the supervisory chain.

For purposes of this policy, your immediate family includes: Mother, Father, Husband, Wife, Son, Daughter, Sister, Brother, Mother-in-law, Father-in-law, Sister-in-law, Brother-in-law, Son-in-law, Daughter-in-law, Stepchild, Stepparent, or Grandparent. This policy also applies to close personal relatives such as Uncle, Aunt, First Cousin, Nephew, Niece or Half-Sibling.

Questions should be directed to your supervisor.

We prohibit the solicitation, acceptance, offer or payment to any person or organization of any bribe, kickback or similar consideration of any kind, including money, services or goods or favors (other than goods or favors which are nominal in amount (<\$50) and not prohibited by any federal, state or local law). Do not accept or give gifts, gratuities, entertainment or favors of such value or significance that their receipt might reasonably be expected to interfere with the exercise of independent and objective judgment in making or participating in the business decisions of Sallee Horse Vans, Inc. or the party with whom Sallee Horse Vans, Inc. is dealing.

This excludes driver's tips. It is expected that the honor system will be in place if a tip is to be divided between co-drivers.

Sallee Horse Vans, Inc. is open for business unless there is a declared State of Emergency. There may be times, however, when we will delay opening. Use common sense and your best judgment, however, when traveling to work in inclement weather.

If you arrive at work after your scheduled start time, that time is charged to you as either (1) unpaid time off, (2) vacation time, or (3) personal/sick time. You should always use your discretion in getting to work. Sallee Horse Vans, Inc. attempts to accommodate individual situations by allowing the use of personal/sick time and vacation time in these situations.

When potentially dangerous weather develops during the day and a decision is made by the Safety Department to close early you will be compensated as if you had worked to the end of your regularly scheduled hours. If you elect to leave prior to a decision being made by Sallee Horse Vans, Inc. to close early, you may elect to use any accrued vacation, personal/sick time or unpaid time.

Section: General Practices Orientation Period

For all employees hired by Sallee Horse Vans, Inc., the first 90 days of employment are considered to be a trial period. During this time, the employee will undergo training and orientation as directed by the employee's supervisor. The employee's supervisor will also monitor the employee's performance.

During the first 90 days of employment, the employee is encouraged and expected to ask questions concerning his/her job responsibilities, and determine if he/she is satisfied with the position. If the employee's job performance is found to be unsatisfactory by his/her supervisor at any time during the first 90 days of employment, the employment will be terminated.

All new employees will receive a confidential performance evaluation for their supervisor at the end of the orientation period. At that time, the employee will be eligible for employee benefits including holiday pay.

Employment is "at will" both during and after the orientation period.

Sallee Horse Vans, Inc. shall compensate all hourly, non-exempt employees time and one-half for all hours worked in excess of 40 hours each week.

At times, employees will be asked to work overtime to complete necessary work tasks. The employee's supervisor will notify the employee as early as possible regarding his/her scheduling needs.

If an employee would like to work overtime hours, he/she must receive prior authorization from his/her supervisor in writing before working the overtime hours.

Employees will be paid every Friday on a weekly basis. If Friday is a non-work day or holiday, employees will be paid on the last work day prior to Friday. Paychecks given out on Friday are for the previous weeks work. Sallee Horse Vans, Inc does offer and encourage automatic deposit.

If an employee is absent on the date of paycheck distribution, his/her check will be held until his/her return.

Paychecks will only be released to the individual whose name appears on the check or an individual who the employee has designated and approved through written consent.

Sallee Horse Vans, Inc. is committed to providing you with feedback both formal and informal, about your performance on the job. Managers are responsible for on-going performance feedback. In addition, your manager has the responsibility to formally discuss and document your performance on a regular basis (generally on an annual basis). In some business units, an initial performance review is conducted within three to six months after an employee begins a new job.

Your performance appraisal discussion will include a review of your strengths, identify any areas needing improvement, and goals and objectives that need to be achieved. Specific performance problems may be addressed outside the performance appraisal cycle through either informal discussions or formal disciplinary action.

Formal performance feedback becomes a permanent part of your personnel file and pay raises and bonuses will be based on performance and merit.

Employee personnel files may include the following: (job application, job description, resume, records of participation in training events, salary history, records of disciplinary action and documents related to employee performance reviews, coaching, and mentoring, MVR, background check, credit check). Personnel records are maintained on a current basis. Please notify us immediately of any change of name, address, telephone number, marital, dependent or tax status. Personnel records are kept highly confidential, and are not available to anyone outside of the Company unless you have authorized the release, or release is to an authorized governmental agency, or is required by law. To obtain access to your records, contact Human Resources.

