



EMPLOYEE HANDBOOK

October 2023

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History

Harbin Lumber Company, Inc. was founded in 1917 in Lavonia, GA, by two brothers, Frank Harbin, Sr. and John Harbin, after their return from service in World War I. John Harbin left the business at an early age, but Frank Harbin, Sr. continued operating Harbin Lumber Company, Inc. until his death in 1950. During the Depression-era, Harbin Lumber Company, Inc. took the bold step of building a new lumber yard in Royston; this building still stands today on the edge of town. It was during this time that Frank Harbin, Jr. began his training in the lumber business. While still a young boy, Frank worked in the lumber yard after school. His first job was to pick up the nails that were dropped by the carpenters who were building the new building in Royston. Frank Harbin Jr. began working full time in the lumber business in 1945 following service in the Canadian Air Force and US Army Air Corps during World War II. He retired in 1982 after thirty-seven years as President of Harbin Lumber Company, Inc. Frank's oldest son, Barron, also worked part-time at the lumber yard during summer vacations and after school. Barron served in the US Naval Construction Battalion (Seabees) branch of the military from 1968 to 1972. He then began full-time employment with Harbin Lumber Company, Inc. in 1972 at the Lavonia lumber yard. Barron took over for his father in 1982 as President of Harbin Lumber Company, Inc. There are now two great-grandsons actively involved in Harbin Lumber Company, Inc.; they represent the fourth generation of the family.

Harbin Lumber Company, Inc. has come a long way since its first days in the lumber industry. In the early years, delivery was made by an old gray mule and wagon. Today Harbin Lumber Company, Inc. maintains the most modern and up-to-date delivery equipment in the industry, including piggy-back forklift trucks and boom trucks. Harbin Lumber Company, Inc. was also one of the first lumber yards to purchase a forklift in 1959. Although lumber and building materials have been the bedrock products through the years, Harbin Lumber Company, Inc. was the John Deere dealer for the area in the 1930s and 1940s when cotton was king.

Harbin Lumber Company, Inc. launched into the window unit assembly business in the early 1950s, and in 1965 was the first in the area to begin assembling door units. In March 1985, a new door and window manufacturing facility consisting of 12,000 square feet was built; this building was expanded to 24,000 square feet in the following year.

In 1972, Harbin Lumber Company, Inc. started Harbin Homes as a truss manufacturing operation. This facility later changed the name to Load Star to distinguish its product from the lumber yard products. Based in Lavonia, GA, this operation is one of the most technologically advanced truss plants in the US and the world. Here, roof and floor trusses are produced, and Trim Star, a trimmable floor truss. Our other truss plant was added in June 2004 in Evergreen, SC. With two state-of-the-art facilities, Harbin Lumber Company, Inc. is confident the truss manufacturing division will remain a leader in the industry.

To remain a leader in the lumber industry, Harbin Lumber Company, Inc. has constantly kept up with technology. In 1976, Harbin Lumber Company, Inc. purchased its first accounting computer, and, in 1980, Harbin Lumber Company, Inc. purchased a point-of-sale computer. These accounting and point-of-sale systems have improved over the years and are now entirely computerized with software innovation's latest achievements. Harbin Lumber Company, Inc. has always been ready to apply technology in new ways to achieve increased business efficiency. In 1976, Harbin Lumber Company, Inc. was the first to develop truss engineering software to run on the emerging personal computer. The software was marketed and sold throughout the US and Canada. Nowadays, most of the operations are computerized, even down to the saw that cuts the lumber. Inventory procedures that used to take months are now occurring constantly. Harbin Lumber Company, Inc. has a state-of-the-art communication system consisting of Ethernet and Fiber Optic components that connect all the operational areas in one extensive network. Harbin Lumber Company, Inc. will always be open to technology in its quest to maintain the best environment for its customers and employees.

Initially, the Harbin companies had been located in the Northeast Georgia region. In 1987, Harbin Lumber Company, Inc. branched out when the Athens lumber yard began operation, followed by the Milledgeville lumber yard in 1997. In February 2000, the new lumber yard in Lavonia was built, and the old location was converted into a Wall Panel plant. To provide more value-added products and services to contractors, Harbin Lumber Company, Inc. expanded its line of installed products in 2002. The current line of installed products includes garage doors, insulation, fireplaces, wire shelving, cabinets, framing, and bath and door hardware.

Harbin Lumber Company, Inc. takes pride in being progressive and following this strategic plan throughout history. Its history has been long, and the future of Harbin Lumber Company, Inc. lies with competent leadership and employees.

Harbin Lumber Company Inc., hereinafter referred to as Harbin Lumber Company Inc. or Harbin Lumber Company, Inc., is committed to working closely with customers to provide the utmost in quality products and services. We consider our company's employees to be its most valuable resource and believe good employees are directly related to the maintenance and improvement of the quality of our service to our customers.

The purpose of the Harbin Lumber Company Inc. Employee Handbook is to give you information about Harbin Lumber Company Inc. policies and benefits and what Harbin Lumber Company, Inc. expects of you while you are working here. However, the policies are not a substitute for management's independent judgment or discretion, nor do they create any contractual rights, guaranties, or obligations of Harbin Lumber Company, Inc. to any employee. Also, Harbin Lumber Company Inc. maintains its right to implement policies in a manner believed to be in Harbin Lumber Company, Inc.'s best interests and within applicable legal boundaries. Furthermore, Harbin Lumber Company, Inc. reserves the right, at any time, with or without notice, to unilaterally modify, rescind, or supplement any or all of the policies contained herein as it may deem necessary in its sole discretion. Harbin Lumber Company Inc. will endeavor to supplement this handbook by providing any amendments to the same as soon as possible.

Moreover, nothing contained herein shall be construed as creating any right to employment for any period of time. Instead, all employees employed by Harbin Lumber Company, Inc. are considered at-will and may be discharged or may voluntarily quit at any time for any reason. Only Harbin Lumber Company, Inc.'s President has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the preceding only if the agreement is expressly outlined in a written document and signed by the employee and by Harbin Lumber Company, Inc.

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

We extend a warm welcome to new employees who are just becoming acquainted with our company and a note of appreciation to our existing employees receiving this handbook as an update. We hope all employees will use this handbook as a resource and find their employment with our company rewarding.

1.2 MISSION STATEMENT

- We, the employees of the Harbin Companies, believe our first commitment is to the professional building contractor and all others who use our products.
- We hire, train, and retain team players with strong ethical values, high technical knowledge, and professionalism. We must provide competent management and have in place a plan of succession.

- We provide and produce building products that are competitively priced while maintaining exceptional quality and service.
- We will lead with new products, ideas, and changes in the ways we work to better serve our customers.
- We will provide for a return on assets and equity that justifies the capital investments. We will wisely invest company funds.
- We will operate in the upper 25th percentile of our industry while maintaining a consistent pattern of growth.

BUILDING A BETTER TOMORROW TOGETHER

1.3 CORE VALUES AND GUIDING PRINCIPLES

Harbin Lumber Company Inc. is committed to earning our customers' trust by applying our knowledge, experience, and expertise to solve their unique challenges.

Core Values: The Beliefs Our Company Holds Sacred

- ❖ We will provide a work environment that emphasizes safety as a priority.
- ❖ We will promote and maintain honesty in all transactions with our employees, customers, and vendors.
- ❖ We will practice a management style that yields a positive, secure, and stable environment in which employees and Harbin Lumber Company, Inc. can grow and develop.
- ❖ We will hire and retain employees with personal and professional integrity.
- ❖ We will provide our employees the training and environment that encourages innovation. We will hire team players and expect teamwork.
- ❖ We will recognize the value, worth, and contribution of each person in Harbin Lumber Company, Inc.

Guiding Principles: Our Actions

- ❖ **Honesty:** The refusal to lie, steal, or deceive in any way. Honesty is at the forefront of all that we do. We give honest answers about ourselves and others. We accurately account for our actions and decisions. We must always be honest with ourselves. What we demand of ourselves we also expect of our co-workers.
- ❖ **Integrity:** The belief in a set of values that creates total trustworthiness to a degree that we are incapable of being false. The individuals with whom we come in contact need to have complete trust in Harbin Lumber Company, Inc. and in us. Others must be able to rely on the truthfulness

and accuracy of our actions and statements. We are consistent in our approach; we are ethical. We do what is right and not what is expedient. We value the belief in success by everyone.

- ❖ **Accountability:** We are determined to succeed. We respect the values, opinions, and decisions of others.
- ❖ **Empowerment:** We foster a sense of purpose and accomplishment by taking the appropriate action. We do whatever it takes when responding to problems. We are not satisfied with the status quo.
- ❖ **Enthusiasm:** Having genuine belief in what we do. We work around it, under it, or over it, and we do not allow it to consume our ability to move forward. We have urgency in everything we do.
- ❖ **Professionalism:** We are thorough in everything. We handle all situations correctly the first time. We have attention to detail.
- ❖ **Respect:** Holding an individual in high regard. We fail to show respect for others when we use profane language, off-color jokes, racial slurs, innuendoes, and offhand comments. We show respect for others by not gossiping or complaining; problems we may have with someone should be resolved with that individual first. Complaints should be taken to the one who can address the complaint; otherwise, it becomes gossip. We will reserve judgment until we have heard all sides of the issue. Everyone is entitled to be treated with respect as a person, regardless of role or individual differences.
- ❖ **Commitments:** An agreement or pledge to do something in the future. Our commitments must be firm and specific, and we must follow through with these commitments. When we make a commitment to other employees, customers, or vendors and we do not follow through, we have, in effect, lied to this person.

1.4 CHANGES IN POLICY

This Handbook supersedes all previous employee handbooks and memos that may have been issued from time to time on subjects covered in this Handbook. However, since our business and our organization are subject to change, we reserve the right to interpret, change, suspend, cancel, or dispute with or without notice all or any part of our policies, procedures, and benefits at any time. We will notify all employees of these changes. Changes will be effective on the dates determined by Harbin Lumber Company, Inc., and after those dates, all superseded policies will be null. No individual supervisor has the authority to change policies at any time. If you are uncertain about any policy or procedure, speak with the President.

SECTION 2

DEFINITIONS OF EMPLOYEES STATUS

2.1 DEFINITIONS

- The term “employee” as used throughout this handbook means the employees of Harbin Lumber Company, Inc. An “employee” of Harbin Lumber Company Inc. is a person who regularly works for Harbin Lumber Company, Inc. on a wage or salary basis. “Employees” may include exempt, non-exempt, regular full-time, regular part-time, and substitute or temporary persons, and others employed with Harbin Lumber Company, Inc. who are subject to the control and direction of Harbin Lumber Company Inc. in the performance of their duties.
- The term “employment” is used throughout this handbook means an employee’s employment with Harbin Lumber Company, Inc.
- The term “company,” as used throughout this handbook, refers to Harbin Lumber Company Inc.

2.2 “EMPLOYEES” DEFINED AND CLASSIFICATIONS

Harbin Lumber Company, Inc. intends to clarify employment classifications' definitions to understand their employment status and benefits eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at-will at any time is retained by both the employee and Harbin Lumber Company, Inc.

“Employees” may include exempt, non-exempt, regular full-time, regular part-time, and substitute or temporary persons, and others employed with Harbin Lumber Company, Inc. who are subject to the control and direction of Harbin Lumber Company Inc. in the performance of their duties.

EXEMPT

Employees whose positions meet specific criteria established by the Fair Labor Standards Act (FLSA) are exempt from overtime pay requirements.

NON-EXEMPT

Employees whose positions do not meet FLSA criteria and are paid one and one-half of their regular pay rate for hours worked in excess of 40 hours per week.

REGULAR FULL-TIME

Employees who have completed the 90-day probationary period and are regularly scheduled to work 40 hours per week; must work 32 or more hours. Generally, they are eligible for Harbin Lumber Company, Inc.’s benefits package, subject to the terms, conditions, and limitations of each benefit program.

REGULAR PART-TIME

Employees who have completed the 90-day probationary period and are regularly scheduled to work less than 32 hours per week were not hired on a short-term or temporary basis. Part-time employees have limited admission to benefits programs offered by Harbin Lumber Company, Inc.

SUBSTITUTE OR TEMPORARY (FULL-TIME or PART-TIME)

Those whose performance is being evaluated to determine whether further employment in a specific position or with Harbin Lumber Company, Inc. is appropriate or individuals hired as interim replacements to assist in completing a particular project or for vacation relief. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status until they are notified of a change. They are not eligible for any of Harbin Lumber Company, Inc.'s benefit programs. Temporary employees are those individuals who are hired short term (for a period of less than a year, generally speaking). Temporary employees will work at the sole discretion of management, meaning work hours and workdays will be agreed upon by both parties. There will be no personal leave or vacation time accumulated for a temporary employee. Opportunities may arise for the temporary employee to convert to a regular employee. When and if that happens, then benefits will begin in the same manner as a probationary employee. Such persons are not eligible for benefits provided for regular employees. If a substitute or temporary employee becomes a regular employee, time served as a substitute or temporary employee will not apply in determining the length of service.

AGE REQUIREMENT

All employees must be at least 18 years of age. Anyone driving a Company vehicle must be 21 years of age.

PROBATIONARY PERIOD FOR NEW EMPLOYEES

The first 90 days of employment will be a conditional employment period. This is to determine whether your interests and talents are adapted to our business, equally important to you as to us. This period might also be called a "get acquainted" period since it is during this time that not only are we getting to know you better, but you are learning more about Harbin Lumber Company, Inc. and your place in it. It allows you to consider the career opportunities and challenges that lie ahead. Since this time is so important, we should both make a determined effort for a mutually satisfying association. After satisfactory completion of the "conditional employment period," all full-time employees will be given full Company benefits. If it is determined that a temporary employee will be offered a position as a regular employee, he/she will start this probationary period the day he/she begins as a regular employee regardless of the amount of time spent as a temporary employee.

2.3 EMPLOYMENT APPLICATIONS

We rely upon the accuracy of the information in the employment application and the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may exclude the individual from further consideration for employment or result in termination of employment if the person has been hired.

2.4 AT-WILL EMPLOYMENT

Employees at Harbin Lumber Company Inc. are hired for indefinite terms of employment. Employment at Harbin Lumber Company Inc. is "at-will," which means that Harbin Lumber Company, Inc., or any employee at Harbin Lumber Company Inc., may terminate the employment relationship at any time with or without cause.

Harbin Lumber Company, Inc. is an at-will employer. The employment relationship is for an indefinite period of time. It can be terminated at any time, with or without cause, and with or without notice, at the option of either Harbin Lumber Company, Inc. or the employee and consistent with any federal or state law.

Nothing described in this handbook should be interpreted as constituting an employment contract, and this does not represent contractual terms of employment.

The information contained herein is not to be construed in any manner, either implied or expressed, as a guarantee or promise of employment. On the contrary, any written or oral statement is invalid and should not be relied upon by any prospective or existing employee. Only Harbin Lumber Company, Inc.'s President has the authority to enter into an employment agreement or contract, whether express or implied, and must be done in the form of signed writing or contract.

SECTION 3

EMPLOYMENT POLICIES

3.1 NON-DISCRIMINATION/EQUAL EMPLOYMENT OPPORTUNITY

As a responsible business organization, we are committed to the practice of equal employment opportunity in the conduct of all our business activities without regard to an individual's race, color, sex, marital status, sexual orientation, political ideology, age, creed, religion, ancestry, national origin, disability, family or veteran status or any other protected classification under federal, state or local law in every phase of our employment program, including recruitment, hiring, training, promotion, compensation, benefits, social and recreational activities, and termination.

Harbin Lumber Company Inc. will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all employment aspects, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Employees with questions or concerns about workplace discrimination are encouraged to bring these issues to their supervisor's attention. If you are not satisfied with the result after you report the information or are uncomfortable speaking with your Supervisor or another individual in your chain of command, you should contact the Human Resources Department. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in unlawful discrimination will be subject to disciplinary action, including employment termination.

3.2 ANTI-HARASSMENT POLICY

Harbin Lumber Company Inc. is committed to providing a pleasant work environment. Unlawful harassment towards or by anyone which is unwelcome, based on a protected category, severe or pervasive, and creates a hostile work environment or is made a condition of employment with a tangible job consequence will not be tolerated. Harbin Lumber Company Inc. is committed to a work environment in which all individuals are treated with respect. Harbin Lumber Company Inc. will provide a work environment free of sexual harassment and other harassment or intimidation, whether based on gender, race, color, religion, national origin, age or disability, or any other protected classification under federal, state, or local law.

Harbin Lumber Company, Inc. will not tolerate, condone, or allow harassment, whether engaged in by fellow employees, supervisors, managers, customers, vendors, or other non-employees who conduct business with Harbin Lumber Company, Inc. This includes, but is not limited to, sexual harassment and any harassment based on age, race, religion, sex, color, national origin, physical or mental disability, military and/or protected veteran status, citizenship status, genetic information, or any other characteristic made unlawful by federal, state, or local law.

Sexual Harassment

For the purpose of this policy, sexual harassment is defined as unwanted sexual advances, requests for sexual favors, and other visual, verbal or physical conduct of a sexual nature when, for example, (i)

submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; (ii) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (iii) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Sexual harassment is a form of discrimination and is prohibited by law. For purposes of this policy, sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment. Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) acquiescence or rejection of the behavior is used as a basis for making employment decisions; or, (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different sex. Depending on the circumstances, these behaviors may include, but are not limited to:

- ❖ Unwanted sexual advances or requests for sexual favors;
- ❖ Offering employment benefits in exchange for sexual favors;
- ❖ Making or threatening reprisals after a negative response to sexual advances;
- ❖ Visual conduct includes leering, staring, whistling, making sexual gestures, or displaying sexually suggestive objects or pictures, cartoons, posters, or movies. This includes circulating offensive materials received electronically through Harbin Lumber Company, Inc. e-mail, other electronic systems, text messages, or in any other manner;
- ❖ Verbal conduct that includes making or using derogatory comments, jokes, labels, slurs, or innuendo based on a protected category;
- ❖ Insulting or obscene comments or gestures;
- ❖ Unwanted verbal sexual advances or propositions;
- ❖ Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations;
- ❖ Unwanted physical interaction or conduct that may include intentional touching, patting, hugging, assaulting, or impeding or blocking movements;
- ❖ Abusive or malicious conduct that a reasonable person would find hostile, offensive, and unrelated to Harbin Lumber Company, Inc.'s legitimate business interests
- ❖ Any other visual, verbal, or physical conduct or behavior deemed inappropriate by Harbin Lumber Company, Inc.

Sexual harassment or any other form of harassment or intimidation is a violation of Harbin Lumber Company Inc. policy and is strictly prohibited.

Sex-based harassment, which is harassing behavior not involving sexual activity or language (e.g., male supervisor yells only at female employees and not males), may also constitute harassment if it is severe or pervasive and directed at employees because of their sex.

Other Forms of Illegal Harassment

Also prohibited is harassment and discrimination based upon an employee's age, race, religion, sex, color, national origin, physical or mental disability, military and/or protected veteran status, citizenship status, genetic information, or any other characteristic made unlawful by federal, state, or local law.

