



Employment Policies

ALL DIVISIONS

2021 Season
Rev. 3/4/2021

PARTNER BY CHOICE. SAFETY BY DESIGN.

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PK CONTRACTING IS AN EQUAL OPPORTUNITY EMPLOYER

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Introduction

This handbook is designed to help you succeed as a PK Contracting employee. It outlines policies and procedures that apply to you. This handbook is a guide to your benefits and rights, as well as your obligations and our expectations. We want you to understand our policies, procedures and expectations.

Section 1: Employment

COMPANY MANAGEMENT

Chris Shea and Jim Shea are the majority owners of PK contracting, Inc. Aden Shea is the President and is responsible for operations and carrying out company policies. Kurt Shea is the safety director and EEO officer. Kevin Shea is the Vice President of fleet and equipment and the shop facilities director.

AT-WILL EMPLOYMENT

The Company employs you on an at-will basis. At-will employment means that the Company can terminate your employment at its will for any reason or no reason, with or without cause, at any time, with or without advance notice or warning, and without any right of review outside the Company Handbook (except as provided by applicable statute). Nothing in this Employee Handbook or in any of the Company's policies and procedures is contrary to the "at-will" nature of employment.

This handbook does not cover all kinds of unacceptable conduct. The Company also may discipline or discharge an employee for any unacceptable conduct that is not covered by a specific rule or Company policy in this handbook.

No Company employee, supervisor, manager, or other representative has any authority to enter into any agreement for employment for any specified period of time or terminable for cause or to make any representation or to establish any policy or practice contrary to the "at-will" nature of employment at the Company. Only an agreement in writing signed by an employee and the President of the Company expressly and specifically for the purpose of changing the "at-will" nature of the employee's employment can modify the "at-will" employment relationship.

This Handbook replaces any prior policies, practices, and statements that the Company would employ any employee on other than an "at-will" basis.

PROBATIONARY PERIOD

During the first 60 calendar days of employment for field, shop and yard personnel or the first 90 days of employment for office personnel, new employees will be evaluated to determine whether they can perform the required job functions satisfactorily and whether they fit in well with the Company culture and work ethic. If an employee cannot perform said functions or fit in with the Company culture, employment will be terminated.

ROAD WORKER EVALUATION POLICY

Road workers will be evaluated by both management and supervisory personnel continually throughout the season. Foremen will document the performance of crew members under their direction, noting strengths, weaknesses, attitudes, etc. Periodically throughout the year, foremen and management will meet to discuss the field staff.

LAYOFF POLICY

The order of layoffs throughout the year, at the conclusion of MDOT Region / TSC work, and especially as the season draws to a close, will be based on the findings of the employee evaluation policy noted above. Seniority will play no role in the layoff selection.

ROAD WORKER EMPLOYMENT POLICY

Initial and continued employment at PK Contracting as a road worker is, at a minimum, contingent upon an employee being willing and able to do all essential laborer aspects of the various jobs PK Contracting performs. This includes peeling tape, driving a coning truck and forklift, operating various pieces of hand equipment, setting and picking cones, assisting in striping layout / markout, handling striping materials, and various other activities. If an employee is unwilling or no longer able to perform these functions, thereby requiring other employees to do some of his / her work, PK Contracting may terminate said employee.

REPORTING LOCATIONS

While employees may primarily work out of one division, at any time an employee may be called to work out of divisions in different parts of the State. PK Contracting will pay for lodging if an employee is needed for multiple days, and provide or pay for transportation if an employee is needed for only one day of work. Transportation and associated costs, except lodging, will be the responsibility of the employee if work is provided for more than one day.

LENGTH OF CONSTRUCTION SEASON & PRIMARY EMPLOYMENT REQUIREMENT

The start and end of an employee's work season will be based on workload and the company's needs. Employees are to treat employment at PK as their primary job and not take on secondary work unless they have been laid off for the season. Secondary jobs cannot conflict with the demands of primary employment at PK.

DRUG TESTING

a. Existing Employees

Many jobs now require that all workers have record of passing a drug test within the prior 12 months. Therefore, all returning field employees (including those who work 12 months) need to have a drug test taken within the 2 weeks prior to the spring General Meeting. You can meet this requirement by participating in either of the two PK designated drug testing days at the PK office at no cost to you. Otherwise you will be required to take your test at Concentra at your own expense. PK Contracting will pay for randomly required NIDA drug screens. All employees are subject to testing.

b. Newly Hired Employees

Newly hired employees will pay for their own drug screen as a condition of being hired.

PHYSICALS

a. Existing Employees

All full time road, shop, and yard employees are required to maintain a two year DOT Medical re-certification at their own expense.

b. Newly Hired Employees

To be hired for any position at PK Contracting, a new applicant must pay for, take and pass a DOT physical (including the above mentioned NIDA drug screen) and bring verification of passing both to the General Meeting.

DRIVER'S LICENSES *

a. Existing Employees

All full time road, shop and yard employees are to pay for and maintain the designated up to date CDL license.

b. Newly Hired Employees

To be hired in any road, shop or yard position, a new applicant must pay for and obtain a valid Michigan Chauffeur's license (CDL – C) and have a good driving record.

