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# **SHERMAN'S**

Employee Handbook

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## Welcome to the Family!



We weren't normal in 1976, and we're never going to be normal. We were founded as a side hustle when a fiercely independent woman named Sharon Sherman decided to sell some clocks and gifts while her kids were in school. Her husband Jack was a lineman at CILCO. Do you know how hard it is to be a lineman? Real hard. Like hard enough that taking a risk to sell some crazy new thing called a "microwave" seemed like a safer way to make a living.

At the time, no one knew what a microwave was, and they sure didn't want to shell out \$500 for one. But that wasn't going to stop Jack or Sharon. They constructed a microwave cooking school, and we were officially in the home appliance business.

Then came the dawn of big box stores and the world proclaimed, "Local businesses are doomed!". We begged to differ. Instead, Jack and Sharon said how about you "Deal Direct with the Owners and Save!"? Peorians liked the sound of that better. They still do.

Today more than 190 employees bear Jack and Sharon's can-do attitude across four Central Illinois locations. Their son, Paul Sherman, currently steers this ship. He says all we have to do is, "Make sure our customers are really happy they chose Sherman's." Sounds easy enough, right? Actually no, but working hard is in our DNA.

You wanna know something silly? Just the other day we heard a mumbling that rhymed with Ham-azon, followed by, "Local businesses are doomed!". We've heard that before somewhere. Over 40 years ago.

You can work anywhere, but we're happy being different. It's exactly what you're going to love about us.

# Sherman's and You

## **About This Document**

This Employee Handbook summarizes Sherman's basic personnel policies and practices. It is meant to be a resource during your employment at Sherman's. Other helpful materials are distributed during new hire orientation and made available on the company intranet and from Human Resources.

The Handbook is designed to provide you with a brief overview of Sherman's policies, procedures, and benefits. Sherman's reserves the right to modify, revoke, suspend, terminate, or change any or all its policies or procedures in whole or in part at any time, with or without notice. This Handbook is not intended as a contract and supersedes any previous policy statements, written or oral. Following the policies described in this Handbook is considered a condition of employment. As described in the Handbook, your employment is not for a fixed term and is "at will," meaning both you and Sherman's have the right to end the employment relationship at any time, with or without cause and with or without prior notice or warning.

Unless otherwise stated, the Handbook applies to all employees – all regular or temporary, salary or hourly, full-time, and part-time employees – of Sherman's.

Some of Sherman's departments or stores may develop their own specific guidelines, policies, and/or procedures that apply only to their employees. These guidelines, policies, or procedures supplement the information provided in the Handbook. If they supersede the Handbook, employees will be advised of that and will be given a separate receipt of acknowledgment.

The Handbook shall not be interpreted or applied in a way that prohibits protected complaints or statements about wages, benefits, or other terms and conditions related to two or more employees, or communications about unionization, or that would interfere with the rights of employees to refrain from self-organizing, forming, joining, or assisting labor organizations, to refrain from bargaining collectively through representatives of their own choosing about wages, benefits, hours, and other working conditions, or to refrain from engaging in other activities for the purpose of collective bargaining or other mutual aid or protection, or to engage in such activities.

Remember that both the Sherman's Handbook and its contents are living things. They are changed from time to time to keep pace with what is going on around us.

## **Our Core Values**

Whether you are a delivery driver or a member of our sales team, you are driven by our Core Values. These are the values that lead everyone at Sherman's in our decisions and actions. They are the ways in which we respect ourselves and others. Please embrace these values and lead with them.

### **Have Fun**

Spread Cheer! Be uplifting and grateful, be a positive influence on everyone around you. Celebrate every chance you get – milestones, team wins, and personal victories. Learn to laugh. Don't take yourself too seriously. Keep it lighthearted when possible.

### **Demonstrate Integrity**

Tell the truth. Don't let important things go unsaid but be respectful. Ask for help when you need it. It's okay to ask early, don't wait for a crisis. Keep your promises, keep track of what you commit to and do it. Own your mistakes, be honest when you falter and make it right. Give credit where it's due, recognize those who set you up for success.

### **Show Ambition**

Be on time and ready to work, your team depends on you. Respect our systems, do things our way until you convince us of a better one! Work out problems directly, cut out the person in the middle and go directly to your coworker or customer. Be resourceful, try to solve problems on your own before escalating. Use your time productively, use downtime to learn, help, and improve.

### **Show Concern**

Check in on others, ask how they are doing. Practice empathy and active listening. Know your teammates, as employees and as individuals. Be respectful of our customers, their homes, our products, and your coworkers.

### **Be Helpful**

Help before you are asked, be proactive and jump in with a positive attitude. Speak the truth, be clear, honest, and thoughtful in your communication. Go the extra mile, do more than is asked or expected.

## **Develop Relationships**

Listen actively, don't just wait to talk next, really listen. Lift each other up, be encouraging to your coworkers. Hear from people your decisions affect, you'll gain insight into the full impact of your decisions. Set, know, and respect boundaries. If you're unsure, ask if it's okay. Apologize for your mistakes, doing so is a sign of strength, not weakness. Be aware of conflict at the intersections. As with traffic, most problems occur at the intersections between departments. Be mindful to keep inter-departmental relationships strong.

## **Getting Started**

New employees will have plenty of questions regarding Sherman's. We hope that this Handbook will satisfy the most frequently asked questions, but please do not hesitate to ask your manager or Human Resources if you have further questions.

## **What We Can Expect from Each Other**

At Sherman's, we believe the key to taking care of our customers and keeping a positive work environment is through the practice of our Core Values. We expect every one of our employees to Respect Themselves and to Respect Others. We regularly review our Core Values, and we measure much of our employees' success on their ability to embrace and exemplify them daily. Employees whose actions are deemed to be in violation of our Core Values may be subject to disciplinary action up to and including termination. Along with our Core Values, your manager will introduce to you the Core Expectations specific to your role. These Core Expectations will set a clear path for what is expected of you to succeed in your role at Sherman's.

## **Open Door Policy and Conflict Resolution**

We believe that candid and constructive communication is essential to the smooth functioning of our workplace and to maintaining an atmosphere of mutual respect. Accordingly, we have an "open door" policy, which means that you are welcome to discuss any suggestion, concern, or other feedback with any member of the company's management. You are encouraged to bring your ideas to the attention of management. Most misunderstandings can be resolved by a thorough discussion and mutual understanding between the parties involved. In general, it is best to discuss any concerns with your immediate supervisor first. If you are unable to reach a satisfactory resolution with your supervisor or are not comfortable discussing the issue with your supervisor, you are welcome to discuss the matter with the next level of management, with Human Resources, or with any member of senior management. When you bring a concern to Human Resources, it will be



reviewed, and if appropriate, action will be taken. Human Resources will communicate with you regarding the outcome.

## **Employment at Sherman's**

### **Attendance and Punctuality**

Hourly non-exempt employees are required to record their attendance by means of a biometric timekeeping system. Time clocks are in each Sherman's facility. See Appendix C for the entire Biometric Time Clock Policy.

Exempt employees are required to maintain an appropriate record of their attendance and hours worked. There are limitations based on the employee's standard work schedule for accumulation and anniversary year rollover of additional hours worked ("over"). Violations of attendance reporting procedures may be subject to disciplinary action up to and including termination.

All hourly (non-exempt) employees must "clock in" at the start of their shift and "clock out" at the end of their shift, as well as for their meal period (no punches are required for rest breaks). Employees are expected to limit "clock in" shift start times to no more than 10 minutes before their regularly scheduled start time. Exceptions must be pre-authorized by the employee's supervisor. Once an employee is clocked in, they are responsible for starting their work assignments. Time spent working while not clocked in, or vice versa, not working while clocked in, could be subject to disciplinary action up to and including termination.

If an employee is unable to punch in or out because of a time clock malfunction, accidental oversight, or other reasons (e.g. meeting or training at an off-site location, etc.), it is the employee's responsibility to report the error through Paycor. Each employee is assigned online access to review their time clock punches. Instructions for online access are posted at time clocks. Employees are expected to monitor their punches on at least a weekly basis and review for missed punches. Reports of time clock malfunction will be investigated by the supervisor.

In order to ensure consistency of treatment, the data recorded in the time keeping system shall be considered as the "official" record of the workday for these positions. Any disputes over actual hours worked will be resolved by referring to the time keeping records. All discrepancies must be reported to Human Resources immediately. If it is determined that an improper deduction or time calculation has occurred, the error will be promptly corrected.

Regular attendance and punctuality are extremely important parts of your obligations as a Sherman's employee. You are to work the hours scheduled by your manager. If you are going

to be absent or late to work, we expect to hear from you a minimum of one hour before the start of your scheduled workday.

Individual locations or departments may establish specific guidelines for attendance and punctuality, based on the needs of the business. If your location or department has specific guidelines, your manager or Human Resources will review them with you, and it is expected that you will abide by them throughout your employment in that department. We expect employees to strive for perfect attendance and to arrive for work on time. We recognize however that, on occasion, an absence or late punch may be unavoidable. Your supervisor will direct you on the appropriate method for reporting an absence. In the event that we have not heard from you for three (3) consecutive workdays, you will be considered to have resigned from your employment. Failure to comply with this policy may result in discipline, up to and including termination of employment.

### **Absences**

It is each employee's responsibility to know their schedule and to be present and ready to work at the start of each shift of work. It is the employee's responsibility to know how to contact their department manager. Pre-arranged absences for scheduled appointments, e.g. doctor/dental appointments, jury duty, etc., should be communicated to your manager as soon as they are known to facilitate scheduling. Tardiness, absence, or failure to provide notification of same may result in disciplinary action up to and including termination of employment. (Excused absence is limited to medical reason with doctor's note, jury duty, or death of immediate family member.) Employees wanting to use PTO to cover periods of absence must submit their request before the end of the applicable pay period.

### **Meal Period and Rest Breaks**

Hourly employees working shifts of 7.5 or more continuous hours are required to take a minimum 20-minute meal period off the clock. Hourly employees who work an excess of 7.5 continuous hours are entitled to an additional 20-minute meal period off the clock for every additional 4.5 continuous hours worked. Rest breaks must be strictly adhered to. Abuse of meal periods or rest breaks may be subject to disciplinary action up to and including termination. Meal periods must be clocked out on the time clock with failure to do so subject to disciplinary action up to and including termination.

Hourly employees who perform their work duties away from company property (e.g. delivery, repair, and install crews) and work 7.5 or more continuous hours a day are required to take a 20-minute unpaid meal period which will automatically be deducted since they are

unable to punch the time clock. The meal must begin no later than 5 hours after the start of the shift.

During meal periods, hourly employees are relieved of all active responsibilities. If an employee is legitimately unable to take their meal break, they are required to immediately notify their department manager of the same (in these cases, automatic meal period deductions will be reversed). Unauthorized extension of meal periods will be subject to disciplinary action up to and including termination. Employees are expected to work their full scheduled shift regardless of the duration of the meal period. Employees are not required to remain on company premises during their meal period, subject to the discretion of management.

Hourly employees will have two rest breaks scheduled per full-time shift, one before the meal break and one after. Part-time shifts of 6 hours or less generally will include one rest break. Rest breaks may not be more than 10 minutes in length. Rest breaks may not be used to extend the meal period, to cover a late arrival, or for leaving early and may not accumulate. Employees whose work schedule is on-site are required to remain on company property during rest breaks. Unauthorized extension of a rest period will be subject to disciplinary action up to and including termination.

Hourly employees are provided with one day off in every consecutive seven (7) day period, unless waived in accordance with Illinois law.

## **Work Schedules**

Employee work schedules may include evenings, weekends, and holidays. Employees occasionally may be required to participate in training hours beyond their standard work schedule. Sherman's is closed on Easter Sunday, Thanksgiving Day, and Christmas Day, although these days are not considered to be paid holidays and, as such, do not shorten required minimum hours per week. Hours worked beyond the minimum require supervisor authorization.

## **At-Will Employment**

Employment at Sherman's is not for any specified length of time, and both the employee and the company have the right to end the employment relationship at any time, with or without cause and with or without prior notice or warning.

## **Corrective Action**

To ensure orderly operations and provide the best possible environment, Sherman's expects employees to follow rules that will protect the interests and safety of all employees and the company. The Employee Handbook includes the Standards of Conduct, a list of examples of violations that may result in corrective action, up to and including termination of employment. The Standards of Conduct are only guidelines. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace, and the Standards of Conduct is not intended to be all-inclusive. Abiding by the Standards of Conduct is necessary but is not enough for your continued and successful employment at Sherman's. The bar is much higher, and employees are expected to perform at a very high level in serving our customers. As an at-will employer, Sherman's reserves the right in all circumstances to apply any level of corrective action as appropriate, up to and including immediate termination of employment, without prior corrective action or notice for conduct in either category or for conduct not described in the Standards of Conduct.

## **Dealing with the Public**

To ensure that Sherman's follows all rules regarding disclosure of information, the company has designated certain employees to represent the company to the public. No other employee should speak with media representatives on Sherman's behalf, even to answer seemingly harmless questions. Press inquiries and requests for interviews or public appearances by Sherman's or Sherman's representatives, and any financial inquiries, should be forwarded to a member of the Leadership Team or Human Resources. It is extremely important that all questions directed at Sherman's are forwarded to one of the above departments, who are the company's only designated spokespeople. Employees must always comply with Sherman's Confidential Information policy (see below in this Employee Handbook) by not revealing, confirming, or discussing confidential information without authorization.

Employees are prohibited from creating media or social media content, without the express permission of Sherman's. Employees are permitted to share media and social media posts generated by Sherman's to their personal accounts. Nothing in the Employee Handbook prohibits non-supervisory employees' communications about wages, hours, or working conditions.

## **Employment Classifications**

Each position at the company is broadly classified by regularly expected work hours and whether the employee is eligible for overtime pay. These classifications are dictated both by the company's business needs and state and federal wage-hour laws.

Each position falls into one of the following employment types:

- **Regular full-time:** Regular (non-temporary) employees who are regularly expected to work a minimum of 30 hours per week are considered to be full-time. Such full-time employees are eligible for benefits after applicable requirements for length of service have been met.
- **Regular part-time:** Regular (non-temporary) Employees who regularly work less than 30 hours per week are considered to be part-time. Such part-time employees are not eligible for benefits.
- **Short-term employee:** Hired for employment that is expected to last no more than six months, such as an intern or seasonal employee.
- **Temporary:** Sherman's may occasionally supplement its regular workforce with temporary employees to help compensate for workload, employee absences, or other situations. Temporary employees are those engaged to work either part-time or full-time with the understanding that their association will be terminated no later than upon their completion of a specific assignment. Individuals assigned through an employment agency are not considered employees of Sherman's and are not eligible for any benefits, mandated or otherwise. Interns and co-op students may be employed on a short-term, hourly basis and are not eligible for Sherman's benefits except as mandated by law.

