

ABCO RETAIL draft policies – November 29, 2013 - Probizwriters

“AT-WILL” — POLICY STATEMENT

Abco Retail does not offer tenured or guaranteed employment, and employment with Abco Retail is voluntary and subject to termination by employee or Abco Retail at will, with or without cause, and with or without notice, at any time, except as otherwise provided in a written employment agreement. Nothing in these policies will be interpreted to conflict with or eliminate or modify in any way the employment-at-will status of Abco Retail employees (including progressive-discipline provisions). This employment-at-will relationship exists regardless of any other written statements or policies to the contrary expressed in this policy manual, any other Abco Retail documents, or any verbal statement.

This “at-will” employment policy may not be modified by any officer or employee and will not be modified in any publication or document. The only exceptions to this “at-will” policy are the terms of any written employment agreement approved by the President or the Board of Directors.

EMPLOYMENT OF RELATIVES (Revised PBW 11-5-13)

The intent of this policy is to ensure equitable treatment of all employees, avoid conflicts of interest, and prevent partiality in hiring, reassignment and transfer of employees. Abco Retail is committed to employment and advancement based on qualifications and merit, and does not discriminate in favor of or in opposition to the employment of relatives.

As a general rule, however, due to potential conflicts, morale issues, and favoritism risks, Abco Retail takes great care as appropriate to carefully and honestly evaluate the prospective employment of an employee’s or a volunteer’s relatives in any category or class. Under this policy a "relative" is a spouse, co-habiting partner, child, parent, sibling, grandparent, grandchild, aunt, uncle, first cousin, or corresponding in-law or "step" relation, or any other person with a relationship that presents a potential conflict of interest as determined by the Company.

Relatives of persons currently employed by Abco Retail may be hired if, after evaluation and consideration of the circumstances, the hiring supervisor determines that the relative is duly qualified and will not be working directly for or supervising a relative, or determines that such a working relationship does not portend a significant risk of conflict. A similar careful evaluation will occur in advance of any Abco Retail employees being transferred into such a reporting or supervisory relationship. Similarly, if a relative relationship is established after employment, Abco Retail will ascertain whether the relationship will unduly complicate working relationships for the relatives or others, and, if so, whether it is appropriate to transfer or reassign either of the related individuals, subject to approval by the vice-president of human resources. These evaluations will occur through a process of engagement with the employee(s) in question.

In other cases where a conflict or the risk of conflict, morale issues, or favoritism arises, even if there is no supervisory relationship involved, the supervisors involved will assess the circumstances and determine if separation or reassignment is appropriate.

The hiring supervisor is responsible for ensuring that these policy objectives are fulfilled. Directors are responsible for monitoring changes in employee reporting relations after initial hire to ensure that working relationships support worker productivity and job satisfaction. Employees are responsible for reporting any changes immediately to their supervisor.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

Abco Retail provides equal employment opportunities to all employees and applicants without regard to race, color, religious creed, sex, national origin, ancestry, citizenship status, pregnancy, physical disability, mental disability, age, military status or status as a Vietnam-era or special disabled veteran, marital status, registered domestic partner status, gender (including sex stereotyping), medical condition (including, but not limited to, cancer related or HIV/AIDS related) or sexual orientation in accordance with applicable federal, state and local laws.

In addition, Abco Retail complies with applicable state and local laws governing nondiscrimination in employment in every location in which Abco Retail has facilities. This policy applies to all terms and conditions of employment, including, for example, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation and training.

EEO-1 VOLUNTARY SELF-IDENTIFICATION FORM

The Equal Employment Opportunity Commission (EEOC) requires organizations with 100 or more employees to complete an EEO-1 report each year. Abco Retail employees are required to complete a self-identification form. The data is voluntary and will not affect employees' opportunity for employment or terms or conditions of employment. The form will be used for EEO-1 reporting purposes only, will be kept separate from all other personnel records, and will only be accessed by Abco Retail' Human Resources Department.

