SOUTHWEST TRANSIT

EMPLOYEE MANUAL

Revised June 2018

SouthWest Transit Employee Manual

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INTRODUCTION

This Employee Manual describes the personnel policies of SouthWest Transit (SWT) and the benefits available to SWT employees. The purpose of this Employee Manual is to provide SWT employees with a general description of benefits, personnel administration, and employee guidelines. It is not intended to be a legal statement of benefits, nor a comprehensive explanation of our personnel policies and practices. Its sole function is to give employees a general understanding of how SWT views the employment relationship and approaches personnel issues.

This manual is not intended to create, and shall not be considered, a contract between SWT and its employees. Nothing in this document shall be construed as creating anything other than an employment "at will" relationship between SWT and its employees. Employees have the right to terminate the employment relationship with SWT at any time, with or without notice, for any reason. SWT has the same right to terminate the employment relationship at any time, with or without notice, for any reason not prohibited by law.

The information in this manual may be subject to law. In the event information in the manual is contrary to law, the provisions of law will prevail.

It is not possible to anticipate every question that might arise in the course of employment. While this manual provides information about topics most often of interest to employees, an employee may, on occasion, have a question or concern that is not addressed in the manual. If that occurs, the employee should direct his or her question to Human Resources.

The policies and programs outlined in this manual are those presently in effect. It is likely that the policies and the employment-related benefits and programs of SWT will change from time to time. Although we will periodically update this manual to keep employees informed of changes, we may implement changes immediately, without advance notice. The Chief Executive Officer is authorized to revise, delete or otherwise change policies, and to make the final determination in interpreting or applying policies.

This Employee Manual supersedes and replaces any and all policies and related materials made available to the employees of SWT.

EMPLOYMENT

2.01 CLASSIFICATION OF EMPLOYEES

There are two categories of employees: Regular Employees and Temporary Employees. Within the two categories there are two classifications of employees: Full Time and Part Time.

Regular Full-Time Employees: Employees who regularly work forty (40) or more hours per week and receive full SWT benefits effective the date of hire. Benefits include those in the Benefit Plan (medical, dental, life insurance, etc.), personal leave, and holidays.

Regular Part-Time Employees: Employees who regularly work twenty (20) or more but fewer than forty (40) hours per week. Regular part-time employees receive part-time personal leave and holiday benefits determined and prorated based on the actual number of hours worked. Regular part-time employees working 32 hours per week or more will also receive the same health, disability and life insurance benefits as regular full-time employees. They will also be eligible for personal leave and holidays on a pro-rated basis.

Temporary Full-Time Employees: Employees who are hired on a temporary basis and regularly work forty (40) or more hours per week. Temporary full-time employees do not receive holiday or personal leave benefits or the benefits in the Benefit Plan (medical, dental, life insurance, short or long term disability income continuation).

Temporary Part-Time Employees: Employees who are hired on a temporary basis and regularly work less than forty (40) hours per week. Temporary par- time employees do not receive benefits.

Exempt and Non-Exempt Status: All positions, whether Regular or Temporary, are classified as either Exempt or Non-Exempt, in accordance with the requirements of the Fair Labor Standards Act (FLSA). The classifications are defined as follows:

Exempt shall apply to all positions considered exempt from the overtime provisions of the FLSA. Employment is based on a flexible schedule of forty (40) or more hours per week. These positions are compensated at a pre-determined amount on a bi-weekly basis.

Non-Exempt shall apply to positions eligible for overtime pay under the requirements of the FLSA. Employees are compensated on an hourly basis for the actual hours worked.

2.02 EQUAL EMPLOYMENT OPPORTUNITY

It is SWT policy to provide equal employment opportunity to all persons. All employment decisions are based upon the principles of equal opportunity. These decisions include recruitment, selection, promotion, transfer, discipline, compensation, benefits, training, and other personnel actions involving persons in all job titles and shall occur without regard to race, color, creed, religion, national origin, sex, veteran/military status, disability, age, marital status, sexual orientation, status in regard to public assistance, membership or activity in a local commission, genetic information or any other characteristic protected by law.

Any individual who believes he or she has experienced or observed behavior contrary to this policy is expected to report that information to Human Resources or the Chief Executive Officer. All such reports of action contrary to this policy will be taken seriously and investigated promptly. Individuals found to have violated SWT's equal employment opportunity policy will be subject to corrective action as described in section 2.04. No individual shall be retaliated against for making a good faith report of behavior contrary to this policy.

2.03 EMPLOYMENT OF RELATIVES

The employment of relatives of current employees or appointed Commission members is permitted, except in situations where a person would be under the supervision of a relative or in a situation where a person could exert influence, directly or indirectly, on future decisions concerning the status of employment, promotion, or compensation of a relative.

For this purpose, "relative" is defined as a spouse, domestic partner, significant other, parent, child, sibling, grandchild, grandparent, legal guardian, or any of these relationships met by a step or in-law relationship. It also includes any other member of the employee's household. Questions should be directed to Human Resources.

2.04 CORRECTIVE ACTION

SWT employees are employed at will. SWT reserves the right to discipline, suspend, demote or dismiss employees at any time, with or without notice, for any reason not prohibited by law. The Chief Executive Officer has authority over the administration of all personnel matters, including hiring, discipline, and termination.

SWT expects that all employees will perform their jobs satisfactorily and comply with all other SWT guidelines, policies, and core values. SWT will strive to work with employees in communicating and attempting to correct work-related problems. However, unsatisfactory job performance or violation of SWT guidelines, policies, or core values may result in corrective action.

Corrective action may take several forms, including but not limited to verbal warnings, written warnings, suspension (with or without pay), demotion, or termination. SWT

reserves the right in its sole discretion to omit any or all of these steps, or to add or modify steps in any particular situation. SWT may take whatever corrective action it determines is appropriate in response to the circumstances of any given situation.

Nothing in this section or in SWT's disciplinary policies or practices shall impair an employee's right to terminate his or her employment with SWT at any time, with or without notice, for any or no reason, nor does it modify SWT's right to terminate any employee's employment at any time, with or without notice, for any reason not prohibited by law.

2.05 PERFORMANCE EVALUATIONS

Employee performance evaluations are ordinarily conducted on a semi-annual and annual basis. For all positions below the Chief Executive Officer level, evaluations are ordinarily completed by the Department Director or Chief Executive Officer.

Newly hired employees will receive performance evaluations by their supervisor three (3) months after hire and again six (6) months after hire to evaluate the employee's progress in meeting position requirements.

Reviews are designed to provide a dialogue and employees are encouraged to discuss items of mutual concern in this confidential setting. Wage or salary increases are not guaranteed and may or may not be a part of this process.

Regardless of the ratings on the performance evaluations, an employee's employment with SWT remains "at will."

2.06 EMPLOYEE RECORDS AND DATA PRIVACY

SWT maintains information needed to administer employee benefits, to pay employees, to complete required Federal and State reports, and to record employee work performance. All laws regarding data privacy shall be strictly followed. Data is kept in individual employee files, payroll files, and computer files. These files are the property of SWT.

Employees are obligated to inform Human Resources of dependent, marital status, address, or telephone number changes within 30 days of the change. Failure to notify SWT may result in critical time-sensitive mail not being delivered or other information not being received.

Motor Vehicle Records will be periodically checked for all employees who operate, or who may potentially operate, SWT-owned vehicles during the course of their employment with SWT. All such employees shall possess and maintain a valid driver's license. Any such employee not having a valid driver's license shall not be permitted to operate any SWT-owned vehicles. All such employees shall report any and all of the following events to Human Resources within 3 business days of occurrence:

- Revocation of driver's license or permit to drive;

- Revocation of nonresident operating privilege;
- Temporary or permanent disqualification from operation of a commercial motor vehicle;
- The issuance of a temporary license prior to the effective date of any license suspension or revocation;
- Administrative license plate impoundment;
- Administrative or court-ordered vehicle forfeiture;
- Criminal conviction; and
- The issuance of a citation for any moving traffic violation.

Failure to report an event as required may result in disciplinary action, up to and including dismissal.

2.07 DRUG FREE WORKPLACE

SWT is committed to a drug and alcohol free workplace to ensure high productivity and to protect the safety, health and wellbeing of all employees and other individuals in our workplace. SWT recognizes that alcohol abuse and drug use pose a significant threat to our goals. SWT has established a drug and alcohol free workplace program that balances our respect for individuals with the need to maintain a drug and alcohol free environment.

This policy recognizes that employee involvement with alcohol and other drugs can be very disruptive, adversely affect the quality of work and performance of employees, pose serious health risks to users and others, and have a negative impact on productivity and morale. SWT has no intention of interfering with the private lives of its employees unless involvement with alcohol and other drugs off the job affects job performance or public safety. SWT encourages employees to voluntarily seek help with drug and alcohol problems.

As a condition of employment, SWT requires that employees adhere to a strict policy regarding the use and possession of drugs and alcohol, including pre-employment drug testing. SWT established this policy to maintain compliance with the requirements of the United States "Drug Free Workplace Act of 1988" and other state and federal statutes.

