

Shop'n Kart.



Employee Handbook

@ D&S Enterprises DBA
Centralia Shop N' Kart
Westport Shop N' Kart
Long Beach Shop N' Kart ®

The company will provide the low prices; our people must provide the friendly atmosphere.

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Welcome!

You are now part of the D&S Enterprises® organization, and as an employee, you are the foundation of our continued success. The most important ingredient in the success of our business is customer satisfaction. Courtesy, quality and integrity as well as low prices will make us the leader in the Northwest.

Your attitude toward your job as well as fulfilling your responsibilities helps to determine the continued growth of our company. You are now a direct reflection of D&S Enterprises®. As an employee your performance, enthusiasm, and initiative are the first impressions our customers evaluate. You, as an employee, help create and preserve a tradition which we are proud of at D&S Enterprises®. We are confident that you will do your utmost to maintain our reputation of great customer service. That, again, is integrity, quality, courtesy and the absolute lowest prices, in all of the Northwest.

Another purpose of the Handbook is to describe the benefits you will receive as a D&S Enterprises® employee. This is what we expect of you and what you can expect of us. Our policies, procedures, and benefits may change from time to time, but we will keep you informed of such changes and we hope that many of those changes will be for our mutual benefit.

This Handbook has been prepared as a guide in order to assist you in understanding your responsibilities and our policies. As you are now aware, the D&S Enterprises® concept is uniquely different from other food stores. Our procedures may be new methods but they have been devised for the successful operation of D&S Enterprises®. They may differ from your past experiences, but they are successful and enable us to sell food for less and we expect all employees to support our process.

This Handbook is not an employment contract. None of the policies described in this Handbook should be construed as an employment contract. Your employment is “at-will”, which means that you may terminate your employment at any time, or your employment at D&S Enterprises® may be terminated at any time by D&S Enterprises®. No one but a D&S Enterprises® corporate officer is authorized to change this “at-will” relationship on behalf of D&S Enterprises®. References in this handbook to reasons for discharge from employment are illustrative only and are not intended to limit D&S Enterprises® authority to terminate at will.

D&S Enterprises® reserves the right to amend, add or change the policies, procedures and/or employee benefits listed in this Handbook.

I look forward to being part of your journey in our company as we strive to make our customers and employees experience at D&S Enterprises® a memorable one.

Sincerely,

Darris McDaniel
Owner and President
D&S Enterprises®

Here is a Brief History of D&S Enterprises

Darris McDaniel, the owner of D&S Enterprises, has been in business since 1978. He has bought and sold numerous stores over the years. In 2011, Darris decided to help D&S Enterprises grow by adding Centralia Shop N' Kart, formerly known as Fuller's Market Place, to the team. It was years later, in 2015, Darris decided to expand once more to Westport Shop N' Kart. In 2020 Darris added Long Beach Shop N Kart. All three stores are successful today, from the support and help of our amazing employees and customers.

Customer Service

TEN COMMANDMENTS of GOOD CUSTOMER BUSINESS

1. CUSTOMERS are the most important persons in any business.
2. CUSTOMERS are not dependent upon us, we are dependent upon them.
3. CUSTOMERS are not an interruption of our work; they are the purpose of it.
4. CUSTOMERS do us a favor by calling; we are not doing a favor by serving them.
5. CUSTOMERS are part of our business – not outsiders.
6. CUSTOMERS are not cold statistics, but are flesh and blood human beings with feelings and emotions like our own.
7. CUSTOMERS are not ones to argue or match wits with.
8. CUSTOMERS are ones who bring us wants; it is our job to fill those wants.
9. CUSTOMERS are deserving of the most courteous and attentive treatment we can give.
10. CUSTOMERS are the lifeblood of this and every other business.

By far the most important part of your job is a personal commitment by you to create and maintain good customer relations. It is absolutely necessary that all employees adopt a friendly, courteous, service-oriented attitude. Our customers are the most important people in the world to us and our policy and practice is to give them the most prompt, efficient and courteous service possible.

We at D&S Enterprises® use this acronym to help with this commitment:

Greet the customer “hola, como estas?” or “hello how are you?”

Offer assistance “como le puedo ayudar?” or “may I help you?”