Examples of possible harassment include, but are not limited to:

- ❖ Labels or derogatory comments about race, color, or national origin;
- ❖ Racially offensive graffiti (i.e., clothing, hats) including references to racist organizations;
- ❖ Unequal treatments because of religious beliefs;
- ❖ Interfering with employee's work because of sexual orientation;
- ❖ Unwelcome teasing or joking about a person's age, disability, or other protected category;

Any employee conducting such types of negative behavior will be subject to corrective action, up to and including termination. Any disciplinary action taken in response to the findings of a harassment complaint will be based on each situation's circumstances.

Harbin Lumber Company Inc. will oversee an investigation of harassment complaints in a confidential and timely manner and promptly and thoroughly investigate all reports of harassment as discreetly and confidentially as practicable. The inquiry would generally include a private interview with the person making a report of harassment. It would also generally be necessary to discuss allegations of harassment with the accused individual and others who may have information relevant to the investigation. Harbin Lumber Company Inc.'s goal is to conduct a thorough investigation, determine whether harassment occurred, and determine what action to take if it is determined that improper behavior occurred.

Our work environment must be conducive to effective job performance and free of harassment and intimidation. After an investigation, Harbin Lumber Company, Inc. will take, if necessary, prompt and appropriate remedial action. Any employee complaining of harassment shall be advised, in writing, of the investigation's outcome and shall be required to acknowledge, in writing, his or her understanding of the same. Employees engaged in any form of harassment or intimidation will be subject to disciplinary action, up to and including termination of employment.

If you believe you have been the victim of harassment or know of another employee who has, report it immediately. Employees can raise concerns and make reports without fear of reprisal. Any supervisor who becomes aware of possible harassment should promptly advise the President and the Human Resources Department, who will handle the matter in a timely and confidential manner.

Reporting Harassment

If any employee believes he/she has been harassed or discriminated against or is aware of the harassment of others, the employee should speak out right away so rapid response and appropriate action may be taken. If the employee is comfortable doing so, the employee should talk to the person whose behavior is bothering them and ask them to stop. If the employee is not comfortable with this, he/she should report the situation immediately to his/her Supervisor and/or the Human Resources Department so the matter can be promptly investigated.

Any Supervisor who becomes aware of possible sexual or other unlawful harassment must immediately advise the Human Resources Department to investigate the incident in a timely and discreet manner. Anyone engaging in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment.

After investigation, employees that have been determined to have been engaging in the harassment of their co-workers or using profane or abusive language which violates their co-workers' sensitivities will be subject to disciplinary action, up to and including termination.

Confidentiality of Investigations

All reported allegations of harassment will be promptly and carefully investigated and handled in a discreet manner. Confidentiality will be maintained throughout the investigatory process to the extent practical and appropriate under the circumstances.

If Harbin Lumber Company, Inc. determines that unlawful harassment or discrimination or inappropriate behavior of any kind has occurred, appropriate disciplinary action, up to and including termination, will be taken.

Non-Retaliation

Retaliation in any form against a person who reports harassment or discrimination, or participates in the investigation of a complaint, is strictly prohibited. If a report of retaliation is substantiated, appropriate disciplinary action, up to and including termination, will be taken.

3.3 DISABILITY ACCOMMODATION

Harbin Lumber Company, Inc. will endeavor to make a reasonable accommodation to the known physical or mental limitations of qualified employees and applicants unless the accommodation would impose an undue hardship on our business's operation or pose a direct threat to an employee or others. We are committed to taking all reasonable actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the Americans with Disabilities Act (ADA) and for all other applicable federal, state, and local laws.

An employee who believes he/she requires an accommodation to perform his/her job should discuss the request with their Supervisor and/or the Human Resources Department. The employee or the employee's physician may be asked for input on the type of accommodation he/she believes may be necessary and/or the functional limitations caused by the employee's disability.

In addition, when appropriate, Harbin Lumber Company, Inc. may require the employee's permission to obtain additional information from the employee's physician or other medical/rehabilitation professionals. Please be assured that Harbin Lumber Company, Inc. will maintain all medical information and requests confidentially.

3.4 NON-DISCLOSURE/CONFIDENTIALITY

The protection of confidential business information and trade secrets is vital to Harbin Lumber Company, Inc.'s interests and success. The exclusive nature of trade secrets and confidential information

contributes significantly to Harbin Lumber Company Inc.'s growth and competitive position.

Employees may not engage in any business activity in conflict with the business interest of Harbin Lumber Company, Inc. Except as required by job duties for Harbin Lumber Company, Inc., and except as authorized by law, employees will not, either during or after employment with Harbin Lumber Company, Inc., disclose any trade secrets or confidential information.

Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not benefit from the disclosed information.

Employees have the right to disclose trade secrets, in confidence, to federal, state, and local government officials, either directly or indirectly, or to an attorney for the sole purpose of reporting or investigating a suspected violation of the law. Similarly, employees have the right to disclose trade secrets in one or more documents filed in a lawsuit or other proceeding, but only so long as such filing is made under seal and thereby protected from public disclosure. Nothing contained in this Employee Handbook or other Company policy statement is intended to conflict with 18 U.S.C. Section 1833(b).

Such confidential information includes, but is not limited to, the following examples:

- ❖ Client information;
- ❖ Compensation data;
- ❖ Financial information;
- ❖ Marketing strategies;
- ❖ Pending projects and proposals;
- ❖ Proprietary sales and/or production processes;
- ❖ Personnel/Payroll records; and
- ❖ Conversations between any persons associated with Harbin Lumber Company, Inc.

All employees are required to sign a non-disclosure/restrictive covenants agreement as a condition of employment. Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, including termination of employment and legal action, even if they do not benefit from the disclosed information.

3.5 NEW EMPLOYEE ORIENTATION

Orientation is a formal welcoming process designed to make the new employees feel comfortable, informed about Harbin Lumber Company, Inc., and prepared for their position. New employee orientation is conducted by a group of people, that could include the President and the Human Resources Department. It includes an overview of Harbin Lumber Company, Inc.'s history, explaining Harbin Lumber Company, Inc.'s core values, vision, mission, and company goals and objectives. Also, the new employee will be provided an overview of benefits and assistance in the completion of any necessary paperwork.

At the beginning of employment, employees are presented with all codes, fobs, keys, and procedures needed to navigate the workplace. The new employee's supervisor then introduces the new hire to staff throughout Harbin Lumber Company, Inc., reviews their job description and scope of position, explains Harbin Lumber Company, Inc.'s evaluation procedures, and helps the new employee get started on specific functions.

3.6 ACCESS/VERIFICATION OF PERSONNEL RECORDS

Personnel Files

Employee personnel files include the following: job application, job description, résumé, records of participation in training events, salary history, records of disciplinary action, and documents related to employee performance reviews, coaching, and mentoring, as applicable. Employee medical records are kept separate and confidential. Only authorized individuals have access to the information in these records.

Personnel files are the property of Harbin Lumber Company Inc., and access to the information is restricted. Management personnel of Harbin Lumber Company Inc. who have a legitimate reason to review the file are allowed to do so. Information contained in an employee's personnel file is highly confidential. It will be released only to authorized individuals within Harbin Lumber Company, Inc. or upon receipt of a court-ordered subpoena.

Employees who wish to review their files should contact Human Resources. With reasonable advance notice, the employee may review his/her personnel file in Harbin Lumber Company, Inc.'s office and Human Resources presence.

Release of Employee Personnel Information and Records

When an outside party requests information about a current or former employee, only the Human Resource Department is authorized to respond. Reference requests should be referred to the Human Resources Department. Harbin Lumber Company, Inc. will release only the employee's dates of employment and job title. Salary and any other personal information may only be verified by the Human Resources Department with the employee's written authorization.

3.7 PERSONNEL DATA CHANGES

It is the responsibility of each employee to promptly notify Harbin Lumber Company, Inc. of any personnel data changes promptly. Personal mailing addresses, telephone numbers, the number of and names of dependents for benefits coverage, individuals to be contacted in the event of an emergency, licenses/certifications achieved, and other such status reports should be accurate and current at all times.

- ❖ Legal name,
- ❖ Mailing address,
- ❖ Telephone numbers,
- ❖ Name and number of dependents, and
- ❖ Individuals to be contacted in the event of an emergency.

If any personnel data has changed, please notify the Human Resource Department. Any communication or payment sent to the most recent address that the employee has on file shall be considered to have been sent to the correct address.

3.8 BUSINESS HOURS

The typical workweek at Harbin Lumber Company Inc. varies for shift work. Office hours at Harbin Lumber Company Inc. range from 8:00 a.m. to 5:00 p.m. Monday through Friday. Employees may request

the opportunity to alter their work schedules (within employer-defined limits) to accommodate personal responsibilities better. Subject to Harbin Lumber Company Inc. work assignments, supervisor, and management approval, the employee's supervisor shall determine the hours of employment that best suit the work that needs to be done by the individual employee.

3.9 INCLEMENT WEATHER/EMERGENCY CLOSINGS

At times, emergencies such as severe weather, fires, or power failures can disrupt company operations. The decision to close or limit the business's operations will be made by the President or a senior management member. When the decision is made to close the facility, employees will receive official notification from their supervisors. If there is a question regarding a condition or the impact of adverse weather, equipment failure, and other emergencies, employees should contact their Supervisor for direction. If the location will be closed or the opening delayed due to severe weather or another condition/emergency noted above, you will be contacted by your Supervisor.

Harbin Lumber Company, Inc. does realize that some employees may report late or be absent during severe weather conditions. If you will be late or absent, it is your responsibility to contact your Supervisor at least (60) minutes before an employee's scheduled starting time. Failure to contact your Supervisor may result in disciplinary action, up to and including termination.

When operations are officially closed due to emergency conditions, the time off from scheduled work will be unpaid for non-exempt employees. However, with Supervisor approval, employees may use available PTO if it is available to them.

Time off from scheduled work due to emergency closings will be unpaid for all non-exempt employees, unless:

- A. The time lost is made up for within the same week in which the office was closed
- or*
- B. Other arrangements are made to make up for the lost time and approved by the employee's supervisor.

3.10 EMPLOYEE PERFORMANCE REVIEW AND PLANNING SESSIONS

Supervisors will conduct performance reviews and planning sessions with all regular full-time and regular part-time employees after one (1) year of service. Supervisors may conduct informal performance reviews and planning sessions more often if they choose.

Performance reviews and planning sessions are designed for the supervisor and the employee to discuss his/her current job tasks, encourage and recognize attributes, and discuss positive, purposeful approaches for meeting work-related goals. Together, the employee and supervisor discuss ways to accomplish goals or learn new skills. The planning sessions are designed for the employee and his/her supervisor to make and agree on new goals, skills, and areas for improvement.

Harbin Lumber Company Inc. directly links wage and salary increases with performance. Your performance review and planning sessions will have a direct effect on any changes in your compensation. For this reason, among others, it is essential to prepare for these reviews carefully and

participate in them fully. Should salary adjustments be made, they are made based on merit, performance, increased ability, experience, and responsibility of your position and attendance, accuracy, reliability, judgment, and initiative.

The evaluation will be conducted by the supervisor and will require an employee signature. The review will be retained in the employee file. If the employee wants to appeal the evaluation, they are welcome to provide a written response for the President's review.

3.11 OUTSIDE EMPLOYMENT

Harbin Lumber Company Inc. requires all employees with second jobs or other activities (e.g., attending school) to consider Harbin Lumber Company Inc. as his/her primary employer. Accordingly, employees should not have second jobs or other interests which conflict with this duty.

Employees may not engage in any outside business interest that competes with Harbin Lumber Company Inc. activities, including any involvement with a client, purchaser, or supplier of goods or services to Harbin Lumber Company Inc., or any other relationship that interferes with the employee's ability to devote full-time attention to his/her responsibilities. Employees may not engage in an outside business which would reflect adversely on Harbin Lumber Company Inc.

Any employee who desires to work for an outside business or whose other activities may conflict with his/her primary duties to Harbin Lumber Company Inc. must obtain prior written approval from his/her immediate supervisor, as well as the President.

Employees are prohibited from any type of building, contracting, or sub-contracting while employed with Harbin Lumber Company Inc. This places Harbin Lumber Company Inc. employees in direct competition with customers or potential customers. An employee may build for his/her own personal use only, not for hire. Harbin Lumber Company Inc. space, equipment, and materials are not to be used for outside employment.

3.12 CORRECTIVE ACTION

Harbin Lumber Company Inc. holds each of its employees to specific work rules and standards of conduct (see Section 4). When an employee deviates from these rules and standards, Harbin Lumber Company Inc. expects the employee's supervisor to take corrective action. Corrective action at Harbin Lumber Company Inc. is progressive. That is, the action taken in response to a rule infraction or violation of standards typically follows a pattern increasing in seriousness until the offense or violation is corrected.

When employee performance or behavior falls short of Harbin Lumber Company, Inc.'s standards and expectations, efforts will be made to help the employee meet expectations through informal discussion and/or further training.

When this fails or depending upon the seriousness of the situation and the person's employment history with Harbin Lumber Company, Inc., disciplinary actions may be taken ranging from formal discussion with the employee to immediate discharge. Disciplinary action may include any of the following:

- 1) **Oral Reprimand:** An official warning to an employee from Harbin Lumber Company, Inc. that his/her conduct or performance is unacceptable. Will be documented and placed in the employee's personnel file.
- 2) **Written Reprimand:** An official written warning to an employee from his/her Supervisor that his/her conduct or performance is unacceptable, a copy of which will be documented and placed in the employee's personnel file.
- 3) **Suspension Without Pay:** An employee is not permitted to report for work for a specified period of time and does not receive payment for that time.
- 4) **Demotion:** Placement of an employee in a lower job classification or pay grade than he/she presently holds.
- 5) **Termination:** Harbin Lumber Company, Inc. will administer to an employee who fails to respond to the Suspension or Final Warning by not performing as required. Certain conduct and/or violations of the policy may result in immediate termination, to be determined by Harbin Lumber Company, Inc., as applicable.

The corrective action policy aims to correct the problem, prevent a recurrence, and prepare the employee for satisfactory service in the future. The usual corrective action sequence includes an oral warning, a written warning, probation, and finally, termination of employment. In deciding which initial corrective action would be appropriate, a supervisor will consider the infraction's seriousness, the circumstances surrounding the matter, and the employee's previous record. When it is apparent that the policy steps are not achieving a desirable result, it is occasionally necessary to proceed to the later stages more rapidly than initially anticipated. This policy states that Harbin Lumber Company Inc. expressly reserves the right to suspend any and all Corrective Action policy steps and terminate employment "at-will" regarding violation of this policy.

Though committed to a progressive approach to corrective action, Harbin Lumber Company Inc. considers certain rule infractions and violations of standards as grounds for immediate employment termination. These include but are not limited to theft in any form, insubordinate behavior, vandalism or destruction of company property, workplace violence, the use of company equipment and/or company vehicles without prior authorization by the President, untruthfulness about personal work history, skills, or training, divulging company business practices, and misrepresentations of Harbin Lumber Company Inc. to a client, a prospective client, the general public, or another employee.

3.13 EMPLOYMENT TERMINATION

Upon termination of employment, for whatever reason, an employee may be asked to participate in an exit interview with his or her supervisor or the President. The purpose of the exit interview is to confirm the reasons for the employee's termination, ensure the transmission of a separation notice to the employee, arrange for COBRA notice, if any, discuss and arrange for payment of final wages, and review eligibility for re-employment with Harbin Lumber Company Inc. in the future. Any employee refusing to participate in this process, unless otherwise waived by Harbin Lumber Company Inc., may be deemed ineligible for re-employment with Harbin Lumber Company Inc.

Below are a few examples of some of the most common circumstances under which employment is terminated:

- **Resignation** –voluntary employment termination initiated by an employee;

- **Retirement** - voluntary employee termination upon eligibility for retirement;
- **Termination** –involuntary employment termination initiated by Harbin Lumber Company Inc.;
- **Layoff** –involuntary employment termination initiated by Harbin Lumber Company Inc. for non-disciplinary reasons.

Any employee wishing to resign is requested to give at least two (2) weeks advance notice to Harbin Lumber Company Inc. Harbin Lumber Company Inc. reserves the right to accept any resignation immediately. Upon resignation or termination of employment, the following materials should be returned to Harbin Lumber Company Inc.:

- Keys
- Client files / information / data
- Employee handbook
- All other materials that belong to Harbin Lumber Company Inc.
- Office equipment/computer software provided by Harbin Lumber Company Inc.

Since employment with Harbin Lumber Company Inc. is based on mutual consent, both the employee and Harbin Lumber Company Inc. have the right to terminate employment at will, with or without cause.

3.14 SAFETY

Harbin Lumber Company Inc. is committed to protecting the safety and health of every employee. Harbin Lumber Company, Inc. makes every effort to comply with relevant federal and state occupational health and safety laws.

The responsibility for maintaining a safe and healthy working environment also belongs to the employee. Every employee is responsible for assisting Harbin Lumber Company, Inc. establishing and maintaining a safe working environment. Employees are expected to report any unsafe and/or unhealthy work conditions to their Supervisor.

To be effective, every employee has a responsibility to comply with all safety rules and programs established by Harbin Lumber Company, Inc., which includes but are not limited to the following:

- ❖ Harbin Lumber Company, Inc. is required to install proper guards, interlocks, etc., to prevent accidental injuries at specific workstations. No employee should ever remove or modify this equipment unless properly authorized by management.
- ❖ Proper use of seat belts in private vehicles while on company business as prescribed by law. This includes personal vehicles and company vehicles.
- ❖ The Right-to-Know Act entitles an employee to information concerning the chemical composition of hazardous substances used in and around the employee's job.
- ❖ Employees may not wear any loose clothing or jewelry items that could be caught in moving equipment or machinery.
- ❖ Employees are required to use any protective equipment that is prescribed for the task that he/she is performing. This includes, but is not limited to, safety glasses, gloves, face shields, arm guards, aprons, uniforms, and footwear.
- ❖ Employees must only use the tools that are correct for the task being performed. These tools must be kept in good operating order and condition.

- ❖ Employees are required to keep stairways, doorways, and aisles clear of any item that may cause a fall or injury.
Employees must learn where all exits and fire extinguishers are located.
- ❖ Refrain from cell phone use such as making or answering calls, writing, sending, opening, or reading text messages, emails, etc., while driving on company business.
- ❖ As a condition of employment, each employee must read and sign the Safety Policy Statement Form 400 and Safety Rules and Regulations Form 401.2

Lost work time accidents are very detrimental and expensive for both the employee and Harbin Lumber Company, Inc. Harbin Lumber Company, Inc. It provides an ongoing Safety Awards Program to make safety a top priority and reward safe working habits. Safety Court will be held when negligent actions occur that cause an accident.

Certain positions are listed in a "Safety Risk Classification." These positions are Drivers of all Company vehicles, including automobiles and pick-ups, Forklift Operators, and Machine Operators.

3.15 ACCIDENTS AND INJURIES

Harbin Lumber Company Inc. provides employees with safe working conditions, instructions concerning safe working methods, and makes available, when needed, special equipment to protect employees against particular hazards. Each employee must observe all safety precautions and use the safety equipment provided when applicable.

If an employee has an accident or is injured on Company property, or using any vehicle on Company business, the employee must wholly and promptly report the details to their Supervisor/Manager, regardless of the seriousness of the accident or injury.

