

Tobacco Outlet Products, LLC
Employee Manual

<u>Table of Contents</u>		<u>Page</u>
Welcome and Introduction		1
EMPLOYMENT		
101	Nature of Employment	2
102	Employee Relations	2
103	Open Door Communications	2
104	Anti-Harassment Policy	2
105	Equal Employment Opportunity	3
106	Business Ethics, Conduct and Confidentiality	3
107	Harmony in the Workplace	4
EMPLOYMENT RECORDS		
201	Personnel Data Changes	4
202	Performance Evaluations	4
TIME OFF AND HOLIDAYS		
301	Eligibility for Paid Time Off (PTO)	4
302	Accrual and Use of Paid Time Off	5
303	Holidays	5
TIMEKEEPING/PAYROLL		
401	Timekeeping	5
402	Paydays and Prompt Correction of Wage Errors	6
403	Attendance, Punctuality and Dependability	6
404	Closings/Early Dismissal	6
EMPLOYEE CONDUCT & DISCIPLINARY ACTION		
501	Maintaining Appropriate Conduct	6
502	Drug and Alcohol Use	7
503	Drug and Alcohol Testing Policy	7
504	Personal Appearance	7
505	Return of Property	7
506	Use of Company Communication Systems and Equipment	7
507	Disciplinary Policy and Termination	8
ACKNOWLEDGEMENT		9

Welcome and Introduction

Welcome to Tobacco Outlet Products, LLC. This manual is meant to acquaint you with the Company's general policies and procedures. Please read the entire manual for information about many of your responsibilities as an employee and what you can usually expect from Tobacco Outlet Products, LLC.

No employee manual can anticipate every circumstance or answer every question. As Tobacco Outlet Products, LLC continues to grow, we may need to alter or amend some of these policies. Tobacco Outlet Products, LLC reserves the right to revise, supplement or rescind any policies or any portion of the manual from time to time, in its sole discretion, as it deems appropriate. The Company may also, in its discretion, deviate from the policies outlined in this manual.

EMPLOYMENT

101 Nature of Employment

You voluntarily entered into employment with Tobacco Outlet Products, LLC and you are free to resign from your job at any time, with or without cause. Similarly, Tobacco Outlet Products, LLC may terminate the employment relationship at will, at any time, with or without notice and with or without cause.

The provisions in this manual override all existing policies, practices and procedures. This manual may not be amended or altered without the express written approval of the senior management of Tobacco Outlet Products, LLC.

102 Employee Relations

Tobacco Outlet Products, LLC believes that the working conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area. If you have concerns about your working conditions or compensation, please discuss them with your supervisor.

103 Open Door Communications

Tobacco Outlet Products, LLC has an open door communications policy. Except as required by Policy No. 104 (Anti-Harassment), employees should first address their concerns to their supervisor. If you are not satisfied with your first contact, you may address the issue with Paul Walsh, Jr. Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive.

104 Anti-Harassment

Tobacco Outlet Products, LLC strictly prohibits harassment on the basis of sex, race, color, religion, national origin, age, disability, or any other protected status. *Any employee facing prohibited harassment, or any other conduct that unreasonably interferes with the employee's job performance, is required to report the conduct to Paul Walsh, Jr.* If Mr. Walsh is unavailable or you believe for any reason that it would be inappropriate to contact him, you should immediately contact Mr. Paul Hoge, Jr.

Harassment in violation of this policy would include any conduct that denigrates or shows hostility or aversion toward an individual because of his/her sex, race, color, religion, national origin, age or disability. Any conduct that has the purpose or effect of unreasonably interfering with an individual's work performance; has the purpose or effect of creating an intimidating, hostile or offensive work environment; or otherwise adversely affects an individual's employment opportunities, is prohibited by this policy. These examples are not all inclusive. So as to protect employee rights and insure continued workplace efficiency, *this policy specifically requires employees to report any unwelcome conduct that unreasonably interferes with job performance.*

Upon receiving a report of harassment, Tobacco Outlet Products, LLC will conduct a prompt, thorough and impartial investigation. The Company will interview the employee who complained of harassment, the alleged harasser, and others who could reasonably be expected to have relevant information. The alleged harasser will not have any direct or indirect control over the investigation. The Company will protect the confidentiality of complaints of harassment to the extent possible. Should the Company, upon completion of the investigation, find that harassment has occurred in violation of this policy, it will take immediate and appropriate corrective action.