Business Phone Calls:

A great majority of our business is conducted over the phone making our telephone techniques extremely important. A friendly but businesslike telephone manner should always be projected.

Personal Phone Calls:

We recognize that periodically, personal phone calls must be made or be received during the business hours. Such calls should be held at a minimum so that they do not interfere with the workflow.

Personal Cellular Phone Calls:

In order to provide an optimum work environment, employees are expected to have cell phones ringers turned off or on vibrate during work hours. Ringing cell phones are a distraction to other co-workers and can interfere with productivity. Cell phones should only be used during breaks/lunches and outside of the office. Flexibility will be provided in circumstances demanding immediate/emergency attention.

Voicemail:

Voicemail was installed to help maintain our high quality of service for clients and to increase efficiency throughout the office. Voicemail will only be an option to the caller; the call will not be put directly into voicemail. Please take advantage of the voicemail system and use it in lieu of written messages whenever available.

Company Cell Phones:

Use the direct connect to contact the offices and agents. Only use the phone feature for 911 or if the direct connect does not work. All drivers/trucks are issued company cell phones. It is imperative to answer company issued cell phones when the office is calling at the safest and earliest time. You must also keep company issued cell phones with you at all times while on duty.

Purpose

To establish and maintain a comfortable and safe working environment.

Practice

Sallee Horse Vans holds safety in the utmost importance. This includes the safety of our employees, equine passengers, general public, customers and their property. We recognize that safety risks are present and take steps to reduce the risk for injury or illness. Safety is everyone's responsibility at Sallee Horse Vans, Inc.

Procedures

- All work-related injuries and illnesses should be reported immediately to your manager or the Human Resources department (if your manager is not available), even if you are not sure whether it is truly work-related. Even small, insignificant injuries, left untreated can result in more serious conditions.
- The human resources department will complete an Accident Report. When injuries are reported immediately, accidents can quickly be investigated and corrective action taken to prevent another injury.

If you see any potential hazards that need attention, notify the Human Resources department immediately.

Sallee Horse Vans, Inc. wants to ensure that our employees remain safe and injury-free when accidents are preventable. We expect our employees to refrain from horseplay, careless behavior and negligent actions. It is Sallee Horse Vans, Inc.'s policy to maintain a safe and secure working environment for all employees and clients.

While working, employees must observe safety precautions for their safety and the safety of others. All work areas must be kept clean and free from clutter and debris. Any hazards or potentially dangerous conditions must be corrected immediately or reported to a supervisor.

If you are involved in an accident, you must comply with the following procedure:

- Report the accident to a supervisor or Human Resources professional immediately
- Obtain the necessary medical treatment
- Fill out an accident report regardless of the severity of the injury
- If you must seek additional medical treatment, obtain consent to leave the premises from your supervisor before doing so

Employees who fail to comply with this procedure are subject to disciplinary consequences.

Each full-time driver working out of the Lexington office will be assigned a mailbox. It is each driver's responsibility to check their mailbox when arriving at work and prior to departure. The mailbox will also be used to deliver correspondence and paychecks. Locker assignment is available upon driver request. Locks for lockers must be provided by the driver. No padlocks permitted. Upon termination of employment mailbox keys must be turned into your supervisor.

Sallee Horse Vans, Inc. does not offer salary advances regardless of an employee's emergency need for financial assistance.

Cash advances for over the road drivers – the cash advance amount and a transaction fee will be deducted from your paycheck. If cash has been taken and an employee quits without another check or reimbursing the company Sallee Horse Vans, Inc will go to all legal means to get reimbursed. The driver will also be ineligible for rehire.

Our goal is to have a smoke-free environment. Smoking is not permitted at any time in Sallee Horse Vans, Inc. work areas, including the shop, barn, inside trailer or box of straight truck.

Smoking is allowed outside of the building in designated areas, smokers should be considerate of coworkers, customers, and members of the public. Help to maintain a clean entryway by depositing cigarettes in appropriate containers and staying far enough away from doors so that smoke does not blow into the building. If a clean entryway cannot be maintained then the ability to smoke on premises will be eliminated.

Employees who smoke must observe the same guidelines as non-smokers for the frequency and length of break periods. Disciplinary action will be taken if smoking prohibits work productivity.

Understanding that employees may occasionally wish to communicate with their coworkers to advertise personal items for sale or to participate in fundraisers for non-profit organizations, children's groups/schools, and other non-work related events, we allow use of the lunch rooms to disseminate such information. Management reserves the right to monitor such communications and remove them if inappropriate or not in the best interest of Company operations.