As soon as possible and within (24) hours, the employee must provide Harbin Lumber Company, Inc. a written accident report which includes accurate, complete, and unbiased information fully describing the accident, the persons and/or vehicle involved, the insurance company, names and address of witnesses, and any other pertinent information. Any employee who fails to report any accident or injury as required may be subject to disciplinary action up to and including termination.

If an employee's injury is severe enough to require medical attention, the employee should see Harbin Lumber Company, Inc.'s designated medical treatment facility.

Eligibility for Workers' Compensation is determined by the insurance company making the actual benefit payment. Any employee who is off work because of injury may be required to submit a licensed medical physician's certificate indicating that he/she can return to work.

In the event of an "on the job" accident, an employee may apply to Harbin Lumber Company, Inc. for accumulative annual leave to the extent of augmenting the amount paid him/her for a compensable accident claim to receive a standard weekly wage.

3.16 HEALTH-RELATED ISSUES

Employees who become aware of any health-related issue, including pregnancy, should notify the President of the health status. This policy has been instituted strictly to protect the employee.

A written "permission to work" from the employee's doctor is required at the time or shortly after notice has been given. The doctor's note should specify whether the employee is able to perform regular duties as outlined in his/her job description.

Reasonable accommodation or leave of absence may be granted on a case-by-case basis. If the need arises for a leave of absence, employees should notify Human Resources.

3.17 EMPLOYEE REQUIRING MEDICAL ATTENTION

If an employee requires medical attention, whether injured or becoming ill while at work, the employee's physician must be notified immediately. If the employee must be seen by the doctor or go to the hospital, a family member will be called to transport the employee to the appropriate facility. If an emergency arises requiring Emergency Medical Services to evaluate the injury/illness of an employee on-site, the employee will be responsible for any transportation charges. Furthermore, Harbin Lumber Company Inc. employees will not be liable for another employee's transportation due to liabilities that may occur. A physician's "return to work" notice may be required.

3.18 BUILDING SECURITY

All employees who are issued keys are responsible for their safekeeping. Employees will be provided keys and security codes for entering and leaving Harbin Lumber Company, Inc. facilities. It is the employee's responsibility to safeguard against the loss of their keys. Harbin Lumber Company Inc. maintains the client files, personnel files, and financial records for those entrusted with such. Harbin Lumber Company Inc. employees must maintain the safety and security of these items. When an employee loses a key and/or compromises the security of the information that Harbin Lumber Company Inc. has been entrusted with, they will be charged all expenses to rekey the facility and/or reprogram the security system. There is also a possibility that the employee will pay for any other additional security features that their actions may have compromised.

The last person to leave the office at night or on the weekends is to ensure that all doors/windows are secure. All employees need to report any exterior lights that are out to their supervisor.

3.19 INSURANCE ON PERSONAL EFFECTS

All employees should be sure that their own personal insurance policies cover the loss of anything occasionally left at the Business. Harbin Lumber Company Inc. assumes no risk for any loss or damage to personal property.

3.20 SUPPLIES, EXPENDITURES, AND OBLIGATING THE COMPANY

Only authorized persons may purchase supplies or make contractual agreements in the name of Harbin Lumber Company Inc. No employee whose regular duties do not include purchasing shall incur any expense on behalf of Harbin Lumber Company Inc. or bind Harbin Lumber Company Inc. by any promise or representation without written approval.

3.21 EXPENSE REIMBURSEMENT

Expenses incurred by an employee must have prior approval by their Supervisor and be made according to the travel and expense policy and IRS guidelines. The report must be accompanied by receipts or other documentation substantiating the expenses. Questions regarding this policy should be directed to the President.

The reimbursement request will be processed with payroll processing. All completed reimbursement request forms should be submitted to your direct supervisor for the Controller's approval and processing.

3.22 PARKING

Employees must park their cars in areas indicated and provided by Harbin Lumber Company Inc. Please take safety into account when determining the location to park your vehicle.

3.23 VISITORS IN THE WORKPLACE

To provide for the safety and security of employees, visitors, and the property, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps ensure security, decreases insurance liability, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

All visitors should enter the lobby and sign in to the Guest Register. Visitors must be accompanied at all times and are not permitted in restricted areas. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on company premises, employees should immediately notify their supervisor or, if necessary, offer assistance to escort the individual to the lobby.

3.24 IMMIGRATION LAW COMPLIANCE

Harbin Lumber Company Inc. employs only United States citizens and those non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986.

As an employment condition, each new employee must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Submission to the E-Verification process is required. Former employees who are rehired must also complete the process if they have not completed an I-9 with Harbin Lumber Company Inc. within the past three years or if their previous I-9 is no longer retained or valid.

Harbin Lumber Company Inc. participates in the federal government's electronic employment verification system, known as "E-Verify." Pursuant to E-Verify, Harbin Lumber Company Inc. provides the Social Security Administration, and if necessary, the Department of Homeland Security with information from each new employee's Form I-9 to confirm work authorization.

3.25 INSPECTION AND MONITORING

Harbin Lumber Company, Inc. provides offices, desks, computers, and other company property to employees for their use while employed by Harbin Lumber Company, Inc. These items are the property of Harbin Lumber Company Inc.

Harbin Lumber Company, Inc. can make no assurances about the security or privacy of any office, desk, file cabinet, computer, or other company facility and discourages the storage of valuables, perishables, and other personal items in them.

Computers furnished to employees are the property of Harbin Lumber Company, Inc. As such, computer usage and files may be monitored or accessed. Harbin Lumber Company, Inc. may conduct workplace monitoring to ensure quality control, employee safety, security, and customer satisfaction.

Additionally, Harbin Lumber Company Inc. reserves the right to open and inspect any item or vehicle of any kind on company property, office, desk, computer and files, file cabinet, or company property and its contents, at any time with or without reason, notice, or consent. Employees or anyone on company property and the contents of any item carried by employees or anyone on company property also may be subject to search in accordance with federal, state, and local laws. This policy also will be applied in conjunction with Harbin Lumber Company, Inc.'s policy on Protecting Confidential Company Information.

Employees should understand that any conversations over Harbin Lumber Company, Inc.'s telephones and similar voice systems may be monitored or recorded for any reason as a part of normal business operations. Using Harbin Lumber Company, Inc.'s telephones, employees expressly consent to monitoring and recording for all lawful purposes. Any use of Harbin Lumber Company, Inc.'s telephones and similar voice systems is done so with the knowledge and awareness of this policy. Because Harbin Lumber Company, Inc. is sensitive to employees' legitimate privacy rights, every effort is made to guarantee workplace monitoring is done ethically and respectfully.

Similarly, employees should be aware that, to promote the safety of employees, patrons, visitors, occupants, as well as the security of its assets and properties, Harbin Lumber Company Inc. may conduct video surveillance of any portion of its premises at any time, the only exception being the private areas of restrooms, showers, and dressing rooms, and that employment with Harbin Lumber Company, Inc. constitutes an express awareness of and consent to such surveillance.

Employees should not have an expectation of privacy in anything they create, store, send, receive, or view on any company computer or computer system, including but not limited to company email systems. Harbin Lumber Company, Inc. has the right, but not the duty, to monitor any and all aspects of its computer system, including, but not limited to, monitoring sites visited by employees on the Internet, chat groups, newsgroups, and reviewing material downloaded or uploaded by users to the Internet.

The employee does not have any expectation of privacy in any e-mail messages or their content or any aspect of any computer system owned or controlled by Harbin Lumber Company, Inc. Harbin Lumber Company, Inc. reserves the right to access, intercept, review, and disclose the content of any message or deleted message sent or received on company equipment. In an employee's absence, Harbin Lumber Company, Inc. may monitor the employee's e-mail to verify that business-related messages

are being serviced properly.

All communications on Harbin Lumber Company Inc. equipment and time are public and not private, and therefore no reasonable expectation of privacy should be expected. Harbin Lumber Company Inc. reserves the right to access and monitor all communications, files, and messages on its systems.

3.26 CUSTOMERS

Pleasing our customers is the most essential responsibility of every employee. Over the years, we have earned an excellent reputation in the community by striving to satisfy each customer.

Remember:

Our Customers - Are the most important people in our business.

Our Customers - Are not dependent on us---we are dependent on them. Our Customers - Are a part of our business, not outsiders.

Our Customers - Are not cold statistics--they are flesh and blood human beings with feelings and emotions like our own.

Our Customers - Are not individuals to argue or match wits with.

Our Customers - Bring us their wants---it is our job to fill those wants.

Our Customers - Are deserving of the most courteous and attentive treatment we can give them. Our Customers - Are the lifeblood of our business.

3.27 CUSTOMER COMPLAINTS

Occasionally, a customer may be dissatisfied with our products or services. If you have reason to believe a customer is upset with you, our Company, or our products, you are to report the incident immediately to your supervisor. If a customer tries to argue with you, please be courteous.

DO NOT ENGAGE IN AN ARGUMENT!

Refer to the Operations and Procedures Manual for more detailed instructions.

SECTION 4

STANDARDS OF CONDUCT

It is vital to Harbin Lumber Company Inc.'s success to conduct our business with honesty and integrity and comply with all applicable legal and regulatory requirements. This Code of Conduct sets out the fundamental standards to be followed by all employees in their everyday actions on behalf of Harbin Lumber Company, Inc. Further guidance on Harbin Lumber Company, Inc.'s standards in specific areas will be provided through related corporate policies and guidelines.

Each Harbin Lumber Company Inc. employee must:

- ❖ Conduct Harbin Lumber Company, Inc.'s business with honesty and integrity and in a professional manner that protects Harbin Lumber Company, Inc.'s good public image and reputation.
- ❖ Build relationships with clients, vendors, and fellow employees based on trust and treat every individual with respect and dignity in conducting company business.
- ❖ Become familiar with and comply with legal requirements and company policy and procedures.
- ❖ Avoid any activities that could involve or lead to any unlawful practice or harm to Harbin Lumber Company, Inc.'s reputation or image.
- ❖ Avoid actual or potential conflicts of interest with Harbin Lumber Company, Inc., or the appearance thereof, in all transactions.
- ❖ Provide accurate and reliable information in records submitted, safeguard Harbin Lumber Company, Inc.'s confidential information, and respect other parties' confidential information with whom Harbin Lumber Company, Inc. does business or competes.
- ❖ Promptly report any violations of law or ethical principles or company policies that come to the employee's attention, and cooperate fully in any audit, inquiry, review, or investigation.

All employees must uphold these standards in the conduct of company business. If this Code or related corporate policies do not explicitly cover a decision about a particular action, employees are required to seek guidance from their supervisor or appropriate internal resources.

Management should be a role model for these standards by visibly demonstrating support and regularly encouraging all employees' adherence.

Failure by any employee to comply with this or any Harbin Lumber Company Inc. policy will subject employees, including supervisors who ignore prohibited conduct or have knowledge of the behavior and fail to correct it, to disciplinary action up to and including separation from employment with Harbin Lumber Company, Inc.

The work rules and standards of conduct for Harbin Lumber Company Inc. are essential, and Harbin Lumber Company, Inc. regards them seriously. All employees are urged to become familiar with these rules and standards. Also, employees are expected to faithfully follow the rules and standards in doing

their jobs and conducting their business. Please note that any employee who deviates from these rules and standards will be subject to corrective action, up to and including termination of employment.

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

- ❖ Excessive absenteeism or absence without permission, including unexcused or excessive tardiness;
- ❖ Theft or inappropriate removal, possession, destruction, or negligence of Harbin Lumber Company, Inc., customer, or another employee's property;
- ❖ Falsification of timekeeping records;
- ❖ Providing false information on an employment application, time card, or any other company record
- ❖ Insubordination, which includes not only refusal to carry out directions given by a Supervisor, but also receiving such directions in an insolent manner;
- ❖ Inefficiency, negligence, or non-performance of assigned duties, including behavior which jeopardizes the safety of employees, customers, or the public;
- ❖ Rude or inappropriate behavior to or harassment of customers, other employees, management, or non-customers;
- ❖ Working under the influence of alcohol or illegal drugs;
- ❖ Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace;
- ❖ Unauthorized disclosure of business "secrets" or confidential information. Divulging confidential information to anybody other than authorized Company employees, agents, or auditors. Confidential information includes, but is not limited to, credit applications, work orders, account numbers, and balances and includes customer information and company information.
- ❖ Possession of dangerous or unauthorized materials, such as explosives, firearms, or other weapons on company or customer's property
- ❖ Acts of sabotage or other interference with company or customer's operations
- ❖ Fraud committed by knowingly accepting pay for operations not performed or time not worked
- ❖ Violation of any policy contained in this handbook
- ❖ Violation of commonly accepted business standards, as they relate to operational processes and approving requests for equipment, services, or credit
- ❖ Inappropriate or excessive telephone (including personal cell phones), computer, internet, or email use
- ❖ Improper or illegal use of any vehicle while engaged in company business. This includes, but is not limited to, failure to have a current operator's license and failure to have legally required insurance, as well as traffic violations and driving under the influence of drugs or alcohol
- ❖ Unlawful discrimination, harassment, or retaliation
- ❖ Fighting or threatening violence in the workplace;
- ❖ Boisterous or disruptive activity in the workplace;
- ❖ Negligence or improper conduct leading to damage of Company-owned or client-owned property;
- ❖ Violation of safety or health rules;
- ❖ Smoking in the workplace;
- ❖ Sexual or other unlawful or unwelcome advances;

- ❖ Unauthorized use of telephones or other Company-owned equipment;
- ❖ DUI Convictions
- ❖ Unsatisfactory performance or conduct.
- ❖ Employees at Harbin Lumber Company Inc. are expected to use appropriate language in the presence of clients. Cursing, swearing, discriminatory, and inflammatory language are unacceptable.
- ❖ All Harbin Lumber Company Inc. employees must always display courteous manners and be respectful of coworkers. Harbin Lumber Company Inc. desires that its employees feel comfortable within their work environment every day.
- ❖ Horseplay will not be tolerated.

4.1 BUSINESS ETHICS AND EMPLOYEE CONDUCT

Our company's successful business operation and reputation are built upon our employees' fair dealing and ethical conduct principles. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

Harbin Lumber Company, Inc. will comply with all applicable laws and regulations and expects its directors, officers, supervisors, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, based on high ethical principles, the use of sound judgment will guide you with respect to lines of acceptable conduct. If it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor and/or the Human Resources Department.

4.2 CONFLICT OF INTEREST

Harbin Lumber Company Inc.'s policy prohibits its employees from engaging in any activity, practice, or conduct that conflicts with or appears to conflict with Harbin Lumber Company, Inc.'s interests. Since it is impossible to describe all the situations that may cause or give the appearance of a conflict of interest, the prohibitions included in this policy are not intended to be considered exhaustive. They only provide some of the more clear-cut examples.

- ❖ Employees or their immediate family shall not solicit, accept or receive, directly or indirectly, any gift, whether in the form of money, service, loan, travel, entertainment, or hospitality, in which it can reasonably be inferred that the offering is intended to influence him/her in the performance of their official duties or is intended as a reward for any official action on their part.
- ❖ Employees shall not engage in a business transaction where they would profit or benefit financially due to confidential information obtained because of their position or authority.
- ❖ Employees shall not use their official position to secure, request or grant any privileges, exemptions, advantages, contracts, or preferential treatment for themselves or others.
- ❖ Company property not generally accessible to the public should be protected and conserved and shall not be used for any kind of personal gain.
- ❖ It is considered inappropriate to accept a gratuity of money in the course of carrying out one's job duties.

- ❖ Employees shall not engage in or accept employment or render services for a public or private interest when such work or rendering of services is incompatible or in conflict with official Company duties, or when such activity may impair the independence of judgment or action in the performance of Company duties.
- ❖ Employees shall not hold any public office that may interfere with Harbin Lumber Company, Inc.'s daily business or be incompatible with their employment with Harbin Lumber Company, Inc. Management shall have the sole responsibility to determine if a conflict of interest is present.
- ❖ Employees must disclose any financial interest they or their immediate family have in any firm that does business with Harbin Lumber Company, Inc. That might affect judgment in carrying out Company business. Harbin Lumber Company, Inc. may require divestiture of the interest if it considers the financial interest to conflict with its best interests.
- ❖ Employees are expected to represent Harbin Lumber Company, Inc. positively and ethically. In the event of a possible conflict of interest by an employee, the employee is expected to notify Harbin Lumber Company, Inc. In writing, a potential for conflict might exist for consideration.
- ❖ Harbin Lumber Company, Inc. does not prohibit the hiring of relatives but highly recommends that relatives not work at the same location. Harbin Lumber Company, Inc. does forbid an employee in a direct supervisory line to a relative as a manager or supervisor.

No “presumption of guilt” is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases in that case, they must disclose to their Supervisor and the Human Resources Department as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

4.3 INFORMATION TECHNOLOGY

- ❖ Harbin Lumber Company, Inc. is licensed to use computer software by various outside companies and may not own it or its related documentation. The software licenses prohibit copying or other unauthorized use of either the software or its documentation without the prior written consent of the owner of the software. Employees may not use the software in any manner not expressly permitted by the software license agreement. To prevent any computer virus from being transmitted through the system, neither unauthorized disks nor attempts to load or download any unauthorized software will be permitted.
- ❖ Software licenses for local area networks and multiple machine applications have special restrictions on installing and copying programs. To assure compliance with the provisions, only the IT Systems Manager or designee can install, transfer or remove software programs on company computers.
- ❖ Employees learning of any misuse of software or related documentation with Harbin Lumber Company, Inc. shall notify the IT Systems Manager.
- ❖ All employees must sign the receipt/acknowledgment form informing the employee of Harbin Lumber Company, Inc.'s internet and technology policies.

4.4 CONFIDENTIAL INFORMATION, INTERNET, COMPUTER, VOICE, AND EMAIL POLICY

Protecting our company's information is the responsibility of every employee, and we all share a common interest in making sure it is not improperly or accidentally disclosed. Please do not discuss Harbin Lumber

Company, Inc.'s confidential business with co-workers, unless appropriate, or anyone who does not work for us.

Employees may not copy or transmit copyrighted material that is not authorized to be sent, trade secrets of Harbin Lumber Company, Inc. or other entities, or proprietary financial or business operations information of Harbin Lumber Company, Inc. or other entities.

All company equipment and property, including desks, other physical items, computer systems, computer software, flash drives, electronic mail, and voice mail, should be used appropriately for Harbin Lumber Company, Inc.'s business only. These resources are established, maintained, and provided by Harbin Lumber Company, Inc. for employees to use for Harbin Lumber Company, Inc. and not for personal use.

Harbin Lumber Company Inc., at all times, retains the right to access and search all directories, indices, flash drives, files, databases, email messages, voice mail messages, Internet sites visited by employees, messaging platforms, chat groups and newsgroups, material downloaded to or uploaded from the Internet and any other electronic transmissions contained in or used in conjunction with Harbin Lumber Company, Inc.'s computer, electronic and voice mail systems and equipment with no prior notice. This right applies both during an employee's employment by Harbin Lumber Company, Inc. After its cessation for any reason, including whether the separation is voluntary or involuntary, for any reason or no reason. Computer, electronic, and voice mail deleted or erased by employees may remain stored in Harbin Lumber Company, Inc.'s computer or telephone system. Accordingly, Harbin Lumber Company, Inc. retains the right to access computer, electronic, and voice mail messages for as long as the information may be obtained from any source, even after an employee has deleted or erased it.