Employees are also classified as exempt or non-exempt. Non-exempt employees are eligible for overtime pay and are ordinarily paid by the hour and, and exempt employees are not eligible under federal and state laws for overtime pay and are ordinarily paid a salary. Changes to an employee's employment type must be approved by the employee's manager and Human Resources.

## **Internal Transfers and Promotions**

Current employees interested in a transfer to another position are subject to the same standards as external candidates. Transfers are determined by business needs and employee qualifications. Employees should not be approached regarding a transfer or open position without the knowledge of their manager and Human Resources. Managers should not actively recruit within the company without consulting with the employee's current manager. Transfers are to be made in a manner that disrupts ongoing operations as little as possible; however, completion of the transfer should take place within 30 calendar days from the date of job offer to the applicant. To be considered for a transfer, an employee must complete the Internal Candidate Application and should coordinate the application process with the current and future department managers and Human Resources.

Employees may apply for a transfer opportunity provided they meet the following eligibility requirements:

- Minimum of 6 months' continuous service in present position, or the approval of the hiring manager.
- Job performance at a satisfactory level, not the subject of any written disciplinary action within the last 6 months and have the approval of both department managers.
- Must show that they have demonstrated the skills and competencies needed to assume the responsibilities of the new position.

Employees interested in applying for an open position can contact Human Resources or the hiring manager for additional job information. If the employee requests so, Human Resources will keep their initial inquiry into a posted position confidential to the greatest extent possible.

Before submitting the Internal Candidate Application Form, employees must discuss with their manager their intention of applying for an internal position. Managers shall not retaliate against an employee who requests consideration for a transfer.

## **Orientation Period**

A minimum four (4) week orientation period will begin upon hire or transfer to allow the supervisor and the employee an opportunity for mutual assessment. Employees who transfer are not guaranteed a return to their original department if the orientation period is not favorable.

With respect to new hires:

- During the orientation period Sherman's may discharge the individual or the individual may resign at any time without recourse to the complaint procedures contained in this Handbook.
- Paid time off (PTO), if applicable, accrues effective on the date of hire but may not be used during the 4-week orientation period.
- Absences during the 4-week orientation period will be unpaid. Exempt employee (non-hourly) absences occurring during the orientation period must be reported in writing by the supervisor to the Payroll Accounting Office prior to but no later than immediately upon the employee's return to work.

Nothing concerning the orientation period shall be construed as any guarantee of employment for any period after completion of the same. Sherman's reserves its rights and grants to all its employees their rights available in "at will" employment. Employees may be terminated at any time, including during or after the orientation period, for any reason, with or without cause, at the discretion of management.

## **Performance Evaluations**

Sherman's is committed to providing you with feedback, both formal and informal, about your performance and progress on the job. Managers and employees are responsible for ongoing feedback following the 1 on 1 process which reviews the employees' strengths and Core Values, identifies any areas needing improvement, and sets goals and objectives to achieve. Specific performance issues may be addressed outside the 1 on 1 process through coaching and/or disciplinary action, formal or informal. Sherman's or individual store or departments may establish more frequent performance review periods. Performance evaluations become a part of your personnel file and may be used for future employment decisions and consideration such as transfers, promotions, compensation decisions, training, salary reviews, and corrective action.

## **Personnel Information and Records**

Human Resources is the primary custodian of the official employment records of all personnel employed at Sherman's, both past and present. The information the company maintains is needed by the company in conducting its business or is required by federal, state, or local laws.

Personal Information: Human Resources should be notified promptly of any changes in name, residential address, home telephone number, marital status, name of beneficiary, or dependents listed on your insurance policy, number of dependents for withholding tax purposes, or person to notify in case of an emergency. Most employees can update this information by using our Paycor self-service option. Employees who do not have access to the self-service option in Paycor should notify Human Resources with such changes. Additionally, your manager will be provided with your telephone number in the event they need to contact you for business purposes. Internal access will be limited to those who have legitimate business reasons.

Personnel files: Human Resources will maintain your personnel file. Your personnel file ordinarily will be made available to your manager and others with a need to know, such as a hiring manager if you apply for a new position internally. The employee's personnel file kept in Human Resources shall be available for examination and review by the employee. Such review or examination shall take place between the hours of 8:00am-4:00 pm, Monday-Friday, in the presence of the record's custodian or designee and only upon prior notice. Employees must submit a signed request in writing to access their file and present valid identification. Nothing may be taken from or added to a personnel file during the review. In most cases, a personnel file will be made available within seven (7) calendar days from receipt of the written request. Personnel files are company property and may not be

removed from company property. If you believe that certain materials in your personnel file are irrelevant, inaccurate, or obsolete, you may informally request their removal by speaking with HR or submit a written statement that may be included in your personnel file. You may also request copies of specific documents in your file.

## **Reasonable Accommodation**

Sherman's complies with the Americans with Disabilities Act and applicable state and local laws prohibiting discrimination in employment based on a person's physical, mental, or sensory disability. All employment practices, employment decisions, and activities are conducted on a non-discriminatory basis. Sherman's also will provide reasonable accommodation for qualified individuals with a disability where it is medically necessary to perform one's job, except in cases in which the reasonable accommodation would create an undue hardship or a health or safety risk would exist.

If you have a disability that affects your ability to perform your job and you feel you need an accommodation, please contact your manager or Human Resources. Sherman's will work with you to determine if a reasonable accommodation is necessary and appropriate. The company may request medical certification to verify the existence of a disability or work restrictions, to identify potential reasonable accommodations, or to determine any safety or health risks. In addition, Sherman's may contact your healthcare provider(s) in appropriate situations.

Sherman's will treat information regarding your medical conditions and restrictions as confidential, except to the extent your manager or other individuals need to know about your medical situation to help with the reasonable accommodation process.

## **Resignation**

If you decide to resign from your employment at Sherman's, we request that you provide at least two (2) weeks' notice. This will give your manager the opportunity to adjust his or her plans with the least amount of interruption to company work schedules. We encourage employees who resign voluntarily to submit such resignation in writing, with the reason for resigning and the effective date stated.

## **Statements of Non-Discrimination and Equal Opportunity**

Sherman's is strongly committed to our policy to provide equal employment opportunities to all individuals. We are committed to employing a diverse workforce. We value all employees' talents and support an environment that is inclusive and respectful. A strong commitment by each employee is necessary to ensure equal employment opportunity for all.



It is the policy of Sherman's that there will be no discrimination against any employee or applicant for employment on the basis of race, religion, creed, color, national origin, citizenship, marital status, sex, age, sexual orientation, gender identity, veteran status, political ideology, ancestry, the presence of any physical, sensory, or mental disabilities, or other legally protected status. This policy pertains to all personnel-related activities, including selection, hiring, benefits, work schedules, promotions, demotions, transfers, recruiting, advertising, reductions-in-force, terminations, and all forms of compensation and training. The Illinois Human Rights Act affords employees protections against unlawful discrimination in employment and the right to certain accommodations and provides for the filing of a charge with the Illinois Department of Human Rights (IDHS) for violations of the Act. For additional information, see the "Pregnancy and Your Rights in the Workplace" and "Job Discrimination and Sexual Harassment" notices attached to this Handbook as Appendix A and Appendix B, respectively.

Sherman's will not tolerate or permit any employee to suffer retaliation of any kind or to suffer any adverse employment action because of reporting an unlawful discrimination or harassment claim. Any employee who believes that he or she has been discriminated against or has suffered from harassment or retaliation for reporting discrimination or harassment should report it to his or her manager, or to any member of management at Sherman's, or to Human Resources. Upon receipt of the complaint, the company will conduct a prompt investigation and will take appropriate corrective action as may be warranted.

## **Working Hours**

Managers are responsible for establishing work schedules that accommodate operational priorities, and each employee should be flexible in meeting these priorities. Work schedules for hourly employees may vary from department by department and week by week. This flexibility is critical to Sherman's success as a company. The intense nature of our business and the demands of a retail environment require that employees make a serious commitment of time and energy to Sherman's. Salaried employees should clearly understand that they may sometimes work extended hours to help the company succeed. Hourly employees may also be required to work varying amounts of overtime, as Sherman's business needs require. Most positions at the company require employees to work full-time. All employees must report all hours worked, whether at a Sherman's building or off-site. No one may allow or ask any hourly employee to work "off the clock" without being paid. Please check with your manager or Paycor app regarding your work schedule.

# **Compensation**

## **Equal Pay**

Sherman's does not restrict employees of one sex to certain job classifications and makes retention and promotion decisions without regard to an employee's sex. Sherman's strives to comply with equal pay principles set forth in federal and state anti-discrimination laws, including the Illinois Equal Pay Act, Illinois Human Rights Act, Equal Rights Act, and Title VII of the Civil Rights Act.

## **Overtime Pay**

Sherman's shall compensate all hourly employees time and one-half for actual hours worked in excess of 40 hours each week. The work week begins on Monday morning (12:01 a.m.) and ends on Sunday at midnight (12:00 a.m.). Only employees who do not qualify as exempt under federal or state law are eligible for overtime pay.

Occasionally, employees may be asked to work overtime to complete necessary work tasks. The employee's supervisor will notify the employee as early as possible regarding scheduling needs. Overtime must be approved in advance and will be paid at the rate of one and one-half times the employee's regular hourly rate of pay for all hours worked in excess of 40 hours during a workweek. Vacation hours are not considered "hours worked" in the calculation of overtime pay.

Tasks performed outside the employee's standard work schedule without the authorization of the supervisor may be compensated but will result in disciplinary action up to and including termination.

## **Pay Increases**

Pay increases are not automatic. Compensation is reviewed periodically and supported by job performance, monthly 1 on 1's, and other applicable resources. Other pay adjustments however, under specified conditions, may be effective from time to time on a case-by-case basis. Some factors affecting pay rates include, but are not limited to promotion, job performance, available funding, and the needs of the company. Any questions concerning an employee's rate of compensation should be discussed with his/her department manager.

## **Pay Periods and Direct Deposit**

- Sherman's employees are paid bi-weekly, no later than thirteen (13) days following the end of the two-week pay period.
- Sales bonuses will be issued no later than 17 days following the end of the 4-week bonus period, with the same payment options as bi-weekly pay.
- If a pay day falls on a holiday, paychecks will be distributed on the closest business day before the holiday.
- The payroll week is 12:01 am Monday through 12:00 am Sunday.
- Each hourly employee is responsible to ensure all their time clock entries are complete and accurate by no later than 12:00 pm each Monday. Missed punches or adjustments should be reported through Paycor.
- Employees have the option of either direct deposit or paper paychecks. Direct deposit of your paycheck is a fast, safe, and dependable way to put your money in the bank and, best of all, it is completely free. Your paycheck will be deposited into your bank account automatically every pay period. If you are interested, use the self-service option in Paycor to add your banking information. If you have any questions about the process, please contact Human Resources. Changes to direct deposit information should be updated in Paycor at least 7 days prior to the end of a pay period.
- Replacement paychecks require a stop payment bank fee. The employee is responsible to cover the stop payment fee on any replacement check that is not attributable to company error, e.g. employee did not update address resulting in check mailed to incorrect address.
- Exempt employees who fall below their minimum days worked and have no PTO will receive a wage deduction for each day missed.
- Questions regarding hourly rates of pay should be directed to the employee's department manager.
- Paper paychecks will be mailed to the current address on the employee's Paycor profile. They will be sent through the Postal Service on the day they are received at Sherman's Administrative Offices in Peoria.

## **Payroll Deductions**

Sherman's is legally required to take certain deductions from every employee's compensation, including federal income taxes, state, and local income taxes (where applicable), Social Security, and other mandatory withholdings. Employees are required to complete and change, as appropriate, a W-4 form indicating the number of allowances claimed for tax withholding purposes. In some cases, Sherman's may be required by law to make other deductions, such as garnishment and child support. The company will also

deduct amounts authorized by an employee in accordance with the employee's benefit elections. Finally, at termination of employment, Sherman's may also deduct from employees' last paychecks for items owed to the company, including but not limited to corporate credit card debt, negative vacation balance, lost equipment, or money owed to the company.

Sherman's strives to comply with all applicable wage and hour laws. In the event of an inadvertent or improper deduction from pay, employees must immediately notify their supervisor. Any questions, concerns, or complaints about pay deductions should be directed to your supervisor. Sherman's will promptly investigate reports of improper deductions. If Sherman's determines an improper deduction has been made, the employee(s) will be properly reimbursed.

## **Travel Time Pay**

From time to time, employees may be required to travel for work purposes. Hourly employees who are required to travel for work purposes are eligible for paid travel time in certain circumstances, consistent with applicable state and federal wage and hour laws. Travel time will be paid at the employee's regular hourly rate and will be used in overtime calculations.

Exempt employees are not separately compensated for time spent traveling for business. More information regarding travel time pay is available from Human Resources.

## **Benefits**

The fringe benefits portion of the total compensation program of Sherman's consists of two categories: those mandated by local, state, or federal law and those authorized by management. The needs of individuals and the company change from time to time, therefore, management maintains the right and the duty to improve, modify, decrease, or eliminate certain benefits or substitute or provide entirely new benefits. Whatever action might be taken in this regard, Sherman's will continue to attempt to remain competitive. Any change of benefits normally will be accomplished by advance notification, if feasible.

Unless otherwise stated, eligibility for fringe benefits is effective on the date of full-time hire. Questions regarding fringe benefits should be directed to Human Resources.

## **401(k) Retirement Plan**

Employees are eligible to participate in the 401(k) plan following one (1) year of employment and 1000 hours of service. Employees may select pre-tax or after-tax options. Employee contributions are matched dollar-for-dollar up to 3% gross compensation contribution and 50 cents-on-the-dollar on 4-5% contribution. (The employee's 5% gross compensation contribution maximizes the employer matching contribution of 4%.)

## **Employee Purchase Program**

Sherman's offers a generous employee purchase program for employee purchase of products for personal use in their own home. Eligibility is first of the month following one month of employment. See Appendix D for complete details. Violations of the Employee Purchase Program may result in disciplinary action up to and including termination of employment.