IMPORTANCE OF MAINTAINING A GOOD DRIVING RECORD *

Continued employment at PK Contracting requires the maintenance of a good driving record. All moving violations, drug or alcohol driving violations are reported to PK Contracting by the State of Michigan.

COMMERCIAL DRIVER'S LICENSE POLICY (CDL) *

Driving vehicles owned by PK Contracting, Inc. requires a CDL license and many PK vehicles require a CDL-AX license. A CDL-C is required to be hired.

CDL TESTING COSTS *

After a 60 day probationary period and if necessary, PK will pay the testing costs associated with obtaining the CDL skills test. PK will pay for one initial CDL test and will provide the truck and trailer to take the CDL Class A test. PK will also provide the truck to take the CDL Class B test. The higher level CDL-A is encouraged and is linked to an increase in pay.

CDL ELIGIBILITY *

1. No 6 point violation within the past 24 months.
2. No OUIL violation within the past 24 months.
3. No suspension conviction within the past 36 months.
4. A current DOT Medical Card. When renewing a medical card or CDL, you must submit a "Self-Certification Form" to the Michigan Secretary of State. This can be done online, by fax, or in person at a Secretary of State office. See www.michigan.gov/CDL for additional information.

HAZARDOUS ENDORSEMENT FOR CDL *

All PK employees 21 years of age or older are required to obtain the CDL Haz-Mat endorsement. A background check and finger printing is part of the application process. You should begin the finger printing process 45 days before you expect to get your endorsement.

You may pre-register online at <https://universalenroll.dhs.gov> or call 855.347.8371. A link to register can be found on the employee section of the PK website. After registering you must appear in person at a TSA approved fingerprint office with all of the required documents

Registration offices can be located on-line and are located in Center Line, Livonia, Dearborn, Port Huron, Bay City, Grand Rapids, Kalamazoo and Cadillac that should work for employees in all divisions.

Section 2: General Notes

EMPLOYEE PHONE NUMBERS

1. Every employee must provide an active personal phone number for use on the company phone list. Failure to comply will result in loss of employment
2. Notify Brian immediately when you change your home or cell phone number
3. Provide an alternate phone# to use in the event you cannot be reached at your primary phone number
4. Give Brian the name and phone number of a person to contact in case of emergency

EMPLOYEE RELATIONS

In our type of business, group camaraderie is an asset and promotes a positive working atmosphere. This light hearted nature should never include employees making any degrading remarks to one another or behind their backs. If you have any complaints, or see another employee acting in a manner not in the best interests of PK Contracting or in the best interests of a fellow employee, please bring it to Aden or your division managers attention directly.

DISCUSSIONS WITHIN THE MAIN OFFICE

Situations which require field and shop personnel to come into the main office to have discussions with office personnel must be work related. While in the office all language must be appropriate and free of vulgarity.

SEARCHES AND INSPECTIONS

The Company may carry out a search or inspection of employees' personal effects and their property, including, but not limited to: file cabinets, desks, purses, backpacks, lunch boxes and vehicles. An inspection may be conducted when entering the Company's premises, while on Company premises, or when leaving Company premises, including parking lots leased or used by PK Contracting. It may be initiated by the Company without advance notice, at any time, and for any reason, and may be carried out by management personnel, federal or local law enforcement officers or private security.

An employee's consent to a search or inspection is a condition of employment. An employee's refusal to consent will result in discipline action, up to and including termination.

PK Contracting prohibits all persons who enter its vehicles or work on its job site from carrying a hand gun-firearm or any other weapon regardless of whether a person is licensed to carry a concealed weapon.

Section 3: Safety

STATEMENT OF PRINCIPLE *

Safety is the number one principle for every employee of PK Contracting. Hazards are present in and out of work zones when installing pavement markings or performing pavement marking related work. Therefore, it is the responsibility of every employee at PK to adhere to our safety policy, the Michigan Manual of Uniform Traffic Control Devices (MMUTCD) and MIOSHA regulations. By adhering to safety regulations and principles we will provide the safest working environment possible for all workers and the general public.

CORPORATE SAFETY OFFICER *

Kurt Shea is the designated PK Contracting Safety Director and is responsible for the development and administering of the Corporate Safety Program.

EMPLOYEE PARTICIPATION *

Employee participation is encouraged and important. Safety is everyone's responsibility. Through everyone's participation communicating ideas, observations, and experiences we will be in the best position to problem solve and advance safety. If you have any concerns relating to safety situations, bring them to the immediate attention of your supervisor Kurt, Kevin, Chris, Jim, or Aden.

SPRING GENERAL MEETING *

At each Spring General Employee Meeting, the entire Company Handbook, including all safety provisions herein contained, will be reviewed by the Company President and Safety Officer.

REPORTING INJURIES *

Report all injuries. It is the responsibility of all employees to immediately report to their immediate supervisor any injury sustained during their shift. Reporting injuries within 24 hours is an OSHA requirement. Reporting injuries helps us evaluate safety in the work place and identify potential hazards so that corrective action can be taken to eliminate the risk of an injury from happening again. Try not to "work through" an unreported, untreated injury, there is a chance that the injury will become much worse later. The following is our 24-Hour Response plan that lists steps to take when an injury occurs.