A copy of the entire Drug and Alcohol Free Workplace policy which includes the drug and alcohol testing procedures for reasonable suspicion has been distributed to all employees.

2.08 DRUG AND ALCOHOL TESTING POLICY FOR SAFETY SENSITIVE POSITIONS

SWT has established Drug and Alcohol Testing Policy for Safety Sensitive Positions. This policy sets forth SWT's policy on alcohol and controlled substance abuse, including drug and alcohol testing programs, for "safety sensitive" positions. Employees in "safety sensitive" positions are subject to the requirements of this policy, in addition to the requirements of SWT's Drug Free Workplace Policy. The policy is based on the requirements set forth in the Federal Transit Administration regulations found at 49 C.F.R. Part 655 and the testing procedures outlined in 49 C.F.R. Part 40.

A copy of the entire Drug and Alcohol Testing Policy for Safety Sensitive Positions has been distributed to all employees in safety sensitive positions.

2.09 HARASSMENT & OFFENSIVE BEHAVIOR

SWT is committed to providing a work environment free from discrimination. SWT also prohibits unlawful harassment based upon a person's race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, familial status, disability, sexual orientation, age, veteran/military status, membership or activity in a local commission, or any other characteristic protected by law. Employees should at all times treat other employees with respect and dignity.

The prohibition on harassment and offensive behavior applies to employees, applicants for employment, temporary or contract workers, as well as Directors, members of the Commission, customers, suppliers, vendors, visitors or any other person associated with SWT. It applies not only to the workplace during normal business hours, but also to all work-related social functions, whether on or off SWT premises, and to business-related travel.

Harassment is prohibited in all work-related interactions, whether in person, via telephone, in writing or through electronic communications such as e-mail, text messages, instant messages, blogs, electronic conferencing and social media postings regardless of whether such interactions are made through a computer, cell phone, pager, or other electronic device or medium.

Harassment includes any behavior that is offensive, abusive, threatening, intimidating, humiliating, or degrading to another individual. The behavior can be verbal, written, visual, or physical and can arise out of in-person or electronic communications. While harassment may be based on protected class status, other offensive behavior that impairs morale and interferes with work effectiveness, including jokes and teasing, are also prohibited.

One type of harassment is sexual harassment. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact, and other verbal or physical conduct or communication of a sexual nature when this conduct or communication explicitly or implicitly affects an individual's employment, substantially interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment. Sexual harassment includes unwelcome sexual behavior by either men or women toward either men or women. It also includes sex-based harassment directed at someone because of their gender.

Harassing conduct may include, but is not limited to the following:

→ Epithets, slurs, negative stereotyping, or threatening, intimidating, or hostile acts;

→ Written or graphic material that shows hostility or denigrates persons which are placed on walls, bulletin boards or elsewhere on SWT's premises, or circulated in any form in the workplace, including by electronic means;

→ Unwelcome sexual remarks or compliments, sexual jokes, innuendoes, propositions and sexually suggestive gestures, body language or facial expression; and

→ Physical contact such as patting, pinching, touching or constant brushing against another's body.

If an employee believes he or she has been harassed or has observed another employee being harassed by a co-worker, supervisor, customer, vendor or other person subject to SWT's control, the employee should promptly report the facts and names of the individuals involved to the Chief Executive Officer, Human Resources, or a Commission member. All complaints of harassment will be taken seriously and investigated promptly.

SWT will disclose information related to a complaint of harassment only as permitted or required by law. SWT does not condone retaliation against any employee who, in good faith, reports possible harassment or assists with an investigation.

Individuals found to have violated SWT's prohibition on harassment and offensive behavior will be subject to corrective action as described in section 2.04.

RESPONSIBILITIES OF EMPLOYEES

3.01 WORK HOURS AND ATTENDANCE

The success and efficient operation of SWT depends, to a large extent, on every employee being at work and contributing every day. While there may be legitimate reasons for being absent or tardy, unnecessary and unplanned absences should be minimal and not disrupt operations. Employees are encouraged to schedule personal appointments outside of regularly scheduled work hours.

Employees shall report absences or tardiness to their supervisor before the start of the workday or portion of the workday to be missed, except in the case of an emergency that makes such prior reporting impossible. If an emergency situation exists, the employee shall notify his or her supervisor as soon as possible. Unless instructed otherwise, the employee shall notify his or her supervisor each day of consecutive absence, giving the reason for the absence and an indication of when the employee will return to work. If the employee is unable to reach his or her supervisor directly, the employee should go up the chain of command until he or she is able to speak to a Director or the Chief Executive Officer.

Non-exempt employees must record the time away from work on their timecards. Employees will not be paid for the time missed from work unless personal leave hours are used.

When returning to work after an absence due to illness or injury of three (3) or more consecutive workdays, the employee shall provide his or her supervisor with a written statement from a doctor indicating that the employee is fit for duty and specifying any potential physical limitations. SWT also reserves the right to request that the employee provide a doctor's statement or any other verification document at any time.

If an employee is absent for three (3) or more consecutive days without notifying SWT, SWT may consider the employee as having voluntarily resigned his or her position with SWT.

Tardiness is reporting to work after your scheduled start time or leaving work early. This includes lunch and break periods as well.

The standard work period for full-time employees is forty (40) hours per week. A flexible work week may be approved by the Department Manager to enhance service delivery. Employees are expected to be in attendance during all scheduled hours of work. Normal work schedules and hours for full time and part time employees will be established by the Employee's Supervisor. Work hours may vary depending on the department, position, and season.

3.02 LUNCH AND REST BREAKS

A normal workday includes a lunch break of one half (1/2) hour per day of non-compensable time and two separate fifteen (15) minute compensable rest breaks. Lunch breaks in excess of one half hour can be arranged if approved in advance by the employee's supervisor. Lunch and rest breaks must be scheduled in such a manner to ensure continuity of customer service and so that a department is not left unattended during normal business hours. The length of the workday cannot be shortened by eliminating rest breaks or lunch periods unless an exception is made for an unusual circumstance and prior approval is obtained from the Department Director or Chief Executive Officer.

3.03 NURSING MOTHER BREAK TIME

SWT will provide reasonable break time daily for an employee to express breast milk for her infant child. The break time will be unpaid except to the extent it runs concurrently with paid break time already provided to the employee. SWT will make reasonable efforts to provide a private room or other location, in close proximity to the work area, other than a bathroom or toilet stall, that is shielded from view and free from intrusion and coworkers and that includes access to an electrical outlet. The break time must, if possible, run concurrently with any break time already provided to the employee.

3.04 OUTSIDE EMPLOYMENT

Although it is not encouraged, SWT recognizes that personal circumstances or interests may result in an employee seeking additional employment outside of SWT. An employee considering outside employment, including self-employment, should discuss the outside employment with his or her Department Director and the Chief Executive Officer.

Any employment outside of SWT must not compromise SWT's interests or the confidentiality of information. Regular full-time SWT employees are not allowed to be members of the SWT Commission or the mayor or a city council member of any of SWT's member cities.

In addition, SWT will not accept outside employment as an excuse for poor performance, absenteeism, tardiness, the inability to work required hours for the position at SWT, or any other failure to meet the performance expectations and legitimate business demands. If the employee's work performance at SWT is not satisfactory, he or she will be subject corrective action as described in section 2.04.

3.05 TOBACCO-FREE ENVIRONMENT

All SWT buildings and vehicles are designated as tobacco-free areas. Tobacco includes smoking, carrying a lighted cigarette, use of an e-cigarette, cigar or pipe and/or chewing tobacco. Tobacco may only be used outside of the buildings in designated areas and during an employee's fifteen (15) minute rest breaks or thirty (30) minute lunch break. Employees are responsible to keep the area outside the building free of cigarette butts and other debris.

3.06 VEHICLE USE

Agency vehicles are available to employees to attend meetings for official SWT business. Use of agency vehicles shall be controlled by the Chief Executive Officer and restricted to official SWT business and incidental uses which occur in the course of SWT business. No employee shall operate a SWT vehicle without a valid Minnesota driver's license appropriate for the vehicle operated. Employees operating a SWT vehicle shall comply with the Minnesota seat belt law and obey all traffic laws. When driving SWT vehicles, employees are expected to drive in a careful, courteous manner. Traffic violations must be reported immediately to the employee's supervisor and Human Resources. Any such violations incurred while driving on SWT business are the responsibility of the employee.

If an agency vehicle is not available for use, the employee will be reimbursed for use of their personal vehicle based on the reimbursement rate established by the IRS. Employees who travel on SWT business should request a copy of the SWT Meals and Travel Policy from the Human Resources.

3.07 PERSONAL USE OF SWT PROPERTY

Employees shall not use SWT equipment, vehicles, facilities, or materials for personal purposes except as expressly allowed by SWT. Any personal business should be conducted during allotted meal and rest breaks and should not interfere with the performance of work responsibilities.

Pager, Telephone, and Mobile Phone Use: Each person assigned a mobile phone or pager is responsible for the care and security of the equipment.