## **Leaves of Absence**

### **Benefits During a Leave of Absence**

Employees do not accrue vacation, holiday, or personal days while on an unpaid leave of absence, unless required by regulation. Medical insurance coverage will typically remain in effect during the leave, although the employee will be required to pay the employee portion of the premium, the entire premium amount, or become subject to COBRA coverage, depending on the type and duration of leave. Insurance premiums left unpaid will result in the termination of that policy.

### **Bereavement Leave**

Sherman's complies with the Illinois Family Bereavement Leave Act ("FBLA") and will grant up to ten (10) workdays of unpaid, job-protected leave to:

1. Attend the funeral or alternative to a funeral of a covered family member;
2. Make arrangements necessitated by the death of the covered family member;
3. Grieve the death of the covered family member; or
4. Absence(s) due to (i) miscarriage; (ii) an unsuccessful round of intrauterine insemination or of an assisted reproductive technology procedure; (iii) a failed adoption match or adoption that is not finalized because it is contested by another party; (iv) a failed surrogacy agreement; (v) a diagnosis that negatively impacts pregnancy or fertility; or (vi) a stillbirth.

The FBLA defines "covered family member" to include an employee's child, stepchild, spouse, domestic partner, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent. Any leave taken under the FBLA will be counted against the employee's twelve

(12) weeks of FMLA eligibility, such that employees will not be entitled to any additional leave beyond the 12 weeks of FMLA leave. An employee should provide Sherman's with at least forty-eight (48) hours' advance notice of his or her intention to take bereavement leave, unless providing notice is not reasonable or practicable. An employee may provide adequate notice by contacting their direct supervisor or Human Resources. FBLA Leave must be completed within sixty (60) days after the date on which the employee receives notice of the death or date in which a qualifying event occurs. Six (6) weeks of unpaid bereavement leave will be offered if the death of more than one covered family member occurs within a 12-month period.

Sherman's may request reasonable documentation as a basis for leave. Documentation may include a death certificate, a published obituary, or written verification of death, burial, or memorial services, or government agency. For leave resulting from an event listed in Section four above, Sherman's may provide the employee with a form to be completed by the health care practitioner treating the employee, or when applicable, the employee's spouse or domestic partner. Sherman's will not require the employee to identify which specific category listed in Section four above pertains to the employee. Employees may, at their discretion, substitute any accrued and unused PTO to cover some or all of the unpaid Family Bereavement Leave period, prior to using unpaid leave.

### **Discretionary Leave of Absence**

A discretionary leave of absence, without pay and authorized in advance, may be granted in extraordinary circumstances, including but not limited to, extended illness or other disability, to care for a family member, to provide additional time as necessary following a leave granted under FMLA, or if the employee is ineligible for FMLA leave. A leave of absence means the employee intends to return to the same or similar position. However, unless otherwise required by law, Sherman's cannot guarantee that an employee on a discretionary leave of absence will return to his/her former position or receive the same rate of pay. Available accrued PTO must be exhausted before taking an unpaid leave of absence.

In no case will an employee be granted an unpaid leave of absence strictly for alternative employment and/or training for such employment and doing so is subject to disciplinary action up to and including termination. Requests for unpaid leave of absence must be submitted in writing to the department manager. Granting such a request is subject to the discretion of management depending on the needs of the company. Requests for unpaid leaves of absence may not be made during the orientation period. Unpaid leaves of absence normally are limited to thirty (30) days or less. PTO does not accrue during an unpaid leave of absence.

For medical leave purposes, Sherman's requires a health care provider's statement verifying the need for medical leave and the start and expected end dates. Employees are responsible for providing sufficient information to Sherman's and for informing Sherman's of any subsequent changes to that information. Medical circumstances require a doctor's authorization to return to work.

Each employee is advised to discuss continuation of insurance benefits with Human Resources prior to going on an unpaid leave, see the section above regarding medical/dental/vision insurance.

Absent extenuating circumstances, or prior notification to and approval of the applicable Department Manager, an employee will be considered as having voluntarily resigned or abandoned their employment at Sherman's if they do not return to work when the granted discretionary leave of absence expires.

### **Family and Medical (FMLA) Leave**

Eligible employees are entitled to leave in accordance with the Family and Medical Leave Act ("FMLA") and the U.S. Department of Labor's FMLA regulations. For more information, see the notice entitled "Employee Rights and Responsibilities Under the Family and Medical Leave Act" attached to this Handbook as Appendix E. An eligible employee's entitlement is 12 weeks of FMLA. Employees are required to submit certification, on the form provided by Sherman's, to substantiate that the leave will be taken for the employee's or a member of their immediate family's serious health condition, or to care for a service member or for a qualifying exigency. Unless otherwise provided by law, employees must submit certification within 15 days of Sherman's certification request. If certification is not provided timely or is insufficient, the request for leave may be delayed or denied.

Sherman's requires that employees utilize unused accrued PTO while on FMLA leave. Once all PTO has been exhausted, the FMLA leave shall be unpaid. Example: If an employee has accrued two (2) weeks PTO, that PTO will be allocated toward the first two (2) weeks of the 12 week (or 26 week) entitlement and the remainder of the leave will then be unpaid leave.

### **Military Leave**

Sherman's will grant a military leave of absence to employees who are absent from work because they are serving in the uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) or applicable state law. Employees who take a leave of absence for military duty are required to comply with any notice and reinstatement obligations of USERRA and applicable state law.

## **Outside Employment During Any Leave**

Unless given written approval by the Human Resources Department, employees on any leave are prohibited from engaging in outside employment of any kind and/or training for such employment during the leave. Failure to comply will result in disciplinary action up to and including termination.

## **Premiums Paid Policy**

If FMLA leave is unpaid, Sherman's requires employees to pay their share of premium payments in any of the following ways:

- Payment would be due at the same time as it would be made if by payroll deduction,
- Payment would be due on the same schedule as payments are made under COBRA,
- Payment would be prepaid pursuant to a cafeteria plan at the employee's option,
- Existing rules for payment by employees on "leave without pay" may be followed, provided that such rules do not require prepayment of the premiums that will become due during a period of unpaid FMLA leave or payment of higher premiums than if the employee had not taken leave.

Sherman's requires that payment be made to the Accounting Department. No additional charge will be added to the employee's premium payment for administrative expenses.

If an employee's premium payment is more than 30 days late, Sherman's may drop the employee's health insurance coverage. In order to drop insurance coverage for an employee whose premium payment is late, Sherman's must provide written notice to the employee that the payment has not been received, and that his or her insurance coverage will end at a specified date at least 15 days after the date of the written notice unless payment is received by that date. This notice must be mailed to the employee at least 15 days before coverage is to cease. Even when Sherman's ceases health insurance coverage due to an employee's failure to pay his or her premium payments, all other obligations under the FMLA would continue, including the obligation to reinstate the employee upon return from leave to their original position or to an equivalent position, with equivalent pay, benefits, terms, and conditions of employment. Equivalent benefits include the same level of group health insurance benefits as prior to the leave without any qualifying period, physical examination, and the exclusion of pre-existing conditions

If Sherman's chooses to maintain health benefits during the leave by paying an employee's share of premiums during the employee's unpaid FMLA leave, at the conclusion of leave,



Sherman's is entitled to recover only the costs incurred for paying the employee's share of any premiums whether or not the employee returns to work.

### **VESSA Leave**

In accordance with the Illinois Victims' Economic Security and Safety Act ("VESSA"), employees who are the victim of domestic violence, sexual assault or stalking, or crimes of violence, or whose family or household member is a victim of domestic violence, sexual assault or stalking, or crimes of violence may take up to twelve (12) weeks of unpaid leave in any twelve (12) month period if the employee or employee's family or household member is experiencing an incident of domestic violence, sexual violence, gender violence, or any other crime of violence by:

- Seeking medical attention for or recover from physical or psychological injuries caused by domestic, sexual, or gender violence, or any other crime of violence;
- Obtaining services from a victim services organization;
- Obtaining psychological or other counseling;
- Participating in safety planning, relocating temporarily or permanently, or taking other actions to increase safety from future domestic, sexual, or gender violence, or any other crime of violence, or ensure economic security; or
- Seeking legal assistance or remedies to ensure health and safety, including preparing for or participating in any civil or criminal legal proceeding relating to or derived from domestic, sexual, or gender violence, or any other crime of violence.

For purposes of this policy, a "family or household member" includes a spouse, civil union partner, parent, son, daughter, other person related by blood or by present or prior marriage, other person who shares a relationship through a son or daughter, other person whose close association with the employee is the equivalent of a family relationship as determined by the employee, or a person jointly residing in the same household with the employee.

Leave may be taken consecutively, intermittently or on a reduced schedule basis. Employees seeking leave under this policy must provide at least forty-eight (48) hours' advance notice unless such notice is impractical. Employees may also be required to periodically report on the status of their circumstances and intent to return to work. Sherman's may require certification that the leave was taken for one (1) of the purposes identified above and/or that the employee or employee's family or household member is a victim of domestic, sexual, or gender violence, or any other crime of violence. Employees must respond to the request for certification within a reasonable period of time and can do so by providing a sworn statement. Upon obtaining such documents, the employee must also provide one of the following, if available:

- Documentation from a victim services organization, attorney, member of the clergy or medical or other professional from whom the employee or the employee's family or household member has sought assistance;
- A police or court record; or
- Other corroborating evidence.

The employee shall choose which document to submit, and Sherman's will not require more than one document to be submitted during the same 12-month period that the leave is requested if the reason for the leave is related to the same incident(s) of violence. Sherman's will keep all information pertaining to an employee's request for leave and/or certification of the need for leave confidential, except in cases where an employee requests or consents in writing to disclosure or disclosure is required by federal or state law.

Time off under this policy is unpaid, except that employees will be allowed, but not required, to substitute any available paid leave, including accrued paid leave. Additional PTO is not earned during any period of unpaid leave. Upon return from leave, employees will be restored to the same position or to an equivalent position with equivalent benefits, pay and other terms and conditions of employment. Sherman's will not retaliate or tolerate retaliation against employees who request or take leave in accordance with this policy. Questions about VESSA leave should be directed to Human Resources.

## **Medical/Dental/Vision Insurance**

Eligibility for these programs is first of the month following one month of employment and is limited to employees working an average of 30 hours or more per week. Sherman's uses a lookback measurement period from February 1 to January 31 to determine eligibility status. Sherman's medical plan meets the minimum coverage/minimum value standard, and the employee cost of this coverage meets affordability standards based on employee wages. Sherman's provides a portion of the monthly medical insurance premium. Dental and vision insurance premiums are 100% employee paid. The employee's portion of premiums is payroll deducted pre-tax. Summary plan descriptions may be obtained in the online benefits enrollment tool or from Human Resources.

Part-time employees who have an increase in their work schedule to an average of 30 hours per week may become eligible for insurance benefits as of the first of the next month, providing they have already passed one month of employment. Eligibility determination will adhere to current federal guidelines.

During periods of any leave, all employee pre-tax insurance premiums normally paid by payroll deduction will be after tax and paid directly to Sherman's with due dates following the current bi-weekly payroll schedule. After missing two consecutive premium payments, the employee's insurance may be cancelled. If applicable, maintenance of insurance will be in accordance with the Family and Medical Leave Act.

## **Online Records and Insurance Benefit Enrollment**

Sherman's uses an online records and insurance benefits enrollment tool for employees to keep their demographic records current, enroll in new hire benefits, make qualifying event changes, and complete open enrollment. Failure to complete the enrollment process is considered a waiver of benefits. During open enrollment, employees currently covered under an insurance plan will lose that coverage if they do not complete the open enrollment process and make the appropriate election to continue coverage. Questions regarding employee benefits should be directed to Human Resources.

## **Paid Personal Time Off (PTO)**

Sherman's believes employees should have opportunities to enjoy time away from work to help balance their lives. For this reason, we provide a program of Paid Time Off (PTO) to all employees. PTO is a time-off-with-pay program to provide employees with the freedom to decide how to use their personal time off. Sherman's believes this program offers more liberal use of time off with pay than traditional vacation, sick, and personal time packages. Employees may use their flexible days in a number of different ways, for example:

- Vacation or holiday
- Personal reasons
- Absences due to illness, injury, or medical appointment (including personal care for covered family members\*)
- Personal/family emergencies
- Bereavement of covered family members\*
- Jury duty

\*Pursuant to the Illinois Employee Sick Leave Act (820 ILCS 191/5) and the Illinois Family Bereavement Leave Act (820 ILCS 154/10) *et. seq.*, "covered family members" include the employee's child, stepchild, spouse, domestic partner, sibling, parent, mother in-law, father-in-law, grandchild, grandparent, or stepparent. For bereavement, employees are entitled to up to 10 working days of unpaid leave. See the FBLA policy below for more information on qualifying absences. "Personal care" includes activities to ensure that a covered family member's basic medical, hygiene, nutritional, or safety needs are met, or to provide transportation to medical appointments, for a covered family member who is unable to meet those needs himself or herself. "Personal care" also means being physically present to provide emotional support to a covered family member with a serious health condition who is receiving inpatient or home care.

PTO time accrues throughout the year beginning on date of hire (rate changes occur at employee's anniversary) and the amounts in the table below reflect the total accrued by the end of the anniversary year. Unused accrued PTO rolls over to the next anniversary year. Rollover is limited to two times the employee's yearly rate. Accrual balance at any one time may not exceed twice the employee's current yearly rate. Employees may view their PTO balance anytime by logging into their Paycor account.

PTO may only be used once it is accrued with the exception being during the 4 week orientation period. The company generally does not allow for the advance use of PTO that has not yet been accrued. PTO can be used in hour increments. Available PTO must be used during periods of leave taken under FMLA, except in situations where FMLA and leave under worker's compensation run concurrently. Accrued but unused PTO will be paid out only at time of employee exit.

The company will attempt to accommodate all requests for use of PTO; however, final determination shall be at the sole discretion of the company, and will depend, in particular, on the anticipated operating requirements and staffing needs during the proposed period of absence, and on the efficient operation of the company. As such, there may be occasions when employees will be denied or required to postpone their time off, or to plan their time off in a manner that allows the work of the company to be continued effectively. The company also reserves the right to require employees to involuntarily utilize their PTO during times deemed appropriate and necessary by the company, or to account for time missed from work by employees. PTO may not be used during any period of unpaid suspension.