In respect for other's efficiency, please do not use work e-mail or voicemail, or other resources, as a means to solicit or distribute non-work related materials. Activities that disrupt work hours or operations will not be allowed to continue.

Persons not employed by the Company may not solicit employees for any purpose on Company premises.

The work rules and standards of conduct for Sallee Horse Vans, Inc. are important, and the Company regards them seriously. All employees are urged to become familiar with these rules and standards. In addition, employees are expected to follow the rules and standards faithfully in doing their own jobs and conducting Sallee Horse Vans, Inc.'s business. Please note that any employee who deviates from these rules and standards will be subject to corrective action, up to and including immediate termination of employment.

While not intended to list all the forms of behavior that are considered unacceptable in the workplace, the following are examples of rule infractions or misconduct that may result in disciplinary action, up to and including immediate termination of employment:

- Theft or inappropriate removal or possession of property
- Falsification of timekeeping records
- Working under the influence of alcohol or illegal drugs
- Possession, manufacture, distribution, sale, transfer, dispensation or use of alcohol or illegal drugs in the workplace
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of Company-owned or customer-owned property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Smoking in the workplace in non-designated areas
- Sexual or other unlawful or unwelcome harassment
- Excessive absenteeism or any absence without notice
- Unauthorized use of telephones, or other Company-owned equipment
- Using Company equipment for purposes other than business (e.g., playing games on computers or personal Internet usage)
- Unauthorized disclosure of business "secrets" or confidential information
- Violation of personnel policies
- Unsatisfactory performance or conduct
- Unauthorized use of company vehicles for purposes other than Sallee business
- Use of company equipment without approval

Section: General Practices

Time Card Regulations

Sallee Horse Vans, Inc. requires that each hourly employee punch in and out at the time clock. This will keep a record of hours worked and ensure that paychecks are correct.

Each employee must only clock his/her own self in. If an employee punches in or out for another employee, each are subject to disciplinary action.

Employees may not punch in more than five minutes before the beginning of his/her shift unless overtime hours were previously approved by his/her manager.

By initialing on his/her time card, each employee is approving the number of hours indicated.

Section: General Practices

Workers' Compensation

Sallee Horse Vans, Inc. will provide workers compensation, a type of accident and injury insurance, for those employees who suffer a job-related injury or illness. Both income and medical benefits will be provided as well as insurance premiums. Employees must immediately notify their direct supervisor of any injury or illness not matter how minor. If their supervisor is not available then contact the safety director. (See attached supervisor flow chart).

Employees returning to work must provide proof of rehabilitation or treatment from a licensed physician and verification that they are able to complete all job-related tasks. In the event that the employee cannot complete some of the tasks as ordered by the physician, Sallee Horse Vans, Inc. will modify his/her job load when possible. Once a physician has verified that the employee can resume all job-related tasks, he/she will no longer receive workers compensation benefits.

EMPLOYEE HANDBOOK: APPENDIX

Absence Information

Employee Name: _____

Department: _____

Manager: _____

Type of Absence Requested:

- Personal Vacation Bereavement Time Off Without Pay
- Military Jury Duty Maternity/Paternit
y Other

Dates of Absence: From: _____ To: _____

Vacation pay should be paid:

- Pay Day prior to Vacation
- Regular Pay Day

- *Vacations must be requested 2 weeks prior to the first day you will be absent.*
- *Vacations during peak periods are granted based on Safety, Years of Service, and Seniority.*
- *Vacations during holidays will be rotational within each department.*
- *You must submit requests for absences, other than sick leave, 1 week prior to the first day you will be absent.*
- *Any extenuating circumstances must be approved by manager.*

Employee Signature Date

Manager Approval

- Approved
- Rejected

Comments:

Manager Signature Date

Copy turned into Accounting from Dispatch

SALLEE HORSE VANS PER DIEM FORM

NAME _____

| | |
|---------|------------------|
| \$4.00 | Breakfast |
| \$8.00 | Breakfast/Lunch |
| \$4.00 | Lunch |
| \$16.00 | Lunch/Supper |
| \$12.00 | Supper |
| \$16.00 | Breakfast/Supper |
| \$20.00 | All Day |

Rules:

Breakfast will be paid if you leave before 7:30 am / if you return before 7:30 am