AMERICANS WITH DISABILITIES ACT (ADA)

The Americans with Disabilities Act (ADA) requires employers to provide reasonable accommodations for disabled individuals, unless compliance causes undue hardship. A reasonable accommodation is any change in the work environment or job performance standards that enables a disabled person to enjoy equal employment opportunities.

If you require an accommodation please inform your supervisor that you require an adjustment or change for medical reasons. It is Abco Retail's policy to respond promptly and to the best of its ability to accommodate the needs of all employees.

LABOR LAW WORKPLACE POSTERS

As an employer, Abco Retail is required by federal and state laws to clearly display official labor and employment posters detailing federal and applicable state labor laws. The Fair Labor Standards Act (FLSA) governs federal labor law. Current federal regulations require Abco Retail to display the following six postings in each workplace location: Federal Minimum Wage, Employee Polygraph Protection, OSHA, FMLA, USERRA, NLRB and EEO. Each state generates its own set of specific employment regulations. To ensure our employees are properly informed Abco Retail posts at least one copy of the most current labor law poster in every Abco Retail workplace location, in a conspicuous place where other notifications of workplace rights and employer rules and policies are posted, so employees can readily access and read the posters.

Labor law changes constantly and Abco Retail is responsible for ensuring that labor-related posters are current and accurate. Employees are encouraged to report any failure to display, or difficulty accessing or viewing, such labor posters to human resources. Employees found to have tampered with, obscured, or removed any display of such labor posters may be subject to appropriate discipline.

SMOKING POLICY

To maintain a safe and comfortable work environment, contribute to the health and well-being of all employees and patrons, and comply with applicable laws and regulations, Abco Retail maintains a smoke-free workplace. Abco Retail may be subject to criminal and civil penalties for smoking-law violations and requires careful adherence to this policy. The use of any tobacco products, including chewing tobacco, is banned from Abco Retail workplace and retail facilities, except as designated in this policy.

Smoking is prohibited in all enclosed areas within Abco Retail worksites. This smoke-free policy includes common work areas, service and warehousing facilities, retail facilities, conference and meeting rooms, private offices, hallways, lunchrooms, stairs, restrooms, employer-owned or leased vehicles, and all other enclosed facilities. Employees may smoke in their personal vehicles (except when transporting persons on Abco Retail authorized business), but smoke and tobacco products must be contained within the vehicle to ensure they don't interfere with or affect others.

Employees should be familiar with areas where smoking is either permitted or prohibited—these areas are marked clearly with appropriate signage. Abco Retail does designate some areas for smokers' convenience, but may change or discontinue such designated areas in its discretion. Employees may smoke only in designated smoking areas, within normally scheduled breaks. Also, employees choosing to smoke are expected to avoid interfering with the productivity of Abco Retail staff or the experience of patrons, and do so at their own risk. Smokers and tobacco-product users are responsible for properly extinguishing and disposing of tobacco-related waste and debris, and keeping designated smoking areas neat and clean.

Employees smoking in non-smoking areas, or otherwise violating this policy, are subject to appropriate discipline. Contact your on-site supervisor or the Human Resource Department with questions regarding smoking policy. Complaints regarding policy violations may be filed under Abco Retail's complaint resolution procedure described elsewhere in this handbook.

RECORD RETENTION AND DESTRUCTION POLICY

Abco Retail strives to ensure that necessary records, documents, and electronic documents are adequately protected and maintained, and that records of no value are discarded appropriately. This Policy is intended to enable employees to understand their obligations concerning document retention, including electronic documents like e-mail, web files, text files, audio and video files, PDF documents, and all Microsoft Office or other formatted files.

Administration — Attached as Appendix “B” is a Record Retention Schedule, which is the initial maintenance, retention and disposal schedule for Abco Retail’s physical records and electronic documents. The Documents Administrator (the “Administrator”) is the officer responsible for administering this Policy and implementing processes and procedures to ensure that the Record Retention Schedule is followed. The Administrator is also authorized to: modify the Record Retention Schedule from time to time to ensure it complies with local, state and federal laws and includes the appropriate document and record categories for Abco Retail; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.