Thanks “gracias por comprar en _____ Shop N' Kart®” or “Thank you for shopping at _____ Shop N' Kart®”

16 Ways to Live By:

1. It ain't as bad as you think. It will look better in the morning.
2. Mad, then get over it.
3. Avoid having your ego so close to your position that when your position falls, your ego goes with it.
4. It CAN be done.
5. Be careful what you choose. You may get it.
6. Don't let adverse facts stand in the way of a good decision.
7. You can't make someone else's choices. You shouldn't let someone else make yours.
8. Check small things.
9. Share Credit.
10. Remain calm. Be kind.
11. Have a vision.
12. Don't take counsel of your fears or naysayers.
13. Perpetual optimism is a force multiplier.
14. Losers make excuses, winners do not have to.
15. Be accurate! Do not say a few or tons.
16. Take it professionally not personally.

Introductory Period

Introductory Period If a promotion or transfer is not successful, the employee may be allowed to return to his or her former job or to a comparable job, for which the employee is qualified, depending on the availability of such positions and D&S Enterprises® needs.

Upon satisfactory completion of the initial introductory period, employees enter the "regular" employment classification.

The introductory period is intended to give new employees the opportunity to demonstrate their ability.

Employment-At-Will

Your Handbook is a general guide to D&S Enterprises®' current employment policies, forms, procedures and your benefits as an employee of D&S Enterprises® at the time of publication. It is informational only, and is not intended to be and should not be construed as a contract. From time to time, D&S Enterprises® reviews its policies, procedures and benefits and makes revisions based on the need for and desirability of changes, so be sure your copy is updated and maintained. We may at any time change, alter, modify, add, or delete any provision of this Handbook.

Your Handbook is not an employment contract expressed or implied. All employees are employed at-will and either the employee or D&S Enterprises® can terminate employment at any time, with or without notice, with or without cause.

No one but a D&S Enterprises® Corporate Officer is authorized to change this "at-will" relationship with D&S Enterprises®. References in this Handbook to reasons for discharge from employment are illustrative only and are not intended to limit D&S Enterprises®' authority to terminate at will.

Equal Employment Opportunity

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at D&S Enterprises® will be based on merit, as well as qualifications and abilities. D&S Enterprises® does not discriminate in employment opportunities or practices on the basis of race, color, religion, gender (sex), gender identity, national origin, age, sexual orientation, disability or any other characteristic protected by law.

D&S Enterprises® will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including: selection, job assignment, compensation, discipline, termination of employment, and access to benefits and training.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment. We earnestly seek the cooperation of all employees in helping to maintain this policy.

Americans with Disabilities Act

It is our policy to comply with all the relevant and applicable employment provisions of the Americans with Disabilities Act (ADA). We will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability.

Reasonable accommodations will be made unless it would cause undue hardship to D&S Enterprises®.

Leaves of Absence

Family and Medical Leave of Absence

FMLA General Provisions

D&S Enterprises® will provide a leave of absence for up to 12 work weeks to eligible employees for certain family or medical reasons and in accordance to the Family and Medical Leave Act as revised effective January 16, 2009. The function of this policy is to provide employees with a general description of their FMLA rights. In the event of any conflict between this policy and the applicable law, employees will be afforded all rights required by law.

FMLA Eligibility

Employees eligible for leave of absence under the Family and Medical Leave Act (FMLA) must have worked for the Company for 12 months (or 52 weeks) or more and have at least 1250 hours of service during the 12 months immediately preceding the leave of absence.

The 12 months or 52 weeks need not have been consecutive. Separate periods of employment will be counted, provided that the break in service does not exceed seven years. Separate periods of employment will be counted if the break in service exceeds seven years due to National Guard or Reserve military service obligations or when there is a written agreement, including a collective bargaining agreement, stating the Company's intention to rehire the employee after the service break.

The provisions of this policy shall apply to all FMLA leaves; however, if an employee is entitled to paid leave under another benefit plan or policy, the employee must take the paid leave first, before taking unpaid leave. The employee's total available leave time may still be limited to 12 work weeks (or 26 work weeks to care for an injured or ill service member) in the given 12-month period, unless the employee is entitled to state family leave.

Types of Leave Covered Under FMLA

Employees may request federal Family and Medical Leave for:

- The addition of a child to the family through birth, adoptions or placement by foster care.
- A serious health condition of the employee's spouse, child or parent.
- A serious health condition that prevents an employee from performing his or her job.
- Qualifying exigency leave for families of members of the National Guard and Reserves when the covered military member is on active duty or called to active duty in support of a contingency operation.
- Military caregiver leave (also known as covered service member leave) to care for an ill or injured service member.