Employees should not expect privacy or security in electronic communications or anything else they create, store, send, or receive on or through the computer or telephone system or any other company property. Employees should keep personal records and personal business at home, as Harbin Lumber Company, Inc. cannot guarantee privacy for the information contained on computer, electronic, or telephone systems.

Passwords are designed to give employees access to all or part of Harbin Lumber Company, Inc.'s computer, electronic, and/or telephone systems; they are not intended to guarantee any message or document's confidentiality. Harbin Lumber Company, Inc. retains the right to enter these systems in its sole discretion.

By placing information on Harbin Lumber Company, Inc.'s computer systems, employees grant Harbin Lumber Company, Inc. the right to edit, delete, copy, republish and distribute such information.

Employees will not utilize the computer, electronic, or voice mail messages for improper or non-business purposes. Harbin Lumber Company, Inc. expects employees to use common sense in sending/receiving computers, electronic (email), voice mail messages, and the Internet, online services, and tools used for their access. These resources are established, maintained, and provided by Harbin Lumber Company, Inc. for employees to further use for Harbin Lumber Company, Inc. and not for personal use. Harbin Lumber Company, Inc. is not responsible for material viewed or downloaded by users from the Internet. The Internet is a worldwide network of computers that contains millions of pages of information. Users are cautioned that many of these pages include offensive, sexually explicit, and inappropriate material. In general, it is difficult to avoid at least some contact with this material while using the Internet. Even

innocuous search requests may lead to sites with highly offensive content. Users accessing the Internet do so at their own risk.

As with any company resource, the computer, electronic, voice, and other company property should be used appropriately for Harbin Lumber Company, Inc.'s business. Some examples of appropriate uses include:

- ❖ inter and intra company business communications
- ❖ approved internet and computer research
- ❖ professional association communications that enhance Harbin Lumber Company, Inc.'s business
- ❖ Other preauthorized projects

Examples of inappropriate use include using computers, electronic or voice mail for the following:

- ❖ personal financial gain
- ❖ soliciting for non-company outside organizations or commercial ventures
- ❖ creating/contributing to/forwarding disruptive or offensive messages (including pictures), including but not limited to messages in violation of Harbin Lumber Company, Inc.'s EEO or No Harassment Policy.

Blogs and social media posts created by employees also may give rise to privacy and other issues. Employees may respectfully disagree with company actions, policies, or management. However, employees may not personally attack fellow employees, authors, clients, vendors, or shareholders. Further, Employees should endeavor to make each electronic communication truthful and accurate. Employees should use the same care in drafting electronic mail and other electronic documents for any other written communication. Please keep in mind that anything created or stored on the computer system may be and likely will be reviewed by others.

Harbin Lumber Company Inc.'s communications and property are confidential. Any employee who accesses another person's computer, voicemail, computer file or data, or property without prior approval by an appropriate officer of Harbin Lumber Company, Inc. will violate this policy. Employees must not deliberately perform acts that waste computer resources or unfairly monopolize resources to exclude others. These acts include but are not limited to sending mass mailings or chain letters, spending excessive amounts of time on the Internet, playing games, engaging in online messaging platforms, chat groups, printing multiple copies of documents, using company equipment for outside organizations or commercial ventures, or otherwise creating unnecessary network traffic. Because audio, video, and picture files require significant storage space, files of this sort may not be downloaded unless they are business-related.

Harbin Lumber Company, Inc. may use software or hardware to identify inappropriate or sexually explicit Internet sites. Such sites may be blocked from access by company networks. If employees encounter inappropriate or sexually explicit material while browsing on the Internet, they should disconnect immediately from the site, regardless of whether the site was subject to company blocking software.

Fraudulent material, harassing, embarrassing, sexually explicit, profane, obscene, intimidating, defamatory, in violation of Harbin Lumber Company, Inc.'s EEO Policy, or otherwise unlawful or inappropriate may not be sent by electronic mail or other forms of electronic communication (e.g., social media, newsgroups, instant messaging, chat groups), downloaded from the Internet, or displayed on or stored in company computers. Employees encountering or receiving this kind of material should report

the incident to their supervisors immediately.

Employees may not use Harbin Lumber Company, Inc.'s internet connection to download games or other entertainment software, including screen savers, play games over the Internet, or access personal online accounts with other carriers. No employee shall download any software from the Internet without express permission. This includes messaging software, windows skins, music files, software updates, or enhancements.

Employees may not illegally copy material protected under copyright law or make that material available to others for copying. Employees may not agree to a license or download any material for which a registration fee is charged without first obtaining written permission from Harbin Lumber Company, Inc.

To ensure security and avoid the spread of viruses, employees accessing the Internet through a computer attached to a company network must do so through an approved internet firewall.

Files obtained from sources outside Harbin Lumber Company, Inc., including drives brought from home; files downloaded from the Internet, newsgroups, bulletin boards, or other online services; files attached to electronic mail; and files provided by clients or vendors, may contain dangerous computer viruses that may damage Harbin Lumber Company, Inc.'s computer network. Employees should never download files from the Internet, accept electronic mail attachments from outsiders, or use flash drives from non-company sources without first scanning the material with company-approved virus-checking software. If employees suspect that a virus has been introduced into Harbin Lumber Company, Inc.'s network, they should notify the Director of Technology and Programs immediately.

Employees must not alter the "From:" line or other attribution-of-origin information in electronic mail, messages, or postings. Anonymous or pseudonymous electronic communications are forbidden. Employees must identify themselves honestly and accurately when participating in chat groups, making postings to newsgroups, making postings to newsgroups, sending electronic mail, or otherwise communicating on-line.

Employees may not install or use encryption software on any of Harbin Lumber Company, Inc.'s computers without first obtaining written permission from their supervisors. Employees also may not use passwords or encryption keys that are unknown to their supervisors.

Violations of this policy will be taken seriously and may result in disciplinary action, including possible termination and civil and criminal liability. If any employee feels that they have witnessed or been the subject of conduct in violation of this policy, the employee should utilize the complaint procedure outlined in Harbin Lumber Company, Inc.'s EEO policy.

Employees will be subject to discipline, up to and including discharge for violating these rules and, thus, must consider before sending a computer, electronic, or voice mail message if the communication constitutes inappropriate use of company property or resources. Employees must keep in mind that computer, electronic, and voice mail messages can usually be printed, saved, and/or forwarded to anyone else in the office or elsewhere. This policy will be administered in conjunction with Harbin Lumber Company, Inc.'s EEO policy regarding inappropriate or offensive communications.

The following behaviors are examples of previously stated or additional actions and activities under this

policy that are prohibited:

- ❖ Sending or posting discriminatory, harassing, or threatening messages or images about coworkers, supervisors, or Harbin Lumber Company, Inc. violates its policy against discrimination and harassment;
- ❖ Stealing, using, or disclosing someone else's code or password without authorization;
- ❖ Pirating or downloading company-owned software without permission;
- ❖ Sending or posting Harbin Lumber Company, Inc.'s confidential material, trade secrets, or non-public proprietary information outside of Harbin Lumber Company, Inc. Wages and other conditions of employment are not considered confidential material;
- ❖ Violating copyright laws and failing to observe licensing agreements;
- ❖ Participating in the viewing or exchange of pornography or obscene materials;
- ❖ Sending or posting messages that threaten, intimidate, coerce, or otherwise interfere with fellow employees' job performance;
- ❖ Attempting to break into the computer system of another organization or person;
- ❖ Refusing to cooperate with a security investigation;
- ❖ Using the Internet for gambling or any illegal activities;
- ❖ Sending or posting messages that disparage another organization's products or services;
- ❖ Passing off personal views as representing those of Harbin Lumber Company Inc.

In the cessation of employment, employees will deliver to Harbin Lumber Company, Inc. all passwords to access all property, including documents, flash drives, computers, electronic or voice mail systems.

4.5 SOCIAL MEDIA AND BLOGGING

Harbin Lumber Company, Inc. respects any employee's rights to maintain a blog and other types of self-published online journals, social media sites, and collaborative Web-based discussion forums. However, to protect Harbin Lumber Company, Inc.'s interests and ensure employees focus on their job duties, employees are expected to follow the guidelines and policies set forth to provide a clear distinction between you as an individual and you as an employee. Any conduct that adversely affects co-workers, customers, vendors, people who work on behalf of Harbin Lumber Company, Inc. or its legitimate business interests may result in disciplinary action, up to and including termination.

Inappropriate postings that may include discriminatory remarks, harassment, threats of violence, or similar inappropriate or unlawful conduct will not be tolerated and may subject you to disciplinary action, up to and including termination.

Avoid posting statements, photographs, video, or audio that reasonably could be viewed as malicious, obscene, threatening, or intimidating, that disparage co-workers, customers, or vendors, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to harm someone's reputation intentionally or posts that could contribute to a hostile work environment based on age, race, religion, sex, color, national origin, physical or mental disability, military and/or protected veteran status, citizenship status, genetic information, or any other characteristic made unlawful by federal, state, or local law.

Maintain the confidentiality of Company trade secrets and private or confidential information, including future business plans or prospects. Trade secrets may include information regarding the development

of systems, processes, products, know-how, techniques, and technology.

Respect all copyright and other intellectual property laws. For Harbin Lumber Company, Inc.'s protection and your own, you must show proper respect for the laws governing copyright, the fair use of copyrighted materials owned by others, trademarks, and other intellectual property, including Harbin Lumber Company, Inc.'s copyrights, trademarks, and brands.

You may not use Harbin Lumber Company, Inc.'s name to endorse or promote any product, commercial enterprise, opinion, cause, or political candidate. If your post or entry identifies or mentions Harbin Lumber Company, Inc., you must also identify yourself by your real name and state in a prominent way that any entries or posts express your personal view and are not written by or on behalf of Harbin Lumber Company, Inc. and do not represent the views of Harbin Lumber Company, Inc. Never represent yourself as a spokesperson for Harbin Lumber Company, Inc.

Do not use social media while on work time or on equipment provided by Harbin Lumber Company, Inc. unless it is work-related as authorized by your Supervisor.

4.6 ATTENDANCE/PUNCTUALITY

Harbin Lumber Company, Inc. expects that every employee will be regular and punctual in attendance. Regular attendance is an essential condition of employment. Absenteeism and tardiness place a burden on other employees and Harbin Lumber Company, Inc. An unacceptable attendance record may result in an employee being counseled, placed on probation, or perhaps terminated.

Unless there are mitigating circumstances, a Supervisor must be informed at least (60) minutes before an employee's scheduled starting time if an employee cannot report to work or will be late and when you expect to return to work. Failure to provide such notification may result in disciplinary action, up to and including termination. You are responsible for speaking directly with your supervisor about your absence. It is not acceptable to leave a message on a supervisor's voice mail, except in extreme emergencies. In the case of leaving a voice mail message, a follow-up call must be made later that day. Your supervisor may request a doctor's statement any time that you are absent due to illness. Should undue tardiness become apparent, disciplinary action may be required.

If there comes a time when you see that you will need to work hours other than those that make up your usual workweek, notify your supervisor. Each request for special work hours will be considered separately, in light of the employee's needs and Harbin Lumber Company, Inc.'s needs. Such requests may or may not be granted.

4.7 PASSWORDS

Passwords are a crucial part of any company's IT strategy to ensure only authorized people can access those resources and data. Passwords are an essential aspect of computer security and are the front line of protection for user accounts.

This policy's scope includes all personnel who have or are responsible for an account (or any form of access that supports or requires a password) on any system, whether internal Harbin Lumber Company Inc. or client accounts.

Passwords must not be inserted into email messages or other electronic communication forms and should never be saved within any browser or on a Harbin Lumber Company Inc. computer. Passwords will only be maintained in the secure client project notebook and/or within a Harbin Lumber Company Inc. designated password vault. Do not use the "Remember Password" feature of applications, nor store passwords in a file on ANY computer system unencrypted.

To better protect Harbin Lumber Company Inc., our clients, and employee's security, employees are not permitted to connect a personal computer(s) and or cell phone(s) to any company networks without authorization.

4.8 ABSENCE WITHOUT NOTICE

When you are unable to work due to illness or an accident, please notify your supervisor. This will allow Harbin Lumber Company, Inc. to arrange for temporary coverage of your duties and help other employees continue working in your absence. If you do not report for work and Harbin Lumber Company, Inc. is not notified of your status, it will be assumed after two (2) consecutive days of absence that you have resigned, and you will be removed from the payroll. Harbin Lumber Company Inc. will consider you to have abandoned your job. Your pay will cease effective the first day of your absence.

Employees must notify his/her direct supervisor or manager if he/she is to be late or absent. If the manager or direct supervisor is unavailable, the employee should leave a message and call back to verify the supervisor received word of the absence. Failure to do so will result in disciplinary action.

This policy will be construed in accordance with all applicable federal, state, and local law, including any applicable family or medical leave statute.

If you become ill while at work or must leave the office for some other reason before the end of the workday, be sure to inform your supervisor of the situation.

4.9 TELECOMMUTING

Telecommuting is the concept of working from home or another location on a full or part-time basis. Telecommuting is not a formal, universal employee benefit. Instead, it is an alternative method of meeting the needs of Harbin Lumber Company, Inc. Harbin Lumber Company Inc. It has the right to refuse to make telecommuting available to an employee and terminate a telecommuting arrangement at any time.

- ❖ Employees are only allowed to telecommute at the approval of senior management;
- ❖ Employee requested telecommuting days must be discussed and approved with senior management in advance of going into effect;
- ❖ Harbin Lumber Company, Inc. reserves the right to set an employee's schedule on their behalf if senior management determines that a chosen telecommuting day is having a detrimental effect on the employee's performance;
- ❖ The amount of time the employee is expected to work per day or pay period will not change as a result of participation in telecommuting;
- ❖ In the event in which company staff needs to telecommute, everyone will be notified

immediately by senior management within a reasonable timeframe before the start of the workday;

- ❖ The use of equipment, software, data supplies, and furniture, when provided by Harbin Lumber Company, Inc. for use at the office location, is limited to authorized persons and company business purposes. Harbin Lumber Company, Inc. will provide for repairs to company equipment. When the employee uses her/his own equipment, the employee is responsible for maintenance and repair of equipment;
- ❖ Any company materials taken home should be kept in the designated work area at home and not be made accessible to others;
- ❖ Employees must be available by phone and email during core hours. All in-person customer interactions will be conducted on a client or company site. Participants will still be available for staff meetings, and other meetings deemed necessary by senior management.

4.10 WORKPLACE VIOLENCE

Harbin Lumber Company, Inc. is committed to providing and maintaining a safe and productive workplace free from threats, violence, and unauthorized weapons. Remarks or behaviors threatening, intimidating, discriminatory, demeaning, insubordinate, or disruptive to business operations are never appropriate and will not be tolerated. Using violence or threats of violence in the workplace or while conducting company business is prohibited.

Conduct that threatens intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law. If you experience or witness any of the above behaviors, it is your responsibility to exercise sound judgment and immediately report such conduct to your Supervisor or Human Resources.

Harbin Lumber Company, Inc. encourages employees to bring their disputes or differences with other employees to their Supervisor or Human Resources' attention before the situation escalates. Harbin Lumber Company, Inc. is eager to help resolve employee disputes and not discipline employees for raising such concerns.

Anyone violating this policy may be subject to disciplinary action up to and including termination. Moreover, the offending individual may be subject to permanent removal from Harbin Lumber Company, Inc. and may be prosecuted to the law's full extent.

Nothing in this policy is intended to discourage you from contacting law enforcement or emergency personnel if you feel the incident/behavior warrants immediate intervention by law enforcement.

Except for law enforcement officers, employees and visitors are prohibited from carrying firearms and other weapons, whether concealed or in an open fashion, on company property, in company vehicles, or on company business regardless of location and in accordance with applicable state laws unless authorized.

Prohibited actions include, but are not limited to the following examples:

- ❖ Physically injuring another person
- ❖ Threatening to injure another person
- ❖ Engaging in behavior that subjects another person to emotional distress
- ❖ Using obscene, abusive, or threatening language or gestures
- ❖ Bringing an unauthorized firearm or other weapons onto Company property
- ❖ Threatening to use or using a weapon while on company premises, on company-related business, or during job-related functions
- ❖ Intentionally damaging property

Harbin Lumber Company Inc. will take prompt remedial action, up to and including immediate termination, against any employee found to have engaged in threatening behavior or acts of violence.

4.11 WEAPONS IN THE WORKPLACE

Harbin Lumber Company Inc. strictly prohibits workplace violence, including any act of intimidation, threat, harassment, physical violence, verbal abuse, aggression, or coercion against a coworker, vendor, customer, or visitor.

Prohibited actions include, but are not limited to the following examples:

- ❖ Bringing an unauthorized firearm or other weapons onto Company property
- ❖ Threatening to use or using a weapon while on company premises, on company-related business, or during job-related functions

All threats or acts of violence should be reported immediately to your supervisor or security personnel. Employees should warn their supervisors or security personnel of any suspicious workplace activity they observe or that appears problematic. Employee reports made under this policy will be kept confidential to the maximum extent possible. Harbin Lumber Company Inc. will not tolerate any form of retaliation against any employee for making a report under this policy.

Special Instructions for Employees

Any employee who is uncertain whether an instrument or device is prohibited under this policy is obligated to request clarification to ensure they are not in violation of this policy. Any employee who the State of Georgia permits is required under this policy to notify the President in writing of their permitted status, provide Harbin Lumber Company, Inc. with a copy of the permit, and seek authorization to carry as an exemption under this policy. Any employee concerned about personal safety may request an escort (e.g., a parking lot off-premises) or other appropriate intervention.

Harbin Lumber Company Inc. will take prompt remedial action, up to and including immediate termination, against any employee found to have engaged in threatening behavior or acts of violence.

4.12 TELEPHONE USE AND TEXT MESSAGING

Harbin Lumber Company Inc. telephones are intended to serve our clients and conduct Harbin Lumber Company, Inc.'s business. Personal usage during business hours is discouraged except for extreme emergencies. All personal telephone calls should be kept brief to avoid congestion on the telephone line.

To respect all employees' rights and avoid miscommunication in the office, employees must inform

family members and friends to limit personal telephone calls to emergencies only during working hours. If you must make a call or text a message, it is preferred that you make it during your breaks. By no means keep talking/texting when someone else is waiting for attention.

4.13 PUBLIC IMAGE AND PERSONAL APPEARANCE

Image is everything. All employees, acting as mature individuals working in a business environment, are expected to maintain high standards of personal appearance and cleanliness, and in so doing, dress and fittingly groom themselves. As a Harbin Lumber Company Inc. representative, every employee has an obligation to project a clean, well-groomed, professional image to consumers and the community. When representing Harbin Lumber Company Inc., grooming and dress should be consistent with the position you hold, especially when interacting with Harbin Lumber Company Inc. clients. Appearance and clothing should not be offensive to the clients or other employees at any time. Appearance should be clean and appropriate, which includes styled hair and clean-shaven or trimmed facial hair. Personal hygiene must be exceptional.