Lunch will be paid if you leave before 1:00 pm/ if you are out through 1:00 pm

Supper will be paid if you leave before 6:00 pm / or are out after 6:00 pm

| Day of Week | Monday | | Tuesday | | Wednesday | | Thursday | | Friday | | Saturday | | Sunday | |
|-------------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|
| Date | | | | | | | | | | | | | | |
| | Start Time | Stop Time | Start Time | Stop Time | Start Time | Stop Time | Start Time | Stop Time | Start Time | Stop Time | Start Time | Stop Time | Start Time | Stop Time |
| Travel Time | | | | | | | | | | | | | | |

| Day of Week | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday |
|----------------|--------|---------|-----------|----------|--------|----------|--------|
| Truck Wash | | | | | | | |
| Tolls | | | | | | | |
| Oil | | | | | | | |
| Motel | | | | | | | |
| Truck Supplies | | | | | | | |
| Misc | | | | | | | |
| Daily Total | | | | | | | |

Note: All receipts must be attached

**Sallee Horse Vans
Shop Employee Safety Shoe Request Form**

Authorized Charge Amount: \$100.00

Employee Name: _____

Shoe Type: ANSI Z41-1991 (Per OSHA Standards)

Authorized By

Date
Void after 30 Days

Employee Signature

Date

By signing this, you acknowledge that you will pay for any cost greater than \$100.
In the event of termination/resignation less than 90 after this purchase you authorize
Sallee Horse Vans to deduct the cost of the safety shoes from your last paycheck.

Approved Authorizers:

- Nicole Pieratt
- Ben Eversole
- Elizabeth Sadler
- Sabrina Shear

Application for Re-employment Following Military Leave

(To be submitted no later than _____ days [depending on length of military leave] following completion of military service.)

Date: _____

Name: _____

Applying for (position): _____

To Human Resource Department:

Please accept this application as my application to return to the position listed above as soon as possible. Attached is documentation verifying my dates of leave for _____ (division of military service) and my honorable discharge.

Employee Signature

FOR OFFICE USE ONLY

Date Received: _____

Approved: Date of re-employment: _____

Denied:

Reason for denial:

By: _____

**Sallee
Horse Vans
Inc**

P.O. Box 13338
LEXINGTON, KENTUCKY 40583-3338
(859) 255-9406
1-800-967-8267 – Toll Free
www.salleehorsevans.com

I, _____ (print name), employee of Sallee Horse Vans, acknowledge that the company provides my housing when I am placed at a Seasonal Race meet. I understand that if there is a deduction made from the Security Deposit, a cleaning charge assessed upon my departure, and/or a charge for unreturned equipment that it will be automatically deducted from my pay. This will not be Sallee Horse Vans' responsibility.

Employee Signature

Date

Sallee Horse Vans, Inc. Expense Report

Name: _____

Dept: _____

Month Or: _____

| Date | Destination | Airfare | Auto Rental | Taxi, Tolls, Parking | Hotel | Phone | Tips | Personal Meals | | | Misc. Other | Daily Total |
|------------------------------------------|-------------|---------|-------------|----------------------|-------|-------|------|----------------|-------|--------|-------------|-------------|
| | | | | | | | | Breakfast | Lunch | Dinner | | |
| | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | 0.00 |
| TOTALS | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | Total Meals | | 0.00 | 0.00 | 0.00 |
| Account Number (For Accounting Use Only) | | | | | | | | | | | | |

Purpose of Trip/Other: _____

ENTERTAINMENT AND BUSINESS MEALS (Note: IRS Regulations require all columns below to be filled out to be reimbursed for expenses.)

| Date | Name of Person(s) Entertained (Company, Title) | Time and Place | Nature and Purpose of Entertainment | Amount |
|------|------------------------------------------------|----------------|-------------------------------------|--------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| Accounting Summary | | | Total Ent. & Business | 0.00 |
|--------------------|--------------|----------------|-----------------------|-------------|
| Check # | | Date | (Account Number 5550) | |
| Accounts | A/C # | Amounts | Total Expenses | 0.00 |
| Dues & Mem | | | | |
| M&E - employees | | - | | |
| M&E | | | | |
| Travel & Meetings | | | | |
| Telephone | | | | |

Signed (Employee) - I hereby certify that the expenditures represent cash spent for legitimate company business and include no items of a personal nature.

Supervisor Approval (Required)
 (Note: Please route signed form to Accounts Payable for processing.)

(Note: IRS requires all original receipts to be attached to this expense reports. Please make copies for your own records.)

**Sallee Horse Vans
Organizational Flow Chart
Main Office Phone: 859-255-9406 or 800-967-(VANS) 8267**