Suspension of Record Disposal In Event of Litigation or Claims — If Abco Retail is served with any subpoena or request for documents, or any employee becomes aware of a governmental investigation or audit concerning Abco Retail or the commencement of any litigation against or concerning Abco Retail, employee shall inform Administrator, and any document-disposal processes are suspended until the Administrator, with the advice of counsel, determines otherwise. The Administrator shall take such steps as are necessary to promptly inform employees of any suspension of document disposal.

Applicability — This Policy applies to all physical records generated in the course of Abco Retail’s operation, including both original documents and reproductions. It also applies to the electronic documents described above.

ABCO RETAIL’S OPEN-DOOR POLICY

Introduction:

Abco Retail has adopted an Open-Door Policy authorizing and encouraging every manager to be available to speak to any employee. The policy’s purpose is to foster open and honest communication, feedback, and discussion about any matter—direct engagement between employees and management. Under this policy employees are free to talk with any manager any time, and managers are urged to work with employees to solve problems and supported in their efforts to do so. Regardless of whether solutions are easy or difficult, employees *always* have the opportunity to be heard through Abco Retail’s open-door policy.

Open-Door Policy Responsibilities:

If your work causes you concern, you are invited to address that concern directly with a manager. Abco Retail managers want and need to hear from you about suggestions, issues, observations, or grievances.

By listening to employees, Abco Retail is able to improve, address problems, and foster understanding of practices, processes, and decisions.

Before Pursuing the Open-Door Policy:

Where possible, employees should attempt to solve any issues with their front-line manager. If this fails, or is inappropriate, then speaking with the next management level is suitable. Regardless of an employee's approach, all managers at every level will listen and help resolve or clarify the problem, complaint, suggestion, or observation.

WORKERS' COMPENSATION INSURANCE

Employees are covered by workers' compensation insurance provided by Abco Retail, which pays employee medical expenses and partial salary continuation in the event of work-related accident or illness.

Benefit amounts and payment duration depend on the nature of the employee's injury or illness. All medical expenses incurred in connection with an on-the-job injury or illness and partial salary payments are paid as permitted by law.

To ensure that Abco Retail can help obtain appropriate medical treatment in a timely manner, Employees injured or who become ill on the job must promptly report the injury or illness to their on-site supervisor. An employee's failure to follow this procedure could delay timely filing of appropriate workers' compensation report(s), or a delay in benefits for the injury or illness. Questions regarding workers' compensation insurance should be directed to the on-site supervisor.

FRAUD

Any form of employee fraud or dishonesty is absolutely unacceptable conduct. Examples of acts considered either fraudulent or dishonest include:

1. Unauthorized or unapproved salary advances or overtime reimbursement.
2. Intentional violation of company rules, policies, internal controls, regulations or procedures.
3. Granting or requesting preferential treatment for *anyone*.

Abco Retail does not tolerate *any* fraudulent or dishonest activity, and violations of this policy will be reviewed and may result in disciplinary action, including dismissal, as appropriate.

EMPLOYEE THEFT

Stealing from Abco Retail or from other employees is not tolerated. Property owned by Abco Retail or others may not be removed from company premises without approval. Abco Retail reserves the right to define property in specific instances but, generally, if it doesn't belong to you, leave it in the office or other Abco Retail location. To ensure that Abco Retail's employees and patrons are protected and secure, and to prevent and detect theft, Abco Retail may ask employees to take a polygraph test when theft is suspected, and conduct routine workplace searches and electronic surveillance.

While every effort is made to ensure that all facts are known and properly taken into account, stealing is grounds for immediate termination and may lead to criminal charges.