In case of an injury:

1. Evaluate the injury and render first aid as needed. If necessary, contact the appropriate first responders
2. Report the injury to your immediate supervisor. The foreman will immediately contact the office to report the injury. If a foreman is not available contact the office.
3. The foreman will fill out an injury report and also record the injury on the daily work report.
4. Report the injury to the division manager or assistant division manager.
5. The division manager or assistant division manager will contact the Main Office and send the injury report to jessica@pkcontracting.com, kelly@pkcontracting.com and kurt@pkcontracting.com
6. Auto damage and injury incidents will be reported to insurance within 72 hours

RETURNING TO WORK *

PK Contracting seeks to provide a safe working environment for its employees to thrive and prosper. If an employee is injured on the job or in any way suffers from a job related ailment PK will provide work to accommodate an individual's restrictions immediately. Our goal is Zero injuries. Zero lost time due to injury and we are committed to providing our employees with a reliable source of income and safe working conditions.

DISCIPLINARY ACTION *

Violations of any of PK Contracting, Inc. safety or operating policies may result in one or more of the following disciplinary actions:

- a. Written notification of warning
- b. Three days off without pay
- c. Termination
- d. A disciplinary action which management deems appropriate for a specific situation.

NO LOST TIME INJURIES

Our goal is to have no lost time due to injury. The potential payout for 2021 is \$100,000. There will be a deduction of \$1,000 for every lost day due to injury. The pool will be paid out at the beginning of the 2022 construction season to all returning yard, shop and field employees. The 2021 injury incentive will double if there are no injuries for the year that result in lost time.

Section 4: Attendance

PUNCTUALITY

Punctuality is vitally important. Starting time is the time you are expected to be actually working. Showing up and punching in earlier than scheduled without prior approval is not permitted. Just as important, it is imperative that all personnel show up on time and begin productively working as scheduled.

PERSONAL NEEDS

Personal needs such as coffee, pop, breakfast, or socializing are to be taken care of before punching in.

POLICY IF YOU ARE LATE FOR WORK

If you are going to be late for work, call to let the office know. Failure to call in and simply not come to work cannot be tolerated. Repeated tardiness, even if calling in, will result in a reduced work schedule and may be considered as grounds for dismissal. If you are late and get a call from the office, answer the phone so the office person knows your situation.

LUNCH BREAKS

If a crew or an employee takes a lunch break, it is to be documented and not paid for.

First, it is expected that everyone eats lunch sometime during the day either at a restaurant, at their desk, in the shop, in their truck, or in the field on the job. A half hour will be allotted for lunch and will not count as on-the-job work time. We will handle the accounting of lunch periods as follows. Every hourly employee will punch in and out at the start of the day and end of the day as always. Our computer system will automatically deduct a half hour for lunch for all employees that work at least an eight-hour day. No deduction for lunch will be taken for days that are less than eight hours. For road work, the timing and location of a lunch break will be determined by the foreman to best fit the jobs that are being worked on that day. Expect that the lunch break will be between 10am and 3pm and may be at a restaurant or on the job site. No change will be necessary in the way foreman's reports are written. The computer will automatically deduct the half hour at the end of the day regardless of how many jobs an employee worked on or the wage rates on any given job. Therefore the lunch break most often will be deducted at the shop / drive rate and not at a job rate. As always, if an employee is not working for any period longer than a half hour for any reason, it is expected that the foreman's report will indicate that fact. The idea is a simple one. We expect to pay all employees for every hour that they work, but should not be expected to pay for time when an employee is not working.

Section 5: Paid Vacation & Time Off

1. **Christmas – New Year’s Week**

Five days paid for all full time hourly and salaried employees who have worked 6 or more months and are in 12 month positions; five days unpaid with less than 6 months employment.

2. The vacation schedules below are in affect for FULL TIME, 12 month employees who have completed one full year of employment and are in one of the following three categories:

- Field Superintendents working 12 months per year, FULL TIME.
- Office, Shop and Yard personnel working 12 months per year, FULL TIME.
- Mechanics / yard superintendents working 12 months per year, FULL TIME.

DURING THE CONSTRUCTION SEASON (APRIL 1 – DECEMBER 31)

- 1 week

DURING THE NON-CONSTRUCTION SEASON (JANUARY 1 – MARCH 31)

- 1 week for employees with less than 5 consecutive years at PK
- 2 weeks for employees with 5-15 consecutive years of FULL TIME 12 month employment at PK
- 3 weeks for employees with 15 or more consecutive years of FULL TIME 12 month employment at PK
- Christmas vacation doesn’t count in this computation.

3. **Vacation time must be taken in its allotted time period** - Unused vacation time is lost. It will not be carried over. For those who qualify, in-season vacation weeks will be granted on a first-come first-served basis. Any in-season vacation requests for the current construction season can be submitted starting March 31. A vacation week consists of 7 consecutive days and includes any holidays or weekends it contains. There can be only one mechanic and only one foreman on vacation at the same time Monday through Friday during the construction season. Therefore, any overlapping of vacations can only occur on a weekend and only two people in the same work category can overlap at the same time.