An employee may take leave because of a serious health condition that makes the employee unable to perform the functions of the employee's position.

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

An employee whose spouse, son, daughter or parent either has been notified of an impending call or order to active military duty or who is already on active duty may take up to 12 work weeks of leave for reasons related to or affected by the family member's call-up or service. The qualifying exigency must be one of the following: 1) short-notice deployment, 2) military events and activities, 3) child care and school activities, 4) financial and legal arrangements, 5) counseling, 6) rest and recuperation, 7) post-deployment activities and 8) additional activities that arise out of active duty, provided that the Company and employee agree, including agreement on timing and duration of the leave.

The leave may commence as soon as the individual receives the call-up notice. (Son or daughter for this type of FMLA leave is defined the same as for child for other types of FMLA leave except that the person does not have to be a minor.) This type of leave would be counted toward the employee's 12-week maximum of FMLA leave in a 12-month period.

Military caregiver leave may extend to up to 26 work weeks in a single 12-month period for an employee to care for a spouse, son, daughter, parent or next of kin covered service member with a serious illness or injury incurred in the line of duty on active duty. Next of kin is defined as the closest blood relative of the injured or recovering service member.

Amount of Leave While on FMLA

An eligible employee can take up to 12 weeks for any FMLA circumstance under this policy during any 12-month period. The company will measure the 12-month period as a rolling 12-month period measured forward from the date an employee uses any leave under this policy. Each time an employee takes leave, the company will compute the amount of leave the employee has taken under this policy in the last 12 months and subtract it from the 12 weeks of available leave, and the balance remaining is the amount the employee is entitled to take at that time.

An eligible employee can take up to 26 weeks for military caregiver leave during a single 12-month period. For this military caregiver leave, the company will measure the 12-month period as a rolling 12-month period measured forward. FMLA leave already taken for other FMLA circumstances will be deducted from the total of 26 weeks available.

Please see Human Resources for more information on the following FMLA topics.

Employee Status and Benefits During FMLA

Employee Status After FMLA

Use of Paid and Unpaid Leave on FMLA

Intermittent Leave or a Reduced Work Schedule for FMLA

Certification for a FMLA Serious Health Condition

Requesting FMLA Leave

Washington Family Medical Leave Laws

In addition to leave for reasons provided by the federal Family Medical Leave Act (FMLA), the Washington Family Leave Act also provides leave for an employee's pregnancy-related disability and to care for an employee's registered domestic partner with a serious health condition.

Eligible employees may take up to 12 work weeks of unpaid leave in a 12-month period to care for a registered domestic partner with a serious health condition. This domestic partner leave is separate and does not run concurrent with leave available under the federal law (FMLA).

In Washington Companies with eight or more employees must provide an employee with a pregnancy-related disability leave of absence for the period of time she is sick or temporarily disabled by pregnancy. There is no employee eligibility requirement. This pregnancy-disability leave is in addition to Federal Family Medical Leave.

Under the Washington Family Care Act all employees must be allowed to use any available paid leave to care for their sick family member. Employee may also choose the order of the paid leaves. Employees with available sick leave, vacation, holiday and/or some short-term disability plans may use their paid leave to provide care for:

- Sick family members including the employee's spouse, child, parent, parent-in-law, grandparent, registered domestic partner or registered domestic partner's parent with a serious health condition;
- A child under the age of 18 with a routine childhood illness or needed preventative care;
- An adult child with a disability;
- A pregnant spouse during or after childbirth on a short-term basis.

New legislation effective June 12, 2008 may also entitle an employee with a spouse or registered domestic partner in the military to take up to 15 days unpaid leave while their spouse is on leave from deployment, or before and up to deployment, during times of military conflict as declared by the President or Congress. To be eligible, the employee must work a minimum of 20 hours per week and provide the company notice of the employee's intention to take leave within five business days of receiving official notice that the employee's spouse will be on leave or of an impending call to active duty. An employee will be required to substitute accrued leave for any part of the family military leave in accordance with federal Family Medical Leave.

Contact your manager for further information about your eligibility for this, or any other form of family leave.

Domestic Violence Leaves in Washington.

Please see Human Resources for more information about this leave.