SWT telephones, mobile phones and pagers are to be used for official business. It is understood that some occasional personal use of SWT phones may be necessary during working hours. The number and length of personal calls are to be kept to an absolute minimum. Personal calls should be restricted to breaks and personal calls made at the employee's desk during their work shift should be made only when necessary and should not disrupt normal work functions. Personal mobile phones should be turned off during working hours, unless needed for SWT business use.

Personal long-distance calls on SWT telephone accounts are not allowed unless necessary to address a personal emergency and when approved in advance by the employee's supervisor. The employee shall reimburse SWT for any unapproved long-distance calls for which SWT receives a separate charge on its telephone bill Other long-distance personal calls should be billed to an employee's personal calling card or made by calling collect so that the charges do not appear on SWT's account.

SWT mobile phones may be used for personal use as follows:

1. To inform a family member and/or significant other of a work situation (i.e., extended shifts) that will affect the employee's immediate plans or personal obligations; or
2. Personal or family emergencies.

The employee shall reimburse SWT for the cost of any personal calls made or received on a SWT mobile phone that exceed regularly billed costs for the mobile phone service. Reimbursement shall be at the rate established by the Human Resources plus any additional costs, such as roaming charges.

Employees that make or receive a call requiring reimbursement shall notify Human Resources in writing of the date, time, number of minutes and phone number, if applicable. Once SWT notifies the employee of the cost of the call, the employee shall pay SWT promptly.

Mobile Phone Allowance: Employees required to be available by phone when out of the office or during non-working hours may be paid a mobile phone allowance towards the use of their personal mobile phone with the approval of the Chief Executive Officer. The amount of the allowance shall be based on the estimated business use of the mobile phone; however, the allowance shall not exceed the monthly cost of SWT-provided phone service.

Classification of Telephone Records: Telephone records and bills are generally classified as "Public" pursuant to Minnesota Statutes Chapter 13, the Minnesota Government Data Practices Act, and therefore can be accessed by anyone, regardless of purpose, upon request to the Chief Executive Officer.

Copy Machine: Although SWT discourages the practice, employees may make personal photocopies on SWT copy machines if they promptly pay SWT the cost of the photocopies. Any personal photocopying shall be done after normal work hours so as to not interfere with SWT business. It is the employee's responsibility to report personal use of copiers to Human Resources along with payment for the personal use of the machine.

Fax Machine: Employees may send and receive local faxes provided that the faxes do not interfere with SWT business and the content is consistent with SWT policies and appropriate for a business setting. Employees should make an effort to send and receive personal faxes outside of normal business hours. It is the employee's responsibility to report personal use of fax machines to Human Resources along with payment for the personal use of the machine.

Postage Machine: Employees are not permitted to use the postage machine for personal business.

SWT Letterhead: Under no circumstances are employees permitted to use SWT letterhead for personal business or any purpose that is not SWT's official business.

SWT Property: SWT provides certain employees with various SWT property and equipment needed to perform their jobs, including computers, software, pagers, mobile telephones, keys, credit cards, etc. Employees are responsible for using such property and equipment for their intended business purposes. If any such property is damaged, defective or in need of repair, employees shall promptly report this to their supervisor. The improper, careless, negligent, destructive or unsafe use of SWT property may result in:

1. The employee's obligation to personally replace the property; or
2. Corrective action as described in section 2.04.

Upon termination of employment, an employee shall account for and surrender all SWT property and equipment he or she has been provided. Failure to do so may result in SWT taking legal action to obtain the return of its property.

3.08 KEYS AND SECURITY

The security of SWT buildings, equipment, and files is of great importance and efforts must be made to protect the property from theft, vandalism and other risks.

Keys for SWT buildings and vehicles are issued only to employees with an absolute need. The keys are not to be shared with anyone outside the organization and are considered to be the responsibility of the employee to whom they are issued. Lost keys must be reported immediately to the employee's immediate supervisor or Department Director and Human Resources. All keys must be returned to the employee's immediate supervisor upon termination of employment.

Employees who are entrusted with safes or confidential files are required to ensure that these items are secure at the end of the day.

All employees must adhere to any and all security measures and/or guidelines of the facility they are working in.

SWT may provide desks, lockers, and other storage devices for the convenience of employees, but these devices remain the sole property of SWT. Any agent or representative of SWT may inspect these devices or any articles found within them at any time for any business reason, with or without prior notice.

SWT will not tolerate theft or the unauthorized possession of the property of other employees, SWT, visitors, and customers. SWT reserves the right to inspect persons entering and/or leaving any SWT facility, including their packages or other belongings. Employees who wish to avoid any such inspection should not bring such items onto SWT's premises.

If an employee works after hours, he or she should take any safety/security precautions available. Employees should see their supervisor for more information.

3.09 COMMUNICATIONS SYSTEMS

Applicability to Employees and Other Users: This communication systems provision applies to all regular full-time and part-time employees, temporary employees, interns, volunteers, and any other individuals in all departments who are provided access to SWT's email system as necessary for their business purpose with SWT.

SWT provides email, computer, internet, fax machines, telephone, and voicemail systems, and may provide other new technologies in the future. These electronic systems are SWT property and intended to enable employees to do their jobs efficiently and productively.

Employees may engage in occasional personal use of electronic communication systems, including social media use (i.e. Facebook, LinkedIn, instant messaging, etc.), provided it is done during non-working time, such as breaks and lunch periods, and in accordance with this communications systems provision. Employees shall use caution and discretion to ensure that personal correspondence does not appear to be an official communication from SWT.

SWT's electronic systems are not totally private and confidential despite being password-protected. SWT reserves the right to intercept, monitor, copy, review, access, and download any communications or files that are created or maintained on these systems for purposes of security, compliance with SWT policy, and for any other business reason as provided by law. Employees should have no expectation of privacy when using any of these systems.

SWT also reserves the right to monitor, search, review, and access any and all business-related communications made through an employee's personally owned technology devices, accounts, and resources, or through a third-party service provider, as needed for compliance with policies.

Employees shall seek approval from a supervisor before downloading or uploading outside information information from the internet to a SWT computer (other than by authorized personnel for legitimate business reasons). Downloading programs, software, graphics, or pictures of any kind is prohibited as these items may carry computer viruses or may violate SWT's license agreeements.

SWT's electronic communication systems shall not be used to solicit others for non-business matters, including but not limited to commercial ventures, religious or political causes, or outside organizations.

In addition, these electronic systems shall not be used in ways that are disruptive, offensive, or harmful to others or in ways that conflict with any of SWT's rules, including those related to equal employment, harassment, confidentiality, and security. Violation of these rules may lead to corrective action. SWT-provided email accounts should not be used to send jokes, graphics, pictures, or other comments that may be discriminatory, harassing, offensive, or defamatory to others.

Inappropriate use of any SWT communication system may be grounds for corrective action as described in section 2.04.

General Information on Passwords: Use of a confidential password does not suggest that the system is for personal confidential communication, nor does it suggest that email is the property right of the employee. Use of the email system is for SWT business. Users should not share their password with anyone else.

Retention of Email: Generally, email messages are temporary communications that are non-vital and may be discarded routinely. However, depending on the content of the email message, it may be considered a more formal record and should be retained in accordance with the State of Minnesota records retention schedule. Examples of messages of this nature include: messages related to SWT policies and decision making, messages connected to specific projects, messages that are contract-related or otherwise an essential part of a larger record, and other memoranda documenting significant public business. As such, these email messages are similar to printed communication and should be written with the same care.

Employees should be aware that when they have deleted a message from their mailbox it might not have been deleted from the email system. The message may be residing in the recipient's mailbox or stored on SWT's back-up system.

Employee Termination, Leave of Absence, Personal Leave, and Other Absences: Employees who are terminated, on a leave of absence, or laid off have no right to the contents of their email messages and are not allowed access to the email system unless approved by the Chief Executive Officer. Department Directors and supervisors may access an employee's email if the employee is on a leave of absence, personal leave, or is transferred from one department to another department, and access is necessary for the conduct of SWT business.

3.10 SWT Sponsored Employee Events

SWT will coordinate an ongoing program to provide for employee-related activities and events designed to demonstrate appreciation, express recognition, acknowledge, motivate, and provide for social interaction. The program will be operated with allocated budgeted resources and will be designed to provide a positive working environment for employees.

Attendance by SWT employees at these company-sponsored events during non-scheduled hours is voluntary. Employees who attend SWT-sponsored employee events and are not working at the event will not be paid for this time.

Attendance by employees at SWT-sponsored employee events during scheduled work hours is expected unless absence from the event is approved by the employee's supervisor. Employees that attend SWT-sponsored employee events during scheduled work hours will be compensated consistent with their approved work schedule during the SWT-sponsored event.

Subject to budget authority, SWT may conduct up to three annual employee events, such as an employee picnic or barbecue or an employee recognition event, held in conjunction with the SWT contractor for drivers. Voluntary potluck lunches may also be held on SWT premises with the approval of the Chief Executive Officer.

3.11 EMPLOYEE APPEARANCE

SWT, through its employees, is committed to projecting a professional, positive image. Therefore, employees shall exercise good personal hygiene and present a clean, neat appearance to the public and co-workers. This will ensure the appearance of a professional work force and contribute toward a pleasant and customer-friendly environment.