Employees may elect to donate their accrued available PTO to another employee who needs additional time off of work due to bereavement or the recipient employee's and/or their family member's medical condition causing a prolonged absence from work and under certain circumstances: the recipient must not be in their initial 30-day orientation period; must have exhausted all of their own accrued available PTO; must be on an approved Medical Leave of Absence, Family Medical Leave, or have medical documentation of time missed for periods of illness as defined above; and may not be on worker's compensation. PTO may not be donated to provide the recipient with additional vacation time or to supplement time for outside employment. Donated PTO will be applied per pay period as needed. Requests to donate PTO must be made through the Human Resources office and are subject to verification.

### PTO Accrual Rates

	1st Year	2nd Year	3rd Year	4th Year	5th -9th Years	10+ Years
<b>Hours** (Full Time Hourly Employees)</b>	<b>80</b>	<b>96</b>	<b>112</b>	<b>128</b>	<b>144</b>	<b>160</b>
<b>Days (Full Time Exempt Employees)</b>	<b>10</b>	<b>12</b>	<b>14</b>	<b>16</b>	<b>18</b>	<b>20</b>

\*\*Part-time accrual rate is 50% full time rate.

## **Supplemental Insurance**

A variety of products are available through American Family Life Assurance Company (AFLAC) and Assurity Life. The entire premium cost is borne by the employee and may be tax-deferred depending on the policy. Eligibility is the same as stated in the section above regarding medical/dental/vision insurance.

## **Voluntary Life and Voluntary Accidental Death and Dismemberment Insurance**

A program of guaranteed issue is available for employees, the employee's spouse, and the employee's child(ren). The entire after-tax premium cost is borne by the employee. Eligibility is the same as stated in the section above regarding medical/dental/vision insurance.

## **Company Personnel Policies**

### **Cell Phone Use While Driving**

Illinois law prohibits the use of hand-held cellphones, texting, or using other electronic devices while operating a motor vehicle. Illinois allows use of hands-free devices or Bluetooth technology for persons aged 19 and over. Cell phone use while driving, even hands-free, can be distracting. We are concerned about your safety as well as the safety of others. The use of cell phones while operating company owned or leased vehicles is strictly limited to legal hands-free or Bluetooth devices. Any other wireless phone use is never permitted by the driver of a moving vehicle. The only time a Sherman's employee may use any other wireless phone in a moving vehicle is when they are the passenger, such as a delivery assistant. Necessary business calls should be made either before leaving the previous location or after arriving at the next destination and, in this regard, only after the vehicle is stopped and the gear is in "park." If the employee is operating the motor vehicle, the vehicle must be stationary and in "park" before initiating the call. If a call is received while an employee is operating a motor vehicle and cannot be answered in hands-free mode, the employee should either pull over onto the shoulder of the road and place the vehicle

into “park,” or, preferably, drive to an appropriate parking location and place the vehicle in “park” before returning the phone call. Only business calls are permitted on wireless phones provided to an employee by Sherman’s, except in cases of emergency. An employee who, while operating their personal vehicle in the course of performing his or her job functions, finds it necessary to use a hands-free wireless phone must do so in a safe and lawful manner. Employees should not operate a motor vehicle on a roadway while using an electronic communication device to watch or stream video, participate in any video conferencing application (including, but not limited to, Zoom, Microsoft Teams, or Webex), or access any social media site, including, but not limited to, Facebook, Instagram, or TikTok. Violations of this policy may result in disciplinary action up to and including termination.

## **Communications After Hours**

Employees who are given company devices, or whose personal devices are connected to Sherman’s network, or their Sherman’s email accounts, are not required to and shall not read or respond to work-related emails outside of working hours. With the exception of to/from a “hot phone” hourly employees are not required to and shall not answer/make work-related calls or respond to/send work-related texts outside of working hours. Exceptions may be made under authorization from a supervisor or in emergency situations and will be appropriately recorded as worked time. Supervisors generally are prohibited from contacting hourly employees after hours except in cases of emergency. This policy does not apply to communications necessary for reporting absences in the manner prescribed by the department manager or to exempt employees whose job duties may require conducting company business outside regular business hours. Violation of this policy may be subject to disciplinary action up to and including termination of employment.

## **Company Equipment**

Company equipment and property are entrusted to employees to perform work assigned to them. If the equipment is in need of repair, servicing, or cleaning, it is expected that employees report it to their department supervisor. The use of company equipment on or off site for personal use is prohibited. Additionally, employees who use Sherman’s cell phones, tablets, laptops, or other electronic devices may not, at any time, enable facial recognition capabilities, fingerprint access capabilities, or any other use of biometric identifiers. Employees exiting the company are expected to return all company property issued to them. Misuse of company equipment or property may lead to disciplinary action up to and including termination of employment. All questions regarding this policy should be directed to Human Resources.

## **Computer Usage and Company Email**

Sherman's is committed to accomplishing its business objectives in a secure manner. Each employee must assist in achieving this goal while safeguarding corporate information assets. The basic regulations for using the computer systems are as follows:

- Computers are for business use only during working time.
- The company may access any information created, transmitted, or stored on its information systems.
- Copying or downloading software of any kind is prohibited without prior permission.
- Internet is for business use only – incidental and occasional personal use is permitted.
- The company provides email accounts to its employees for business use. Company email accounts are a primary method of relaying important company information and employees are required to monitor their email account regularly, keeping the account current and up to date.
- Use proper email etiquette. Ask your manager prior to sending an email if you have any questions.
- Any email of an offensive, pornographic, or otherwise inappropriate nature is considered harassment, and strictly prohibited.
- Company proprietary information must be protected, e.g. locking unattended workstations and employing password protection for computers and electronic devices.
- Instant messaging services may be provided to ease communication between employees – non-business use is prohibited.

Violations regarding any aspect of computer usage are subject to disciplinary action up to and including termination. This policy shall not be construed as prohibiting employees from using Sherman's email to communicate with each other for statutorily protected communications during nonworking time.

## **Confidential Information**

Some employees may be exposed to Sherman's confidential information. For purposes of this Handbook, "confidential information" includes, but is not limited to, non-public financial records (excluding wages), business, marketing, and strategic plans, the identity of, contact information for, and any other account information on customers, vendors and suppliers, inventions, programs, trade secrets, formulas, techniques and processes, employee social security numbers and protected health information, and any other non-public documents or information regarding Sherman's operations, procedures, or practices. Employees must not disclose any confidential information to any unauthorized person inside or outside Sherman's

without express permission from Sherman's (this prohibition does not include wages, benefits, or other terms and conditions of employment at Sherman's). Employees who are unsure about the confidential nature of specific information must ask their manager or the Humans Resources Manager for clarification. Sherman's reserves the right to avail itself of all legal or equitable remedies to prevent impermissible possession, distribution, and/or use of confidential information. In addition, employees will be subject to appropriate disciplinary action up to and including termination for possessing, revealing, and/or using confidential information without authorization of Sherman's.

## **Credit Cards/Gas Cards**

Sherman's offers company credit cards and/or gas cards for employees who travel frequently for their duties, purchase large volumes of goods for use by the company, or incur frequent business expenses that can be paid by card. Company credit cards cannot be used to obtain cash advances, bank checks, traveler's checks, or electronic cash transfers for anything other than expenses incurred by the employee whose name appears on the card. The card also is not to be used for personal expenses. Sherman's reserves the right to recover personal expenses from the employee. Lost or stolen company-issued credit/gas cards must be reported to your supervisor and the Accounting Department immediately.

Misuse of a company issued card or violations of any aspect of this policy may result in cancellation of the card and/or disciplinary action up to and including termination of employment. Cards must be returned by exited employees and submitted to the Accounting Department.

Sherman's utilizes a company named Ramp to manage company credit cards. Ramp cards are issued by the Accounting Department to specific individuals and should not be "loaned out" to anyone. The card holder is responsible for all activity on their card. Ramp has an online portal and mobile app to manage cards and transactions. The Ramp program requires actions from both the employee cardholder and their manager which are covered below.

## **Employee Responsibilities**

Each time the Ramp card is used, there are two items which must be uploaded to Ramp to justify the purchase and assist the Accounting Department in allocating expenses correctly.

- A legible picture of the receipt showing both the purchase details and the purchase total
- A memo including a short description of the purchase, and if needed, who approved the purchase. Some common examples are provided below:
  - Gas for work vehicles
  - Food/Meals – why they were purchased and who approved the purchase
  - Equipment – why was it purchased (to replace lost/stolen or old/broken), and who approved the purchase



The above items can be uploaded to Ramp through either the phone app, logging into Ramp on a computer, or the phone text feature which an employee can select while creating their user profile.

If a receipt is lost or the employee is unable to upload the receipt, a policy exception must be requested on Ramp with an explanation of why the receipt is missing.

### **Manager Responsibilities**

The manager is responsible for reviewing all purchases and ensuring that receipts and memos are uploaded for each purchase. After ensuring both requirements have been met, the manager needs to approve the purchase. Managers should be reviewing and approving purchases in a timely manner (at least weekly) and quickly resolving issues with missing requirements or questionable purchases.

If a manager encounters a trend of questionable purchases or missing requirements, these should be reported to the Accounting Department immediately.

All purchases must be approved by the 20<sup>th</sup> day of each month so that the Accounting Department can finalize monthly expenses.

### **Damage to Property**

Every effort needs to be made to prevent damage to the merchandise that Sherman's sells, Sherman's property owned or leased (trucks, equipment, etc.), and our customer's property. While it is possible to eliminate the vast majority of damage by following procedures and being careful, accidents do happen.

If damage occurs, notify your supervisor or the store manager immediately and follow department procedures for reporting damage. Product and/or other damage may impact incentive bonus programs and also may result in disciplinary action up to and including termination of employment.

### **Dress Code**

Dress, grooming and personal cleanliness standards ensure we project the proper business image to our customers and visitors. During working hours, employees are expected to present a clean and neat appearance and to dress according to the requirements of their positions. The personal appearance of our employees will be governed by the standards below. Employees who report to work inappropriately attired may be asked to clock out and leave work to change clothing/shoes. Consult your supervisor if you have questions as to what constitutes appropriate attire and/or appearance.

## **General Guidelines Expectations for All Sherman's Employees**

- Hair should be clean, combed, and neatly trimmed or arranged. Facial hair is acceptable if it is neatly trimmed. Nothing in this policy shall prohibit protected hair textures and/or styling, in accordance with Illinois law.
- Personal hygiene is necessary. Regular showers or baths are required.
- Flip Flops and backless sandals are not permitted. Open-toed shoes are not allowed in warehouses or repair service areas.
- Clothing may not be torn, excessively wrinkled, frayed, faded, or distressed.
- When wearing any clothing with a hood, hoods should always be down. This includes while working in stores, in the warehouse, and in customer's homes.
- Waistband of pants/shorts must not sit lower than the top of the hip. Underclothing must not be visible outside the waistband of the pants/shorts.
- Jewelry and earrings must be of a professional appearance. Jewelry, including earrings, which is exposed or hangs loosely away from the body or otherwise presents a safety hazard is prohibited.

## **Warehouse, Delivery, Install, Repair, and Maintenance**

Employees engaged in tasks involving customers are required to wear company-designated uniforms at all times while working and representing Sherman's.

New employees will receive the following uniforms depending on their department upon hire. Employees are required to sign for the uniforms, and the uniforms are considered company property and are to be returned in the event of termination of employment or anytime upon demand.

Upon issue, company uniforms become the responsibility of the employee for maintenance and care. In the event a uniform needs repair or replacement, employees will be required to return the uniform in exchange for a replacement.

Sherman's may issue new uniforms periodically or require uniforms to be returned for special purposes (e.g., logo change). Employees will be given notice of the exchange, and the company will provide suitable replacement uniforms. Once new uniforms have been issued, employees should turn in their previous uniforms, and not wear them again. Employees working out of uniform or found to be in violation of the uniform policy will be sent home with the opportunity to change into the appropriate attire, and may receive corrective action up to and possibly including termination.

Employees should contact their manager if they have questions regarding this policy or its implementation.

- Employees are expected to wear the standard uniform in its entirety and without alterations. The uniform needs to be clean and worn in a neat fashion.
- Pants are not provided as part of the uniform. The expectation is that employees wear black or dark-colored pants or dark jeans with no rips, tears, holes, distressing, or embellishment. Sweatpants and athletic shorts are not permitted.

- Company provided hats must be worn with the bill facing forward. Durags may be worn but must be black in color, covered by the hat and may not extend beyond the hairline.
- Small rings and wedding bands are permitted but must not be worn while performing jobs where they might present a hazard to the employee or others.
- Shoes with non-skid soles and safety toes are required. One pair of compliant shoes or boots is available through the company program “Shoes for Crews,” additional shoes or boots must be compliant.
- In the event that you’d like to purchase an additional uniform shirt, coat, or pullover, Sherman’s will replace it at **a cost to you listed below** via a voluntary payroll deduction. The procedure for replacements is to see your manager on duty and have them fill out the voluntary payroll deduction form.
  - Polos: **\$33**
  - Pullover: **\$35**
  - Coat: **\$130**
- All warehouse, delivery, and installation employees will be provided with Personal Protective Equipment (PPE): a safety knife, and a pair of work gloves. It is your responsibility to have these items in your possession during your shift and use them when necessary. Sherman’s provided PPE are the only items approved for use. Failure to have and use these items without notifying the direct supervisor on duty may result in disciplinary action for not following procedures and may also be grounds for termination.
  - The initial safety knife being issued to you by Sherman’s will be at no charge to you. Sherman’s will replace the blade in the initial knife issued to you at no charge when it wears out.
  - In the event that you lose your safety knife, Sherman’s will replace it at **a cost of \$4.25 to you** via a voluntary payroll deduction. The procedure for replacements is to see your manager on duty and have them fill out the voluntary payroll deduction form.
  - The initial pair of gloves issued to you by Sherman’s will be at no charge to you. As gloves wear out, Sherman’s will replace your gloves as long as you have your original set to exchange.
  - If you lose the gloves that were issued to you, Sherman’s will replace them at **a cost of \$3.25 to you** via a voluntary payroll deduction. The procedure for replacements is to see your manager on duty and have them fill out the voluntary payroll deduction form.