Any employee who has questions regarding this policy should contact Paul Walsh, Jr. All employees are responsible for avoiding offensive or inappropriate conduct at work and for reporting incidents of harassment to management. Any employee who commits harassment may be subject to discipline up to and including termination.

105 Equal Employment Opportunity

Tobacco Outlet Products, LLC does not discriminate on the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by federal or state law.

Any employee with questions or concerns about any type of discrimination in the workplace is required to bring these issues to the attention of Paul Walsh, Jr.

106 Business Ethics, Conduct and Confidentiality

The successful business operation and reputation of Tobacco Outlet Products, LLC is built upon the principles of fair dealing and ethical conduct of our employees. 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.

In general, the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor and, if necessary, higher levels of management.

It is the responsibility of all Tobacco Outlet Products, LLC employees to safeguard sensitive Company information. The nature of our business and the economic well-being of the Company and its employees are dependent upon protecting and maintaining proprietary information. Continued employment with the Company is contingent upon compliance with this policy. Sensitive Company information is defined as trade secrets or confidential information relating to know-how, customers, accounting, marketing data, marketing territories, pricing or salary information, business plans and strategies, negotiations and contracts, accounts, and other information not generally known or otherwise generally available to the public. Unless otherwise identified by management, all employees shall assume that such information is confidential.

Compliance with this policy is the responsibility of every Tobacco Outlet Products, LLC employee. Disregarding or failing to comply with these standard of business ethics and conduct will lead to disciplinary action, up to and including termination of employment.

107 Harmony in the Workplace

All employees are expected to cooperate and work together in a productive manner. When an employee's behavior at work creates or leads to disruption of workflow or productivity, management must correct the situation to restore an attitude of cooperation. Physical or verbal fighting, angry words, disrespectful or insubordinate comments, and profanity are not acceptable in the workplace. Engaging in such behavior can lead to immediate termination of employment.

EMPLOYMENT RECORDS

201 Personal Data Changes

All employees must promptly notify Tobacco Outlet Products, LLC of any changes in personal data. Marital status, personal mailing address, telephone number, number and names of dependents, emergency contacts, educational accomplishments, and other such status reports should be accurate and current at all times. If any personal data has changed, please notify the Company immediately.

202 Performance Evaluations

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Formal performance evaluations are conducted at the end of your initial probationary period. This period is normally the first ninety (90) days of your employment. This period allows you and your supervisor to discuss the job responsibilities, standards and performance requirements of your new position.

Additional informal performance evaluations may be conducted to provide both you and your supervisor the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

TIME OFF AND HOLIDAYS

301 Eligibility for Paid Time Off (PTO)

Regular full-time employees, those who are regularly scheduled to work at least 40 hours a week, are usually eligible to participate in the paid time off (PTO) program.

Regular part-time employees are paid only for hours worked. Part-time employees are not eligible for PTO.

Temporary employees are those who are hired for a specific period of time. Temporary employees are not eligible for PTO.

Subject to the requirements of section 403, unpaid time off may be permitted at the discretion to attend to compelling personal matters.

302 Accrual and Use of Paid Time Off

Paid time off (PTO) is available to eligible employees to provide opportunities for rest, relaxation, recovery and personal pursuits, and for any other absence from the job. This includes scheduled vacation, personal time off, and unscheduled absences such as your own illness, family illness or other emergencies. Paid time off will accrue at the rate of 0.83 days per month beginning in the seventh month of employment so that:

- Five (5) business days of vacation are accrued by the end of 12 months of employment (7th month through 12th month = 6 months x 0.83 = 5 days)
- Ten (10) business days of vacation accrue per calendar year, starting with the accrual of 0.83 days during the 13th month of employment.