ANTI-HARASSMENT POLICY

Abco Retail maintains a work environment that encourages honesty, responsibility, mutual respect, promotes professional, congenial relationships between employees, and is free of *all* harassment of any employee or applicant for employment by supervisors, co-workers, vendors, or customers. To prevent harassment of any kind, in any manner or form Abco Retail is committed to enforcing this anti-harassment policy. The term “harassment” also includes conduct of employees, supervisors, vendors, or customers who engage in verbally or physically annoying or hostile behavior that may humiliate or embarrass a Abco Retail employee, guest, or patron.

To ensure that Abco Retail’s work environment and stores foster respectful, professional relationships, all reported or suspected harassment incidents are promptly and thoroughly investigated. When harassment occurs, Abco Retail will take disciplinary action if appropriate, including written warnings, possible suspension, transfer, and termination. Abco Retail does not condone or permit retaliation against *anyone* filing a harassment complaint or participating in or cooperating with a harassment investigation.

INFORMATION TECHNOLOGY (IT) RESOURCES POLICY

Background

Abco Retail’s IT systems and resources are provided for business purposes. All authorized users¹ must avoid misusing these resources for non-business or unauthorized purposes, and are expected to fully abide by this policy².

Improper Use

Authorized users are responsible for exercising good judgment when using the company’s IT systems and resources and are accountable for all activity conducted under their account(s). Because improper use can harm others and Abco Retail’s business and image, employees misusing these resources could be disciplined. As a guide, improper use includes but is not limited to:

- Sending more than occasional non-work related information to others.
- Sending chain letters to others.
- Using the resources for personal gain or advancing personal views on matters that are not work-related.
- Using the resources for non-business solicitations.

¹ Authorized users include all staff, Board Directors and specific, approved outside vendors.

² This policy and additional information is available at the company’s MIS Security Website.

- Creating, displaying, uploading, downloading, accessing, distributing, or storing information that is sexually-oriented, offensive, illegal, discriminatory, or slanderous to any group or individual.
- Installing non-standard software (including screen savers) not authorized by the MIS Department or Management for use in the IT system.
- Uploading, downloading, distributing, or otherwise infringing on copyrighted material.
- Copying computer software from an IT system for personal use or for any other IT system.
- Using these resources in a manner that disrupts or impedes personal work productivity or that of others (e.g., playing computer games, participating in non-work-related chat rooms, surfing the Internet for non-work-related web sites, the use of social media, except as described below in “Limited Personal Use”)

Because it is impractical to describe every kind of improper use of the company’s IT systems and resources, authorized users should discuss with their supervisor, work coordinator, or management any concerns or uncertainties they have about system usage.

Limited Personal Use

Use of Abco Retail’s IT systems and resources for personal reasons while at work is not considered improper when such activity is minimal, relatively infrequent, is not improper usage as described above, and is not disruptive to others. As a guide, authorized users should not use these resources for personal use at a level greater than that considered appropriate to doing other types of personal business while at work, such as breaks and limited personal phone calls.

Authorized User Privacy

Authorized users should note that the ability to transmit, save, or store information with the company’s computer, phone, or other information systems does not imply that user has complete privacy when using these resources. These resources are Abco Retail’s property and it reserves the right to monitor usage and inspect files on company-owned personal computers, storage media, and other IT resources, wherever used, with or without notice to user. Personal property (including personal computers and storage media) that *accesses* Abco Retail’ network is also subject to inspection at any time.

USE OF COMMUNICATION SYSTEMS

Abco Retail aims to provide communication systems needed to conduct business, and expects employees to *properly* use these systems for their intended purposes, in accordance with Abco Retail’s policies and procedures. Systems include: telephone, email, facsimile, internet, corporate intranet, voice mail, computer terminals, modems, and systems software. Violation of these guidelines may result in appropriate disciplinary action.

All communication, regardless of content or the sender’s intent, are a form of corporate correspondence, and are subject to the same internal and external regulation, security and scrutiny as any other corporate correspondence. Because Abco Retail’s communication systems are for Abco Retail business use only, employees should have no expectation of privacy regarding any communication, information, correspondence, or messages harbored by or passing through these systems. To fulfill its

business duties Abco Retail may need to access and disclose any communication sent for any purpose, at any time, and may have to do so without notice to the employee depending on the circumstances.