4. **Vacation request forms** – Anyone requesting vacation must complete a Vacation Request Form and then submit the form to the division manager for approval. Each division manager will keep track of vacation days. For the Troy Main Division vacation request forms are to be turned into Jessica for office personnel; Division Managers for field and yard personnel and Kevin for shop personnel. The employee will then submit the form to Brian for payroll department approval. Brian will keep the company wide master vacation calendar.

5. **Memorial Day weekend, Fourth of July holiday and Labor Day weekend** - It will be necessary to have shop, yard, and mechanic coverage the day prior to work starting back up, as well as on any day in which road work is taking place. The number of personnel scheduled to work will be dependent upon the road schedule. The road schedule will be determined by the needs of our customers and prime contractors, and all employees need to be prepared to work as needed and cannot assume that these days and / or weekends will be free of road work.

6. **Days off for hunting season** - Will be determined based on Company workload. While it is not possible to grant every request, we will make every effort to accommodate hunters during the 15 day season.

7. **Thanksgiving** - Because our prime contractors are trying to finish up end of the season jobs which require our participation, Friday, Saturday and Sunday following Thanksgiving are considered potential work days for all employees. If necessary, office staff employees will be on duty from 8:00am to 12:45pm and from 12:45pm to 5:30pm on Friday and Saturday. This schedule will be in effect unless pre-empted by bad weather. The road, yard and shop schedule will be as needed to satisfy our customer’s demands.

8. Unpaid Time off Requests

During the construction season all road employees can request to be left off the schedule on any two days per month with a maximum of 12 days per season with the following two exceptions.

- a. The requested day off cannot extend a vacation.
- b. The requested day(s) may not be the day before or after a holiday as those days are often our busiest days.

In addition, no more than two foremen will be granted the same day off, and no more than four non-foreman will be granted the same day off. This time off will be given on a first come, first served basis.

9. Upon termination, for whatever reason, all unused vacation is forfeited.

Section 6: Electronic Device Policy

Critical to the safety of all road, shop and yard workers is the ability to receive and communicate instructions, move and maneuver quickly to avoid danger from vehicles or equipment, and recognize and respond to potentially dangerous job-site situations (job site includes any P.K. yard or shop as well as all road construction projects). All of this requires that every road, shop and yard worker be alert and attentive to their surroundings and not distracted by outside stimuli.

The bottom line is that road, shop and yard workers need to be aware of their surroundings 100% of the time. Any employee who fails to adhere to that principle, or violates the requirements set forth in this policy, may be subject to immediate discipline, including possible termination of employment.

Listening Devices and Speakers

To ensure worker safety, P.K. Contracting prohibits employees from wearing earbuds, headphones, both wired and wireless, or any other listening device that reduces a worker's ability to hear while on the job site.

Employees are also prohibited from using Bluetooth, cell phone or any other speaker device to play music or any other form of broadcast on a road construction project. Employees must be able to hear all that is happening around them to ensure their safety and the safety of others.

Cell Phones

1. Foremen or other designated personnel are permitted to use cell phones on the job. Any exceptions to this policy without management approval is prohibited.
2. All employees may carry a personal cell phone
3. Employees are prohibited from using cell phones during working hours for personal business or while driving
4. Personal use of cell phones may be used during lunch breaks in a safe location
5. Cell phones are permitted to access:
 - a. The PK schedule
 - b. PK Safety Data Sheets or PK Right To Know information
 - c. The PK Safety & Health Handbook
 - d. PK Tool Talk Safety topics for discussion and e-signature

Cell Phone Safe Practices

1. All PK employees are required to comply with Federal and State laws that restrict the use of hand held mobile devices (cell phones) in any moving vehicle unless the phone is being operated by a hands free device located in close proximity to the driver.
2. In addition, while certain employees may be required to use a cell phone or other electronic device to perform their job duties, cell phone use is limited to business purposes only.
3. Employees who are required to call, text or submit electronic reports must do so in a safe manner and never under circumstances where being distracted from the worksite might create a hazard for the employee or others on the site. Employees are strictly prohibited from texting while driving any vehicle or piece of equipment.
4. At no time can an employee operate a PK vehicle with a cell phone up to their ear. Texting while driving is against Michigan law. PK employees are prohibited from texting while operating a motor vehicle or PK Contracting equipment.

Cell Phone Allowance

The following provisions apply to employees who are provided a cell phone allowance. This allowance applies to phones purchased from and under Verizon contract only.

1. A one-time \$150 subsidy will be paid toward the purchase of a phone/contract plus \$75 phone allowance paid monthly thereafter for the months an employee works
2. Employees are expected to have phones turned on to and from work
3. Phones are to be used while on duty and for business purposes only
4. Employees are to compose a professional voice mail greeting that includes the employee name and PK Contracting name.
5. PK does not provide phone accessories; clips, cases, chargers, etc.

Section 7: Social Media Policy

Social Media

We live in an electronic world and PK Contracting, Inc. understands that its employees have the right to use and participate in social media channels, blogs and other public online tools, personally and on their own time. Social media use on company time is prohibited and your responsibility to PK does not end when you are off the clock. This policy applies to all social media posts as it relates to PK Contracting, Inc.