All employees of SWT shall adhere to the appearance standards contained and established in this section unless a written internal department policy is adopted. Employees and their supervisors should exercise good judgment in the application of this section, with consideration of the organization's public image, the nature of the work performed, the degree and nature of customer contact, and safety standards. Employees who have been provided with work uniforms must wear them while on duty. Generally, in the administrative offices, business casual may be worn on most workdays. Jeans, t-shirts, sweat shirts and tennis shoes may be worn every Friday unless business dictates more professional attire. Consideration should be taken and will be given to employees in regards to special assignments, circumstances, or job function. The Department Manager may determine inappropriate attire for any workday. The Chief Executive Officer may also designate apparel standards for certain other workdays as appropriate.

SWT reserves the right to establish standards of dress and appearance consistent with the workplace. Jewelry should be worn in moderation and in good taste. Employees should consider scheduled appointments and meetings, the people involved, and how they will be dressed. This section applies to all regular workdays unless a specific exemption day is provided such as a spring cleanup day, etc.

Off-Duty Use of Uniforms: SWT-provided uniforms shall not be worn when off duty, except for travel to and from the workplace.

3.12 EMPLOYEE ACCESS TO PERSONNEL DATA

Employee records are maintained in a location designated by the Chief Executive Officer. Personnel data is retained in personnel files, finance files, and benefit/medical files. Information is used to administer employee salary and benefit programs, process payroll, complete state and federal reports, document employee performance, etc.

Employees have the right to know what data is retained, where it is kept, and how it is used. All employee data will be received, retained, and disseminated according to the requirements of the Minnesota Government Data Practices Act.

BENEFITS

4.01 MEDICAL AND GROUP INSURANCE

The following is a list of insurance benefits available to regular full-time and regular part-time employees who work 32 or more hours per week. These benefits are effective on their date of hire. Employees should see Human Resources for more detailed information.

Health Insurance: SWT makes available basic health insurance coverage to regular full-time employees, regular part-time employees working 32 or more hours per week, and their dependents. SWT will contribute toward the cost of the basic health insurance premiums for both employee and dependent coverage, though the contribution level may vary. Additional costs for coverage must be paid by the employee through a payroll deduction.

Dental Plan: SWT makes available basic dental insurance to regular full-time employees, regular part-time employees working 32 hours or more per week, and their eligible dependents. SWT will contribute toward the cost of the premiums for both employee and dependent coverage, though the contribution level may vary. Additional costs must be paid by the employee through a payroll deduction.

Life and AD&D Insurance: SWT provides life and Accidental Death & Dismemberment (AD&D) insurance for regular full-time employees and regular part-time employees working 30 or more hours per week. The benefit amount is reduced when the employee reaches age 65.

Short-Term Disability Income Continuation: SWT provides short-term disability (STD) coverage to regular full-time employees and regular part-time employees working 32 or more hours per week when the employee is away from work for up to 90 calendar days due to a non-work related illness or injury. Benefits are coordinated with benefits from PERA and statutory disability benefits. SWT will continue to make its contribution towards medical and dental insurance premiums while the employee is out on STD. Employees shall continue to contribute their portion of these premiums while out on STD.

Long-Term Disability Income Continuation: SWT provides long-term disability (LTD) coverage to regular full-time employees and regular part-time employees working 32 or more hours per week to ensure further income protection to individuals experiencing a disability which limits their ability to return to work. Plan benefits are coordinated with benefits payable from Social Security and PERA. The premium for long-term disability is paid by the employee through a direct payroll deduction. The employee pays any additional payroll taxes on the premium amount.

Voluntary Insurance: SWT may assist in arranging additional voluntary life or accident insurance for the employee, the employee's spouse, and/or the employee's child(ren), depending on the offering(s) of an insurance carrier. Participation is voluntary and the costs are borne by the employee through payroll deduction. The insurance company may impose restrictions for open enrollment and may require evidence of insurability.

No benefit offered by SWT establishes a contract or promise of employment, or of any particular terms, benefits or duration of employment, nor is intended to modify the at-will nature of anyone's employment with SWT. Unless otherwise prohibited or required by law, SWT reserves the right to add to, amend, or change benefit providers and/or eligibility and coverage provisions or terminate any benefit at any time, in its sole discretion without notice.

4.02 PERSONAL LEAVE PLAN

SWT recognizes that traditional vacation and sick leave policies do not always meet employees' needs and SWT provides personal leave in place of those programs to provide more flexibility to its employees and discretion in their use of paid time off.

Employees can use personal leave subject to approval from their Department Director or supervisor. See your supervisor or Human Resources for form(s) to request time off.

Accrual of Personal Leave: Employees begin to earn personal leave as of their first day of employment with SWT but are not eligible to use the leave during their first six (6) months of employment. The Chief Executive Officer may grant use of personal leave during an employee's first six months of employment in the case of an emergency. The amount of personal leave earned by employees is based upon years of service and exempt or non-exempt status with SWT. Exceptions to the personal leave rate of accrual may be made by the Chief Executive Officer.

All regular full time employees accrue personal leave based on the schedule below:

Annual Personal Leave Earned – years of service is based on initial hire date

Personal Leave Regular Full-Time Employees Non-Exempt		
Years of Service	**Hours Earned/Pay Period**	**Equals Hours Earned/Year**
0 to 5 Years	**4.93 hours**	**128 hours**
5 to 10 Years	**6.46 hours**	**168 hours**
10 Years	**6.77 hours**	**176 hours**
11 Years	**7.08 hours**	**184 hours**
12 Years	**7.38 hours**	**192 hours**
13 Years	**7.69 hours**	**200 hours**
14+ Years	**8.00 hours**	**208 hours**

Personal Leave Regular Full-Time Employees Exempt		
Years of Service	**Hours Earned/Pay Period**	**Equals Hours Earned/Year**
0 to 5 Years	**6.46 hours**	**168 hours**
5 to 10 Years	**8.00 hours**	**208 hours**
10 Years	**8.31 hours**	**216 hours**
11 Years	**8.62 hours**	**224 hours**
12 Years	**8.93 hours**	**232 hours**
13 Years	**9.23 hours**	**240 hours**
14+ Years	**9.54 hours**	**248 hours**

Regular Part-Time Employees: A regular part-time employee who works 20 or more hours per week will be eligible for personal leave. The amount of personal leave earned will be determined and prorated by the actual number of hours worked. Personal leave hours are earned each payroll period with earned but not used hours carried over to the next calendar year.

Use of Personal Leave: Employees may only use personal leave once it is earned. For a planned leave of absence from work, employees must receive prior approval from their Department Director or supervisor. This will ensure that there are enough employees to perform all necessary job duties in the employee's department during their absence.
For an unplanned leave of absence from work due to an illness or an emergency, employees shall notify their Department Director or supervisor, as soon as the need for unplanned leave is known, by following the call-in procedures under Section 3.01 of this Manual.

If a regularly scheduled holiday falls during an employees' use of personal leave, the holiday will not be considered part of the personal leave. (See Holidays)

Personal Leave Accrual, Carry Over and Cash-Out: Employees will be allowed to accumulate leave greater than twice their annual accrual rate during the year, but must use or reduce their leave balance to twice their annual accrual rate or less by the end of the year. Employees cannot carry over more than twice their annual accrual rate to the following year. Hours in excess of twice the employee's annual accrual rate at the end of the year are forfeited and will not be paid. In addition, the maximum of personal leave payout upon termination or resignation is twice an employee's annual accrual rate.

Employees may elect to cash out a maximum of 40 hours of their personal leave annually on December 1st of each year. Employees must notify SWT that they wish to cash out the personal leave days on or before November 1st of each year. Under no circumstances may an employee cash out more than 40 hours annually. The cash-out will be at the employee's current base rate of pay.

Termination of Employment: Earned personal leave time shall be paid to employees as taxable income at the time of termination of employment if the employee leaves in good standing and provides a minimum of two weeks' notice.

Personal Leave Accrual While Receiving Short- and Long-Term Disability: Employees receiving short-term disability benefits will continue to accrue personal leave for the first ninety (90) calendar days of receiving short-term disability benefits in a year.

Personal leave accruals will cease when an employee is receiving benefits for long-term disability.

Personal Leave Donation: In certain emergency situations, such as a major life-threatening illness, the Chief Executive Officer may approve transfer of personal leave from one employee to another and limit the number of total hours that can be transferred to any one employee. Donation of personal leave is strictly voluntary. The recipient must have exhausted his or her personal leave account and will not accrue personal leave while receiving donations. If approved by the Chief Executive Officer, employees may donate personal leave to other employees with the following conditions:

- A request must be made to Chief Executive Officer either by the employee or by the employee's supervisor with the employee's consent.
- The donor must have a minimum of 40 personal leave hours to ensure adequate coverage for his or her own emergency absence.
- Personal leave donations shall be limited to 24 hours per donor to any one employee per year.
- Personal leave must be donated in full hours only and will be exchanged on an hour-for-hour basis.