E-mail communications must be written in a professional style following customary business-communication practices. E-mail communications are official internal Company communications and may be subject to summons in legal proceedings. Work-related messages should be directed to the affected employee(s) rather than sending a global message to all employees.

Employees may not use Abco Retail's communication systems to:

- promote religious or political causes, or an illegal activity;
- deliver offensive or improper messages or opinions;
- transmit sexually explicit images, messages, cartoons, or other such items, or messages that may be construed as harassment or disparagement of others based on race, color, religious creed, sex, national origin, ancestry, citizenship status, pregnancy, physical disability, mental disability, age, military status or status as a Vietnam-era or special disabled veteran, marital status, registered domestic partner status, gender (including sex stereotyping), medical condition (including, but not limited to, cancer related or HIV/AIDS related), or sexual orientation;
- access another employees' personal communications or messages within the Abco Retail systems;
- engage in deception or other dishonest conduct.

INTERNET CODE OF CONDUCT

Internet access and the world of information it delivers is provided to staff for the benefit of Abco Retail and its customers, and to enable employees to do their best work and improve their productivity and effectiveness. Employees must use the Internet responsibly, and avoid use that exposes employee or Abco Retail to a risk of harm. To ensure such Internet use, Abco Retail has established the following guidelines.

Acceptable Use of the Internet

When online, employees represent Abco Retail and themselves as Abco Retail professionals. All online communications should be for professional business reasons only. Employees are responsible for using the Internet in an effective, ethical, and lawful manner. Internet Relay Chat channels may be used to conduct official Company business, or to gain technical or analytical advice. Databases may be accessed for information as needed. E-mail may be used for business contacts.

Unacceptable Use of the Internet

The Internet should not be used for personal gain, the advancement of individual views, to solicit non-company business, or in a manner that disrupts your productivity or Abco Retail operations.

Communications

Employees are responsible for all text, audio, or images they send or download online. Fraudulent, harassing, abusive, profane, obscene, or offensive messages, and personal opinions not essential or appropriate to Abco Retail's business, may not be transmitted through the system. Users must not obscure, or attempt to obscure, a message's origin, and all messages communicated online must fully and accurately identify the employee. Information published online must not violate or infringe others' rights.

Software

To prevent computer viruses from being transmitted through the system, employees may not download any software without first securing management authorization.

Copyright Issues

Employees may not transmit copyrighted materials belonging to entities other than Abco Retail online. One copy of copyrighted material may be downloaded for use in research. Users are not permitted to copy, transfer, rename, add or delete information or programs belonging to other users unless the owner expressly grants permission to do so. Failure to observe copyright or license agreements may result in disciplinary action by Abco Retail or legal action by the copyright owner.

Security

All messages created, sent, or retrieved online are Abco Retail property, are deemed public information, and are not private. Abco Retail reserves the right to access and monitor all messages and files on its computer systems as necessary or appropriate. All communications including text and images can be disclosed to law enforcement or other third parties without sender's or recipients' prior consent. Employees cannot change their computer passwords without their supervisor's permission.

Violations

Violations of these guidelines may result in disciplinary action, including termination. If necessary, Abco Retail will advise appropriate officials of any illegal conduct associated with use of Abco Retail's systems for internet access.

Alcohol Consumption at Company Functions Policy

Because excessive alcohol consumption may endanger the health and safety of Abco Retail's employees and others, and diminish employees' and Abco Retail's reputation, Abco Retail's policy is to protect employees by encouraging moderation when consuming alcohol at company functions. The purpose of the policy is to establish a protocol for responsible consumption of alcohol at staff events.

Abco Retail takes its duty of care toward employees consuming alcohol at company events seriously and endeavors to ensure its employees' alcohol consumption does not interfere with their ability to function safely. Abco Retail discourages excessive drinking, and employees are expected to conduct themselves professionally at all staff events, never consuming alcohol to the point of posing a danger to themselves and others.