Remember to be respectful and polite when using social media

1. Employees may disclose their affiliation with PK Contracting, Inc.
2. Any references to PK must be clearly defined as your own and not result in any negative repercussions for PK and its affiliates.

Employees are prohibited from disclosing

1. Company information. Do not post pictures or provide any information about PK facilities, operations, equipment, employees, graphics, customers or materials. It is not your job to make non-public information public.
2. PK Contracting, Inc. reserves the right to edit, amend or remove any social media content pertaining to PK Contracting, Inc.

Disciplinary action may be necessary leading up to and including termination for not following PK Contracting's social media guidelines. If you are unsure if information about PK can be shared on social media then don't share it.

Section 8: Drugs, Alcohol & Smoking

Affecting all PK Contracting employees and its subcontractors.

The use of drugs and / or alcohol on the job, in Company vehicles, in the Company yard or offices, or in any satellite yard will not be tolerated. Reaction time and judgment deteriorate, endangering everyone's life. If you know of anyone needing help, bring it to the president's attention.

Drug screens will be conducted prior to the beginning of each work season. The tests will be conducted at a Company designated facility. A drug screen is also required as part of the pre-employment physical exam. During the work season random drug and alcohol testing will continue for all employees, office, shop, road and yard. Unannounced tests will be performed at the PK Yard or at collection centers.

PK Contracting and its subcontractors participate in a required DOT certified Random Drug and Alcohol testing program administered by an outside agency. As soon as the Company has been informed by the testing agency of a positive (failure) on any and all drug tests, the employee will immediately be suspended from work or terminated. From that point on, the Company is under no obligation to re-hire or restore employment status to the employee who failed the test. The Company, may however, at its sole discretion, re-hire or return to work status an employee after he or she successfully completes, at his / her own expense, the Company specified Substance Abuse Program and agrees to continued periodic random drug tests, at his / her expense, at intervals determined by the Substance Abuse Professional as part of that program. The employee will then have to sign a Last Chance Agreement.

Any employee who tests positive for drugs after undergoing a Substance Abuse Program will be immediately and unconditionally TERMINATED.

Per Federal Motor Carrier Safety Regulations, Part 382.303, if an employee driver is involved in a CMV accident, the Company is required to send its employee driver for a drug test (1) if there is a fatality, (2) if the employee receives a CITATION AND someone goes to the HOSPITAL for immediate treatment or, (3) if the employee receives a CITATION AND a vehicle is TOWED AWAY from the scene. A positive test is also immediate grounds for termination.

The Company may require a drug test whenever there is reasonable cause to do so. A positive test in such a case will make the employee subject to the policies described above.

Anyone involved in a confrontation where physical contact is made may be required to submit to a drug and alcohol test.

SMOKING POLICY

There is NO SMOKING in any PK yard, office, around any fueling operation, or around any combustible materials. Smoking will be permitted only in specially designated areas at PK yard / office locations.

Newly Hired Employees

To be hired for Road Work or Full Time Mechanic/Yard/Shop Positions, an applicant must:

1. Take and pass a DOT physical (which will include the State required NIDA drug screen) at the Company designated medical facility. Applicant will pay for these items. Passing these tests will result in being issued a current medical certificate.
2. To be hired for all positions other than road, yard or shop, all applicants will be required to take a non-DOT physical and drug test at the Company designated medical facility. Applicant will pay for these items.

Probable Cause Testing

PK contracting, Inc. may require a drug test whenever there is reasonable cause to do so. A positive test in such a case will make the employee subject to the policies described above.

Anyone involved in a confrontation where physical contact is made may be required to submit to a drug and alcohol test.

Section 9: Harassment

Racial, sexual, ethnic, religious, age-related, or disability-related harassment is inappropriate and violates the Company's equal employment opportunity policy. Examples of prohibited harassment include: offensive verbal comments or insults and insulting pictures or gestures. The Company's anti-harassment policy prohibits harassment by any employee, including management personnel, any volunteer, any member, or any visitor or vendor, and it applies to harassment in the workplace and at off-site activities, such as, for example, the Company-sponsored events.

The Company specifically prohibits sexual harassment in the workplace and at off-site activities, such as, for example, the Company-sponsored events. Our employees have the right to work without sexual harassment by management personnel, co-workers, customers, visitors, or vendors. Examples of prohibited sexual harassment include: offensive sexual advances; unwelcome verbal comments of a sexual nature; unwelcome display of sexually suggestive objects or pictures in the workplace; and offensive physical conduct of a sexual nature.

No Company supervisor may threaten that an employee's refusal to submit to sexual harassment will negatively affect the employee's employment in any way. No Company supervisor may condone a hostile, intimidating, or offensive work environment caused by the sexually harassing actions of Company employees, management personnel, volunteers, members, visitors, or vendors.

An employee should report any prohibited harassment to his or her supervisor or another member of management. The Company will carefully investigate all employee complaints of prohibited harassment. We will respect the privacy of the complaining employee and the accused employee to the extent possible in the investigation.