PTO days may be taken in no less than ½ day increments.

An employee may not carryover more than five (5) days of accrued PTO to the next calendar year.

Unused PTO days shall be forfeited in the event that the employee is terminated due to substantial misconduct.

303 Holidays

In addition to PTO as described above, the Company has designated the following days as paid holidays for regular full time employees:

- New Year's
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving and the day after
- Christmas Day

If a holiday falls on Saturday or Sunday, the paid holiday will be either the Friday before or the Monday after the holiday. A notice will be posted on the bulletin board to let you know which way it is.

Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

TIMEKEEPING/PAYROLL

401 Timekeeping

Every hourly employee is responsible for accurately recording his or her hours. Time worked includes all time actually spent on the job performing assigned duties and time spent performing necessary incidental duties.

Hourly employees are expected to accurately record the time they begin and end their work. You should also record the beginning and ending time of any split shift or the time you depart from work for personal reasons. Overtime work must always be approved before it is performed.

Altering, falsifying or tampering with time records, or recording time on another employee's time record, may result in disciplinary action, up to and including discharge. **Employees paid on an hourly basis are *never* permitted to work "off the clock."** **If you are asked to do so, please report this immediately to Paul Walsh, Jr.**

402 Paydays and Prompt Correction of Wage Errors

The pay period starts on a Sunday and ends on the Saturday two weeks later. Payday is every other Friday. The Company is firmly committed to compliance with all State and Federal wage and hour laws. Please contact Robin Helms immediately if there is any error on your paycheck so we can promptly resolve the issue.

403 Attendance, Punctuality and Dependability

Because Tobacco Outlet Products, LLC depends heavily upon its employees, it is important that employees attend work as scheduled. Dependability, attendance, punctuality and a commitment to do the job right are essential at all times. As such, employees are expected to be at work on all scheduled workdays and during all scheduled work hours, and to report to work on time. Moreover, as an employee, you must *personally* notify your supervisor no later than one hour before your scheduled starting time if you expect to be late or absent. This policy applies for each day of your absence unless you are using PTO which has been previously approved by your supervisor. Absences due to sickness or personal issues will be charged to the employees earned paid time off (PTO). To the extent permitted by law, absenteeism and tardiness may result in discipline, up to and including termination.

404 Closings/Early Dismissal

At times, conditions such as severe weather or power failures might disrupt Company operations. In some cases, these circumstances may require the closing of the work facility. Tobacco Outlet Products, LLC will attempt to provide advanced notice of closure in the event that adverse conditions develop during the employee's non-working hours.

EMPLOYEE CONDUCT AND DISCIPLINARY ACTION

501 Maintaining Appropriate Conduct

To ensure orderly operations and to provide the best possible work environment, Tobacco Outlet Products, LLC expects employees to conduct themselves in a manner that will protect the interests and safety of all employees and the organization. Violations of these principles will result in discipline, up to and including discharge.

502 Drug and Alcohol Use

It is Tobacco Outlet Products, LLC's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on Tobacco Outlet Products, LLC premises and while conducting business-related activities off Tobacco Outlet Products, LLC premises, you may not use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair your ability to safely and effectively perform the essential functions of your job.

503 Drug and Alcohol Testing Policy

Tobacco Outlet Products, LLC is committed to providing a safe, efficient, and productive work environment for all employees. Using or being under the influence of drugs or alcohol on the job may pose serious safety and health risks. The Company reserves its right to conduct post-accident and reasonable suspicion drug screening. Employees may be asked to provide body substance samples to determine whether there has been illicit or illegal use of drugs and/or alcohol. Refusal to submit to testing may result in disciplinary action, up to and including termination of employment.

Questions concerning this policy or its administration should be directed to Paul Walsh, Jr.

504 Personal Appearance

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image that Tobacco Outlet Products, LLC presents to customers and visitors. During business hours or when representing Tobacco Outlet Products, LLC, you are expected to present a clean, neat, and tasteful appearance.