The possession, consumption, or use of alcoholic beverages at company functions may occur only with approval from the executive in charge of the host group. After granting approval, that executive is responsible for ensuring that employees adhere to the guidelines presented below. Managers and employees are responsible for adherence to company policy. Failure to do so may result in disciplinary action.

Applying the Policy

- This policy applies to Abco Retail company functions including, for example, receptions for business guests, retirement and anniversary parties, department picnics and outings, year-end recognition events, etc.
- Employees who choose to drink alcoholic beverages at company functions are expected to behave in accordance with usual business standards and all company policies.
- The executive with ultimate authority over the group holding the company function where alcohol is served is responsible for ensuring adherence to these guidelines.
- Alcoholic beverages are not served in offices or work areas. Alcohol is to be restricted to areas designed for consumption of food and drink, such as dining rooms, lounges and cafeterias.
- Alcoholic beverages are served, rather than simply made available, to those who wish to partake. Self-serving of alcoholic beverages at company functions is not permitted.
- Any off-site functions are held in appropriately licensed facilities, with drinks served by professional bartenders.
- Food must be available.
- Alcoholic beverages will be served for a limited time, generally no more than two hours. Possible exceptions are functions planned for long periods, e.g., a full or half day, where alcohol may be served for a longer period with prior executive approval, provided that alcohol service stop no less than one hour before end of function.
- Alcohol is not to be served to minors or anyone who appears to be impaired.
- Safe passage home must be arranged for anyone who appears to be impaired.
- Abco Retail's interests are safeguarded through certificates of insurance, indemnification agreements, etc.

Workplace Searches

A top Abco Retail priority is providing employees with a safe and secure workplace. Because workplace violence, substance abuse, and theft and fraud in the workplace remain persistent cultural problems that threaten our safety and security as a business community, employees are reminded of Abco Retail's right to question employees and conduct searches and inspections of certain items and areas.

To ensure safety and security for all employees, it may be necessary in certain circumstances for Abco Retail to search an employee's personal property in the workplace, or Company property an employee has used or had access to. Common reasons for these searches may include, among others, the actual or suspected use or possession of controlled substances, weapons, contraband, stolen property, and the unauthorized or improper use or possession of company property.

Abco Retail may search or inspect persons, vehicles, work spaces, desks, lockers, computers, bags, containers, packages or other items in any location where employee conducts or has conducted business on Company's behalf. Refusing to permit or cooperate in a search may call for disciplinary action, up to and including immediate termination.

Violence in the Workplace

Employee violence and threats of violence in the workplace are not tolerated. To ensure a safe and secure work environment, Abco Retail has a "zero tolerance" policy for conduct threatening, intimidating, or coercing other employees, customers or the public on company property or while engaged in Abco Retail business. Also, employees are not permitted to bring weapons into the workplace. Employees engaging in or threatening violence, intimidation, or coercion, or who otherwise violate this policy, may be disciplined, up to and including immediate termination.

To ensure that Abco Retail can secure the safety of all individuals on Company premises when violence occurs or may occur, Employees have a duty to be observant and alert to suspicious workplace activity and potential, threatened, or actual violence, and to immediately report such situations to a supervisor, security personnel, human resources, or management. When reporting a threat or incident of violence, employees should be as specific and detailed as possible, but should not place themselves in peril or attempt to intercede in a violent incident. Abco Retail will investigate acts of violence or threats immediately to protect employees from danger. Managers and supervisors are responsible for ensuring that behaviors likely to result in workplace violence are dealt with promptly, firmly and fairly.

Attendance

Attendance

We expect all employees to work every day they are scheduled to work, and to be on time for all scheduled work hours. Absenteeism, tardiness and leaving early not only place undue burdens on fellow employees, they also weaken our ability to provide excellent service to our customers.