## **Sales Professionals, Store Management, and Guest Experience Employees**

- Employees must adhere to uniform guidelines for their specific sales area. This includes Sherman's uniform collared dress or polo shirts with dress pants (Dockers style or nicer) or skirts (2" above the knee or longer). Men's shirts must be tucked in. Some sales areas may vary and require business professional attire.
- Men's footwear should be black, brown, grey, or dark blue dress-style shoes with a professional appearance. Women's footwear must be of a professional appearance with heels 2" or lower. Sandals, flip flops, backless shoes, above the-knee boots, tennis shoes or athletic-style footwear are not permitted.
- Jewelry and earrings must be of a professional appearance.

## **Office and Administrative Staff**

- Business casual attire is expected. Nice jeans are acceptable.
- Inappropriate attire includes but is not limited to the following:
  - Logo clothing (sport teams, cartoon characters, etc.) other than company logo.
  - Backless tops, strapless tops, halter tops, tank tops, or spaghetti straps (including sundresses).
  - Midriff showing.
  - Short shorts.
  - Sweatpants.
  - Gym-style clothing e.g. mesh insert leggings, stripe down the side yoga pants, two-tone, etc.
  - Athletic wear.
  - Clothing that is ripped, frayed, stained or messy.

## **Driving While on Company Business**

Many employees in the course of their duties operate vehicles owned by or leased to Sherman's or personal vehicles operated on behalf of Sherman's. To encourage safe operation of vehicles and to clarify issues relating to drivers and Sherman's:

- All drivers must have a valid driver's license in the appropriate vehicle category and be familiar with/follow IL rules of the road.
- Motor Vehicle records may be checked periodically. Driving privileges may be suspended or terminated if your record includes an unacceptable number of accidents or violations. Should your record fall into our insurance carrier's guidelines of an "unacceptable driver" and your job duties include driving, your employment may be terminated.
- Your supervisor must be notified of any change in your license status or driving record.
- Seat belt usage is required in accordance with IL statute. Cell phone usage must be hands free according to IL state law as well.

- Vehicles owned by or leased to Sherman's must be locked and secured when unattended.

When operating your own vehicle for Sherman's business:

- Your personal auto liability insurance is the primary payer. Sherman's insurance is in excess of your coverage.
- Only standard vehicles should be driven for company business, e.g. no motorcycles, custom vehicles, or modified vehicles.
- Evidence of insurance coverage may be requested at any time.
- Sherman's is not responsible for any physical damage to your vehicle. You must carry your own collision and comprehensive coverage.
- Mileage must be accurately tracked and reported for expense reimbursement.

In the event of an accident:

- Take necessary steps to protect the lives of yourself and others.
- Comply with police and emergency personnel instructions.
- Do not assume or admit fault. Others will determine liability and negligence after thorough investigation.
- Report the accident to your supervisor or Human Resources as soon as possible. If you are injured, complete an injury report within 24 hours. Sherman's is not responsible for any moving traffic violations, parking tickets, or any other city ordinances or state/federal laws regarding your driving habits and operation/care of your personal motor vehicle. Any tickets issued are the employee's responsibility, even if the ticket is issued while conducting business for Sherman's.

## **Emergency Procedures**

Employees are expected to treat each other, contractors, customers, and visitors with courtesy and professionalism. Sherman's will not tolerate violence, threats of violence, or other intentional or reckless conduct by anyone that harms or threatens the safety of employees or others. Anyone who observes or experiences conduct that violates this policy or any situation that has a potential risk of workplace violence, should immediately report it to a manager or Human Resources. In the event of life threatening or property-theft concerns, CALL POLICE 911.

## **Employment of Relatives and Friends**

Although preferential treatment in employment of relatives and friends is not permitted, we do encourage employees to refer qualified applicants for any open positions. To minimize the potential for actual or perceived conflicts, Sherman's does prohibit direct supervisory relationships between relatives, except in unusual circumstances.

## **Employment References**

It is Sherman's policy to provide prospective employers with only the dates of employment and positions held by former employees. Managers who receive requests for an employment reference must transfer the request to Human Resources before providing a reference.

## **Health and Safety**

Sherman's places a high value on the health and safety of its employees. As part of its commitment to providing a safe workplace for all employees, Sherman's complies with all applicable regulations and has adopted a core safety policy that no task is so important that an employee must violate a safety rule or put themselves at risk of injury or illness in order to get it done. Ensuring a healthy and safe work environment is a responsibility that must be shared equally by each employee. Employees are encouraged to actively participate in identifying ways to maintain a safe and healthy workplace. All managers are responsible for the safety of their employees and are expected to monitor the workplace for unsafe conditions, procedures, or behaviors and take prompt action to eliminate any hazards.

## **Online Social Networking**

Sherman's recognizes the growing importance of online social media networks as a communication tool. This Social Media Policy addresses employees' use of such networks including personal websites, web logs/blogs, wikis, social networks, online forums, virtual worlds, and any other kind of social media (including, but not limited to, Facebook, Twitter, Instagram, Snapchat, and YouTube).

This Social Media Policy must be viewed in conjunction with the other provisions of Sherman's Employee Handbook and other company policies which are also applicable to employees' use of social media networks and require full compliance by employees. Sherman's takes no position on an employee's decision to use social media networks. Sherman's respects an employee's right to post or publish information and to express individual opinions in social media networks for organizing or other lawful purposes, during their personal time outside of the workplace, so long as such use is consistent with this Social Media Policy. However, use of social media networks during working time or on Sherman's equipment is prohibited, unless such use is for Sherman's business with the express permission of Sherman's.

If an employee chooses to utilize social media networks, the employee is responsible for complying with the following restrictions on social media use:

- Employees are prohibited from acting as a spokesperson for Sherman's or posting comments as a Sherman's representative, without the express permission of Sherman's.
- Employees are prohibited from displaying Sherman's logo or trademark, or the logo or trademark of one of Sherman's customers, vendors, competitors, business partners or agents, on any social media network without the express permission of Sherman's.
- Employees shall not post images of Sherman's officers, shareholders or employees without their consent, and shall not post any nonpublic images of Sherman's premises, equipment or other property, or of Sherman's events or business activities, without express permission from Sherman's. This prohibition does not include the use of Sherman's logo or trademark for protected concerted activities, or the use of images showing Sherman's employees or its premises/equipment/other property engaged in/a part of protected concerted activities.
- Employees must refrain from displaying or sharing profane, lewd, sexually suggestive, or otherwise inappropriate images or information on or through a social media network.
- Employees are prohibited from making statements or sharing communications about Sherman's, or its officers, shareholders, employees, customers, vendors, competitors, business partners, agents or other third parties encountered by employees by virtue of their employment at Sherman's that could be considered discriminatory (based on a legally protected characteristic), harassing, abusive, threatening, or otherwise inappropriate.
- Employees must not violate any local, state, or federal law as a result of their use of a social media network.

#### **No Restrictions on Protected, Concerted Activity**

This Social Media Policy will not be interpreted or applied in a manner that prohibits protected complaints or statements regarding wages, benefits, or other terms and conditions applicable to two or more employees, or communications about unionization, or that would interfere with the rights of employees to refrain from self-organizing, forming, joining, or assisting labor organizations, to refrain from bargaining collectively through representatives of their own choosing, or to refrain from engaging in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, or to engage in such activities.

#### **Violations of Policy**

An employee who is responsible for a social media network posting, communication or other use who fails to comply with this Social Media Policy, this Handbook, or otherwise causes harm to Sherman's or any of its officers, shareholders, employees, vendors, business partners, agents, or other third parties encountered by employees by virtue of their employment at Sherman's, may be subject to disciplinary action up to and including

termination (excludes protected, concerted activities). Employees shall also indemnify and hold Sherman's and its officers, shareholders, employees, vendors, business partners, agents, and such third parties harmless from and against, and shall promptly reimburse them for, any and all losses, claims, damages, settlements, costs and liabilities of any nature whatsoever (including attorney fees) to which any of them may incur or become subject to, arising out of, based upon, as a result of, or in any way connected with the employee's social media network posting, communication or other use.

### **No Expectation of Privacy and Monitoring of Social Media Use**

Sherman's cautions that employees should have no expectation of privacy for any publicly available social media network posting or communication that they may make. Sherman's reserves the right to monitor and review any posting or communication made in a publicly accessible social media network, at any time, for any or no reason, with or without cause.

### **Reporting Violations**

Employees who become aware of a social media network posting or communication that may be in violation of this Social Media Policy must immediately report such violations to their supervisor. Failure to do so may result in disciplinary action up to and including termination.

### **Product Returns**

During the normal course of business, a product may be returned to Sherman's for a variety of reasons. Regardless of the reason for return, all product remains the property of Sherman's. Violations of use may result in disciplinary action up to and including termination.

### **Protection Against Personal Loss**

Employee individual property brought to the workplace is not considered to be in the care, custody, and control of the company and is not covered by any of Sherman's insurance coverage should the property become damaged or stolen. Private property is the responsibility of the individual. Employees are encouraged to minimize the amount of individual property used in their work. To the extent that the use of individual property is necessary in an employee's work, the employee should have their own personal fire and homeowner policy endorsed to include items used in their possession.



## **Purchasing and Spending Authorization**

All employees should understand and contribute to the company's philosophy of spending money carefully and wisely. Spending should be done conservatively, with the overall goal of spending money only in order to increase the value to our customers. Employees should plan ahead as much as possible, and all purchases above \$100 should be approved by the immediate manager in advance of being made. One key factor in our long-term success will be our ability to keep costs low.

## **Reporting Accidents and Concerns about Workplace Safety**

Employees are responsible to and should immediately report any accidents or unsafe work practices involving employees, customers, vendors, and Sherman's property to their immediate manager, Human Resources, or any member of the Leadership Team. In the event of a work-related accident that results in injury or illness, employees must immediately notify their manager and Human Resources. Such reports are necessary to comply with federal and state laws and to initiate insurance and workers' compensation benefits coverage for the employee's medical expenses and lost salary. Obtain the necessary medical treatment. If you must leave work to seek off-site medical treatment, report to your supervisor before doing so. Failure to report may result in disciplinary action up to and including termination. No retaliation of any kind will be permitted or tolerated against an employee for making a workers' compensation claim or reporting unsafe work practices. If employees believe that they have been retaliated against, they should report this immediately to their manager or to Human Resources.

## **Return to Work Program**

When available, Sherman's generally provides modified duty work for employees recovering from injury or returning from other qualified leave. The Return to Work program is temporary and generally does not exceed six months of modified duty. Questions about the Return to Work Program should be directed to Human Resources.

## **Safety Committee**

This group meets regularly and aids the company in its efforts to practice and promote a safe working environment. Better known as SHARP – Safety Has A Real Purpose – the mission statement reads: "Safety is a priority, not an option! Sherman's is committed to promoting and providing a safe work environment for all personnel. We will establish safety policies and procedures, foster a positive safety attitude, and enable employees to work together to maintain a safe workplace. Sherman's is committed to promoting employee well-being both on and off the job. We will pledge our support to create and maintain a healthy workplace

and encourage employees in their wellness efforts.” Employees are encouraged to report safety suggestions, questions, or concerns to SHARP. Employees interested in participating in SHARP should contact Human Resources.

## **Safety Programs and Training**

Sherman’s has developed an extensive safety program that is regularly reviewed and improved. During their orientation, employees receive essential information about safety procedures as appropriate for their department. Departments and stores may develop and publish safety procedures, guidelines, or rules specific to their operations or location. Where appropriate, Sherman’s also provides regularly scheduled safety training that provides guidelines on safe work practices to minimize workplace hazards. Employees are expected to be aware and comply with general safety guidelines, as well as the policies and procedures that pertain to each work area, and to use safe equipment, proper protective equipment, and the proper tools that are appropriate for each job. We expect our employees to refrain from horseplay, careless behavior, and negligent actions.

## **Searches**

Sherman’s may conduct searches on company facilities or worksites without prior notice to employees. Such searches may be conducted at any time. Employees are expected to cooperate fully. Searches of employees and their personal property may be conducted when there is reasonable suspicion to believe that the employee has violated this Handbook or other Sherman’s policy or when circumstances or workplace conditions justify such a search. Personal property may include, but is not limited to, purses, backpacks, boxes, briefcases, as well as any Sherman’s property that is provided for employees’ personal use, such as desks, cabinets, and files. An employee’s consent to a search is required as a condition of employment and the employee’s refusal to consent may result in disciplinary action, including termination. Employees should not have an expectation of privacy as to any property or articles on Sherman’s premises, or used while performing Sherman’s business, including computers, electronic equipment, etc.

## **Smoking (tobacco)**

No use of tobacco products is allowed in company facilities, company vehicles, on job sites or customer property, or within visual range of job sites or customer properties. Smoking (tobacco) or tobacco use shall be permitted only in designated smoking areas located at least 25 feet outside any building entrance, operable windows, and ventilation systems of enclosed areas to prevent tobacco smoke from entering those areas. All materials used for

smoking (tobacco) in designated areas, including cigarette butts and matches, will be extinguished, and disposed of in appropriate containers. For the purposes of this policy, “tobacco” is defined to include cigarettes, cigars, pipes, and any other tobacco smoking product; dip, chew, snuff, snus, and any other smokeless tobacco product; and nicotine delivery devices such as e-cigarettes and vape mods. FDA-approved nicotine replacement therapy products used for tobacco cessation are excluded from this definition.

## **Solicitation and Distribution**

Employees shall not solicit any other employee during working time, nor shall employees distribute literature during working time, or in working areas at any time without prior authorization from Human Resources or the Director of Strategy and Culture. Limited exceptions may include those for charity related purposes or for signing sympathy, birthday, or similar personal cards. Additionally, employees are prohibited from bringing or allowing persons not employed by Sherman’s onto Sherman’s property for the purpose of soliciting or distributing literature without the express consent of the Human Resources Manager.

## **Standard Operating Procedures**

Sherman’s utilizes a system of operating procedures that are shared department- and/or company-wide to facilitate standardization of operations and knowledge sharing for optimum efficiency and customer satisfaction. Employees are expected to follow applicable SOP’s and may be subject to disciplinary action up to and including termination for failing to do so.

## **Workplace Harassment**

If you believe that you or another employee has been subject to workplace harassment, pursuant to the provisions of the Workplace Harassment policy in this Manual, you should immediately report this to any manager or member of Human Resources. See the Workplace Harassment policy for more information.