4.03 REIMBURSEMENT ACCOUNTS

Flexible Spending Accounts allow employees to make payroll deductions to a pre-tax account and to use this money to pay for dependent care costs or medical/dental/vision expenses not covered by insurance. It also allows for certain insurance premiums to be automatically deducted from the employee's paycheck on a pre-tax basis. Employees must use this money during the current plan year or they may lose it, as prescribed by IRS rules and regulations. Regular full-time and regular part-time employees become eligible to participate in the plan on their date of hire and should see Human Resources for more detailed information.

4.04 RETIREMENT BENEFITS

PERA: Retirement benefits are provided to SWT employees through the Public Employees Retirement Association (PERA). Both SWT and the employee contribute to PERA through payroll deductions. Benefits vest after five years of service.

Deferred Compensation: SWT makes available to its regular full-time employees a deferred compensation pension plan. The maximum amount is controlled by the IRS and may be adjusted on an annual basis. These voluntary programs offer the employee an additional financial planning tool to use in designing their retirement plan.

Employees should see Human Resources for more detailed information.

4.05 HOLIDAYS

SWT provides paid holidays in the observation of the following holidays:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Day

Four (4) Floating Holidays for Non-Exempt Employees
Five (5) Floating Holidays for Exempt Employees

For additional information and procedures relating to paid holidays, employees should see Human Resources for a copy of the Time-Off Holidays Policy.

4.06 EMPLOYEE ASSISTANCE PROGRAM

SWT provides an Employee Assistance Program for confidential assessment and referral services designed to assist employees and their dependents in solving any personal problems they may have. Employees and dependents have access to counselors 24 hours a day. Problems including depression, family communication, financial concerns, chemical dependence, or legal issues are assessed and individuals are referred to appropriate services agencies for treatment and further counseling if necessary.

4.07 LEAVES OF ABSENCE

Unless otherwise noted, the following leaves of absence will be unpaid. Employees may use personal leave if available.

Bereavement Leave: SWT will provide bereavement leave for its eligible employees who desire to take time off due to the death of an immediate family member, household member, or coworker. Employees who wish to take time off for this purpose must notify their supervisor immediately. All employees must request bereavement leave from their Department Director.

Bereavement Leave Due to the Death of an Immediate Family Member or Household Member: Up to three days of bereavement leave will be allowed due to the death of an immediate family member or household member to eligible regular full-time and regular part-time employees. The Chief Executive Officer may grant additional bereavement leave at his or her discretion.

SWT defines "immediate family" for the purposes of bereavement leave as the employee's spouse, domestic partner, parent, step-parent, child, sibling, step-sibling, grandparents or

grandchildren; the employee's spouse's parent, child, or sibling; or the employee's child's spouse. SWT defines "household member" as any person who shares a significant relationship with the employee, and who resides in the same household as the employee.

Bereavement Leave Due to the Death of a Coworker: Bereavement leave will be provided due to the death of a coworker at the discretion of the Chief Executive Officer to eligible regular full-time and regular part-time employees. Bereavement leave due to the death of a coworker will normally be granted unless there are unusual operational or staffing requirements.

Employees may, with their supervisor's approval, attend the funeral of a coworker during regularly scheduled working hours without interruption of pay as long as the leave is less than the equivalent of a regularly scheduled shift.

Bereavement leave requests for any reasons not addressed by this section shall be treated the same as personal leave requests.

Election Day Time Off: Minnesota employers are required to provide employees who are eligible to vote with paid time off to vote on an election day. For purposes of this statute, Minnesota defines election as: (1) a regularly scheduled state primary or general election; (2) an election to fill a vacancy in the office of U.S. senator or U.S. representative; and (3) an election to fill a vacancy in the office of state senator or state representative. Employees are not required to request time off in advance, but employees should make every effort to not disrupt SWT operations and notify supervisors one day in advance of their voting time intentions.

School Conference Leave: Eligible employees may be granted a leave of absence to attend school, child care, or preschool conferences or activities for their child under the age of eighteen (18) or age twenty (20) if attending secondary school. Eligible employees are defined as those who work at SWT at least part time. Eligible employees may take leaves up to sixteen (16) hours during any 12-month period, provided the conferences cannot be scheduled outside the employee's normal workday. Employees must provide reasonable notice of their request for leave and shall make a reasonable effort to schedule the leave so not to disrupt SWT operations.

Military Leave: Military leave provides employees with time off in compliance with applicable federal and state law. Military leave, whether paid or unpaid, must be approved by the Chief Executive Officer. Employees subject to these military obligations will be expected to notify their supervisor in writing as far in advance of the training period as possible. When they are again available for work, SWT will make every effort to return them to their former position, or a comparable position, in accordance with requirements of the law. Employees should contact Human Resources for more details.

Jury Duty & Witness Leave: SWT provides employees with leave for jury duty. Employees are eligible for jury duty leave for the time they serve on a jury. They are expected to provide their supervisor with a copy of the jury duty summons at least one

week in advance. These employees will be paid the difference between their regular earnings and the amount received from the court for jury duty service up to a maximum of 40 hours per week. The jury duty benefit is paid for a maximum of two (2) weeks in any calendar year. Employees are expected to return to work any time they are released from jury duty during their regularly scheduled work hours.

Should an employee be subpoenaed to appear in court as a witness, he or she must use personal leave according to the guidelines in this manual.

Unpaid Personal Leave: SWT understands that employees may need time off for personal obligations and may provide employees unpaid time off in these situations.

Eligible employees must be regular full-time employees and have been employed at SWT for a minimum of one year. Prior to requesting unpaid personal leave, an employee must first exhaust all earned paid personal leave. All requests for unpaid personal leave should be submitted in writing as soon as possible and preferably at least 2 weeks prior to the start of such leave, unless a medical necessity does not permit an early request. The leave request should specify the start and end date of such leave. If the leave is for a medical reason, a physician's certification is required.

The length of time for unpaid personal leaves will be evaluated and approved by the Chief Executive Officer and/or Commission. Anticipated workload requirements and staffing considerations, etc. will be considered.

Subject to the terms, conditions and limitations of the applicable plans, health insurance benefits will be provided by SWT for unpaid personal leaves not exceeding 30 days. Should the leave need to extend beyond 30 days, employees will be responsible for the full costs of these benefits through COBRA if they wish to continue them. When the employee returns from an unpaid personal leave, benefits will again be provided by SWT according to the applicable plans.

When an unpaid personal leave ends, SWT will make every reasonable effort to return the employee to the same or a similar position for which the employee is qualified. However, such assignments cannot be guaranteed.

If an employee fails to report to work promptly after the approved leave has expired, SWT will assume the employee has resigned effective the date the leave commenced.

Employees should contact Human Resources for more details.

Family and Medical Leave: SWT complies with all applicable provisions of state and/or federal laws on family and medical leave. The policy in Appendix 1 of this manual outlines the rights and obligations of employees, the notification requirements, and SWT's obligations. All questions about our Family and Medical Leave Act Policy should be directed to Human Resources.

Parental Leave: Individuals employed at SWT for at least one year and who have worked an average of at least half time per week, may request an unpaid parental leave in conjunction with the birth or adoption of a child. This leave is available for a maximum of twelve (12) weeks. Any time taken for parental leave will be in conjunction with Family Medical Leave and may be reduced by any period of paid parental or disability leave already provided by SWT. During the twelve weeks of parental leave, the employee must use earned personal leave before taking unpaid leave.

Employees requesting such leave should give reasonable written notice to Human Resources and may continue all group insurance during the leave by paying the necessary premiums.

Employees requesting a parental leave will retain the accrued benefits they had prior to the leave. SWT will return the employee to the same position or a position of comparable duties, number of hours, and pay. If the leave is more than one (1) month, SWT requests at least two (2) weeks' notice prior to returning to work.

Employees should contact Human Resources to discuss any need they may have for a parental leave.

Bone Marrow Donation Leave: In accordance with state law, employees who work an average of twenty (20) hours or more per week may be granted a paid leave of absence to undergo procedures to donate bone marrow.

Qualified employees may determine the length of leave required to donate bone marrow; however leave shall not exceed a total of forty (40) hours of paid leave unless approved by the Chief Executive Officer. SWT may request verification by a physician as to the purpose and the length of each leave requested by an employee.

Severe Weather Conditions: In the event of severe weather the Chief Executive Officer shall determine the advisability of work stoppages and the closing of SouthWest Transit facilities and services. Department Directors will determine who should/can report to work when reduced service is operating. If a Severe Weather Emergency is declared by SWT in the morning, then reduced service will also run in the afternoon.

When all service is cancelled, managers will instruct employees to not report to work for that day and give them instructions for their next work shift if the reporting time varies from the posted schedule. Employees will be notified by phone, text, and/or email.

On days when severe weather results in the closing of SWT offices prior to the start of normal business hours, the time not worked by an employee will be unpaid unless the employee elects to use personal leave. With prior approval from his or her supervisor, the the employee may make up the time during the same work week.

In the event that an employee cannot report to work or is late for reporting to work because of severe weather, the employee must notify his or her supervisor immediately and report to work when safety permits. The time not worked will be unpaid unless the employee elects to use accrued personal leave or requests to make up the time during the same work week.