Military Leave

A military leave of absence will be granted to employees who are absent from work because of service in the U.S. Uniformed Services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable. Discrimination and retaliation in employment based on your military service is prohibited, and you will retain all your legal rights for continued employment under USERRA.

Sexual and Other Unlawful Harassment

It is the policy of D&S Enterprises® that its work environment is free from all forms of unlawful discrimination, including harassment, on the basis of race, color, religion, gender (sex), gender identity, national origin, age, sexual orientation, disability or retaliation.

Harassment

Harassment is verbal or physical conduct that demeans or shows hostility or aversion toward an individual because of his/her race, color, religion, gender (sex), gender identity, national origin, age, sexual orientation or disability or that of his/her relatives, friends, or employees, and that:

- Has the purpose or effect of creating an intimidating, hostile or offensive working environment.
- Has the purpose or effect of unreasonably interfering with an individual's work performance.
- Otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes; but is not limited to, the following:

(1) epithets, slurs, negative stereotyping, demeaning comments or labels, or threatening, intimidating, or hostile acts that relate to race, color, religion, gender (sex), gender identity, national origin, age, sexual orientation or disability; and (2) written or graphic material that demeans or shows hostility or aversion toward an individual or group because of race, color, religion, gender (sex), gender identity, national origin, age, sexual orientation or disability and that is placed on walls, bulletin boards, computers, or elsewhere on the Company's premises or circulated in the workplace.

Sexual Harassment

Sexual harassment is a form of gender (sex) discrimination. The Equal Employment Opportunity Commission has defined sexual harassment as follows:

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

- Submission to such conduct is made either explicitly or implicitly 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;
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance;
- Creates an intimidating, hostile or offensive working environment.

Prohibited sexual harassment may include; but is not limited to, sexual jokes, calendars, posters, cartoons, magazines, derogatory or physically descriptive comments about or towards another employee; sexually suggestive comments; inappropriate use of company communications including E-mail and telephone; unwelcome touching or physical contact; punishment or favoritism on the basis of an employee's sex; sexual slurs; negative sexual stereotyping.

Harassment will not be tolerated in our workplace. It is against the policies of D&S Enterprises® for any employee to harass another employee. This includes acts between supervisors and employees; it also includes acts between one employee and another. You are strongly urged to immediately report incidents of sexual harassment or any other harassment.

Complaints of Harassment

If you believe that you have been harassed, report the harassment immediately. The report should be either:

1. To the General Manager
2. To Human Resources
3. To your Department Manager

You may report harassment to General Manager or to Human Resources without first contacting your department manager. D&S Enterprises® and Human Resources will take no action against an employee who in good faith reports harassment to the Company or participates in an investigation. Such retaliation will not be tolerated in our workplace.

Reports of harassment or retaliation will be investigated fairly. D&S Enterprises® and Human Resources will attempt to maintain confidentiality, consistent with the Company's need to conduct an adequate investigation and to take prompt corrective action in response to any harassment or retaliation.

Any supervisor or other employee found in violation of this policy will be subject to discipline, up to and including termination of employment.

General Employment Policies

Food Handler's Card

All existing and future employees are required to have a food handler's card. The food handler's card costs \$10.00. You can obtain a food handler's card from:

<https://www.foodworkercard.wa.gov/language.html>

Responsible Vendor Program

As part of the Responsible Vendor Program with the Washington State Liquor Board, we are now requiring ALL employees to go online and take a Grocery Employee online training class. The class can be found at the following website:

<http://www.liq.wa.gov/mastrvp/online-training>.

At the end of the class you will receive a certificate of completion. Please have them email that certificate to **alesha@gosnk.com** or print it out and bring it to the office. Upon completion you will be paid for an hour of your time. If you are unable to take this at home, please feel free to contact one of us in the office and we will arrange for you to take it at the office. This is a mandatory class for all employees, whether you check or not. This class will need to be done annually.

Access to Personnel Files

D&S Enterprises® maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals, salary increases, and other employment records.

Personnel files are the property of D&S Enterprises®, and access to the information they contain is restricted. Generally, only supervisors and management personnel of D&S Enterprises® who have a legitimate reason to review information in a file are allowed to do so.

With reasonable advance notice, employees may review their own personnel files in D&S Enterprises®' offices and in the presence of an individual appointed by D&S Enterprises® to maintain the files.