## **Standards of Conduct**

The work rules and standards of conduct for Sherman’s are important and the company regards them seriously. All employees are urged to become familiar with these rules and standards. In addition, employees are expected to follow the rules and standards faithfully in doing their own jobs and conducting Sherman’s business.

The Standards of Conduct are a list of examples of infractions, which demonstrate general disregard for Sherman's Core Values, which may result in corrective action, up to and including termination. The Standards of Conduct are only guidelines. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace, and the Standards of Conduct are not intended to be all-inclusive or exhaustive. As an at-will employer, Sherman's reserves the right in all circumstances to apply any level of corrective action as appropriate, without prior corrective action or notice for conduct in either category or for conduct not described in the Standards of Conduct. Employment with Sherman's is at the mutual consent of Sherman's and the employee, and either party may terminate that relationship at any time, with or without cause, and with or without advance notice.

## **Category 1**

The following work conduct infractions are regarded as extremely serious, and termination of employment may result following one offense:

- Failure to adhere to Sherman's Core Values.
- Discourtesy, disrespect, or rudeness to a customer, provider, or the general public resulting in a complaint or loss of goodwill.
- Theft or inappropriate removal or possession of property.
- Assaulting, threatening, intimidating, coercing, bullying, or interfering with supervisors or fellow employees.
- Making unauthorized statements on behalf of the company to the press or in any public forum (as only the company's authorized spokespersons may make authorized statements).
- Use or possession of dangerous or unauthorized materials such as hazardous chemicals or explosives, or use or possession of firearms, knives, explosive devices of any kind, or weapons of any kind on any company premises.
- Violation of the company's Drug-Free Workplace policy including possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty or on breaks, or while operating employer-owned or leased vehicles or equipment.
- Arriving to work/working in a state that may lead to decreased productivity or may endanger the employee and/or other(s) due to, for example, extreme fatigue, illness, being impaired by or under the influence of any impairing or intoxicating substance(s), and/or using any substance that may have impairing or intoxicating effects.
- Smoking in the workplace.
- Unsatisfactory performance or conduct, including failure to fully complete training that is offered.
- Unauthorized disclosure of business related confidential information.
- Fighting or threatening violence in the workplace.
- Gross misconduct or negligence.
- Sexual or other unlawful or unwelcome harassment.

- Making, publishing, or repeating knowingly or maliciously false statements concerning an employee, the company, or its products.
- Discriminating against a fellow employee or prospective employee on the basis of race, religion, creed, color, national origin, citizenship, marital status, sex, age, sexual orientation, gender identity, veteran status, political ideology, ancestry, or the presence of any physical, sensory, or mental disabilities or other legally protected status.
- Negligence or improper conduct leading to damage of employer-owned, employer-leased, or customer-owned property.
- Insubordination or intentional disregard of instructions.
- Falsification of personnel or other company documents/records, including employment application.
- Unauthorized removal of company documents.
- Intentionally making entries on another employee's timecard/sheet, or falsely altering a timekeeping document, including clocking in/out on behalf of another employee.
- Leaving company premises without permission during assigned work hours (unpaid meal periods are not "work hours" for purposes of this policy).
- Failure to fully cooperate with company investigations or provide written witness statements (except for questions regarding labor organizations or protected concerted activity).
- Violation of safety policies, procedures, standards, regulations, or laws during shifts at Sherman's.
- Creating a hazardous or dangerous situation
- Engaging in any conduct that places the health and safety of any person at risk

## **Category 2**

The following work conduct infractions are considered serious and result in corrective action:

- Unauthorized absence, excessive absenteeism, or any absence without notice
- Failure to carry out a work assignment in an efficient, responsible, and acceptable manner
- Abusive, vulgar, or harassing language to a supervisor, fellow employee, or vendor
- Failure to adhere to starting time, quitting time, or break time policies, or wasting time
- Unauthorized use, misuse, or abuse of equipment, products, material, or property belonging to other employees, belonging to the company, or in the company's custody.
- Unauthorized use of telephones or other company-owned equipment.
- Excessive use of company equipment for purposes other than business-related.
- Leaving a company-assigned work area during scheduled working hours without permission
- Violations of the no-solicitation, no-distribution policy
- Creating or contributing to disorderly or unsanitary conditions
- Failing to report or remedy any unsafe conditions, procedures, or behaviors

- Failure to immediately report an accident/injury, regardless of severity, when it occurs on company property, or while performing company business

These rules apply to any and all interactions with customers, fellow employees, or anyone else associated with the workplace on-site or off.

## **Drug Free Workplace**

Sherman's recognizes that drug and alcohol abuse may be an on-the-job problem as well as a social problem. We believe that abuse of alcohol, marijuana, and prescribed drugs and the use of illegal drugs endanger the health and safety of the abusers/users and of others around them. Sherman's is committed to creating and maintaining a Drug Free Workplace and to assisting valued, but troubled employees, provided they are prepared to help us help them. See Appendix F for the complete Drug Free Workplace Program policy.

## **Discrimination, Harassment, Bullying, and Sexual**

### **Harassment**

Sherman's strives to provide a work environment that is free from discrimination, bullying, harassment, violence, and sexual harassment. Sherman's will not tolerate unwelcome or unreasonable behavior or actions towards others. This conduct is prohibited in any form at the workplace, work-related functions, or outside of work if it affects the workplace, by employees, clients, customers, guests, vendors, and persons doing business with the company.

### **Complaint Procedure**

In the event an employee believes they have witnessed or experienced unlawful harassment or bullying, they are expected to immediately report the matter through the Handbook Complaint Procedure.

### **Discipline**

Any employee who engages in, condones, or otherwise participates in any form of harassment in violation of this policy will be subject to disciplinary action up to and including termination of employment. If a non-employee, e. g. customer or vendor, is guilty of discriminating, bullying, or harassing behavior, appropriate action will be taken including, but not limited to, banning the individual from the premises or involving the proper authorities.

## **Sexual Harassment**

It is against Sherman's policy, and it is illegal for any employee, singularly or in conjunction with another employee or non-Sherman's employee, to sexually harass another worker in any way.

Sexual harassment is defined as "...unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature ..." when:

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

Sexual harassment can be verbal, non-verbal, visual, or physical. Sexual harassment can include but is not limited to: sexually-oriented jokes; flirtation; obscene letters or notes; inappropriate compliments; sexual propositions or advances; "cat calls" or whistling; possession or display of sexually-explicit objects or pictures; exchange of sexual "gag" gifts; inappropriate discussion of one's sexual experiences or desires; comments about an individual's body or appearance, even outside their presence; sexual gestures; physical contact such as patting, pinching, or purposely rubbing up against another's body; demands or pressures (actual or implied) for sexual favors; repeated requests for dates; continuing to express sexual or romantic interest after being informed the interest is not welcomed; making promises or suggestions (actual or implied) of preferential or adverse treatment as a result of one's acceptance or rebuttal of sexual advances; and retaliating against an employee for refusing sexual advances. In accordance with Illinois law, Sherman's provides annual training on sexual harassment prevention that must be completed by all employees.

## **Unlawful Discrimination and Harassment**

Sherman's expressly prohibits any form of unlawful discrimination and/or harassment based on actual or perceived race, color, religion, national origin, ancestry, age, sex, pregnancy, marital status, sexual orientation, gender identity or expression, disability or association with a disabled person, unfavorable discharge from military service, military status, status as a Vietnam-era or special disabled veteran, genetic information, citizenship, order of protection status or any other protected status/characteristic. Prohibited discrimination and harassment include any conduct connected with a protected characteristic that has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment. Harassment is prohibited whether it occurs in person, in writing, by telephone, fax, e-mail, via the Internet, or through any other means of communication.

Prohibited harassment can be physical, verbal, or visual. Examples of prohibited physical harassment include, but are not limited to, unwelcome physical contact, invading one's physical space, damaging one's personal property, offensive gestures, or any other offensive act directed at someone because of her/his race, color, religion, national origin, ancestry, age, sex, pregnancy, marital status, sexual orientation, disability, and other characteristics protected under state, federal, or local law. Examples of prohibited verbal or visual harassment include, but are not limited to, unwelcome comments, jokes, epithets, threats, insults, name-calling, negative stereotyping, possession or display of derogatory pictures or other graphic materials, and any other words or conduct that demean, stigmatize, intimidate, or single out a person attributable to any lawfully protected characteristic. For more information, see Appendix B.

## **Workplace Bullying**

Sherman's prohibits bullying of any kind from employees while working, at work functions, and while traveling on business. Bullying is defined as unwelcome or unreasonable behavior that demeans, intimidates, or humiliates an individual or group of individuals.

Bullying can be an isolated incident or persistent incidents, carried out by a group or an individual, direct or indirect, verbal or physical. Examples of bullying include but are not limited to abusive or offensive language, unwelcome behavior, unreasonable insults or criticism (especially in public), teasing and/or spreading rumors, trivializing of work or achievements, and exclusion or isolation.

## **Complaint Procedure**

Sherman's expects all individuals to create an atmosphere free of discrimination, bullying, and harassment, and to respect the rights of others. Sherman's also expects its employees to comply with all applicable laws and regulations. In the event an individual believes they have witnessed or experienced discrimination, bullying, harassment, or other unlawful conduct, they should promptly report the incident to a member of management or Human Resources. Once made aware of a complaint, Sherman's is committed to commence a thorough and timely investigation of the allegations. Complaints will be kept confidential to the maximum extent possible.

If, at the conclusion of an investigation, Sherman's determines that an employee is guilty of discriminating, bullying, harassing behavior, or other unlawful activity, appropriate disciplinary action will take place up to and including termination. If a nonemployee is guilty of discriminating, bullying, harassing behavior, or other unlawful activity, appropriate action



will be taken including, but not limited to, banning the individual from the premises or involving the proper authorities.

Sherman's prohibits any form of retaliation against any employee for filing a complaint under this procedure, or for assisting in a complaint investigation. An employee found to have engaged in retaliation shall be subject to disciplinary action up to and including termination.

## **Employee Discipline**

For many types of rules violations, Sherman's has adopted a program of progressive discipline. If there is a question as to the appropriate form of discipline, the decision of the supervisor shall be determinative. As a general rule, progressive discipline usually is appropriate under circumstances of relatively minor infractions where the supervisor believes coaching and progressive discipline may be useful in assisting the employee to overcome the offending habit(s) or practice(s).

Even when utilized, forms of progressive discipline may vary from case to case. The basic guideline of progressive discipline provides:

1. Coaching conversation or verbal warning. Verbally counseling the employee that repetition of certain conduct will result in further discipline. Even though these are verbal, there are documented records of the communication submitted by the supervisor for placement in the employee's personnel file. The decision as to whether to conduct oral counseling or proceed to another form of discipline is left to the discretion of the supervisor.
2. Written warning. A formal written document informing the employee of their infraction and stating that further rules violation will result in additional disciplinary action.
3. Suspension, with or without pay. This action always is communicated in writing, and use is up to the discretion of the manager.
4. Dismissal (also referred to as termination). This action always is communicated in writing.

Progressive discipline may not be utilized in each case. Some employee action may be considered so serious as to justify immediate dismissal without prior "warning" or a "suspension." While progressive discipline usually is preferred, nothing in these guidelines requires its utilization in every case. Even when progressive discipline is used, nothing in these guidelines prevents skipping or eliminating steps where circumstances dictate. As an example, in some circumstances a suspension without pay may intensify the situation to be remedied and consideration might be given to disciplining the employee with a final written warning instead of a suspension without pay.

All original documentation pursuant to disciplinary action must be forwarded to Human Resources and becomes a permanent part of the employee's personnel file.

# **APPENDIX A**

## **PREGNANCY AND YOUR RIGHTS IN THE WORKPLACE**

If you are pregnant, recovering from childbirth, or have a medical or common condition related to pregnancy, **you have the right to:**

- Ask your employer for a reasonable accommodation for your pregnancy, such as more frequent bathroom breaks, assistance with heavy work, a private space for expressing milk, or time off to recover from your pregnancy.
- Reject an unsolicited accommodation offered by your employer for your pregnancy that you do not desire.
- Continue working during your pregnancy if a reasonable accommodation is available, which would allow you to continue performing your job.

### **Your employer cannot:**

- Discriminate against you because of your pregnancy.
- Retaliate against you because you requested a reasonable accommodation.

It is illegal for your employer to fire you, refuse to hire you, or refuse to provide you with a reasonable accommodation because of your pregnancy. For more information regarding your rights, download the Illinois Department of Human Rights fact sheet from the website at [www.illinois.gov/dhr](http://www.illinois.gov/dhr).

### **For immediate help or if you have questions regarding your rights, call:**

(312) 814-6200 or (217) 785-5100 or (866) 740-3953 (TTY)

#### **Chicago Office**

100 W. Randolph St.  
10<sup>th</sup> Floor  
Intake Unit  
Chicago, IL 60601  
(312) 814-6200

#### **Springfield Office**

222 S. College  
Room 101-A  
Intake Unit  
Springfield, IL 62704  
(217) 785-5100

The charge process may be initiated by completing the form at:

<http://www.illinois.gov/dhr>

*Illinois Department of Human Rights – IOCI17-0405 (02/17)*

# Appendix B

## Job Discrimination and Sexual Harassment

You Have the Right to be Free from Job Discrimination and Sexual Harassment.

The Illinois Human Rights Act states that you have **the right to be free from unlawful discrimination and sexual harassment**. This means that employers may not treat people differently based on race, age, gender, pregnancy, disability, sexual orientation, or any other protected class named in the Act. This applies to all employer actions, including hiring, promotion, discipline, and discharge.

### REASONABLE ACCOMMODATIONS

You also have the right to reasonable accommodations based on pregnancy and disability. This means you can ask for reasonable changes to your job if needed because you are pregnant or disabled.

### RETALIATION

It is also unlawful for employers to treat people differently because they have reported discrimination or harassment, participated in an investigation, or helped others exercise their right to complain about discrimination or harassment.

### REPORT DISCRIMINATION

To report discrimination, you may:

1. Contact your employer's human resources or personnel department.
2. Contact the Illinois Department of Human Rights (IDHR) to file a charge.
3. Call the Illinois Sexual Harassment and Discrimination Helpline at 1-877-2367703 to talk to someone about your concerns.