COMPENSATION

5.01 PAYROLL POLICIES AND PROCEDURES

Time Sheets: All employees must complete time reports on a bi-weekly basis. Time sheets will be provided to employees by SWT and upon completion they must be signed by the employee and their Department Director or supervisor. In the absence of the employee's supervisor, the time sheet may be signed by the Chief Executive Officer or Human Resources.

Non-exempt employees must accurately record the time they begin and end their work, in addition to any departure from work for any non-business reasons, either by punching a time clock or by completing a time sheet. Non-exempt employees should consult with their manager or supervisor for proper time reporting instructions. Overtime work must always be approved before it is performed.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in corrective action as described in section 2.04.

Payroll Deductions: SWT is required to deduct federal and state taxes, social security (FICA) and Medicare from employee paychecks. In some cases, child support is also deducted from an employee paycheck in accordance with state statutes. Contributions to the Minnesota Public Employees Retirement Association are deducted from the paychecks of eligible employees. Additional amounts for the employee's share of medical and/or dental insurance, additional life insurance, STD, LTD or contributions to deferred compensation plans are also made through payroll deduction.

5.02 OVERTIME PAY

Non-exempt employees who work more than forty (40) hours per week will be compensated at one and one-half (1½) times their normal hourly rate of pay for all hours worked in excess of forty (40) hours. All overtime work must be approved in advance by a Department Director or Chief Executive Officer. Paid holidays will be included in the forty (40) hour work week for the purposes of calculating overtime.

Each Department Manager may maintain an approval process to aid in the effort to minimize overtime work. This may include prior written approval for overtime worked.

Exempt employees are not eligible for overtime. In the event an exempt employee's job responsibilities routinely require working outside of the department's normal work schedule, an alternate work schedule may be approved by the employee's supervisor on a temporary or permanent basis.

5.03 STANDBY/CALL BACK PAY

Employees may be eligible for standby pay if they are required to be available to be called back to work hours outside their normal work shift. An employee on standby who is not called back to work will receive standby pay in an amount to be determined by the Chief Executive Officer. An employee on standby who is called back to work will be paid for a minimum of 2 hours at one and one-half (1½) times the regular rate of pay. Early shift reports or shift extensions do not qualify for call back pay.

5.04 HOLIDAY PAY

Non-exempt employees required to work on a designated SWT holiday will be compensated at the rate of two (2) times their normal hourly rate for all hours worked on the holiday unless they are allowed to take off another day as the holiday, paid at their regular hourly rate.

Exempt employees who work on a designated holiday may schedule another day off with pay upon receiving approval from the Chief Executive Officer.

5.05 PAY DAYS

For payroll purposes, the workweek starts at 12:01 AM on Sunday and ends at 12:00 midnight on Saturday. Employees are paid bi-weekly on every other Friday. Each paycheck covers the two (2) previous weeks ending on Saturday.

5.06 EMERGENCY PAY DURING A PANDEMIC

Employees must exhaust all paid personal leave in the event of a slow down or shut down due to a pandemic. In the event the employee has exhausted all their leave, the employee will be allowed to go up to 15 days in arrears regarding personal leave. The employee will be required to sign an agreement to reimburse SWT, should the employee terminate employment prior to earning/paying back the advanced personal leave. The 15 days will be paid back prior to receiving additional paid leave.

SAFETY AND HEALTH

6.01 EMPLOYEE SAFETY

SWT is committed to providing a safe and healthy work environment for all of its employees. To ensure that work environments are safe, supervisors shall be responsible for:

1. Establishing safety regulations within their departments.
2. Reviewing safety procedures with their employees.
3. Instructing employees in accident prevention.
4. Coordinating with SWT's insurance provider on safety inspections and programs.

It is the responsibility of employees to:

1. Understand and follow all rules and safety standards.
2. Make sure they are familiar with the safe and proper use of equipment.
3. Operate all tools and equipment in a safe and careful manner.
4. Report unsafe working conditions and work-related accidents to their supervisors immediately.

6.02 SAFETY EQUIPMENT

- SWT will provide a reimbursement of up to one hundred dollars ($100) for employees required to wear steel-toed shoes each year.
-SWT will reimburse employees up to one hundred dollars ($100) every two (2) years for prescription safety lenses for employees required to wear safety lenses.
- Once a year SWT will provide a reimbursement of up to thirty dollars ($30) for facility maintenance employees who do not qualify for full uniforms to purchase shorts that fall under SWT dress code.

6.03 WORKER'S COMPENSATION

Worker's compensation insurance may provide wage replacement and medical payment benefits to SWT employees who become ill or injured as a result of performing their required work duties.

If an employee is injured on the job, the employee shall report the injury to his or her immediate supervisor or Department Director as soon as possible and receive medical attention as necessary. All injuries, no matter how insignificant, shall be reported to the employee's supervisor. The Department Manager must complete a first report of injury and notify SWT's certified Managed Care Plan provider and Human Resources.

If the worker's compensation leave is also a qualifying leave under the Family and Medical Leave Act, the provisions of the FMLA policy shall apply.

6.04 PROPERTY/EQUIPMENT DAMAGE REPORTING

Any damage to SWT property, vehicles, or equipment must be reported to a Department Director or supervisor within twenty four (24) hours of occurrence. It is the Department Director's responsibility to document the damage and report it to Human Resources.

If an individual, other than a SWT employee, incurs property or physical damage caused by SWT property, vehicles, or equipment and wishes to submit a claim, the Department Director must report the damage to Human Resources along with any documents related to the claim. If the individual has any questions related to the claim, he or she should be directed to Human Resources. Under no circumstance should an employee answer questions related to a claim without authorization from the Chief Executive Officer or Human Resources.

6.05 VIOLENCE PREVENTION

No SWT employee is expected to risk injury in the course of performing his or her job. In addition, violence or threats of violence by employees will not be tolerated.

Employee and Vehicle Operator Responsibilities:

- Treat co-workers and the public with respect and courtesy.
- Politely inform passengers about required fares. It is not operators' responsibility to engage in conflicts over fares or property if such conflicts put the safety of operators and/or passengers at risk.
- Use professional judgment and avoid taking passengers' rudeness personally.
- Attend Violence Prevention Training when scheduled and follow all violence prevention procedures.
- Call Dispatch for assistance in dealing with a difficult passenger.
- Use common sense in assessing a situation. It is not operators' responsibility, nor do operators have the authority, training or equipment to police transit vehicles.
- Employees should file a police report if they are assaulted and submit the case number of that report to their supervisor. If the police do not make a report at the scene of the incident, it is the employee's responsibility to go in person to any police station in SWT's area of operation to file a report.
- Report all threats and/or actual incidents of violence to Dispatch and also file an Accident Report if the incident involves physical injury to people or property and an Incident Report regarding other incidents.

Operation Policies to Assist Vehicle Operators in Reducing Violence: Operators have the right to refuse service to passengers who seriously threaten the physical safety of passengers, the operator or pedestrians. If an operator makes such a decision, he or she must notify Dispatch.

If an operator becomes aware of violence in the area of his/her route, he or she may re-route the bus on an emergency basis, if necessary, to prevent serious injury. The operator must notify Dispatch of this action as soon as it is safe to do so.

In vehicles equipped with radios, operators must test radios during the pre-trip inspection before leaving the garage and immediately report non-functioning radios to their supervisor. Dispatch is responsible to notify operators if there are reports of violent activity in the vicinity of their routes.

Employee or Vehicle Operator Initiated Violence: Violence by employees or vehicle operators will not be tolerated. If an employee initiates a violent incident, SWT, First Transit Service, and/or local law enforcement shall determine the appropriate response.

Self Defense: Employees or vehicle operators are only permitted to use force if they are being physically attacked or coming to the aid of someone who is, and then must only use

enough force to stop the attack. Employees and vehicle operators are prohibited from carrying weapons of any kind while on SWT premises or vehicles.

Record Keeping: In order to evaluate the effectiveness of this section, it is important that SWT keep accurate records of all threats and violent incidents. All incidents of violence must be reported to the employee's supervisor, the Chief Executive Officer, and Human Resources.

TRAINING AND DEVELOPMENT

7.01 CONVENTIONS, CONFERENCES, SEMINARS AND TRAINING WORKSHOPS

SWT employees may attend conventions, seminars, workshops, and state or national conferences after approval by the Chief Executive Officer, or the Commission Chair in the case of the Chief Executive Officer. Approval will only be given if the gathering is directly related to the employee's job responsibilities. SWT will pay the expenses related to the training of employees, if provided for in the annual budget. When these training functions occur during normal working hours, employees will be given time off with pay to attend.

7.02 TUITION REIMBURSEMENT

SWT will reimburse out of pocket employee expenses for tuition for job-related educational courses or certification programs the employee chooses to attend, to a maximum of $4,000 per year. All courses must be pre-approved by the Chief Executive Officer and be specifically related to the employee's position. To be eligible for reimbursement, the employee must complete the course with at least a grade of "C" or its equivalent from an accredited institute of higher learning. Employees are eligible for 50% of the reimbursement costs up front, with pre-approval by the Chief Executive Officer.