Management reserves the right to ask an employee to go home and change their attire if it feels that such dress doesn't represent Harbin Lumber Company, Inc.'s image (casual or otherwise). Employees will not be paid for this time away from work.

The following items are considered inappropriate working attire. Examples of inappropriate attire include, but are not limited to:

- ❖ Low rise or baggy pants
- ❖ No torn or ripped clothing, including jeans
- ❖ Distracting (statement clothing, i.e., violence, drugs, etc.) or provocative clothing
- ❖ Exposed midriffs
- ❖ Low-cut/excessively revealing necklines
- ❖ Short miniskirts or shorts
- ❖ Sheer clothing
- ❖ Sweatpants or jogging suits
- ❖ Facial piercings
- ❖ No clothing or hat with obscene or suggestive language or designs
- ❖ Employees assigned to work in production areas must wear closed-toed shoes

All shirts must be tucked into trousers unless designed for outdoor wear (T-shirt). Tank tops are not to be worn. Shorts cannot be cut-offs; they must have pockets and a hem and should be no more than 5" above the knee. All pants, shorts, and skirts may not hang more than 2" below the waist; in no instance may the underwear be visible above the waistline of the garment. Skirts may not have a hem more than 5" above the knee. Long johns are not to hang below the shorts. Neatly trimmed beards and mustaches will be acceptable, along with moderately long hair, provided both are neat and clean in appearance. Short shirts are not permitted if the shirt exposes the midriff area.

No employee should wear provocative clothing of any kind that would explicitly or implicitly elicit suggestive reactions from other employees. No clothing (including hats or jewelry) with offensive slogans, profane or derogatory language or offensive writing will be permitted.

Occasionally, perfume and cologne can be offensive or suggestive or cause allergic reactions in specific individuals. Although perfume and cologne are not prohibited, the use of such products should be minimal during work hours in consideration of other employees' and customer's perceptions. Scented items, such as candles, incense sticks, or other items, should not be used as they may have a strong odor that is not favorable to other employees or customers. Air freshener is permitted if used in moderation.

A professional appearance is essential anytime that you meet clients or potential clients. Employees should be well-groomed and dressed appropriately for our business and their position. Consult your supervisor if you have any questions about appropriate business attire.

Harbin Lumber Company Inc. understands that in certain situations, Harbin Lumber Company, Inc. may need to make exceptions to this policy based on an Employee's religion, disability, or other characteristics protected under Federal, State, or Local law. In accordance with all applicable laws, Harbin Lumber Company, Inc. will make every effort to provide reasonable accommodation as necessary unless doing so would cause an undue hardship on Harbin Lumber Company Inc.

4.14 DRUG AND ALCOHOL-FREE WORKPLACE/SUBSTANCE ABUSE

No employee shall work, report to work or be present on company premises, in company vehicles or engage in company activities while under the influence of alcohol or controlled substances, which significantly affects job safety or performance. The unlawful manufacture, distribution, dispensation, possession, sale, or use of alcohol or controlled substances while employed with Harbin Lumber Company, Inc. is also strictly prohibited. Any violation of this substance abuse policy may result in disciplinary action, up to and including discharge. Legally prescribed medications/drugs may be taken during working hours; however, employees should notify their supervisors if the use of prescribed medications/drugs might affect their performance or constitute a danger or threat to other employees. Abuse of prescription medications/drugs will not be tolerated.

Harbin Lumber Company, Inc. further reserves the right to take any and all appropriate and lawful actions necessary to enforce this substance abuse policy, including, but not limited to, the inspection of the employee's personal property in certain circumstances, as well as company-issued desks or other suspected areas of concealment.

Harbin Lumber Company, Inc. may conduct a blood test, urinalysis, or other drugs/alcohol screening may be conducted under the following conditions:

1. Whenever there is reason to believe an employee is using drugs or is under the influence of drugs or alcohol.
2. Whenever an employee is working in a job classification designated by the Harbin Lumber Company, Inc. as a "Safety Risk Classification" such as drivers, forklift operators, and machine operators,
3. As part of a required periodic physical examination for drivers.
4. As part of the pre-employment screening process.
5. As part of the routine and random testing at the discretion of Harbin Lumber Company, Inc.
6. Whenever an employee has been involved in a work-related accident requiring a doctor's visit.
7. Whenever an employee has been involved in a vehicle accident, a doctor's visit is not required.

If due to injuries, the employee cannot submit to testing, the employee will provide Harbin Lumber Company, Inc. with the necessary authorization needed to obtain hospital reports and other documents that would indicate any drugs or alcohol in the employee's system time of the accident.

All employees must consent to these tests as a condition of employment. The employee is required to sign the Employee Chemical Screening Consent Form 304.3.8. The employee's refusal to cooperate with the request for screening will result in disciplinary action that may include immediate termination. A positive result on a drug and alcohol screening will be subject to disciplinary action up to immediate termination. Additional information of note includes:

All testing will be done by a certified lab chosen by the Harbin Lumber Company, Inc.

1. If an initial screening test is positive, a confirmation test will be performed on the same specimen unless the employee admits to using drugs or other psychoactive substances. This will then be considered a confirmation of the positive results.
2. Harbin Lumber Company, Inc. will determine the drugs and psychoactive substances for which testing will be performed.
3. If prescription drugs are detected in any of the selection or testing situations described in this policy and if the applicant or employee can provide medical or professional authorization for the prescription, Harbin Lumber Company, Inc. reserves the right to contact the individual's physician or medical professional, or Harbin Lumber Company, Inc. may send the individual to Harbin Lumber Company, Inc. physicians for verification and review of the situation. The appropriate consent form to be utilized will be the Employee Chemical Screening Consent Form 304.3.8.
4. This "Drug-Free Workplace" policy primarily governs Harbin Lumber Company, Inc.'s action in the usage of alcohol, drugs, or other psychoactive substances. Other Harbin Lumber Company, Inc. policies may also apply in this area to the extent they do not conflict with this policy.
5. Employees and job applicants who have a positive confirmed test result may explain or contest the test result to Harbin Lumber Company, Inc. within five working days after Harbin Lumber Company, Inc. contacts the employee or job applicant and shows him/her the positive test result as it was received from the laboratory in writing.

To assist in providing a safe and healthy workplace, Harbin Lumber Company, Inc. will maintain a resource file of information on various means of employee assistance in our community, including but not limited to drug and alcohol abuse programs. Employees are encouraged to use this resource file which is in the HR Manager's office. Also, Harbin Lumber Company, Inc. will distribute this information to employees for their confidential use.

Harbin Lumber Company, Inc. supports our Supervisors in identifying and removing those unfit for duty due to substance use. Reporting for work, returning to work, or being/remaining at work under the influence of alcohol, illegal drugs, or any other controlled substance, or being incapable of safely and/or efficiently performing the job is prohibited and may lead to discipline, up to and including termination.

In compliance with the Drug-Free Workplace Act, Harbin Lumber Company, Inc. requires an employee to abide by the conditions outlined in the paragraphs above and to notify management of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after the conviction. Harbin Lumber Company, Inc., in turn, will adhere to the reporting requirements stipulated by the Act.

If an employee is arrested or convicted for drug-related crimes, Harbin Lumber Company, Inc. will thoroughly investigate all the circumstances, and Harbin Lumber Company, Inc. officials may utilize the drug testing procedure if the investigation indicates there is reason to believe that the employee used illegal drugs. In most cases, an arrest for drug-related crime constitutes a sufficient reason. Generally speaking, the following procedures will apply:

1. If arrested, an employee will be suspended without pay.
2. If charges are dismissed, Harbin Lumber Company, Inc. management will determine whether to authorize the employee to return to work. If permitted to return to work, the employee must agree to surveillance testing for one year. If the employee has a positive result to the drug and alcohol screening, he/she will be subject to disciplinary action up to and including immediate termination.
3. If convicted, the employee will be terminated and will not be eligible for re-hire.

Because of the seriousness of such situations and the potential impact on other employees' safety, Harbin Lumber Company, Inc. ultimately reserves the right to alter or change its policy or decisions on a given situation depending upon its investigation of the circumstances.

Harbin Lumber Company, Inc. reserves the right to conduct searches of an employee's workspace and property for suspicion of drugs in the workplace. Harbin Lumber Company, Inc. also reserves the right to test as described below:

- ❖ **REASONABLE SUSPICION DRUG and/or ALCOHOL TESTING:** If a management member has reason to suspect (i.e., objective and verbally expressible facts and reasonable inferences) that any employee violates this policy, Harbin Lumber Company, Inc. may require the employee to submit to a drug and alcohol test.
- ❖ **POST-ACCIDENT DRUG and/or ALCOHOL TESTING:** If an employee is involved in an accident while on company business or property, Harbin Lumber Company, Inc. may require the employee to submit to a drug and alcohol test.
- ❖ **RETURN to DUTY TESTING:** Involves a one-time, announced test when an employee who has tested positive has completed the required treatment for substance abuse and is ready to return to the workplace.

Before being tested, employees are allowed to confidentially report the use of prescription or nonprescription medications to the medical facility, collecting and conducting the examination.

Employees have the right to refuse to test; however, such refusal will result in immediate termination. An employee who tests positive will be immediately removed from duty, referred to a substance abuse professional for assessment and recommendations, required to successfully complete recommended rehabilitation including continuing care, required to pass a Return-to-Duty test, and terminated immediately if he/she tests positive a second time.

All drug-testing information will be maintained in separate confidential medical records.

Harbin Lumber Company Inc., customer, or supplier-sponsored activities, which may include alcoholic beverages are not, beverages' service activities under this policy. However, all employees are viewed as

representatives of Harbin Lumber Company, Inc., whether at work or participating in these events. Harbin Lumber Company, Inc. expects that such consumption will be in moderation to not reflect negatively on Harbin Lumber Company, Inc.'s professional reputation. An employee should not operate a motor vehicle or otherwise engage in any hazardous activity if the alcohol consumed would impair their ability to perform those functions safely. Full compliance with this substance abuse policy is a condition of employment and continued employment.

Harbin Lumber Company Inc. is committed to providing a safe and productive workplace for its employees. In keeping with this commitment, the following rules regarding alcohol and drugs of abuse have been established for all staff members, regardless of rank or position, including regular and temporary employees. The restrictions apply during working hours to all company employees while on company premises or elsewhere on company business.

- ❖ The manufacture, distribution, possession, sale, or purchase of controlled substances of abuse on company property is prohibited.
- ❖ Being under the influence of illegal drugs, alcohol, or substance abuse on Company property is prohibited.
- ❖ Working while under the influence of prescription drugs that impair performance is prohibited.

So that there is no question about what these rules signify, please note the following definitions:

- ❖ Company property: All company-owned or leased property used by employees.
- ❖ Controlled substance of abuse: Any substance listed in Schedules I-V of Section 202 of the Controlled Substance Act, as amended.
- ❖ Drug: Any chemical substance that produces a physical, mental, emotional, or behavioral change in the user.
- ❖ Drug paraphernalia: Equipment, a product, or material used or intended for use in concealing an illegal drug or otherwise introducing into the human body an illegal drug or controlled substance.
- ❖ Illegal drug:
 - Any drug or derivative thereof whose use, possession, sale, transfer, attempted sale or transfer, manufacture, or storage is illegal or regulated under any federal, state, or local law or regulation.
 - Any drug, including –but not limited to –a prescription drug, used for any reason other than that prescribed by a physician.
 - Inhalants used illegally.
- ❖ Under the influence: A state of not having the regular use of mental or physical faculties resulting from the voluntary introduction into the body of an alcoholic beverage, drug, or substance of abuse.

Consistent with the rules listed above, any of the following actions constitute a violation of Harbin Lumber Company, Inc.'s policy on drugs and may subject an employee to disciplinary action, up to and including immediate termination.

- ❖ Using, selling, purchasing, transferring, manufacturing, or storing an illegal drug or drug paraphernalia or attempting to or assisting another to do so while in the course of employment.
- ❖ Working or reporting to work, conducting company business, or being on company property

while under the influence of an illegal drug or alcohol or in an impaired condition.

4.15 REASONABLE DOUBT AND DRUG / ALCOHOL TESTING FAILURE PROCEDURES

If there is reason to believe any employee is under the influence of alcohol or drugs, the employee will be tested for substance abuse. When there is reasonable doubt, an employee should never be sent home for the day. Harbin Lumber Company, Inc. will provide transportation to the drug testing facility - The employee will not be allowed to drive him/herself to the drug testing facility. If the employee fails the alcohol and/or drug test, Harbin Lumber Company, Inc. will provide the employee with transportation to his/her place of residence or have someone come and pick up the employee. The employee will not be allowed to drive him/herself home under any circumstance. If the employee refuses to allow someone to drive him/her to the drug testing facility, his/her employment may be terminated immediately. If the employee refuses to allow Harbin Lumber Company, Inc. to provide transportation or plan for someone to pick up the employee if he/she fails the test, Harbin Lumber Company, Inc. may contact law enforcement.

4.16 DOT DRUG AND ALCOHOL TESTING REQUIREMENTS

For all Harbin Lumber Company, Inc.'s drivers, the Department of Transportation requires routine random drug screenings. An outside source provides this service.

If a test result indicates that the sample may have been diluted, a re-test will be required. If a driver fails the test, then the driver will be terminated from the driving position immediately. Depending on the driver's work history and safety record, the employee may be placed in another non-risk job classification only after successfully completing treatment at a drug or alcohol rehabilitation center. All new driver applicants must respond before hire if they have ever failed or refused a drug or alcohol test for a previous employer.

4.17 TOBACCO PRODUCTS

Harbin Lumber Company Inc. maintains a smoke and tobacco-free facility. No smoking or other use of any other tobacco product (including vaping and e-cigarettes) and the use of oral tobacco products or "spit" tobacco is permitted in any part of the business. Smoking and the use of tobacco products are prohibited in all company buildings and vehicles. This policy applies to all employees, vendors, visitors, or anyone else who might be entering Harbin Lumber Company, Inc.'s premises.

Employees may smoke outside in designated areas during breaks. For information about designated outside smoking areas, employees should speak with their Supervisor. When smoking or otherwise using tobacco or similar products outside, do not leave cigarette butts or other traces of litter or tobacco use on the ground or anywhere else. Please dispose of any waste properly in the receptacles provided for that purpose.

All employees are expected to abide by this policy in all respects while at work, regardless of business hours before or after opening. Being permitted to use tobacco products during breaks is a privilege if such use does not interfere with the employee's work, fitness for duty, or professional appearance. If that privilege is abused, it may be withdrawn altogether.

Employees may not smell tobacco smoke about their persons during work hours or while on company

business. In general, employees should not use or consume any substance, the effects or traces of which could interfere with the employee's presentation of a clean and professional appearance to clients and the public in general.

4.18 PERSONAL VEHICLES

Employees may use their personal vehicles on official company business provided prior approval has been obtained. Employees who utilize personal vehicles for business purposes are required to have a valid driver's license and at least the minimum insurance coverage required by law, and the minimum insurance requirements as specified by Harbin Lumber Company, Inc.'s insurance carrier must be in effect at the time of the employee's personal vehicle is used. Employee personal vehicles driven to work will not have any obscene or suggestive language or designs. The employee may be required to provide proof of insurance. Mileage will be reimbursed at the currently allowable IRS rate. Miles submitted for reimbursement should be net of any standard commuting miles. Outside Salesmen using personal vehicles will be paid an amount, including a monthly base and mileage, as established under the Outside Sales compensation plan.

Primary insurance for employees who use their personal vehicles for business purposes shall be through their automobile insurance policy. The employee's personal policy will be responsible for any damage to the vehicle, as well as for liability.

The expenses related to gasoline consumed by personal vehicles are the responsibility of the employee. The owner/driver of the vehicle is responsible for all parking fines and moving violation tickets.

4.19 USE OF EQUIPMENT AND VEHICLES

When using company property/vehicles, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Employees are required to notify the Supervisor if any equipment, machines, tools, or vehicles appear to be damaged, defective, or in need of repair/maintenance. Operators of company vehicles are responsible for the safe operation and cleanliness of the vehicle. Accidents involving a company vehicle must be reported to your Supervisor immediately.

Employees are responsible for any moving violations and fines which may result when operating a company vehicle. The use of seat belts is mandatory for operators and passengers of company vehicles. Employees must know and comply with all mobile phone laws while operating a company vehicle or driving a vehicle on company business.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment.

Where licenses or certifications are required to operate equipment or vehicles, only the employees with such licenses or certificates are permitted to operate such equipment or vehicles.

If an employee is taking any medication that will affect his/her ability to operate any equipment or a motor vehicle, the employee must notify their Supervisor immediately and before operating any

equipment or vehicle.

Harbin Lumber Company, Inc. reserves the right to request driver's history records before employment and periodically after that for individuals who operate company vehicles. Accordingly, any employee who does not legally possess a state-issued driver's license is prohibited from operating any company vehicle or operating any vehicle on behalf of Harbin Lumber Company, Inc. Adverse history on the driving record may result in appropriate employment decisions.

When on company business in a company vehicle, rented vehicle, or the employee's personal vehicle, the use or possession of alcohol or controlled substances before driving or while driving is strictly prohibited and will result in immediate discharge.

4.20 PROTECTION/RETURN OF COMPANY-ISSUED EQUIPMENT

Employees may be issued or authorized to use company-owned electronic devices and equipment including, but not limited to laptop computers, cell phones, smartphones, tablet computers, desktop computers, RF scanners, and peripheral equipment.

It is the responsibility of all employees to safeguard and protect all company-owned devices and property. Employees are responsible for understanding and following the usage guidelines for all equipment. Reasonable care must be taken to protect the devices from physical theft and abuse, "hacking," or the theft of data, or damage due to misuse or abuse.

If at the discretion of Harbin Lumber Company, Inc., it is determined that a company owned electronic device is stolen, lost, damaged, destroyed, or malfunctioning due to the negligent actions of an employee, the employee may be personally responsible for the cost of the replacement or repair to the device. Failure of the employee to make necessary payments for the device may result in disciplinary action up to and including termination.

Employees must return all company property immediately upon request or upon the termination of employment. Harbin Lumber Company, Inc. may take all action deemed appropriate to recover/protect its property.

4.21 INTERNET USE

Harbin Lumber Company Inc. employees may use the Internet when appropriate to access information needed to conduct Harbin Lumber Company, Inc.'s business.

The use of the Internet must not disrupt the operation of Harbin Lumber Company, Inc.'s computer network. The use of the Internet must not interfere with productivity. Employees are responsible for using the Internet in a manner that is ethical and lawful.

Internet messages are public and not private, and therefore no reasonable expectation of privacy should be expected. Harbin Lumber Company Inc. reserves the right to access and monitor all files and messages on its systems.

4.22 CELL PHONE AND PORTABLE COMMUNICATION DEVICE USE

Employees will not utilize cellular phones or any other type of portable communications device for improper purposes. Therefore, unless it is in pursuit of a legitimate business purpose, employees are not, while acting on behalf of Harbin Lumber Company, Inc. on and off company premises, permitted to use a cellular phone or any other type of portable communications device to:

- (1) take or transmit pictures of employees, visitors, or any other individuals without their expressed consent;
- (2) take or transmit pictures of Harbin Lumber Company, Inc.'s confidential information and trade secrets; and/or
- (3) record any conversations without all participating parties having advanced knowledge and an opportunity to object or approve.