Retaliating or discriminating against an employee because the employee has complained about any form of prohibited harassment or has been a witness in an investigation of any harassment complaint is unacceptable.

The Company will take prompt corrective action to remedy any confirmed harassment. The Company will discipline, up to and including discharge, an employee who has engaged in prohibited harassment. If you encounter any harassment from any person in the course of your employment, you should contact Kurt P. Shea immediately at (269) 385-3222. Claims of harassment will be investigated and disciplinary action will be taken where harassment has occurred.

Section 10: Problem Resolution

Our employees should have a procedure in which concerns can be easily and quickly raised, reviewed by the Company, and promptly answered. That is why we have our Problem Resolution Procedure. We cannot resolve your concern unless you first tell us about it. We may not always agree with you or tell you what you want to hear, but we will always listen to you and give you a fair, reasonable answer. No employee will be penalized, formally or informally, for voicing a complaint with the Company in a reasonable, businesslike manner or for using the problem resolution procedure. An employee should start at Step 1, unless the employee is uncomfortable discussing a particular concern with the supervisor. Then the employee is free to start at Step 2. No employee will ever be penalized for bypassing Step 1.

STEP 1

An employee should present the concern verbally or in writing to the supervisor:

- Why do you see this situation as a concern?

AND

- How you want to resolve it?

The supervisor will investigate the concern and will promptly respond to the employee.

STEP 2

If the concern is not resolved at Step 1, an employee should present the concern in writing to Aden Shea:

- You do not feel the concern was satisfactorily resolved at Step 1.

OR

You are not comfortable addressing this particular concern with your supervisor. Aden will investigate the concern and will promptly respond to the employee.

Section 11: Health Insurance

The Affordable Care Act (ACA) requires employers to offer plans which meet both design and affordability standards, or pay a penalty. PK Contracting offers plans which meets both standards. PK Contracting's plans comply with all health care standards such as preventative care covered at 100%, dependents eligible to age 26 without being a student and removal of lifetime limits.

Health insurance is available to all employees. Employees who meet any of the five **Employee Classification Group** criteria below will receive a Company co-pay toward their health care premium or a fixed dollar amount if they are on their spouses or parents' insurance. All other employees who do not qualify for Company sponsored health care can participate in Company provided health care by using their Davis-Bacon fringe dollars.

EMPLOYEE CLASSIFICATION GROUPS ELIGIBLE FOR COMPANY PREMIUM CO-PAY

1. All full time foreman (i.e. personnel acting as foreman 50% of time).
2. Accounting, estimating, and scheduling personnel and the office manager personnel working 12 months per year, full time.
3. Mechanics and shop clerks working 12 months per year, full time.
4. Yard Superintendents working 12 months a year, full time.
5. Any employee who is the driver of a major piece of equipment (striper, melter semi, 2 or 3 box grinder/groover, or water blaster (on the jobsite 50% of the time).

For employees hired in groups 1-4, health care will commence the first of the month following the completion of 60 days of employment.

For employees promoted to groups 1-4, and any employees in group 5, health care will commence the next April 1 following the promotion.

The portion of health care premiums paid by PK is determined by an employee's job classification and status as a seasonal or 12 month employee. Whether an employee is single or married will not enter into determining the maximum amount of the Company's contribution. The maximum amount paid toward the health care premiums of Classification 1-5 employees electing enrollment in the health care plan will be per the following table:

	GROUPS 1 & 5* (Road Employees)	GROUPS 2, 3, 4 (Office / Shop / Yard Employees)	
12 MONTH EMPLOYEE	\$7,500	\$10,000	*Hourly rate determined by Davis Beacon Act on Federal Jobs.
SEASONAL EMPLOYEE	\$6,500	N/A	

Davis Bacon employees who enroll in PK Contracting's health plans will pay for their employee portion of health insurance using their fringe wages. \$9.00 per hour of Davis Bacon fringe benefits will go towards your health plan and not be taxed. Once an employee meets his or her contribution based on the plan selected, the \$9.00 fringe will be paid to the employee in cash.

Non Davis Bacon employees who enroll in PK Contracting's health plan will pay for their employee portion of health insurance via pre-tax dollar payroll deduction.

Section 12: 401(k) Plan

PK Contracting's 401(k) Plan is open to all employees 21 years of age and older who meet the eligibility requirements. Eligibility occurs after the completion of a minimum of 1,000 hours of service in one continuous 12 month period. Once the eligibility requirements are met, employees will be notified. Employees can then select the desired level of participation. If no selection is made, an employee will be auto-enrolled at 3%. If you have any questions, the 401(k) administrator is Brian Shea.

Section 13: Family Medical Leave Act (FMLA)

FAMILY MEDICAL LEAVE ENTITLEMENT

The Company provides eligible employees up to 12 weeks of unpaid leave per 12-month period for certain family and medical reasons. The FMLA also entitles eligible employees to leave in certain circumstances related to a qualified family member's military service. The 12-month period is measured forward from the first date when an employee's leave begins.

EMPLOYEE ELIGIBILITY

An employee is eligible if the employee has completed 12 months of employment and has completed 1,250 hours of service in the 12 months before the start of the leave.