While we recognize that actual emergencies beyond an employee's control may cause you to sometimes be absent from or late to work, every reasonable effort must be made to minimize these situations. When you must be absent from or late to work, you must notify your supervisor as soon as possible, but no later than two hours before your scheduled report time. If you are out of work for more than one day and are not sure of the date of your return, you must call in daily in order to update us on your status unless otherwise instructed by management. All such notices must be made to your supervisor. In addition, communication of this information by another employee or individual is generally not acceptable; rather, it must be communicated by you unless unusual circumstances prevent you from calling for yourself.

If deemed necessary, your supervisor may ask you to provide formal documentation of an illness or injury from a doctor or other treating health care provider. Documentation is generally required for absences of 3 consecutive days or longer, and in certain circumstances a medical release to return to work may be required.

Excessive Absenteeism – Employees who repeatedly are late to work or leave early, or are otherwise excessively absent, may be subject to disciplinary action up to and including immediate discharge from employment.

No Show/No Call

Employees who are absent for 3 consecutive work days without notifying the Company in a proper manner, or who walk off the job without management authorization, will be considered to have voluntarily resigned their employment with Abco Retail and their employment may be terminated.

Snow and Bad Weather

When snow or other bad weather occurs, we are generally at our busiest since customers often depend on our convenience stores and travel plazas for essential items and services. Therefore, we make every reasonable effort to keep our stores open and the trucks serving them operational. Your supervisor will explain your role in the event of snow or other bad weather. Safe practices must always be followed in reporting to or leaving work, especially during snow or icy conditions.

Business Conduct and Code of Ethics

Employee Conduct and Discipline

Abco Retail employees are expected to conduct themselves properly, and in accordance with rules and regulations designed to safely, efficiently and properly operate the business and protect employee and customer well-being. Applicable rules and regulations are found both in this Employee Handbook and in Company policy announcements issued (published) from time to time. Employees are expected to be familiar with and understand all applicable Company rules and regulations. Violation of rules governing employee conduct may subject you to disciplinary action, up to and including termination of employment.

GUIDELINES FOR APPROPRIATE CONDUCT (need code of ethics)

It is not practicable to list here all conduct Abco Retail deems inappropriate for the workplace or otherwise contrary to acceptable business practice. Each manager is responsible for assessing the conduct and behavior of employees they manage. Determining if disciplinary action is warranted generally occurs in light of an incident's seriousness and circumstances, and the employee's past conduct and job performance.

Employee conduct reflects on Abco Retail. As team members, employees are expected and encouraged to always:

- Observe the highest standards of professionalism.
- Accept responsibility.
- Follow acceptable business principles.
- Have sincere respect for the rights and feelings of others.
- Refrain from any behavior harmful to themselves, co-workers, Abco Retail.
- Refrain from conduct that could be viewed unfavorably by customers or the public.
- Conduct themselves in a manner that furthers the safe, proper and efficient operations of Abco Retail.
- Manifest high integrity—exercise the highest levels of integrity and ethics in actions and relationships that may affect Abco Retail, its employees or customers, especially in negotiations on Abco Retail's behalf.

The following are examples (not an exhaustive list) of unacceptable and inappropriate behavior that normally can be corrected:

1. Occasional tardiness, leaving early, or absences from work.
2. Continued, unauthorized working of overtime hours.
3. Unintentional acts that result in unsatisfactory job performance, equipment breakdown, or waste of products, materials or supplies.
4. Using telephones, cell phones or PDAs for non-emergency communication during work hours (and outside meal or break times).
5. Conducting personal business during working hours or on Company premises.

6. Inattention to job duties or otherwise wasting work time.
7. Violating Company's non-solicitation/non-distribution or bulletin board rules.
8. Any other conduct Abco Retail in its discretion deems correctable and does not usually warrant immediate discharge from employment.