Further, employees should not use cell phones or any other portable communications device while operating a motor vehicle on behalf of Harbin Lumber Company, Inc. If employees must use cell phones while in their motor vehicle, they must comply with the following safety guidelines:

- (1) Always dial while the car isn't moving;
- (2) Never use the phone in heavy traffic or bad weather;
- (3) Use speed-dialing as much as possible;
- (4) Use a hands-free phone;
- (5) Never look up phone numbers while driving;
- (6) Never have stressful conversations while driving; and
- (7) Keep your eyes on the road while on the phone.

Of course, employees must adhere to all federal, state, or local rules and regulations regarding the use of cell phones while driving.

Harbin Lumber Company, Inc. may prohibit the use of these devices at any location, yard, or plant at the Location Manager's discretion.

4.23 OFF DUTY CONDUCT

Harbin Lumber Company Inc. prohibits conduct unbecoming, immoral, or illegal, affecting the employee's relationship to the job, fellow employees, supervisors, or Harbin Lumber Company Inc. products, property, reputation, or goodwill in the community on company premises. The exact expectations behavior on duty applies to behavior off duty while on Harbin Lumber Company Inc. premises.

In general, how workers decide to lead their lives when they're off-duty is a private matter. However, how workers conduct and present themselves off-duty can also significantly impact Harbin Lumber Company Inc., its business, reputation, products, client relations, and workplace environment.

Accordingly, while Harbin Lumber Company Inc. respects your personal freedoms, it also has a legitimate interest in establishing off-duty conduct standards and holding workers accountable for following those standards, including disciplinary action where necessary.

While the list is not intended to be all-encompassing, some examples of Off-Duty Conduct Subject to

Discipline and will be considered a work-related matter subject to discipline if it:

- A. Harms Harbin Lumber Company, Inc.'s reputation or products;
- B. Has consequences that render you unable to perform your job or any part of your job effectively;
- C. Leads other workers to refuse, be reluctant to, or unable to work with you;
- D. Makes you guilty of a severe breach of State or Federal law; and/or
- E. Makes it difficult for Harbin Lumber Company Inc. to manage its operations and/or direct its workforce efficiently.

Violations of Harbin Lumber Company, Inc.'s off-duty standards of conduct that meet the above criteria will be treated as a disciplinary infraction committed on-duty and subject to discipline up to and including termination.

You must report to the President as soon as possible if you are arrested, detained, or charged with a violation under State or Federal laws.

4.24 ACCIDENTS

All accidents must be reported promptly; all necessary forms and reports must be filled out completely.

4.25 PURCHASES FROM VENDORS

Employees do not have the authority to obligate, purchase or procure merchandise, equipment, or supplies without explicit authority from his/her manager. A computer-generated purchase order must be used on all purchases.

4.26 SIGNING OF AGREEMENTS

No one is authorized to sign any agreement or legal form of any kind on behalf of Harbin Lumber Company, Inc. This will include Releases of Liens, Suits, Contracts, Leases, or Purchase Orders. The General Manager of each operation is an officer of Harbin Lumber Company must give the only one authorized to sign in any legal capacity and approval to do so, Inc. The Credit Manager is also allowed to sign Releases of Liens pertaining to company accounts receivable.

4.27 HOUSEKEEPING

Harbin Lumber Company, Inc. endeavors to provide a clean and sanitary place in which to work. You are expected to keep your work area clean, neat, and free of articles not being used. Materials and equipment should be stored in an orderly manner in designated places only, and waste should be disposed of in proper containers. Employees working in offices and behind the sales counter are expected to keep their work areas neat and clean. This includes daily vacuuming, sweeping, and dusting.

4.28 DESIRABLE WORK HABITS TO CULTIVATE

These work habits are desirable and applicable in any position.

1. Learn to become a good and patient listener. Whether you are listening to your

- supervisor giving you instructions or you are receiving information from a customer, it will pay big dividends and prevent many mistakes if you listen patiently to what is being said before asking questions.
2. Write legibly---numbers, figures, and words. When someone cannot read your writing correctly, it slows things down and causes mistakes.
 3. Carefully check your paperwork before you pass it along. Nearly all errors are evident at the very first glance when we take the time to recheck.
 4. Complete each transaction or task before beginning another. Good orderly production on any job requires that you concentrate on doing one thing at a time.
 5. If you do not know the answer, do not guess. Education is a continuing process for each of us, and we can only learn by asking questions. By simply saying "I don't know," when that is the honest answer, you can establish valuable credibility with the person you are dealing with. You also gain their sympathetic assistance.
 6. Learn to think of the paper you handle as money and handle it with the same care. If you misplace Company paperwork, it could cost Harbin Lumber Company, Inc. hundreds or thousands of dollars.

Keep your desk or workstation neat and orderly. Pick up after yourself and not depend on the custodian or someone else to keep your place of business presentable to all.

4.29 GAMBLING

Gambling in any form is not allowed on Harbin Lumber Company, Inc. property, including vehicles, or while representing Harbin Lumber Company, Inc. during working hours. This includes all illegal forms of gambling and all legal forms - lotteries, sports pools, etc.

SECTION 5

WAGE AND SALARY POLICIES

5.1 WAGE OR SALARY INCREASES

Each employee's hourly wage or annual salary will be reviewed at least once each year. The employee's review date will usually be conducted on or about the anniversary date of employment or the date of the previous compensation review. Such reviews may be conducted more frequently for a newly created position, or based on a recent promotion, at management's discretion.

Increases will be determined based on performance, adherence to Harbin Lumber Company, Inc.'s policies and procedures, and ability to meet or exceed duties per the job description and achieve performance goals.

Although Harbin Lumber Company, Inc.'s salary ranges and hourly wage schedules will be adjusted regularly, Harbin Lumber Company Inc. does not grant "cost of living" increases. Performance is the key to wage increases.

5.2 TIMEKEEPING

Accurately recording time worked is the responsibility of every non-exempt employee. Federal and state laws require Harbin Lumber Company Inc. to keep an accurate record of time calculating employee pay and benefits.

Time worked is all the time spent on the job performing assigned duties. Non-exempt employees may not start work until their scheduled starting time. The Supervisor/Manager must always approve overtime work before it is performed.

Non-exempt employees are required to punch in-and-out on the time clock to record time worked accurately. Non-exempt employees should accurately record when they begin and end their work and the beginning and ending time of each lunch. They should also record the beginning and ending time of any split shift or departure from work for personal reasons.

Non-exempt employees are not permitted to work "off the clock" or without recording all time worked. Work away from company premises, job sites, or at home for business-related purposes, including texting, instant messaging, emails, phone calls, and other electronic communication forms, is not acceptable for non-exempt employees.

However, non-exempt employees are responsible for reporting all hours worked, including hours spent on business-related activities outside the workplace. Non-exempt employees failing to report hours worked and/or overtime worked outside of Harbin Lumber Company, Inc.'s premises or job sites and/or without authorization will have the hours paid and have the abuse handled as a disciplinary action.

If any employee believes that he/she is being directed not to record all time worked, the employee

should notify Human Resources of the situation immediately. Raising such concerns will not result in retaliation, reprisal, or revenge.

Exempt employees must report full days of absence from work for reasons such as leaves of absence and paid time off. Exempt employees will report time away from work in full-day increments only as time away from work in less than full-day increments is not required.

The Supervisor will review and approve the time record before submitting it for payroll processing. In addition, if corrections or modifications are made to the time record, both the employee and the Supervisor must verify the accuracy of the changes by approving the time record as prescribed by current company policy.

If the employee forgets to time in or out or needs to record an adjustment of hours worked, it is the employee's responsibility to speak with his/her Supervisor. Adjustment of hours worked may include approved overtime or approved work off-site. Any errors in an employee's time record should be reported immediately to their Supervisor, who will correct legitimate errors.

Our policy and practice accurately compensate employees and comply with all applicable state and federal laws. To ensure that you are correctly paid and that no improper deductions are made, you must review your pay stubs promptly to identify and report all errors.

It is the employee's responsibility to certify the accuracy of all time recorded on their time record. Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

Non-exempt employees should accurately record when they begin and end their work, including each meal period's beginning and ending time. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. It is the employees' responsibility to make sure that their time is recorded accurately.

Exempt employees must maintain an accurate record of their time for the tracking of time for compensatory time. It is the employee's responsibility to make sure that their time is recorded accurately in Harbin Lumber Company Inc.'s official time system.

Altering, falsifying, or failing to maintain time records may result in disciplinary action, up to and including termination of employment.

5.3 OVERTIME

Harbin Lumber Company, Inc. complies with the Fair Labor Standards Act requirements and any applicable state and local law concerning wages and hours. Salaried employees are subject to deductions from their salaries only for lawful reasons.

There may be times when you will need to work overtime to meet our customer's needs successfully. You may be required to work overtime. All overtime must be pre-approved by your supervisor, and any overtime pay will be based upon actual hours worked.

The workweek begins each Sunday, as established by Harbin Lumber Company, Inc. The workweek is seven consecutive days starting at midnight on Sunday and ending at 11:59 p.m. on the following Saturday. If you are a non-exempt employee, overtime is payable for all hours worked over 40 per week at a rate of one and one-half (1½) times your applicable hourly rate, in accordance with federal and state wage and hour restrictions. The standard work week will be between 40-50 hours; however, this is not guaranteed. Your manager must approve any hours over 40 hours. Total weekly hours will be capped at 60 hours.

Overtime pay is based on actual hours worked within the workweek. Holidays, jury duty, or other paid time off do not count towards hours worked on calculating overtime.

Overtime must be pre-approved and will be paid in accordance with Federal or State wage and hour restrictions. Failure to obtain authorization for overtime may result in disciplinary action, up to and including discharge. In other words, while an employee will be paid for unauthorized or unapproved overtime, the employee may be subject to disciplinary action for failing to obtain prior approval or authorization.

If you are an exempt employee, you are not eligible for overtime pay or any other form of compensation in excess of your salary. Your salary is intended to cover all hours worked. This policy is to be construed and applied in compliance with all applicable federal, state, and local wage and hour laws.

5.4 LUNCH AND SHORT DURATION BREAKS

All full-time employees must work a minimum of eight (8) hour days, excluding lunch/break time. Employees may take a maximum of thirty (30) minutes for lunch, unpaid. Employees will not perform work during the lunch/break time and will not be paid for the lunch break. Employees will be relieved of all functional responsibilities and restrictions during these periods, record lunchtime on the time clock, and will not be compensated for that time. Employee lunch/break schedule shall be created and maintained by their Supervisor.

Employees may not work through unpaid lunch and unpaid breaks unless directed and approved by their Supervisor. Employees may take breaks of short duration in accordance with the guidelines established by their Supervisor. Operating conditions may require a Supervisor to adjust when breaks are taken or temporarily suspend breaks.

5.5 SHIFT DIFFERENTIALS

A shift differential of up to 6% may apply to wages for employees working during the 2nd shift at the manufacturing locations. The amount of percentage increase will depend on seniority, experience, and job initiative. If an employee leaves the 2nd shift to work on the 1st shift, he/she may take a cut in pay up to the amount of the shift differential.

5.6 PAYDAYS AND DEDUCTIONS

Wages & compensation will be paid according to the payroll calendar distributed by the Payroll Manager and available in the O&P manual annually. The workweek begins each Monday morning and

consists of seven consecutive days starting at midnight on Monday and ending at 11:59 p.m. on the following Sunday, and is payable the next payday after the end of the period.

The following mandatory deductions will be made from every employee's gross wages: federal income tax, Social Security FICA tax, Medicare tax, and applicable state taxes or withholdings (e.g., garnishments).

Every employee must fill out and sign a federal withholding allowance certificate, IRS Form W-4, on or before his/her first day on the job. Employees are expected to comply with the form's instructions. The form must be completed under federal regulations. An employee may fill out a new W-4 Form any time his/her circumstances change. In certain situations, questions regarding the propriety of claimed deductions may be referred to the IRS. In addition, all employees are required to complete a Form I-9 verifying their identity and eligibility for work per the Immigration Reform Control Act of 1986.

All deductions from an employee's wages will be made under applicable law and, when required, the employee's consent. Deductions may be made from an employee's wages for Social Security taxes, federal and state income taxes, child support, garnishment, and wages assignment, as applicable.

Employees will be notified of deductions due to court orders, such as child support or garnishments, in accordance with such orders.

Deductions not taken for any pay period may be carried over to succeeding pay periods and deducted from the wages due in the next pay period to the extent allowed by law. Employees who object to any deduction should contact the President. Harbin Lumber Company Inc. will promptly correct any deductions made in error or not permitted by applicable law.

If an employee causes damage to company property due to gross negligence, dishonest or willful acts (i.e., theft), or intentional misconduct to cause damage, then a deduction will be made in accordance with State and Federal laws. The deduction will not bring the employee's hourly pay rate below the minimum wage rate; therefore, multiple withholdings may be made to obtain the balance due.

5.7 SAFE HARBOR FOR EXEMPT EMPLOYEES

If you are classified as an exempt salaried employee, you will receive a salary intended to compensate you for all hours you may work for Harbin Lumber Company, Inc. This salary will be established at the time of hire or when you become classified as an exempt employee.

While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform.

Under federal and state law, your salary may be subject to certain deductions. For example, unless state law requires otherwise, your salary can be reduced for the following reasons:

- ❖ Full-day absences for personal reasons;
- ❖ Full-day absences for sickness or disability;
- ❖ Full-day disciplinary suspensions for infractions of our written policies and procedures;
- ❖ Family and Medical Leave absences (either full- or partial-day absences);

- ❖ To offset amounts received as payment for jury and witness fees or military pay;
- ❖ The first or last week of employment in the event you work less than a full week;
- ❖ Any whole workweek in which you do not perform any work.

Your salary may also be reduced for certain types of deductions such as your portion of health, dental, vision, and life insurance premiums; state, federal or local taxes; social security; or voluntary contributions to a 401(K).

5.8 LACTATION BREAKS

Harbin Lumber Company, Inc. complies with all federal and state laws and regulations concerning breastfeeding and nursing mothers and assists nursing mothers who want to express and store breast milk at workplaces during business hours.

Break Time for Lactation Purposes

Employees who are nursing mothers can take reasonable break periods during the workday to express breast milk for their children. Such nursing mothers can take breaks each time they need to express milk from the date of the nursing child's birth and up to one year.

Employees who are nursing mothers can use their meal and break times for lactation purposes. Break times used for lactation purposes beyond Harbin Lumber Company, Inc.'s provided break times are unpaid. For more information about meal and break periods, see Harbin Lumber Company, Inc.'s lunch and breaks policy. Employees who are nursing mothers should discuss their need for extra break periods to express breast milk with their Supervisor or the Human Resources Department.

Lactation Room

For nursing mothers' convenience and privacy, Harbin Lumber Company, Inc. will endeavor to provide a lactation room. Employees who are nursing mothers should discuss their need to express breast milk with their Supervisor and/or the Human Resources Department.

5.9 ADVANCES AND LOANS

Advances on salaries are strongly discouraged and require the approval of the President. Harbin Lumber Company, Inc. will not make loans to an employee, endorse notes, sign bail bonds or be responsible for employees' debts in the name of Harbin Lumber Company, Inc.

5.10 EMPLOYEE PERFORMANCE APPRAISALS

Proper management of employees is a key to a well-managed business. An employee should be made aware of his/her strengths and should be made aware of areas where improvement could or should be made. Harbin Lumber Company, Inc. operates under the philosophy that management will interact with, coach, provide positive feedback, and make recommendations for improving an employee's performance daily. Harbin Lumber Company, Inc. believes that recognition for accomplishments and performance should be done daily and not limited to a one-time meeting per year.

SECTION 6

BENEFITS AND SERVICES

Harbin Lumber Company, Inc. provides an opportunity for regular employees who regularly work 30 hours or more per week to participate in various group benefit plans. Those employees who are temporary employees or those working less than 30 hours per week are not eligible for benefits. Some of these plans may require deductions to be eligible for coverage.

Each employee should refer to the specific plan document, benefit booklet, or policy provided for each benefit to determine eligibility. A benefit plan document always supersedes all other information provided about a benefit. Employees should contact the Human Resources Department to request a copy of the plan document. Harbin Lumber Company, Inc. reserves the right to amend, modify, alter, or terminate any or all plans not required by law at any time.

However, these programs' existence does not signify that an employee will necessarily be employed for the required time necessary to qualify for the benefits included in and administered through these programs.

6.1 SOCIAL SECURITY/MEDICARE

Harbin Lumber Company Inc. withholds income tax from all employees' earnings and participates in FICA (Social Security) and Medicare withholding and matching programs as required by law.

6.2 WORKERS' COMPENSATION

In accordance with state law, we will carry Workers' Compensation, which pays for lost time and medical expenses due to on-the-job accidents.

Employees who are injured on the job at Harbin Lumber Company Inc. are eligible for Workers' Compensation benefits. Such benefits are provided at no cost to employees and cover any injury or illness sustained in the course of employment that requires medical treatment.

Lost time or medical expenses incurred due to an accident or injury that occurred while an employee was on the job will be compensated for according to workers' compensation laws. This protection is paid for in full by Harbin Lumber Company Inc. No premium is charged for this coverage, and no individual enrollment is required. Harbin Lumber Company Inc. will provide medical care and a portion of lost wages through our insurance carrier.

All job-related accidents or illnesses must be reported to an employee's supervisor immediately upon an occurrence. Harbin Lumber Company Inc. can notify the workers' compensation insurance carrier as soon as possible. Supervisors will then immediately contact Human Resources to obtain the required claim forms and instructions.

6.3 MEDICAL INSURANCE

Harbin Lumber Company Inc. will pay a portion of the monthly medical premium for its regular employees who regularly work 30 hours or more per week. If an employee wishes to cover spouses or

dependents, he/she may do so at their expense, and that amount will be deducted from the employee's payroll. Additional information regarding eligibility and benefits will be provided to employees in the summary plan description. An employee's contribution for elected coverage will be deducted pre-tax from their pay.

Note: Harbin Lumber Company Inc. reserves the right to alter, amend or discontinue this healthcare benefit or any other benefits as it may, in its sole discretion, determine to be necessary and appropriate.

6.4 DENTAL INSURANCE

Harbin Lumber Company Inc. will pay a portion of the monthly dental premium for its regular employees who regularly work 30 hours or more per week. If an employee wishes to cover spouses or dependents, he/she may do so at their expense, and that amount will be deducted from the employee's payroll. Additional information regarding eligibility and benefits will be provided to employees in the summary plan description. An employee's contribution for elected coverage will be deducted pre-tax from their pay.

Note: Harbin Lumber Company Inc. reserves the right to alter, amend or discontinue this healthcare benefit or any other benefits as it may, in its sole discretion, determine to be necessary and appropriate.

6.5 VOLUNTARY VISION INSURANCE

Harbin Lumber Company Inc. offers a voluntary vision insurance plan. An employee's contribution for elected coverage will be deducted pre-tax from their pay.

Note: Harbin Lumber Company Inc. reserves the right to alter, amend or discontinue this healthcare benefit or any other benefits as it may, in its sole discretion, determine to be necessary and appropriate.