Hours worked include overtime hours worked and time that an employee would have worked for the Company if not engaged in military service, but exclude paid time off (vacation days, medical leave days, holidays, and personal business days), leaves of absence and layoffs.

An ineligible employee cannot take family medical leave time, but may be entitled to time off under other Company policies.

PK Contracting's FMLA poster contains additional information about the FMLA.

Section 14: Social Security Number Privacy

The Company prohibits any intentional public display of social security numbers. It also prohibits any employee from maintaining, accessing, viewing, or using for their own personal purposes the social security number of another individual. For business purposes, authorized personnel who have a business use for this information are allowed to maintain, access, view or transmit records and documents containing social security numbers.

When necessary, documents that contain social security numbers will be properly destroyed by a method that prevents display of the whole social security number. The unauthorized removal of social security numbers, in any form, from the Company's premises is prohibited.

Any employee who violates this policy will be subject to discipline, up to and including termination of employment.

Section 15: EEO Statement

PK Contracting, Inc. management hereby reaffirms, supports, and is committed to the concepts of Equal Opportunity in both the letter and the spirit of the law as defined and / or implied under Executive Order 11246, as amended, Title XII of the Civil Rights Act of 1964, Michigan Public Acts 220 and 453 of 1976, the Equal Opportunity Act of 1972, the Rehabilitation Act of 1973, and the Veterans Readjustment Act of 1974.

PK Contracting, through responsible management, shall recruit, hire, upgrade, train, and promote qualified persons in all job titles without regard to race, color, religion, sex, national origin, age, handicap or status as a disabled veteran or a veteran of the Vietnam Era, except where handicap is a bona-fide occupational disqualification.

The Company's managers assure that all other personnel practices such as compensation, benefits, layoffs, return from layoffs, or Company sponsored training will be made without regard to race, color, religion, national origin, sex, age, handicap or status as a disabled veteran or a veteran of the Vietnam era, Desert Storm, and Iraqi Freedom, except where age and sex are essential bona-fide occupational requirements or where handicap is a bona-fide occupational disqualification.

PK Contracting's managers shall base employment decisions upon the principles of Equal Employment Opportunity and with the intent to further the Company's commitment. Managers shall also take affirmative action to recruit and hire qualified minority group individuals, females, veterans of the Vietnam Era, Desert Storm, and Iraqi Freedom and qualified handicapped persons and disabled veterans and, subsequent to introduction into the work force, that these individuals, as well as all other categories of employees are encouraged to aspire for promotion and are considered as promotional opportunities arise.

Kurt Shea, is appointed by Aden Shea, President, as EEO Officer of PK Contracting and has the overall responsibility for Affirmative Action Planning and for implementing and monitoring Equal Opportunity within the company. Kurt Shea is available to all employees and may be contacted at the PK office at 1965 Barrett Street, Troy, MI. Telephone: (248) 362-2130.

Kurt P. Shea, EEO Officer

Date

Aden Shea, President

Date

Section 16: Affirmative Action Program Document of Good Faith

The following is the Affirmative Action Program for Equal Employment Opportunity for PK Contracting.

It is the policy of PK Contracting, Inc. to maintain a working environment free of harassment, intimidation, and coercion at all work sites and in all facilities. PK Contracting specifically insures that all forepersons, superintendents, and other on-site supervisory personnel are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minorities.

PK Contracting maintains a current list of minority and women's recruitment sources, provides written notification to these recruitment sources when hiring, and maintains a record of the company's efforts and recruitment source responses. A separate file is kept for women and minority applicants.

PK Contracting is committed to compliance with specified goals on various contracts with requirements for EEO goals.

PK Contracting insures non-discriminatory recruiting by encouraging present employees to refer minority group applicants and by making it known to recruitment sources that qualified minority members are being sought for consideration for supervisory, office, and technical jobs whenever the company seeks to hire new employees.

Opportunities exist to develop on-the-job training or participation in training programs for the areas that expressly include minorities and women, including upgrading, apprenticeship, and trainee programs funded or approved by the Department of Labor.

PK Contracting disseminates its EEO Policy to all new employees at the time of hire and periodically to all employees in paycheck envelopes. EEO documents (Posters and the Company EEO Policy Statement) are on display at all times in the front office as well as on employee bulletin boards and at any satellite locations. The name and telephone number of the company EEO Officer appears on the EEO Policy Statement. The EEO Officer is available at all times to any employee should a problem arise:

Kurt P. Shea
Equal Employment Opportunity
Officer 248-362-2130

The EEO officer is responsible for insuring that wages, working conditions, and employee benefits are determined and administered on a non-discriminatory basis.

The EEO Officer reviews all aspects of employee upgrading, promotion, transfer, demotion, layoff or termination of employment with respect to discrimination and will take corrective action wherever necessary.

PK Contracting keeps required records for the purposes of determining compliance with and progress under our EEO Program.

PK Contracting keeps records on a monthly basis documenting the personnel employed including a count of minority group employees with total work hours, total minority work hours, total female work hours and percentage comparisons in various job classifications and their wage rates.