#### **Chicago:**

James R. Thompson Center  
100 W. Randolph St., Suite 10-100  
Chicago, IL 60601  
(312) 814-6200  
(866) 740-3953 (TTY)  
(312) 814-6251 (Fax)  
Website: [www.illinois.gov/dhr](http://www.illinois.gov/dhr)

#### **Springfield:**

535 W. Jefferson St.  
1<sup>st</sup> Floor  
Springfield, IL 62702  
(217) 785-5100  
(866) 740-3953 (TTY)  
(217) 785-5106 (Fax)  
Email: [IDHR.Intake@illinois.gov](mailto:IDHR.Intake@illinois.gov)

*Illinois Department of Human Rights – IOCI19-0181 (09/18)*

# **APPENDIX C**

## **BIOMETRIC TIME CLOCK POLICY AND GUIDELINES**

Sherman's uses a third-party biometric time keeping system to record hourly non-exempt employee time records. Sherman's currently uses Paycor as its time and attendance tracking system. It is the policy of Sherman's to comply with the Illinois Biometric Information Privacy Act, 740 ILCS 14/1 *et seq* ("BIPA"), which addresses the collection, capture, purchase, use, and storage of biometric identifiers and biometric information (as those terms are defined under BIPA at 740 ILCS 14/10). Biometric identifier means retina or iris scans, fingerprints, voiceprints, or scans of the hand or facial geometry. Biometric information means any information, regardless of how it is captured, stored, or shared, based on an individual's biometric identifier used to identify an individual.

Sherman's collects biometric information and identifiers ("Biometric Information") for the purpose of verifying an employee's identity when accessing the third-party biometric time keeping system. Sherman's, through its Vendors, collects, stores, and uses biometric data only for the purpose of employee identification, fraud prevention, and the recording and tracking of an employee's time and attendance. Employees' Biometric Information is collected throughout the duration of their employment. Biometric Information is transmitted directly from time clocks to the third-party provider via a secure connection. At no time does Sherman's have possession of the Biometric Information. Sherman's will not capture, collect, or otherwise obtain Biometric Information without prior written consent. Employees and visitors, as applicable, will be advised of the reason for the collection of the Biometric Information and the length of time the data will be stored. Sherman's will not sell, lease, trade or otherwise profit from the collection and use of Biometric Information. Further, Sherman's will not disclose, redisclose, or otherwise disseminate Biometric Information without prior written consent, unless the disclosure or redisclosure is required by applicable State or federal law, municipal ordinance, or pursuant to a valid warrant or subpoena issued by a court of competent jurisdiction.

Sherman's, as applicable, will store, transmit, and protect from disclosure all Biometric Information using the reasonable standard of care within its industry. Sherman's and its Vendors use appropriate information security safeguards designed to protect biometric data when it is being collected, stored, and transmitted. These safeguards include firewalls, physical and digital security measures, encryption, access restrictions, password authorization, and file backup. Sherman's only has access to encrypted biometric data as required to fulfill the necessary job functions.

Furthermore, Sherman's will store, transmit, and protect from disclosure, all Biometric Information in a manner that is the same as or more protective than the manner in which

Sherman's stores, transmits, and protects other confidential and sensitive information. Biometric Information captured, collected, and used from the third-party biometric timekeeping system will be retained for the duration of an employees' employment with Sherman's, or until Sherman's discontinues its use of biometric information pursuant to this Policy, and permanently destroyed within ninety (30) days after the termination of the employee's employment, or discontinued use, unless a longer retention period is required by subpoena, warrant, court order or any other legal requirement. Upon termination of employment or discontinued use of timeclock, Sherman's will notify its Vendors. Once Sherman's provides such notice, Sherman's will automatically destroy any biometric information in Sherman's possession and direct its Vendors to do the same. This policy shall be made publicly available in accordance with Illinois law.

All employees whose biometric information is collected will be required to sign an Employee Consent Form upon hire and as requested thereafter by Sherman's.

# **APPENDIX D**

## **EMPLOYEE PURCHASE PROGRAM**

The Employee Purchase Program ("Program") is an employee pricing benefit provided by Sherman's to eligible employees. Eligibility date is first of the month following one month of employment. The Program is intended solely for personal use by the employee in their own home.

Employees are responsible to know their eligibility date and identify themselves as an eligible Sherman's employee to the Sales Professional assisting them. An employee who initiates a purchase under the Program prior to their eligibility date may be subject to disciplinary action up to and including termination of employment.

Employees participating in the Program are highly encouraged to model Sherman's Core Values and respect the needs of our retail customers by limiting employee purchases and/or inquiries to times that are not high retail traffic periods such as special sales, weekends, and holidays. Sales Professionals may be required to give priority to retail customers before assisting employees.

All employee sales must follow the same rules as retail customer sales, including:

- A deposit is required to hold an item.
- Clearance items can be held for only 10 days.

Employees should clarify all terms of the sale with the Sales Professional, including the use of gift cards.

Delivery, installation, and Sherman's warranty costs are not included in the Program and are the responsibility of the employee purchaser.

Sherman's reserves the right to refuse or cancel an employee order or purchase if Sherman's suspects the employee is purchasing for resale or use in other than the employee's own home. Misrepresenting the true end user of the product is considered theft and will result in disciplinary action up to and including termination.

Questions regarding the Program should be directed to the Store Manager or Director of Finance.

# **APPENDIX E**

## **EMPLOYEE RIGHTS AND RESPONSIBILITIES UNDER THE FAMILY AND MEDICAL LEAVE**

### **Leave Entitlements**

Eligible employees who work for a covered employer can take up to 12 weeks of unpaid, job-protected leave in a 12-month period for the following reasons:

- The birth of a child or placement of a child for adoption or foster care;
- Bonding with a child (leave must be taken within 1 year of the child's birth or placement);
- Caring for the employee's spouse, child, or parent who has a serious health condition;
- The employee's own serious health condition that makes the employee unable to perform the employee's job;
- Qualifying exigencies related to the foreign deployment of a military member who is the employee's spouse, child, or parent.

An eligible employee who is a covered service member's spouse, child, parent, or next of kin may also take up to 26 weeks of FMLA leave in a single 12-month period to care for the service member with a serious injury or illness.

An employee does not need to use leave in one consecutive block. When it is medically necessary or otherwise permitted, employees may take leave intermittently or on a reduced schedule.

Employees may choose, or an employer may require, use of accrued paid leave while taking FMLA leave. If an employee substitutes accrued paid leave for FMLA leave, the employee must comply with the employer's normal paid leave policies.

### **Benefits and Protections**

While employees are on FMLA leave, employers must continue health insurance coverage as if the employees were not on leave.

Upon return from FMLA leave, most employees must be restored to the same job or one nearly identical to it with equivalent pay, benefits, and other employment terms and conditions.



An employer may not interfere with an individual's FMLA rights or retaliate against someone for using or trying to use FMLA leave, opposing any practice made unlawful by the FMLA, or being involved in any proceeding under or related to the FMLA.

## **Eligibility Requirements**

An employee who works for a covered employer must meet three criteria in order to be eligible for FMLA leave. The employee must:

- Have worked for the employer for at least 12 months;
- Have at least 1,250 hours of service in the 12 months before taking leave; and
- Work at a location where the employer has at least 50 employees within 75 miles of the employee's worksite.

## **Requesting Leave**

Employees must give 30 days' advance notice of the need for FMLA leave. If it is not possible to give 30 days' notice, an employee must notify the employer as soon as possible and follow the employer's usual procedures.

Employees do not have to share a medical diagnosis but must provide enough information to the employer so it can determine if the leave qualifies for FMLA protection. Sufficient information could include informing an employer that the employee is or will be unable to perform his or her job functions, that a family member cannot perform daily activities, or that hospitalization or continuing medical treatment is necessary. Employees must inform the employer if the need for leave is for a reason for which FMLA leave was previously taken or certified.

Employers can require a certification or periodic recertification supporting the need for leave. If the employer determines that the certification is incomplete, it must provide a written notice indicating what additional information is required.

## **Employer Responsibilities**

Once an employer becomes aware that an employee's need for leave is for a reason that may qualify under the FMLA, the employer must notify the employee if he or she is eligible for FMLA leave and, if eligible, must also provide a notice of rights and responsibilities under the FMLA. If the employee is not eligible, the employer must provide a reason for ineligibility. Employers must notify their employees if leave will be designated as FMLA leave, and if so, how much leave will be designated as FMLA leave.

## **Enforcement**

Employees may file a complaint with the U.S. Department of Labor, Wage and Hour Division, or may bring a private lawsuit against an employer.

The FMLA does not affect any federal or state law prohibiting discrimination or supersede any state or local law or collective bargaining agreement that provides greater or medical leave rights.

### **For additional information:**

1-866-4-USWAGE (1-866-487-9243) TTY: 1-877-889-5627 U.S.

Department of Labor/ Wage and Hour Division

[www.wagehour.dol.gov](http://www.wagehour.dol.gov)

*U.S. Department of Labor – WH 1420 REV. 04/16*

# Appendix F

## **DRUG FREE WORKPLACE PROGRAM POLICY**

In order to establish Sherman's as a Drug Free Workplace and increase the safety and health of our employees and their families, this policy requires that employees of our company shall not: possess, use, or be impaired by illegal drugs at any time whether working or not and whether on company property or not; use or be impaired by alcohol or marijuana while working or on company property; possess marijuana on company premises; or be impaired by medications while working or use medications while working that could affect the employee's ability to work safely. Employees are not prohibited from using alcohol at company sponsored events where alcohol use is expressly allowed.

The company's purpose in enacting and maintaining this policy is not to disrespect employees' privacy or hinder any employee's ability to use legal products when the employee is not working, not on company property, or when use of any such products will not cause an employee to be impaired or otherwise affected by the product while working. However, in order to maintain a safe, healthy, and productive working environment, the company requires that all employees respect and adhere to this Drug Free Workplace Policy.

### **DEFINITIONS**

Alcohol	Liquids containing ETHYL ALCOHOL (ETHANOL).
Commercial Vehicle	Vehicle that has a gross vehicle weight rating (GVWR) in excess Motor of 10,001 pounds.
Company Premises	All of Sherman's facilities, including buildings, offices, and company vehicles (whether leased or owned by Sherman's).
Company Property	All of Sherman's property, including but not limited to, company premises (defined above) and company parking lots.
Drugs	One or more of the following named substances: AMPHETAMINES, MARIJUANA, (including medical and recreational marijuana/cannabis), COCAINE, METHAMPHETAMINE, PHENCYCLIDINE (PCP), METHADONE, PROPOXYPHENE, OPIATES/MORPHINE, METHAQUALONE, BARBITURATES, BENZODIAZEPINES, and OXYCODONE. See Appendix B of this policy for common brand names.

Illegal Drugs

One or more of the following named substances (unless legally Possessed/Used pursuant to a valid prescription): AMPHETAMINES, COCAINE, METHAMPHETAMINE, PHENCYCLIDINE (PCP), METHADONE, PROPOXYPHENE, OPIATES/MORPHINE, METHAQUALONE, BARBITURATES, BENZODIAZEPINES, OXYCODONE, any other illegal substances, and any substances which are Used illegally. See Appendix B of this policy for common brand names.

Impaired or Impairment

Symptoms that indicate an individual may be under the influence of alcohol, marijuana, illegal drugs, or medications that may decrease or lessen an individual's performance of the duties or tasks of the individual's job or may cause concerns with the individual's health or with workplace safety, including but not limited to, any symptoms that cause issue(s) with the following characteristics of the individual: speech; movement, including but not limited to, walking, standing, physical dexterity, agility, coordination, and/or other actions or inactions; demeanor; interactions with others; any aspect of the individual's appearance, including clothing; and odor. Other actions that may be indicative of being under the influence of alcohol, marijuana, illegal drugs, or medications include: irrational or unusual behavior; negligence or carelessness in operating tools, equipment, machinery, or vehicles; disregard for the safety of the individual or others; involvement in an accident that results in damage to equipment, machinery, or other property or causes injury to the individual or others; or any other symptoms/actions, including, but not limited to, those symptoms, actions, behaviors, and characteristics listed in the Cannabis Regulation and Tax Act that cause one to have a reasonable suspicion/good faith belief that an individual is under the influence of/Impaired by alcohol, marijuana, illegal drugs, or medications that cause impairment.

Marijuana	Marijuana refers to the dried leaves, flowers, stems, and seeds from the cannabis sativa or cannabis indica plant. Extracts can also be made from the cannabis plant. The plant contains the mind-altering chemical THC and other related compounds. For purposes of this policy, “marijuana” is any substance that contains THC, including, but not limited to, infused products. Also, for purposes of this policy, “marijuana” encompasses both medical and recreational marijuana. See Appendix B of this policy for common brand names.
Medications	Prescription and non-prescription substances obtained and used legally to combat illness and injury or for other therapeutic reasons. For purposes of this policy, medical marijuana is not included in the definition of “Medications.”
Possess(ing)	As it pertains to alcohol, marijuana, and illegal Drugs; to have control over, have access to, transfer, manufacture, distribute, sell, dispense, solicit, or store.
Safety Sensitive	Duties that involve operating power tools, power equipment, machinery, or vehicles, including the operation of a Commercial Motor Vehicle (CMV), or any duties with the potential to cause harm to the employee or others.
Use(ing)	As it pertains to alcohol, marijuana, illegal Drugs, and medications; to drink, smoke, apply topically, inject, ingest, or use in any other manner that causes the substance to enter an individual’s body. Exceptions to these rules regarding the definition of "Use" will be allowed only with management's written permission.
Work(ing)	Performing any activity under any conditions during any period of time that an employee is covered by the Employer’s Workers Compensation insurance or otherwise acting on behalf of or as an agent/representative of Sherman’s.

## POLICY WORK RULES

### ALCOHOL

Employees shall not use or be impaired by alcohol while working or while on company property, unless the use of alcohol has been approved at a company sponsored activity or event.

### MARIJUANA

Employees shall not possess marijuana while on company premises. Employees shall not use or be impaired by marijuana while working or on company property.

### ILLEGAL DRUGS

Employees shall not possess, use, or be impaired by illegal drugs at any time, whether working or not working, whether on or off company property.

### MEDICATIONS

Employees shall not use or be impaired by medications while working if the medications have the potential to alter or to adversely affect their judgment or motor skills, to induce sleepiness, or to otherwise detract from the employee's safe job performance. Exceptions can, of course, be made in work areas and activities of decreased safety sensitivity where the potential for accident and injury is minimal and where the effect of the medication on the employee is judged to be of no factor by medical authority. It must also be acceptable to management for the employee to continue work. Exceptions to this rule (Section D) will be made at least one level of supervision above the concerned employee's immediate supervisor. Employees will report their use of medications to their supervisor before beginning work; those sensitive to the disclosure of their use of certain medications may call or visit the company official (see Appendix A of this policy) in charge of the Drug Free Workplace Program, in confidence, to resolve their unique work situation.