505 Return of Property

Employees are responsible for all Tobacco Outlet Products, LLC property, materials, or written information issued to them or in their possession or control. You must return all Tobacco Outlet Products, LLC property immediately upon request or upon termination of employment. Tobacco Outlet Products, LLC may withhold from your check or final paycheck the cost of any items that are not returned when required. This includes the cost of re-keying if all keys and copies thereof are not returned. Tobacco Outlet Products, LLC may also take all actions it deems appropriate to recover or protect its property.

506. Use of Company Communication Systems and Equipment

All business equipment and electronic and telephone communications systems are the sole property of Tobacco Outlet Products, LLC. The equipment and systems should be used for conducting business. However, minimal personal use will be permitted during non-working time.

Likewise, all communications and information (including voice-mail, e-mail, computer files, etc.) transmitted, stored or received over or in the Company's business equipment and electronic communications systems are Company property. As policy, Tobacco Outlet Products, LLC will not routinely read electronic message content; however, the Company reserves the right to do so at any time without any prior notification. Tobacco Outlet Products, LLC specifically reserves the right to monitor any voice-mail, e-mail, intranet or Internet communications passing through Company facilities.

Employees utilizing the Company's communications systems and equipment must exercise restraint and avoid abuse. Personal e-mail shall not be sent to outside parties using the Company's e-mail accounts. Furthermore, any use of the Company's communications systems and equipment to make harmful or unlawful statements, or to transmit potentially offensive content, is strictly prohibited.

507 Disciplinary Policy and Termination

This disciplinary policy is set forth only as a suggested guideline for the handling of disciplinary actions. It does not guarantee that any employee is entitled to any particular disciplinary warning, action or procedure in any given circumstance. Tobacco Outlet Products, LLC reserves the right to deviate from the procedure set forth herein in any circumstance which the Company, in its sole discretion, deems to warrant a disciplinary action or procedure other than that set forth in this discharge and discipline policy.

Conduct such as a work rule violation or poor performance, if not corrected, can lead to disciplinary action up to and including termination of employment. One or more of the following steps may be taken in response to rules violations or performance problems; they need not be taken in any particular sequence. The level of disciplinary action taken will be at the sole discretion of the Company.

- Documented Discussion: Your supervisor or other manager may discuss the violation or problem with you. Results of the discussion will be summarized in a memo, signed by both of you and placed in your personnel file.
- Final Warning Memo: Your supervisor or other manager may develop a memo explaining that a violation has occurred and must not be repeated or that performance problems must improve significantly within a given time. You will be required to sign the memo and it will be placed in your personnel file.
- Termination of Employment.

Regardless of whether or not you agree with the disciplinary action, you must sign the documentation to acknowledge that you were disciplined under the policy. Your refusal to do so will be considered an incident of serious misconduct. **Please remember, both Tobacco Outlet Products, LLC and you are free to end the employment relationship at any time, with or without notice and with or without cause.**

ACKNOWLEDGEMENT
(Employee's copy)

The employee manual describes important information about Tobacco Outlet Products, LLC, and I understand that I should consult Paul Walsh, Jr. regarding any questions not answered in the manual. I have entered into my employment relationship with Tobacco Outlet Products, LLC voluntarily and acknowledge that either I or Tobacco Outlet Products, LLC can terminate the relationship at will, with or without cause, at any time.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions to the manual, except to Tobacco Outlet Products, LLC's policy of employment-at-will and its prohibition of harassment, may occur. I understand that revised information may supersede, modify, or eliminate existing policies. Only the senior management of Tobacco Outlet Products, LLC has the ability to adopt any revisions to the policies in this manual, and such revisions must be in writing.

*I have received the manual. I understand that it is my responsibility to read and understand the policies contained in this manual and any revisions made to it. I specifically acknowledge that the Company has explained **Policy No. 104 (Anti-Harassment)**, which references the Company's strict prohibition of harassment. I understand my rights and obligations under this policy.*

EMPLOYEE'S NAME (printed): _____

EMPLOYEE'S SIGNATURE: _____

DATE: _____

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