6.6 SHORT-TERM DISABILITY (STD)

Harbin Lumber Company Inc. provides short-term disability insurance for its regular full-time employees. Additional information regarding eligibility and benefits will be provided to employees in the summary plan description. Short-term disability insurance is discontinued immediately upon separation from Harbin Lumber Company, Inc.

Note: Harbin Lumber Company Inc. reserves the right to alter, amend or terminate this healthcare benefit or any other benefits as it may, in its sole discretion, determine to be necessary and appropriate.

6.7 LONG-TERM DISABILITY (LTD)

Harbin Lumber Company Inc. provides long-term disability insurance for its regular full-time employees. Additional information regarding eligibility and benefits will be provided to employees in the summary plan description. Long-term disability insurance is discontinued immediately upon separation from Harbin Lumber Company, Inc.

Note: Harbin Lumber Company Inc. reserves the right to alter, amend or terminate this healthcare benefit or any other benefits as it may, in its sole discretion, determine to be necessary and appropriate.

6.8 LIFE INSURANCE

Harbin Lumber Company Inc. provides eligible full-time employees an employer-paid basic group term life policy along with accidental death and dismemberment policy. Additional voluntary life insurance may be purchased.

Note: Harbin Lumber Company Inc. reserves the right to alter, amend or discontinue this healthcare benefit or any other benefits as it may, in its sole discretion, determine to be necessary and appropriate.

6.9 RETIREMENT PLAN

Harbin Lumber Company Inc. provides for Employee and Employer Contributions into the retirement plan for members and their beneficiaries' welfare.

Note, Harbin Lumber Company Inc. reserves the right to alter, amend or discontinue this retirement benefit or any other benefits as it may, in its sole discretion, determined to be necessary and appropriate.

6.10 HOLIDAYS

There are seven regular paid holidays each year:

New Year's Day	Thanksgiving Day
Memorial Day	The Day After Thanksgiving Day
Independence Day	Christmas Day
Labor Day	

Holiday pay will be calculated based on the employee's straight-time pay rate. Holidays do not count as hours worked on calculating overtime. Where a holiday falls on a weekend, the holiday time will generally occur either on the workday prior to the holiday or on the workday subsequent to the holiday. Harbin Lumber Company, Inc. reserves the right to determine the actual day that the holiday will occur.

To receive holiday pay, an eligible employee must be at work a full shift day or on an authorized paid absence on the regularly scheduled workdays immediately before and after the holiday. Employees are eligible for holiday pay 90 days after their start date.

6.11 PAID TIME OFF (PTO)

Paid Time Off is considered a bonus for loyal service. PTO is provided only to regular full-time employees (except Outside Sales). Regular, full-time employees are eligible for paid time off (PTO) as described in this policy for vacations, personal business, when they are ill, bereavement, or attend funerals according to their position length of employment.

Harbin Lumber Company Inc. adopts the Use it or Lose it Policy unless expressly prohibited by law.

Part-time employees are not eligible for paid time off. PTO will be earned throughout the year based on the below PTO accrual schedule.

- Day 1 through the end of the first-year, employees accrue 1.0 PTO hours per 40 hours (or 0.025 per hour) to a maximum of 40 hours of PTO.
- On the 1st work anniversary, employees accrue 1.5 PTO hours per 40 hours (or 0.0375 per hour) to a maximum of 64 hours of PTO.
- On the 3rd work anniversary, employees accrue 2.0 PTO hours per 40 hours (or 0.05 per hour) to a maximum of 88 hours of PTO.
- On the 6th work anniversary, employees accrue 2.5 PTO hours per 40 hours (or 0.0625 per hour) to a maximum of 112 hours of PTO.
- On the 10th work anniversary, employees accrue 3.0 PTO hours per 40 hours (or 0.075 per hour) to a maximum of 136 hours of PTO.
- On the 15th work anniversary, employees accrue 3.5 PTO hours per 40 hours (or 0.0875 per hour) to a maximum of 160 hours of PTO.

Employees should submit requests for PTO to their Supervisor as early as possible to approve the time off while adequate department coverage is maintained for customer service. Because of its nature, sick time typically cannot be scheduled in advance, but employees must give as much notice as possible. If an employee is aware of the need to schedule PTO for medical treatment, authorization shall be obtained to accommodate the employee's needs as early as possible.

Employees cannot schedule more than five (5) consecutive days off (vacation, holidays, or personal leave) at one time unless prearranged and approved by management. Harbin Lumber Company, Inc. will accommodate PTO requests whenever possible while keeping in mind its staffing needs and the requests' order. Because physical inventory periods are mandatory workdays, PTO will generally not be allowed during this period. Individuals with the longest length of service generally will be given preference.

If a holiday or holidays occur during an employee's paid time off, the holiday or holidays will not be considered part of the paid time. Paid time off is not considered hours worked in the calculation of overtime and is paid at "straight time" and subject to all applicable withholdings. PTO hours are accrued on regular hours only. PTO hours are not accrued for overtime hours. Employees can roll over a maximum of one year of accrued PTO hours based on their current accrual level.

The Company encourages employees to take off all PTO hours. Unused PTO hours will not be paid out unless approved by management. If taking a family or medical leave, PTO hours must be used before starting leave.

Any employee who leaves the company in good standing may be eligible to receive pay for unused PTO, provided the employee gives at least a two week notice and has been employed for at least one year. The employee can also receive PTO seniority back (less the time of the break in service) if rehired within six months. However, if the employee was paid for the unused PTO when leaving, the accrual date restarts with the first day the employee returns to work.

6.12 BEREAVEMENT

In the event of a death in the immediate family, you will be allowed a leave of two (2) days

immediately following the death for any of the two days that are working days. Members of the immediate family are spouse, parents, stepparents, sisters, brothers, children, stepchildren, grandparents, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or grandchild.

6.13 VOTING LEAVE

As a citizen of the United States, voting is a privilege as well as a responsibility. As the polls are open early in the morning and late in the evenings, employees should not require time away from work to vote.

Harbin Lumber Company Inc. requests that, whenever possible, employees vote before or after work hours to avoid interference with business operations. However, if an employee does not have enough time outside of work hours to cast his or her ballot, the employee may be eligible for time off to vote. However, if there is a conflict, an employee must request at least 24 hours in advance to the Supervisor for the necessary time off to vote. Time off for voting purposes will be granted in accordance with applicable state statutes and laws.

Harbin Lumber Company Inc. may specify the hours during which the employee may take leave to vote. Such time will generally be limited to the beginning or end of a working shift unless otherwise mutually agreed.

Employees must be prepared to provide Harbin Lumber Company Inc. with certification, such as a voter's receipt, to prove that they voted.

6.14 JURY DUTY

Harbin Lumber Company, Inc. recognizes that employees may be called to jury duty or required to appear in court or at a deposition as a witness during the time that they would typically be attending to company business. An employee must notify management immediately upon receiving a jury duty notice or a witness subpoena.

Harbin Lumber Company, Inc. will pay regular, full-time employees 100% of their pay for up to one (1) week (five workdays) in a calendar year, less remuneration received from the court, and in accordance with state law. Upon the conclusion of jury service, employees should obtain a certificate from the clerk of the court verifying the dates of service and submit it to Human Resources. In return, Harbin Lumber Company, Inc. expects that the employee will report to work on days when the court does not require his/her services or when he/she is excused early.

Any employee appearing for company business shall be paid their regular pay rate, and they may retain any fee received for such an appearance. Mileage and parking fees are the responsibility of the employee unless the appearance is for company business.

Part-time employees are not eligible for pay if called to jury duty or called as a witness for a court hearing or a deposition unless it is an appearance for company business. Any court appearance or appearance at a deposition, where the employee is a party to the action, either civil or criminal, is excluded from this policy. These appearances are personal in nature, and the employee must request the use of either PTO or unpaid personal time. This policy shall be applied in accordance with federal,

state, and local laws.

6.15 FAMILY AND MEDICAL LEAVE ACT (FLMA)

The federal Family and Medical Leave Act (FMLA) allows eligible employees to take job-protected, unpaid leave for specific qualifying reasons. There are two types of leave available, including the basic 12-week entitlement and military family leave entitlements described in this policy. All provisions of the FMLA govern Harbin Lumber Company, Inc.'s FMLA policy.

Basic FMLA Leave

In accordance with the FMLA, an employee who has been employed by Harbin Lumber Company, Inc. for at least 12 months, and who has worked at least 1,250 hours during the previous 12 month period, and who works at a worksite where Harbin Lumber Company, Inc. employs 50 or more employees within 75 miles of that site will be eligible for up to 12 weeks of job-protected unpaid leave for reasons described within this policy. An eligible employee may take up to 12 weeks of unpaid leave in a rolling 12-month period measured backward from the date the employee uses any FMLA leave.

An eligible employee is entitled to up to a total of 12 workweeks of unpaid leave during the above 12-month period for one or more of the following:

- 1) The birth of the employee's son or daughter, and to care for the newborn child during the first 12 months following birth;
- 2) The placement with the employee of a son or daughter for adoption or foster care, and to care for the newly placed child during the first 12 months following placement;
- 3) To care for the employee's spouse, son, daughter, or parent with a serious health condition; and/or
- 4) Because of an employee's serious health condition that makes the employee unable to perform the functions of his/her job.

If Harbin Lumber Company, Inc. employs both a husband and wife, they will be limited to a combined total of 12 weeks during the 12 months, if the leave is for reasons #1 and/or #2 above and/or to care for a parent with a serious health condition.

A serious health condition entitling an employee to FMLA leave means an illness, injury, impairment, or physical or mental condition that involves inpatient care or continuing treatment by a health care provider. An employee's right to leave for the birth and care of a child or for the placement of a child with the employee for adoption or foster care expires at the end of the 12 months beginning on the date of the birth or placement.

Military FMLA Leave

There are also two types of Military Family Leave available under the FMLA.

- (1) **Qualifying Exigency Leave:** Employees meeting the eligibility requirements described above may be entitled to use up to 12 weeks of FMLA Leave to address particular qualifying exigencies. Leave may be used if the employee's spouse, son, daughter, or parent (the military member) is on covered active-duty status (or has been notified of an impending call or order to covered active duty). Qualifying exigencies may include:

- ❖ **Short-notice deployment:** Leave (up to 7 calendar days) to address any issue that arises from

an impending call or order to active duty in support of a contingency operation seven days or less before the date of deployment.

- ❖ Military events and related activities: Leave to attend any official ceremony, program, or event sponsored by the military-related to the covered active duty or call to covered active duty.
- ❖ Child and school activities: Leave to arrange or provide for childcare or school-related activities.
- ❖ Financial and legal arrangements: Leave to make or update various financial or legal arrangements.
- ❖ Counseling: Leave to attend counseling (by someone other than a health care provider) when necessary due to the covered active duty or call to covered active-duty status.
- ❖ Rest and recuperation: Leave to spend time with the military member who is on short-term, temporary, Rest, and Recuperation leave during the period of deployment (up to 15 calendar days each instance).
- ❖ Post-deployment activities: Leave to attend arrival ceremonies (including funeral or memorial services), reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of 90 days following the termination of the military member's covered active-duty status.
- ❖ Parental care: Leave to arrange for alternative care for a parent of the military member when the parent is incapable of self-care; to provide care for a parent of the military member on an urgent, immediate need basis; to admit to or transfer to a care facility; or to attend meetings with staff at a care facility, when such care or arrangements are necessitated by the covered active duty or call to the covered active-duty status of the military member.
- ❖ Additional activities: Leave to address other events arising from the military member's covered active duty or call to covered active-duty status agreed upon between employer and employee.

- (2) Leave to Care for Covered Service Member: Employees who meet the eligibility requirements for FMLA leave may take up to 26 weeks of leave in a single 12-month period to care for a covered servicemember with a serious injury or illness incurred in the line of duty on active duty, if the employee is the spouse, son, daughter, parent, or "next of kin" of the covered servicemember. Covered Servicemember is defined as 1) A current member of the Armed Forces including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy is otherwise in outpatient status, or is otherwise on the temporary disability retired list for a serious injury or illness; or 2) A covered veteran who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

Covered veteran means an individual who was a member of the Armed Forces (including a member of the National Guard or Reserves) and was discharged or released under conditions other than dishonorable at any time during the five years prior to the first date the eligible employee takes FMLA leave to care for the covered veteran.

Serious injury or illness is defined as being incurred by the member in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces) and for covered veterans, manifested itself before or after the member became a veteran.

In cases where Harbin Lumber Company, Inc. employs both husband and wife, they will be limited to a combined total of 26 weeks' leave during the 12-month period if leave is taken for this reason.

Notice of Need For FMLA Leave

An employee must provide Harbin Lumber Company, Inc. with at least a 30-day advance notice of the need to take an FMLA leave where the need is foreseeable. If the employee fails to give 30 days' notice, Harbin Lumber Company, Inc. may deny the employee FMLA leave until at least 30 days after the employee made the leave request.

Where the need for leave is not foreseeable, the employee must provide notice as soon as practical, which will mean at least a verbal notification within two (2) business days of when the need for leave becomes known to the employee. Notice may be given by contacting the Human Resources Department via phone, email, or in-person and may be provided by the employee or an adult family member.

Leave Request

When requesting any time off from work, an employee is required to complete the "Request for Time-Off from Work" Form. When time-off is requested, Harbin Lumber Company, Inc. will inquire about the circumstances for the purpose of determining whether the time-off qualifies as FMLA leave. Any request determined by Harbin Lumber Company, Inc. to qualify as FMLA leave will be credited against the employee's FMLA leave for the 12-month period. The employee will be told whether the time off qualifies as FMLA leave before the start of the leave or as soon thereafter as is practical but, in any event, before the end of the leave by Human Resources.

Use of Paid Leave Time

When an employee requests time off from work, the employee will be required to exhaust earned and/or accumulated paid leave prior to taking the FMLA leave on an unpaid basis. FMLA leave runs concurrently with employees' paid leave, and the substitution of paid leave time for unpaid leave time does not extend the 12-week or 26-week leave period.

Concurrent Leaves of Absence

To the extent that an employee is entitled to take FMLA leave pursuant to this policy, and under the same circumstances is also entitled to take one or more kinds of leave in accordance with other company policies or practices, both the FMLA and otherwise available leaves will be deemed to be taken concurrently.

Medical Certification

Employees must provide sufficient information for Harbin Lumber Company, Inc. to determine if the leave may qualify for FMLA protection and the leave's anticipated timing and duration. Vague, ambiguous, or non-responsive information will be considered insufficient. Employees also must inform Harbin Lumber Company, Inc. if the requested leave is for a reason for which FMLA leave was previously taken or certified. Refusal or failure to give reasons for requesting FMLA leave or to provide the requested certification may result in the delay or denial of FMLA leave.

An employee who requests leave to care for his/her seriously ill spouse, child, or parent, or due to the employee's own serious health condition that makes the employee unable to perform the duties of his/her position or to care for a covered servicemember must furnish Harbin Lumber Company, Inc. with a completed medical certification. Under most circumstances, the certification must be provided with 15 calendar days from the date that Harbin Lumber Company, Inc. requests medical certification. Where

an emergency or unusual condition exists, the certification must be provided within a reasonable time. Failure to timely provide a complete certification may result in a delay of the FMLA leave request until the certification is submitted. If an employee refuses to provide a certification, his/her leave request may be denied, and the employee will adhere to the attendance policy.

If necessary, under certain circumstances, Harbin Lumber Company, Inc. may directly contact the health care provider to clarify or authenticate a medical certification provided by an employee.

Harbin Lumber Company, Inc., at its expense, may require the employee to obtain a second opinion if it has a reasonable question regarding the medical certification provided by the employee. If the second health care provider's opinion differs from the original medical certification, Harbin Lumber Company, Inc., at its expense, may require a third, mutually agreeable health care provider to conduct an examination and provide a final and binding opinion.

Separate certification may also be required regarding the nature of the family member's military service and/or the existence of a qualifying exigency, such as active-duty orders.

When leave is requested, Harbin Lumber Company, Inc. will notify the employee of the certification requirement and when it is due. Failure to provide complete and sufficient certification as required may result in the delay or denial of FMLA leave.

Harbin Lumber Company, Inc. will require recertification of a medical condition for the employee's own serious health condition or to care for a family member every six months in connection with an absence. Recertification may be requested more often under some circumstances, such as with an extension of leave or if circumstances described in the previous certification have changed.

Intermittent/Reduced Leave Schedule

Leave because of a serious health condition or serious injury or illness may be taken intermittently (in separate blocks of time due to a single health condition) or on a reduced leave schedule (reducing the usual number of hours worked per workweek or workday) if medically necessary. Leave due to qualifying exigencies may also be taken on an intermittent basis. Intermittent or reduced schedule leave not medically necessary but requested by the employee (such as time to care for a newborn or newly placed child) may be approved at Harbin Lumber Company, Inc.'s discretion.

If leave is unpaid, Harbin Lumber Company, Inc. will reduce an employee's salary based on the amount of time worked. Employees will not be charged FMLA leave for periods during which they are working. FMLA will be accounted for in increments of one hour.

Employees who require intermittent leave or reduced leave schedules are encouraged to arrange medical treatments and appointments to minimize work disruption.

An employee requesting non-continuous leave that is foreseeable may be required to transfer temporarily to an available alternative position offered by Harbin Lumber Company, Inc. The employee is qualified and better accommodates recurring periods of leave than the employee's regular employment position. The employee will be entitled to equivalent pay and benefits but will not be assigned the same duties in the alternative position.

Reporting While on Leave

If leave is taken because of an employee's own serious health condition or to care for a family member, employees must report periodically on their status and intent to return to work. In addition, employees must give notice as soon as practicable (within two business days, if feasible) if the dates of leave change, are extended, or initially were unknown.

Returning from Leave

If leave is taken because of an employee's own serious health condition (except when an employee is taking intermittent leave), employees are required to provide medical certification that they are fit to resume work. Fitness for Duty Certification Forms may be obtained from the Human Resources Manager. Employees failing to provide the release from their healthcare provider will not be permitted to resume work until it is provided and may no longer be entitled to reinstatement.

Specific rules apply when an employee is released to return to work (with or without restrictions):

1. The employee must provide a release to return to work (with or without restrictions) from the health care provider.
2. If the employee is released to work with no restrictions, the employee will be returned to the same position held before the FMLA leave or equivalent in pay, benefits, and other terms of employment conditions.
3. If the employee is released to work with restrictions, Harbin Lumber Company, Inc. will review the employee's situation on an individualized basis to determine if a reasonable accommodation can be made. If the employee is released to return to work with restrictions but has not yet exhausted his/her 12 weeks of FMLA entitlement, the employee may choose to accept whatever job may be offered to meet his/her restrictions or continue on FMLA leave instead.
4. Employees who fail to return to work on the scheduled end date of their approved leave of absence or make a timely request for an extension before that date will be considered to have abandoned the job, and their employment may be terminated without further notice.
5. If an employee is not released to work at the conclusion of his/her FMLA leave entitlement, he/she may request an extension of leave. There is no guarantee of availability or approval of such leave. Still, upon request, Harbin Lumber Company, Inc. will engage in an interactive dialogue with the employee. Harbin Lumber Company, Inc. will make an individual determination of what is reasonable based on the specific circumstances of the employee's request.