The following are examples (not an exhaustive list) of gross misconduct, which generally can result in immediate termination of employment:

- Violating Abco Retail's anti-harassment and anti-discrimination policy.
- Soliciting or accepting gratuities from customers.
- Excessive absenteeism or tardiness.
- Excessive, unnecessary, or unauthorized use of Company property and supplies, particularly for personal purposes.
- Working under the influence of drugs or alcohol, or otherwise violating the Company's substance abuse policy.
- Engaging in *any* illegal activity involving controlled substances.
- Possessing or using alcoholic beverages on Abco Retail property or while engaged in Company business offsite, except where authorized.
- Fighting or using obscene, abusive, or threatening language or gestures, or any act of violence on Company premises or while conducting Company business, or other disorderly conduct.
- Theft or destruction of property belonging to co-workers, customers, or Abco Retail.
- Unauthorized removal of Company property or records from the premises.
- Falsifying employment or other Company records.
- Fraudulent or dishonest acts while on Company premises or while conducting Company business; any acts that may negatively affect the Company or its image as a responsible corporate citizen.
- Intentionally false or fraudulent accusations against other employees, customers, suppliers or the Company.
- Unauthorized possession of firearms on Abco Retail premises or while on Company business.
- Disregarding safety or security regulations.
- Insubordination.
- Breaching Abco Retail or its customers' confidentiality, including unauthorized possession, use or disclosure of confidential Company information such as trade secrets, confidential personnel information, or information associated with a Company investigation.
- Failing or refusing to correct personal conduct underlying previous discipline.
- Failing or refusing to appropriately assist, cooperate with, or provide factual and accurate information regarding any official investigation, to the best of the employee's ability and knowledge.
- Any other policy violation or action that Abco Retail determines to be gross misconduct warranting immediate discharge from employment.

Abco Retail reserves the right to take appropriate disciplinary action to address any job performance or workplace behavior issue. However, progressive disciplinary action is normally undertaken with the intent of bringing performance/conduct up to a satisfactory and acceptable level.

If an employee's conduct, performance, or attitude violates these examples or any other Company policies, rules, or regulations, and improvement does not occur within a suitable timeframe, the employee is subject to disciplinary action, up to and including termination. Before imposition of discipline, employees will be afforded an opportunity to explain their understanding of the incident or problem at issue, and provide any justification for their actions.

Where appropriate, supervisors shall follow a policy of progressive employee discipline. Principal elements of this policy include:

1. **First Step - VERBAL REPRIMAND.** This is a verbal warning to an employee that his conduct is unacceptable, and that repeated or continued failure to conform his conduct or performance to Abco Retail standards will result in more severe disciplinary action. Before receiving a verbal reprimand, an employee will be counseled by his supervisor and informed of improvements necessary and expected to correct any performance deficiencies. Absent unusual circumstances, employees are generally given a period of time to correct their behavior. A record of the notice of the verbal reprimand may be made and retained in the employee's personnel file.
2. **Second Step - WRITTEN REPRIMAND.** This reprimand will describe the unacceptable conduct or performance of the employee and specify needed changes or improvements. A copy of the written reprimand will be retained in the employee's personnel file.
3. **Third Step - SUSPENSION.** Suspension of the employee's employment may occur in Abco Retail's sole discretion. Suspension length may vary based on the:
 - a. severity of the offense
 - b. employee's performance
 - c. employee's disciplinary record.

An employee may be suspended for repeated instances of minor misconduct, failure to conform personal conduct or performance to applicable standards, or for a single serious offense. A record of the suspension will be maintained in the employee's personnel file.

4. **Final Step – TERMINATION.** If an employee fails to conform his conduct or performance to Abco Retail's standards, Abco Retail may, in its sole discretion, terminate the employee's employment.

Notwithstanding this progressive disciplinary procedure policy, Abco Retail reserves the right to administer discipline in such a manner as it deems appropriate to the circumstances, and may, in its sole discretion, eliminate any or all of the steps in the discipline process. While the circumstances of a particular incident or situation may result in termination for the first offense, other circumstances may result in one of the other three forms of discipline listed above, or in some other form of discipline, in Company's discretion.

Abco Retail usually asks disciplined employees to sign any record of disciplinary action, including a verbal warning, which may be entered in the employee's personnel file.