To receive reimbursement, employees must:

- Present their detailed course syllabus to their Department Director;
- Receive a grade of C or a certification (i.e., Microsoft certification or ASE certification); and
- Provide their Department Director with a copy of the grade sheet or certification and original receipt for tuition excluding costs covered by grants, scholarships, or other funding sources.

Employees will be required to reimburse SWT for any tuition reimbursement if they voluntarily leave SWT employment within two (2) years of receiving tuition reimbursement.

Vehicle Maintenance Apprentice Program:

SWT will reimburse fifty percent (50%) of out of pocket employee expenses for tuition and fees for Vehicle Maintenance Apprentice program. To be eligible for reimbursement, the employee must complete the course with at least a grade of "C" or its equivalent from an accredited institute of higher learning.

To receive reimbursement, employees must:

- Present their detailed course syllabus to their Department Director;
- Receive a grade of C or a certification (i.e., Microsoft certification or ASE certification); and

- Provide their Department Director with a copy of the grade sheet or certification and original receipt for tuition excluding costs covered by grants, scholarships, or other funding sources.

Employees will be required to reimburse SWT for any tuition reimbursement if they voluntarily leave SWT employment within two (2) years of receiving tuition reimbursement.

7.03 LICENSING

Certain SWT positions require that an employee be licensed or certified to legally perform the duties of the position. When licenses or certificates are required for a position, SWT will reimburse the employee for the actual cost of obtaining and maintaining the license or certificate. The employee shall present the original receipt and license or certificate to their Department Director in order to obtain reimbursement.

7.04 Travel Pay

Travel, meals, and conference expenses incurred by SWT employees and Commission members while traveling as representatives of SWT will be paid by SWT, in accordance with SWT's Meals and Travel Policy. Employees should see Human Resources for a copy of the Meals and Travel Policy for more detailed information.

LEAVING SWT EMPLOYMENT

8.01 RESIGNATIONS

When possible, an employee who voluntarily resigns from employment with SWT shall give two (2) weeks' written notice to his or her Department Director. The notice should include an indication that the resignation is voluntary, the reason for leaving, the last day of actual work, and the employee's signature.

Unauthorized or unapproved absences from work by an employee for a period of three (3) consecutive work days will be considered a resignation without proper notice.

8.02 PAYMENT OF PERSONAL LEAVE

Accrued personal leave time shall be paid to employees as taxable income at the time of termination. PERA deductions will not be taken from the accrued personal leave payout. Insurance premiums may be deducted to fulfill the employee's contribution for the month of termination. Premiums for subsequent months will be paid by the employee under COBRA, as described in section 8.07.

8.03 DISCHARGE

SWT employees are employed at will. SWT may dismiss any employee at any time with or without notice, for any reason not prohibited by law. The reasons for termination may include, but are not limited to, misconduct, inefficiency, incompetence, violation of work rules, lack of job performance, or other reasons determined by SWT. Employees who are involuntarily terminated will be paid through their termination date and will receive the value of any accrued personal leave as provided in section 8.02.

8.04 TERMINATION PROCEDURES

A terminating employee is an employee who is leaving SWT employment as a result of a discharge, resignation, retirement, layoff, or death. To assist employees in making a smooth transition when leaving SWT, the Department Director shall notify Human Resources as soon as he or she learns that the employee is leaving and shall provide Human Resources with the original letter of resignation (for a voluntary resignation) or a copy of the termination notice to the employee (for a discharge or layoff).

The termination date shall be considered the last day that the employee works a regularly scheduled workday.

8.05 DEATH OF AN EMPLOYEE

If an individual dies while employed by SWT, the extension of medical benefits for the employee's survivors will be offered on the following basis:

0-10 Years of Employment: Extended coverage will be offered at the option of the survivors and at their expense under COBRA.
10-15 Years of Employment: Extended coverage will be offered with the first three (3) months premium to be paid by SWT. Additional coverage is optional to the survivors at their expense under COBRA.
15 Years of Employment: Extended coverage will be offered with the first six (6) months premium to be paid by SWT. Additional coverage is optional to the survivors at their expense under COBRA.

8.06 REFERENCE CHECKS/RECOMMENDATIONS

All information requests on current and former employees are to be directed to Human Resources or Chief Executive Officer. Under no circumstances should other staff members respond to inquiries regarding current or former employees.

If an employee would like to authorize someone to have access to private data about them, they must send SWT written authorization, witnessed by a third party and signed by a parent, guardian, or authorized representative if applicable. The request should detail the name of the person or agency authorized to review the material and the specific information that the former employee authorizes SWT to release.

8.07 INSURANCE CONTINUATION AND COBRA

Certain state and federal laws permit former eligible SWT employees and their qualified beneficiaries to continue coverage under SWT's group health, dental, and life insurance plans if they have a qualifying event, such as leaving SWT employment or a reduction in work hours below benefit-earning levels.

COBRA stands for Consolidated Omnibus Budget Reconciliation Act of 1985. This federal law and state law allows employees and their qualified beneficiaries to continue SWT's group health plan coverage for up to 18, 29, or 36 months after termination, depending upon the qualifying event.

If an employee is retiring and is eligible for a retirement annuity or is receiving disability benefits from a Minnesota public retirement plan (such as PERA), the employee may remain on SWT's group health plan until becoming eligible for Medicare or another employer-sponsored health plan, at the employee's own expense. This provision only covers retirees if they are covered continuously under SWT's group health plan after January 1, 1992. This "indefinite" continuation is made available under Minnesota Statutes § 471.61, also known as "Chapter 488."

Retiring employees who wish to continue purchasing insurance coverage through SWT will be notified of their COBRA and Chapter 488 rights at the time of employment and also at the time of the qualifying event and may elect coverage under one plan or both plans within sixty (60) days of the qualifying event. Employees and qualified beneficiaries shall be notified of their rights under COBRA and Chapter 488 and shall, at their own discretion, determine which coverage best meets their needs.

OTHER

9.01 AMERICANS WITH DISABILITIES

SWT is committed to providing equal employment opportunities to otherwise qualified individuals with disabilities, which may include providing reasonable accommodation where appropriate. In general, it is the employee's responsibility to notify his or her supervisor of the need for an accommodation. Upon doing so, the employee may be asked for his or her input, the type of accommodation he or she believes may be necessary, or the functional limitations caused by the disability. SWT may request the employee's written permission to obtain additional information from the employee's physician or other medical or rehabilitation professional. Any information obtained by SWT is kept in a confidential employee file.

9.02 BULLETIN BOARDS

SWT has established official bulletin boards as one means of communicating information to employees. It is the responsibility of all employees to regularly check the bulletin board for current information.

Non-SWT information or materials may not be posted personally by employees, but rather must be submitted to Human Resources or Operations and Maintenance Director for approval to post.

Employees should check with their supervisors for the bulletin board locations.

9.03 CONFIDENTIALITY

Current and former employees may not copy or distribute any confidential program, material, or other information which comes into their possession as a result of employment with SWT, other than for an approved use.

Employees may not disclose to others, for anyone's use or benefit, confidential information including, but not limited to, plans, customer lists, or employee lists unless such disclosure is determined to be necessary in the ordinary course of performing their duties as an employee of SWT. In addition, confidential business information must not be disclosed via email, the internet, or any social media, such as blogging, Facebook, instant messaging, etc.

If in doubt as to whether any program, material or other information is confidential, employees must ask the Chief Executive Officer prior to such disclosure.

Upon termination of employment, employees will be required to return all materials and information, and any copies of such materials, to their supervisor.

9.04 EMPLOYEE RELATIONS & COMMUNICATION

SWT is committed to providing a positive work environment for all employees. Our practice is to treat each employee as an individual. We seek to develop a spirit of teamwork: individuals working together to attain a common goal.

Should an issue arise, it is the employee's obligation to bring it forward by contacting his or her immediate supervisor or Human Resources and explaining the facts.

9.05 PERSONAL CONDUCT

The efficiency and productivity of SWT requires that every employee maintain discipline and proper standards of conduct at all times. This is necessary to protect the health and safety of everyone in the workplace, to meet our customers' needs, to protect SWT's property, and to maintain a climate of cooperation among employees.

Employees are expected to conduct themselves in a professional, ethical, and productive manner while at work and while representing SWT when out of the office. Employees are further expected to maintain an awareness of the rights of others, a respect for the people they work with and for, and a commitment to SWT's values, mission statement, goals and policies.

It is impossible to anticipate every situation that might occur. SWT reserves the right to respond to any employee conduct or behavior which, in its judgment, compromises the safety or well-being of any individual in the workplace, diminishes good order, discipline and morale, or detracts from SWT's overall business goals. If SWT's expectations about conduct are unclear, employees should talk to their supervisor or Human Resources.