## DRUG FREE WORKPLACE PROGRAM MONITORING

To measure the success of, and to aid in enforcing, our Drug Free Workplace Program, the following screening tests will be administered to detect the presence of alcohol and/or of amphetamines, cocaine, phencyclidine (PCP), opiates, and/or any other illegal drugs, including any substances used illegally.

1. Job applicants for positions that involve safety sensitive duties, as a condition of obtaining employment, will be subject to pre-employment drug testing.

2. Individuals who were removed from any duties during any period of time that they were employed by Sherman's for failing a drug and/or alcohol screening test will be subject to periodic testing under direct observation.
3. All employees whose primary duties are safety sensitive will be subject to random drug and alcohol testing.
4. Employees who, by reliable evidence, or by their observed or reliably reported behavior, may be reasonably suspected of: (a) using or being Impaired by drugs, alcohol, or medications that cause impairment while working; (b) tampering with a drug or alcohol screening test; or (c) causing or contributing to an incident resulting in property damage or bodily injury that requires treatment beyond first aid will be subject to reasonable suspicion drug and/or alcohol testing under direct observation. Notwithstanding anything to the contrary, if an employee subject to OSHA self-reports a work-related injury that is not reported by another person, the injured employee will be subject to drug and/or alcohol testing only if conditions for probable suspicion testing have been met. In the case of (c), all specimens must be provided by the employee as soon as possible but not later than 32 hours after the accident. This provision applies to all employees at Sherman's, not just those performing safety sensitive duties.

## TESTING PROCEDURES

Specimen collection for drug and/or alcohol testing may be conducted under direct observation off-site or on-site. A breath specimen will be provided for alcohol tests. The alcohol breath test must be performed by a Certified Breath Alcohol Operator.

Regarding tests performed to detect illegal drugs, a split sample consisting of two urine collection containers will be collected and temperature tested for verification. The second container will be used in the event the first container becomes contaminated or in the event of contested test results. Both containers will be properly labeled and initialed by the applicant or employee to protect the integrity of the process. Specimens collected on-site will be transported to a laboratory approved by Health and Human Services (HHS) or National Institute on Drug Abuse (NIDA) in accordance with the chain of custody procedure.

All positive test results are reported to the Medical Review Officer (MRO) for verification prior to being transmitted to the applicant or employee and/or the employer. If the MRO reports the test as positive or as a refusal to test because the specimen was adulterated or substituted, the MRO will offer the employee or applicant an opportunity to have the split specimen tested at another approved laboratory, at the individual's expense. The individual has 72 hours to request the split test. Upon receiving the request, the MRO must immediately send the split to another HHS or NIDA certified laboratory for testing.

## **CONSEQUENCES TO JOB APPLICANTS AND EMPLOYEES OF:**

- (1) REFUSAL TO BE TESTED FOR DRUGS OR ALCOHOL,
- (2) POSITIVE CONFIRMED DRUG OR ALCOHOL TESTS,
- (3) USE OF ALCOHOL, ILLEGAL DRUGS, MARIJUANA, OR BEING IMPAIRED WHEN WORKING OR ON COMPANY PROPERTY,
- (4) POSSESSION OF ILLEGAL DRUGS AT ANY TIME AND AT ANY LOCATION OR OF MARIJUANA WHILE WORKING OR ON COMPANY PREMISES,
- (5) ANY PLEA OF GUILTY OR NOLO CONTENDERE TO ANY VIOLATION OF ANY CONTROLLED SUBSTANCE LAW OF THE UNITED STATES OR ANY STATE.

1. Refusal as stated above is defined as refusal to take the test; inability to provide sufficient quantities of breath, saliva, or urine to be tested without a valid medical explanation; tampering with or attempting to adulterate the specimen; interfering with the collection procedure; not immediately reporting to the collection site; failing to remain at the collection site until the collection process is complete; having a test result reported by a Medical Review Officer (MRO) as adulterated or substituted; or leaving the scene of an accident occurring in the course of company business without a valid reason before the tests have been conducted. Employees who refuse to be tested for illegal drugs or alcohol will be immediately terminated. Job applicants, as defined above, who refuse to be tested for illegal drugs or alcohol will not be hired. They may reapply for consideration of employment after a period of 6 months at which time, if offered employment, they must successfully pass pre-employment testing, including a drug and alcohol test.
2. Employees being tested due to random or periodic selection, as a result of reasonable suspicion, or as a result of being involved with or contributing to an incident resulting in property damage or bodily injury that requires treatment beyond first aid will be subject to the following:
  - a) Illegal drugs. Positive test will result in immediate termination.
  - b) Alcohol. An alcohol concentration of 0.08 or above will result in termination of employment. An alcohol concentration of 0.02-0.07 will result in disciplinary action combined with removal from any safety sensitive duties for a certain period of time, up to thirty (30) days. Testing will then be conducted at the end of the initial removal period at which time an alcohol concentration of 0.08 or above will result in termination of employment. An alcohol concentration of 0.02-0.07 will result in further disciplinary action combined with an extension of the removal from any safety sensitive duties for an additional period of up to thirty (30) days. During periods of removal from safety sensitive duties following a positive test, the employee's pay will be at the current IL minimum wage, if such employee's primary job responsibilities are safety sensitive. At the end of the additional period, testing will be conducted with any positive test resulting in termination of employment.



3. Use of alcohol, illegal drugs, or marijuana, or being impaired when working or on company property will result in immediate termination, unless the use of alcohol had been approved at a company sponsored activity or event.
4. Possession of illegal drugs at any time and at any location or of marijuana while working or on company premises will result in immediate termination.
5. Employees indicted or convicted of violating controlled substance laws must notify the employer within five calendar days of the event and, if this policy was also violated, will be subject to the same as above.

## CONFIDENTIALITY OF DRUG TESTING INFORMATION

All written reports and related information received by the company, laboratories, employee leasing programs, drug and alcohol rehabilitation programs and their agents will be held in strictest confidence and will not be disclosed except in accordance with Illinois statutes or otherwise legally disclosed. Release of such information under any other circumstance shall be solely pursuant to a written consent form signed voluntarily by the person tested.

Information on drug test results shall not be released or used in any criminal proceeding against the employee or job applicant.

Agents of our company and the laboratory conducting a drug test will, however, have access to drug test information when consulting with legal counsel in connection with actions brought against them when the information is relevant to its defense in a civil or administrative matter.

## CONFIDENTIAL REPORTING OF MEDICATION USE

The company knows that eventually most people need to take medications to combat various illnesses. Employees must realize that many medications will alter or affect a drug test. An employee could possibly test positive for a drug when taking Medications prescribed by a doctor or bought over the counter at a pharmacy. Medications known to alter or affect a drug test are listed in Appendix B of this policy. The name of the testing laboratory is listed in Appendix A of this policy. Employees who want more technical information about medications may consult the testing laboratory. To avoid the potential problems created by a false test result, the company has implemented procedures to enable employees to confidentially report the use of medications. You may report the use of medications on the back of your copy of the chain of custody form after your specimen is collected and discussed only with the MRO.

## **FEDERAL AND STATE LAWS AND REGULATIONS**

Nothing in this statement of policy shall be presumed to override, amend, or change any requirements of Illinois and/or Federal law. In the event that any of the provisions of this policy conflict with applicable laws and regulations, such laws and regulations will be deemed to control.

## **AMENDMENT AND SEVERABILITY**

This policy may be amended in any and all respects at any time by the employer. If any provision of this policy or the application thereof to any party or circumstance is held invalid or unenforceable, the remainder of the terms of this policy and the application of any invalid or unenforceable provisions to other parties or circumstances will not be affected thereby, and to this end the provisions of this policy are severable.

## **SUB-APPENDIX A: INFORMATION SHEET**

**Company Drug Free Workplace Program Administrator: Dayna Schickedanz, Human Resources Administrator, [daynaschickedanz@shermansnow.com](mailto:daynaschickedanz@shermansnow.com).**

**COMPANY LOCATION:** Sherman's – Peoria, Peoria Heights, Normal and Peru

**Your Drug Testing Laboratory is:** ALERE TOXICOLOGY  
1111 Newton St.  
Gretna, LA 70053  
800-433-3823

**Your Collection Site is:** OSF Center for Occupational Health  
719 WM Kumpf Blvd., Suite 100  
Peoria, IL 61605  
309-624-8521

**Your MRO is:** Dr. Brian Heinen  
151 Leon Ave.  
Eunice, LA 70535  
888-382-2281

### **For EAP (Employee Assistance Program) Referral**

Appendix C of this policy lists national hotline numbers for drug and alcohol problems. SAMHSA at 866-929-9424 or [www.findtreatment.gov](http://www.findtreatment.gov) can provide a list of treatment programs in your local area. The Human Service Center at 309-671-8084 serves the local area. Sherman's may provide a reasonable accommodation to an employee seeking help under the EAP when Company policy has not been violated. Questions about the EAP and accommodation requests should be directed to Human Resources.

Employees being tested elsewhere because of causing or contributing to an accident will ensure that both the urine and blood specimens are sent to the laboratory named above.

## **SUB-APPENDIX B: SUBSTANCES WHICH COULD ALTER OR AFFECT THE OUTCOME OF A DRUG TEST**

**\*\*This list is not exhaustive\*\***  
(BRAND NAMES AND COMMON NAMES)

1. **AMPHETAMINES (AMP):** Abetrol, Biphetamine, Desoxyn, Dexedrine, Didrex
2. **MARIJUANA (THC):** Cannabis, Marinol (Dronabinol, THC), Cannabinoid, Hash, Pot, Weed
3. **COCAINE (COC):** Cocaine HCl topical solution (Roxanne), Crack, Coke
4. **PHENCYCLIDINE (PCP):** Not legal by prescription; PCP, Angel Dust
5. **OPIATES/MORPHINE (MOP):** Paregoric, Parepectolin, Donnagel PG, Codeine, Tylenol with Codeine, Empirin with Codeine, APAP with Codeine, Aspirin with Codeine, Robitussin AC, Guaiatuss AC, Novahistine DH, Novahistine Expectorant, Dilaudid (Hydromorphone), M-S Contin and Roxanol (morphine sulfate), Percodan, Vicodin, Opium, Heroin, Hydrocodone
6. **METHAQUALONE:** Not legal by prescription
7. **BARBITURATES (BAR):** Phenobarbital, Tuinal, Amytal, Nembutal, Seconal, Lotusate, Fiorinal, Firoicet, Esgic, Butisol Mebaral, Butabarbital, Butabital
8. **METHADONE:** Dolphine, Methadose
9. **BENZODIAZEPINES (BZO):** Ativan, Azene, Clonopin, Dalmane, Diazepam, Librium, Xanax, Serax, Tranxene, Valium, Verstran, Halcion, Paxipam, Restoril, and Centrax
10. **PROPOXYPHENE:** Darvocet, Darvon N, Dolene, Etc.
11. **ALCOHOL:** Liquid medications containing ethyl alcohol (ethanol). Please read the label for alcohol content. As an example, Vick's Nyquil is 25% (50 proof) ethyl alcohol; Comtrex is 20% (40 proof); Contac Severe Cold Formula Night Strength is 25% (50 proof) and Listerine is 26.9% (54 proof); Booze, Drink
12. **METHAMPHETAMINE (MET):** MDMA, Ecstasy

13. **OXYCODONE (OXY):** Oxymorphone

**SUB-APPENDIX C: NATIONAL HOTLINE NUMBERS**

CDC National HIV and AIDS Hotline	1-800-232-4636
Childhelp USA - National Child Abuse Hotline	1-800-422-4453
Crisis Textline	TEXT 741741
Disaster Distress Hotline	1-800-985-5990
LGBTQIA+ National Hotline	1-888-843-4564
National Cocaine Hotline	1-800-262-2463
National Domestic Violence Hotline	1-800-799-7233
National Hepatitis Hotline	1-877-435-7443
National Parent Helpline	1-855-427-2736
National Runaway Switchboard	1-800-231-6946
National Sexual Assault Hotline	1-800-656-4673
National Sexually Transmitted Disease Hotline	1-800-227-8922
National Suicide Prevention Lifeline/Veterans Crisis Line	1-800-273-8255
Substance Abuse/Mental Health Services National Helpline	1-800-662-4357

**NATIONAL ASSISTANCE GROUPS**

Alcoholics Anonymous	1-800-344-2666
Food and Drug Administration	1-888-463-6332

M.A.D.D.	1-877-623-3435
Marijuana Anonymous	1-800-766-6779
Narcotics Anonymous	1-800-539-0475
National Association for Children of Alcoholics	1-888-554-2627
National Eating Disorders Association	1-800-931-2237
National Council on Child Abuse and Family Violence	1-202-429-6695
National Institute on Drug/Alcohol Abuse and Alcoholism	1-301-443-3860
Parents Anonymous	1-800-352-0386
S.A.D.D.	1-508-481-3568

## SUB-APPENDIX D: DOCUMENTATION OF BASIS FOR REASONABLE SUSPICION TESTING

Prepare within 7 days after all testing for reasonable suspicion, give to employee upon request, and keep confidential for at least one year.

Employee Name: \_\_\_\_\_

Date of testing for reasonable suspicion \_\_\_\_\_

Circumstances, which existed to warrant the testing done for reasonable suspicion, were as follows:

- \_\_\_\_\_ A report of the employee's drug possession or use or alcohol use while working or on company property, provided by a reliable and credible source which has been independently corroborated.
- \_\_\_\_\_ Other/additional evidence that the employee possessed or used drugs or used alcohol while working or while on company property.
- \_\_\_\_\_ Evidence that the employee tampered with a drug or alcohol test during his/her employment with the current employer.
- \_\_\_\_\_ Information that the employee caused, contributed to, or was involved in an accident while working that caused damage or injury that required treatment beyond first aid.
- \_\_\_\_\_ Observable phenomena while at work, such as direct observation of the employee's drug or alcohol use or of any physical symptoms or manifestations of being impaired by drugs or alcohol.
- \_\_\_\_\_ The employee's display of/engagement in abnormal conduct or erratic behavior while at work or significant deterioration in work performance.

Additional Comments:

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Date

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Employer Signature