The EEO Officer will investigate any complaint of a civil rights or harassment nature and discipline any offending supervisory employee as necessary.

In the event that a civil rights complaint cannot be resolved within the company, the complainant will be advised of his /her right to appeal the complaint to the Michigan Department of Civil Rights, Office of Federal Contract Compliance Programs, and / or the Federal Equal Opportunity Commission.

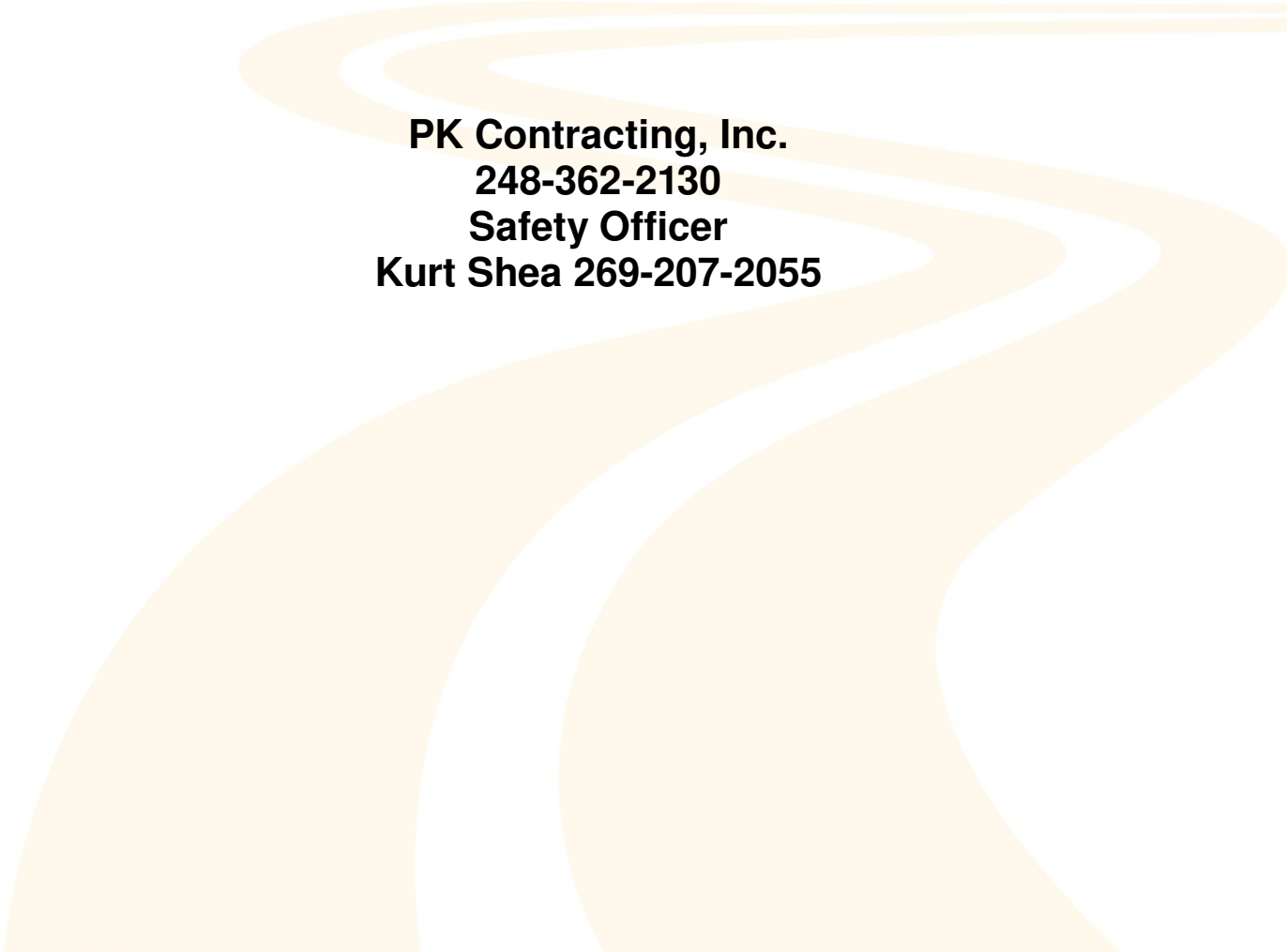
PK Contracting insures that all facilities and company activities are non-segregated.

A Final Word

We have tried to make this handbook comprehensive and to answer the questions that you might have. If you have any questions that this handbook has not answered, please ask us. We will get the answers for you.

This handbook does not cover all kinds of unacceptable conduct. The Company also may discipline or discharge an employee for any unacceptable conduct that is not covered by a specific rule or Company policy in this handbook. PK Contracting has made a sincere effort to provide compensation and employment policies that are mutually beneficial to the Company and you.

This handbook replaces all prior written statements, oral statements, and practices. PK Contracting may change this handbook in the future. We will let you know about any changes before they go into effect.

A decorative graphic consisting of several overlapping, wavy, light yellow lines that create a sense of movement and depth, positioned behind the contact information.

PK Contracting, Inc.
248-362-2130
Safety Officer
Kurt Shea 269-207-2055