9.06 TITLE VI

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving Federal financial assistance. Specifically, Title VI provides that "no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." (42 U.S.C. § 2000d)

SWT is committed to ensuring that no person is excluded from participation in, or denied the benefits of transit services on the basis of race, color, or national orgin, as protected by Title VI and explained in Federal Transit Administration (FTA) Circular 4702.1.B

APPENDIX 1

FAMILY MEDICAL LEAVE ACT POLICY

Statement of Policy

It is the policy of SouthWest Transit to comply with the requirements of the Federal Family and Medical Leave Acts (FMLA). Generally, an eligible employee will be granted up to 12 weeks of FMLA leave during a 12-month period on a rolling 12-month period looking backward from the date an employee uses any FMLA leave. The leave may be unpaid or a combination of paid and unpaid, depending on the reason for the leave and the benefits to which the employee may be eligible. This policy will be administered in compliance with the National Defense Authorization Acts of 2008 and Fiscal Year 2010 as they amend the Family and Medical Leave Act of 1993, and the regulations implementing the Family and Medical Leave Act of 1993 effective March 8, 2013.

Eligibility

To be eligible for leave under this policy, an employee must have been employed by the company for at least 12 months. In addition, in the 12 months immediately preceding the commencement of the leave, the employee must have worked at least 1,250 hours to qualify under federal law.

Amount of Leave Available

As stated above, an eligible employee is generally eligible for up to a total of 12 weeks of protected leave within a 12-month period on a rolling 12-month period looking backward from the date an employee uses any FMLA leave for any combination of reasons.

Types of Leave Covered

A. Birth or Placement for Adoption or Foster Care

Family leave will be 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. Such leave must generally be completed within 12 months of the birth or placement of the child.

B. Serious Health Condition of Employee

An eligible employee who experiences a "serious health condition," as defined by federal law, may take medical leave under this policy. A serious health condition will generally occur when the employee:

- Receives inpatient care in a hospital, hospice or nursing home;
- Suffers a period of incapacity of more than three consecutive full calendar days accompanied by continuing outpatient treatment/care by a health-care provider;
- Is pregnant, including severe morning sickness;
- Has a history of a chronic condition which may cause episodes of incapacity; or
- Has a permanent or long-term condition which requires continuing treatment by a health care provider.

Medical leave may be taken all at once or, when medically necessary, in smaller increments. The need for leave must be documented by the employee's treating health-care provider through the medical certification process.

An employee may be paid for all or part of a medical leave to the extent s/he is eligible for benefits, such as personal leave or short-term disability.

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

C. Serious Health Condition of Immediate Family Member

An eligible employee may take family leave under this policy in order to care for a son, daughter, spouse or parent with a serious health condition (see above section for general definition). This leave may be taken all at once or, when medically necessary, in smaller increments. It will be necessary for the family member's treating health-care provider to document the need for leave through the medical certification process.

D. Qualifying Exigency for Military Family Leave

An eligible employee may take family leave under this policy while the employee's spouse, son, daughter, or parent (the "military member") is on covered active duty or call to active duty status for any qualifying exigency under federal law. This leave may be taken all at once or, in smaller increments. It will be necessary to submit a complete and sufficient certification for FMLA leave due to a qualifying exigency. Qualifying exigency leave may be taken by family members of regular armed service members, as well as family members of Reserve and National Guard members, provided the service member is deployed to a foreign country.

E. Military Caregiver Leave

An eligible employee may take up to an additional 14 weeks (not to exceed 26 weeks total) of family leave in a single 12-month period under this policy to care for a current member of the Armed Forces, including a member of the National Guard or Reserves, or, the National Guard or Reserves who is on the temporary disability retired list, who has a serious injury or illness incurred in the line of duty on active duty (or existed before the beginning of the member's active duty and was aggravated by active duty) for which he or she is undergoing medical treatment, recuperation, or therapy; or otherwise in outpatient status; or otherwise on the temporary disability retired list. A covered service member may also be a veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of 5 years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.

This entitlement will be applied on a per-covered-service member, per-injury basis. The covered service member must be the eligible employee's spouse, son, daughter, or parent, or next of kin. It will be necessary for the covered service member's treating health-care provider, as defined by law, to document the need for leave through the medical certification process.

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. When the need for leave is foreseeable, the employee should provide notice at least 30 days in advance. When this is not possible, notice should be provided as soon as the employee learns of the need for leave. In cases of emergency, verbal notice should be given as soon as possible (by the employee's representative if the employee is 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 of the leave. Leave application forms are provided by the Human Resource Department.

Calling in "sick" does not qualify as FMLA leave. An employee 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 as requested will result in the employee's forfeiting all rights under the policy. This means the absence may then be counted against the employee for purposes of discipline for attendance, etc.

Medical Certification of a Serious Health Condition

Generally, the company will require medical certification to verify that an employee or family member's illness meets the definition of serious health condition and to determine the nature and duration of the leave. In the case of a family illness, the provider must also verify that the employee is needed to care for the family member.

Periodic recertification to verify that a condition is ongoing may be required as provided by the law.

The appropriate form should be obtained from the Human Resource Department and should generally be returned within 15 days. Failure to provide this certification may result in delay or denial of the leave.

Additional Certifications

If the company has reason to question the validity of a medical certification, an employee may be required to provide a second certification from a health-care provider selected and paid for by the company. If the second opinion differs from the first, a third opinion may be required. The health-care provider for the third opinion must be mutually chosen by the employee and the company and paid by the company. The third opinion, by law, is binding on all parties.

Use of Paid and Unpaid Leave

FMLA mandates that an employer provide unpaid leave to eligible employees. However, an employee or employer may elect to substitute a paid benefit for which the employee is eligible in order for the employee to receive pay during the leave. SWT requires that benefits, such as personal leave, be used before the employee may take unpaid time. When paid benefits are substituted for the otherwise unpaid time, the employee is using the benefits concurrently with FMLA leave, and those benefits will not be available to the employee later. When paid benefits are substituted, the employee may be required to satisfy any procedural requirements of the organization's paid leave policy.

In cases where substitution of a paid benefit is not possible, the employee will receive reduced compensation consistent with the number of hours the person actually works.

Intermittent or Reduced Schedule Leave

Intermittent and/or reduced schedule leave will be permitted when it is medically necessary and, in some cases, for birth or placement for adoption. In all cases, the total amount of leave taken in the backward looking rolling 12-month period should not exceed the 12 weeks 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 has control, medical appointments and treatments

related to a 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.

The company may, in some cases, transfer an employee to an alternative position, with equivalent pay and benefits, in order to better accommodate the need for intermittent or reduced schedule leave.

Benefit Continuation During Leave

Coverage under group health insurance will continue while on leave, but employees must continue to pay their portion of the premium. Other employment benefits, such as group life insurance, AD&D, etc., will also be continued during the leave, as long as the employee continues to pay any required contribution. Payment arrangements will be discussed with individuals upon their request for leave.

Rights Upon Return From Leave

An employee who takes leave under this policy will be reinstated to the same job or an equivalent position upon completion of the leave. If an individual has exhausted all leave under this policy and is still unable to return to work, the situation will be reviewed on a case-by-case basis 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 individual would have had if s/he had continued to work. Therefore, an employee may be affected by a layoff or other job change if the action would have occurred had the employee remained actively at work. In such cases, the official date of the layoff will mean the end of FMLA leave for the employee. If the employee is recalled, if FMLA leave is still required, it may then continue.

Worker's Compensation Absences

When an employee is absent due to a work-related illness or injury which meets the definition of a serious health condition, the absence will be counted against the employee's allotment of FMLA leave under federal law. In other words, the employee is using Federal FMLA leave concurrently with the worker's compensation absence.

Early Return from Leave

An employee who wishes to return to work earlier than originally anticipated should provide at least two days' notice of such request. A fitness-for-duty certification may be required.

EMPLOYEE ACKNOWLEDGEMENT

I hereby acknowledge that I have received a copy of the SouthWest Transit (the "SWT") Employee Manual. I understand that the contents of this Manual are for general information and guidance and it does not constitute a contract. I understand that this Manual replaces and supersedes any previous policies, manuals, or communications, whether written or oral. I further understand that all contents in this Employee Manual are subject to change in accordance with applicable laws but employees will be advised of any changes.

I have entered into my employment relationship voluntarily and acknowledge that there is no specified length of employment. Employment with SWT is "at will." As such, employees have the right to terminate their employment relationship with SWT at any time, with or without notice, for any reason. SWT has the same right to terminate the employment relationship at any time, with or without notice, for any reason not prohibited by law. SWT retains sole discretion to add, delete, or change anything contained in this Manual except employment-at-will.

I understand and agree that no employee or representative of SWT has the authority, at present or in the future, to promise me any benefit or make any agreement with me, oral or written, which in any way conflicts with this Employee Manual or any of these statements, and that no person other than the Chief Executive Officer has the authority to change any policy, benefit, rule or procedure as stated in this Manual.

I understand it is my responsibility to read and understand the contents of this Employee Manual including the topics of harassment, attendance, drugs and alcohol, safety, and Title VI.

Employee Signature _____

Print Name_____ Date_____

Note: Employees are required to acknowledge receipt of the Employee Manual by signing this acknowledgement.

- This copy is to be removed and placed in the employee's personnel file -