Benefits and Protections

Use of an approved family and medical leave will not result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

During the leave, the employee will not accrue any additional employment benefits such as PTO, holiday pay, 401k contributions, etc., except as expressly required by law or as provided in Harbin Lumber Company, Inc.'s written policies and plan documents. The employee's benefits before the leave will be restored to the employee when he/she returns to work.

State and Local Family And Medical Leave Laws

Where state or local family and medical leave laws offer more protections or benefits to employees, the protections or benefits provided by such laws will apply.

Exemption for Key Employees

Harbin Lumber Company, Inc. may choose not to return highly compensated employees (highest-paid 10% of employees at a worksite or within 75 miles of that worksite) to their former or equivalent positions following a leave if restoration of employment will cause substantial economic injury to Harbin Lumber Company, Inc. (Harbin Lumber Company, Inc. will make this fact-specific determination on a case-by-case basis). Harbin Lumber Company, Inc. will notify employees if they qualify as a "highly compensated" employee if Harbin Lumber Company, Inc. intends to deny reinstatement and of his/her rights in such instances.

Recordkeeping

Records and documents relating to certifications, re-certifications, or medical histories of employees or employees' family members, created for FMLA purposes, shall be maintained as confidential medical records in separate files/records from the personnel files.

6.16 MILITARY LEAVE

Harbin Lumber Company, Inc. will comply with its obligations for those employees who serve in any branch of the United States uniformed military services, including providing any necessary time off, in accordance with federal, state, and local law.

Employees will be granted leaves of absence for military service, training, or other obligations in compliance with Uniformed Services Employment and Reemployment Rights Act (USERRA) requirements and related federal and state military leave laws. Any employee so engaged in military or other uniformed services shall not be denied employment, reemployment, retention, promotion, or any benefit of employment based on their active uniformed service. Harbin Lumber Company, Inc. will not discriminate in employment against, or take any adverse employment action against, any person because he/she exercised these rights.

As with other leaves, employees must provide advance notice to his/her Supervisor and Human Resources of the intent to take military leave and appropriate documentation, as far in advance as possible, unless giving such notice is impossible, unreasonable, or precluded by military necessity.

Employees will be eligible to receive partial pay for two-week training assignments and shorter absences. Upon presentation of satisfactory military pay verification data, employees will be paid the difference between their regular base compensation and the pay (excluding expense pay) received while on military duty. The portion of any military leaves of absence in excess of two weeks will be unpaid. However, employees may use any available paid time off for the absence.

All employees requesting military service time must provide advance notice to their immediate supervisor and Human Resources unless military necessity prevents such notice or is otherwise impracticable. Continuation of health insurance benefits is available during military leave, subject to the health plan's terms and conditions and applicable law.

Employees are eligible for reemployment for up to five years from the date their military leave began. The period an individual must apply for reemployment or report back to work after military service is based on time spent on military duty and applicable law. For reinstatement guidelines, contact Human Resources.

Employees who qualify for reemployment will return to work at a pay level and status equal to those they would have attained had they not taken military leave. They will be treated as though they were

continuously employed to determine benefits based on length of service. Harbin Lumber Company Inc. complies with all rights and protections under all applicable state laws granting time off for service, training, and other obligations in the uniformed services. This includes but is not limited to benefits entitlement and continuation, notice and recertification requirements, and reemployment application requirements.

6.17 PERSONAL LEAVES OF ABSENCE

Harbin Lumber Company Inc. recognizes that there may be compelling personal reasons for an employee to request a leave of absence outside of the circumstances and reasons described in this handbook (i.e., FMLA, disability). An employee who has worked for Harbin Lumber Company, Inc. for at least 12 months may request a personal leave of absence for up to 30 days during a rolling 12-month period measured backward from when the employee uses the leave. A request for a personal leave of absence may be granted at Harbin Lumber Company, Inc.'s discretion, depending upon workload and business considerations.

A written request for leave must be presented to Human Resources at least 30 days before the requested departure date. The Absence Request Form is available from Human Resources.

If granted, employees will be required first to exhaust any accrued and available PTO, the personal leave will be unpaid, and paid time off will not continue to accrue during the absence.

6.18 TRAINING AND PROFESSIONAL DEVELOPMENT

Harbin Lumber Company Inc. encourages attendance in classes, school, or trade shows in subject matters pertaining to its employee's trade, profession, or job assignments. Some positions may require membership and attendance in various networking groups and business associations.

To be eligible for reimbursement, permission from the President before registration is required. If a class is offered during the regular workweek, the employee may be required to use a PTO or an unpaid workday(s) for classroom instruction.

A contractual commitment to Harbin Lumber Company, Inc. is required for all reimbursement arrangements.

6.19 SENIORITY

All seniority will be based on the number of years of continuous service. This will be used to determine conflicting vacation schedules. If an employee in good standing leaves Harbin Lumber Company, Inc., providing a minimum of a two-week notice, and is eligible for re-hire, the employee may receive his/her seniority back upon being rehired provided he/she is rehired within six months of the original termination date. For insurance and 401K benefits, whether or not a returning employee loses seniority will be subject to the contracts' provisions with the providers of the benefits.

6.20 EMPLOYEE PURCHASES

Employees who have completed their probationary period may make purchases at an average cost plus 5%. If the employee has submitted a credit application and has been approved by the Credit Department, the employee may make purchases on a charge account at 5% above average cost. The account must be paid by the 10th of the month following purchase, or the employee will lose the employee discount and will be invoiced an additional 15%. Freight and/or fuel surcharges may be included. Purchases not paid according to these terms will not qualify for this benefit. A deduction may be made from the employee's weekly check until the account is paid in full, and further extensions of credit will be denied. The weekly deduction will not exceed minimum wage standards. Employee discounts during the first year of employment are restricted to no more than \$3,000. Employee discounts for the building of a home are restricted to employees with a minimum of one year of service with the Harbin Lumber Company, Inc. It is limited to one house every ten years unless the employee loses his/her home due to a natural disaster such as fire or tornado. This discount is not to be used by an employee to build a home for anyone other than the employee to live in and own. It is not intended to provide a discount to an employee who may be building a house for a relative, regardless of who pays for the home.

All employee invoices/accounts must be paid by cash or check. No credit or debit cards will be accepted for these purchases.

The merchandise purchased must be for employee use only, and this benefit cannot be extended to any other family members or friends. Any violation of this privilege will be considered grounds for dismissal.

Employees are not authorized to arrange purchases for themselves, friends, relatives, neighbors, special groups, or organizations through vendors or suppliers of the Harbin Lumber Company, Inc. without the expressed written consent and management approval. Any employee purchase must be checked and invoiced by another employee.

6.21 UNPAID LEAVE

Salaried employees will be compensated for up to three consecutive days, and no more than eight days total, for family or medical reasons each year. After the third consecutive paid day or the eighth day total, salaried employees will have one of the following options: take earned vacation time, take unpaid leave, or take the Family and Medical Leave described in Policy 301.5.6. After two weeks of absenteeism, both hourly and salaried employees will be required to use the Family and Medical Leave Policy 301.5.7.

6.22 CONTINUING EDUCATION AND TUITION ASSISTANCE

Harbin Lumber Company, Inc. provides financial assistance to qualified employees interested in furthering their formal education. An employee may receive up to \$5,000 per calendar year for tuition reimbursement provided the courses are related to the employee's present duties or are in

preparation for a future assignment with Harbin Lumber Company, Inc. The formal policy for tuition assistance may be found in the O & P Manual section 307.4.

SECTION 7

EMPLOYEE COMMUNICATIONS

7.1 STAFF MEETINGS

Periodically staff meetings will be held. These informative meetings allow employees to be informed on recent company activities, workplace changes, and employee recognition. Attendance is required, and non-exempt employees will be compensated.

7.2 INTERNAL COMMUNICATIONS

Effective and ongoing communication within Harbin Lumber Company Inc. is essential. As such, Harbin Lumber Company, Inc. maintains systems through which important information can be shared among employees and management.

Bulletin boards are posted in designated areas of the workplace to display important information and announcements. In addition, Harbin Lumber Company Inc. uses the Internet and email to facilitate communication and share access to documents. For information on appropriate email and Internet usage, employees may refer to the Computer, Email, and Internet Usage Policy.

All employees are responsible for checking internal communications on a frequent and regular basis. Employees should consult their supervisor with any questions or concerns on information disseminated.

7.3 OPEN-DOOR AND PROBLEM RESOLUTION

Harbin Lumber Company, Inc. strives to make our workplace a positive and safe environment. We show our concern for our employees by practicing respectfulness, fairness, equity, and integrity. If an employee is unhappy about work conditions or a Company policy or action that affects the employee, he/she is strongly encouraged to talk about these openly with his/her Supervisor. We genuinely want our employees to be happy and solve problems or questions related to their employment.

Harbin Lumber Company, Inc. has an Open Door Process that will help employees communicate a problem or concern. Employees will not be penalized for raising a complaint reasonably and respectfully or for using the Open Door Process explained as follows.

- ❖ Employees should speak with their Supervisor about the issue.
- ❖ If an employee is still unhappy with the situation, he/she is encouraged to speak with Human Resources.
- ❖ If the employee still believes the situation has not been resolved, he/she is encouraged to speak with the President.

We realize that the employee's problem may be highly personal or may involve his/her Supervisor in some instances. At this point, the employee is invited to contact Human Resources for discretionary handling of the issue.

7.4 ANTI-RETALIATION – WHISTLEBLOWER PROTECTIONS

This policy is designed to protect employees and address Harbin Lumber Company Inc.'s commitment to integrity and ethical behavior. In accordance with anti-retaliation and whistleblower protection regulations, Harbin Lumber Company Inc. will not tolerate any retaliation against an employee who:

- Makes a good faith complaint, or threatens to make a good faith complaint, regarding the suspected company or employee violations of the law, including discriminatory or other unfair employment practices;
- Makes a good faith complaint, or threatens to make a good faith complaint, regarding accounting, internal accounting controls, or auditing matters that may lead to incorrect, or misrepresentations in, financial accounting;
- Makes a good faith report, or threatens to make a good faith report, of a violation that endangers the health or safety of an employee, patient, client or customer, environment, or the general public;
- Objects to, or refuses to participate in, any activity, policy, or practice, which the employee reasonably believes is a violation of the law;
- Provides information to assist in an investigation regarding violations of the law; or
- Files, testifies, participates, or assists in a proceeding, action, or hearing in relation to alleged violations of the law.

Retaliation is defined as any adverse employment action against an employee, including, but not limited to, refusal to hire, failure to promote, demotion, suspension, harassment, denial of training opportunities, termination, or discrimination in any manner in the terms and conditions of employment.

Anyone found to have engaged in retaliation or violation of the law, policy, or practice will be subject to discipline, up to and including termination of employment. Employees who knowingly make a false report of a violation will be subject to disciplinary action, up to and including termination.

Employees who wish to report a violation should contact Human Resources or the President directly. Employees should also review their state and local requirements for any additional reporting guidelines.

Harbin Lumber Company Inc. will promptly and thoroughly investigate and, if necessary, address any reported violation.

Employees who have any questions or concerns regarding this policy and related reporting requirements should contact Human Resources or the President.

7.5 PROCEDURE FOR HANDLING COMPLAINTS

Under normal working conditions, employees who have a job-related problem, question, or complaint should first discuss it with their immediate supervisor. At this level, employees usually reach the most straightforward, quickest, and most satisfactory solution. If the employee and supervisor do not solve the problem, Harbin Lumber Company Inc. encourages employees to contact the President.

- **Equal Employment Opportunity (EEO) and Harassment Complaint Procedure**
If you feel that you have experienced or witnessed harassment, discrimination, or unlawful or

inappropriate treatment, you are to notify immediately (preferably in writing and within 24 hours) Human Resources or the President at Harbin Lumber Company, Inc.'s Corporate Office. You will be contacted promptly about your complaint. Harbin Lumber Company, Inc. forbids retaliation against anyone who has made a complaint.

To the extent practicable and appropriate, Harbin Lumber Company, Inc. will keep complaints and the terms of its resolution confidential. Harbin Lumber Company, Inc. will take corrective action as applicable, which may include immediate termination of employment. You will be notified as to the outcome of your complaint. Harbin Lumber Company, Inc. will undertake corrective action to stop inappropriate conduct before it rises to the level of unlawful action. Harbin Lumber Company, Inc. recognizes that intentional or malicious false accusations of misconduct can seriously affect innocent men and women. Individuals falsely accusing another of misconduct will be disciplined in accordance with the nature and extent of his or her false accusation.

SECTION 8

COMPANY VEHICLES

8.1 LICENSING

Any operator of a Company automobile or pick-up must have a current state-approved driver's license. Any operator of a vehicle 26,000 pounds or over is required to have a commercial driver's license (CDL). You are prohibited from driving a Company vehicle if your license has been revoked, suspended, lost, out of date (expired), or without the proper endorsement. You must be 21 years of age to drive any Company vehicle.

8.2 DUI

Any operator who has been convicted of Driving Under the Influence (DUI) within the past three (3) years is prohibited from driving a Company vehicle.

8.3 TRAFFIC VIOLATIONS

If you drive a Company vehicle at any time during your employment, you must notify your manager immediately if convicted of a traffic violation (except parking) regardless of whether the vehicle is your own or owned by Harbin Lumber Company, Inc. If you drive a Company vehicle and your license has been suspended, revoked or lost, your manager must be notified immediately.

8.4 PERSONAL USE OF COMPANY VEHICLES

Vehicles are for the use of Harbin Lumber Company, Inc. and are not to be used for personal benefit.

8.5 VEHICLE INSPECTION

The first person to use a vehicle on any given day is responsible for completing the Vehicle Inspection Report.

8.6 FORKLIFT LICENSE

All lift operators must be licensed by the Forklift drivers training program and must be a minimum of 21 years of age.

8.7 VEHICLE & FORKLIFT SAFETY

The safe operation of the motor vehicles is essential. This is a common-sense approach. Vehicles must always be operated safely. Those employees responsible for loading trailers and the drivers making the deliveries must ensure that all loads are correctly and securely tied down.

Drivers of Company vehicles must abide by all city, state, or Federal laws.

Seat belts must be worn by the operator and all occupants of any Company vehicle or forklift. Failure to do so will result in the following disciplinary action:

1. First Offense: The employee will be given a verbal warning with a note in the personnel file. The employee may also be required to watch the forklift video to remind the employee of the importance of seat belts and other forklift safety issues.
2. Second Offense: The employee will be given a verbal and a written warning. A Safety Court meeting will be held, and the employee must abide by the Court's decisions.
3. Third Offense: The employee may be given a three-day suspension without pay; termination may be possible.
4. Fourth Offense: Termination of the employee is mandatory.

Drivers of Company vehicles are not to pick up hitchhikers, nor should there be any person in the vehicle who does not have a specific purpose related to the business at hand. With prior approval from the driver's supervisor for each trip, the spouse of a driver on an overnight trip in a Company vehicle may accompany the driver provided he/she is 18 years of age or older.

Keys should never be left in the ignition.

All accidents are to be reported to your manager immediately regardless of how insignificant.

All mechanical problems are to be reported to your manager, as well as being logged on the daily inspection report.

No employee can operate a Company vehicle if he/she has consumed alcohol within the previous eight hours.

Only trained, approved Company personnel are to operate Company vehicles.

The insurance carrier requires that Harbin Lumber Company, Inc. run an MVR or Motor Vehicle Report on all drivers before employment and periodically while employed. The Department of Transportation requires that all drivers operating vehicles of 10,000 pounds or more of Gross Vehicle Weight take a physical examination every two years. Fully detailed information on Driver regulations is found in Section 500 of the Operations and Procedures manual.

8.8 STATEMENT ON COMPANY VEHICLES

Company vehicles are provided for the selling, service, and delivery of building materials to our customers. Other uses are not allowed as they are counter-productive and present a potential for liability.

If a Company vehicle has been assigned to you or is the operator of a Company vehicle, this vehicle's responsibility and operation rest squarely on your shoulders. Follow all Company guidelines and, more importantly, use good common sense.

8.9 COMPANY FUEL

The fuel storage tanks located at each yard are for the sole use of Company vehicles. Harbin Lumber Company, Inc. does not provide for fuel to be placed in privately owned vehicles. For those individuals using a personal vehicle on Company business, a mileage provision has been provided.

SECTION 9

GIFTS

9.1 PURCHASING INCENTIVES

Cash spiffs, discounts, and/or rebates received from a vendor due to purchasing their products or services are the property of HLC. They are to be either credited on the HLC purchase order and vendor invoice, or the cash is to be refunded to HLC along with the purchase order showing the cash discount or spiff.

All other purchasing incentives such as trips, participation in events, or material gifts cannot be accepted without the CEO or COO's approval.

The purchasing department shall be informed of all purchasing incentives.

Gifts of nominal value, under \$25, given as a token of friendship or service, are acceptable.

9.2 DOOR PRIZES, GIFTS, WINNINGS, TIPS, ETC.

Door prizes, gifts, or other winnings won or received by an employee or immediate family member at a work-related event such as an HBA meeting, customer or vendor event must be reported to the location GM and, depending on the circumstances may be required to be returned or become the property of HLC. The location GM will coordinate with the CEO or COO to determine the appropriate course of action.



Employee Handbook Sign Off Receipt

I acknowledge that I have received a copy of the Harbin Lumber Company Inc. Employee Handbook dated: March 2021. I understand that this handbook replaces any and all prior verbal and written communications regarding Harbin Lumber Company Inc.'s working conditions, policies, procedures, appeal processes, and benefits.

____ I understand that the working conditions, policies, procedures, appeal processes, and benefits described in this handbook are confidential and may not be distributed in any way nor discussed with anyone who is not an employee of Harbin Lumber Company Inc.

____ I have read and understand the contents of this handbook and will act according to these policies and procedures as a condition of my employment with Harbin Lumber Company Inc.

____ I have read and understand the policies and procedures as they relate to my compensation, pay, and applicable deductions as a condition of my employment with Harbin Lumber Company Inc.

____ I have read and understand the Standards of Conduct expected by Harbin Lumber Company Inc. I agree to act according to the Standards of Conduct as a condition of my employment by Harbin Lumber Company Inc.

____ I understand that if I have questions or concerns at any time about the handbook or the Standards of Conduct, I will consult my immediate supervisor or the **President** for clarification.

____ I also acknowledge that the handbook contains an employment-at-will provision that states:

- Either Harbin Lumber Company Inc. or I can terminate my employment relationship at any time, with or without cause, and with or without notice.
- That this employment-at-will relationship is in effect regardless of any other written statements or policies contained in this handbook, in any other Harbin Lumber Company Inc. documents, or any verbal statements to the contrary; and
- That no one except the **President** can enter into any differing employment relationship, contract, or agreement. To be enforceable, any such out-of-the-ordinary relationship, contract, or agreement must be in writing, signed by the **President**, notarized, and in the employee file.

____ Finally, I understand that the contents of this employee handbook are simply policies and guidelines, not a contract or implied contract with employees. The contents of the employee handbook may change at any time.

Please read this Handbook and these employee Standards of Conduct carefully to understand these employment conditions before signing this document.

Employee Signature

Date

Employee Name



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Employee Name