Personnel Data Changes

It is the responsibility of each employee to promptly notify D&S Enterprises® of any changes in personnel data. Personal mailing addresses, telephone numbers, marital status, number and names of dependents, and individuals to be contacted in the event of an emergency should be accurate and current at all times. Failure to inform us of these changes may affect your benefits or prevent us from providing accurate and timely paychecks and W-2s.

Employment Reference Checks

All inquiries pertinent to verification of your employment should be referred to Human Resources. This will help expedite the verification more effectively and efficiently.

Employee Purchases

All purchases made by an employee, members of the employee's family or relatives or anyone residing in the same household must be checked out by another employee. Please notify relatives of this ahead of time.

Items must be paid for before being used or consumed (regardless of your work schedule).

Payment must be made at the time of the purchase.

All purchases by an employee shall be made on his/her own time. Merchandise to be consumed during the lunch or break period within the store must be accompanied by a sales receipt. All other purchases must be removed immediately through the front door. An employee may not pay for or select merchandise and put it in the back room until he/she is ready to leave the store. Never move in front of a customer to purchase an item. Absolutely no personal food or drink is allowed back in any department.

While on duty in the check stand, under no circumstances is a checker allowed to handle his or her own money.

No meals (such as sandwiches) are to be prepared at work stations. Meals are to be eaten in the lunchroom, outside, or in your car.

Interpersonal Relationships

It is the Company's philosophy and policy to discourage relationships that may affect the employment atmosphere.

Management will review individual situations for potential conflict of interest. Failing to notify management of the relationship will result in disciplinary action.

With our concerns over any appearance of favoritism among other Employees, the Company discourages romantic relationships between members of management and subordinate employees, and expressly prohibits romantic relationships between members of management and those employees under their direct supervision. The Company will take appropriate corrective action. Employees involved in such a relationship should report them to their immediate supervisor and the Store Director immediately.

No Solicitation Policy

Non-employee solicitation: All oral solicitation of employees to support any cause or group, and all distribution of literature of a particular cause or group to employees by any non-employee or by an outside agency or organization on Company property is prohibited at all times.

Employee solicitation or distribution of literature: Working time. All oral solicitation of employees to support a particular cause or group, or distribution of literature to employees on these subjects, by other employees during working time in any Company area is prohibited. "Working time" means the hours that you are actually performing work, and not all hours for which you are paid. For example, coffee-breaks are paid time but not working time.

Employee distribution of literature: Working areas. Employees may not distribute non work-related literature of any sort in working areas of the Company at any time, regardless of whether it is working time or not working time.

Company Policy: Oral solicitation of employees to support a cause or a group by other employees during nonworking time (lunch break, before or after work, rest period etc.), or distribution of literature in the nonworking areas of the Company (parking lot, lunchroom) is allowed. We believe that such solicitation of employees by other employees often generates conflict, bad feelings and disharmony. We also believe that each employee should respect the privacy of his fellow employees by not seeking financial contributions or any sort of support from them.

Applicability: This policy applies to solicitation and distributions of literature of every variety, including charitable or religious contribution requests, betting pools, or football game lotteries, candy drives or bake sales, and solicitation of membership in any social or fraternal association such as the Elks, Rotary, unions, political parties, or other organizations.

Open Door Policy

D&S Enterprises® believes that employees should have a sense of security in dealing with any workplace concerns. Accordingly, employees are encouraged to bring problems, complaints or grievances to the attention of management. We believe all of us should attempt to resolve any disputes under our open door policy.

Advancement Opportunities

It is our desire, as job openings present themselves, to promote from within whenever possible. As our Company grows, new job opportunities may be filled from among our own team of employees, provided that

a fully qualified individual is available. At any time the Company may hire individuals from outside the company.

Reduction in Workforce - Layoff

There may be times when the number of employees or the available hours of work will be reduced due to economic conditions and other business necessities. D&S Enterprises® reserves the right to determine when such reductions will be required.

Resignation/Termination of Employment

Resignation is a voluntary act initiated by the employee to terminate employment with D&S Enterprises®. As a courtesy, D&S Enterprises® requests at least two weeks written resignation notice from all employees. Notice is to include reason for leaving and date on which employment is to be terminated.

Upon termination of employment, you are required to return any keys you have been issued, any aprons, name tags, and non-purchased jackets at that time.

Prior to an employee's departure, an exit interview may be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits.

Rehiring

A former Employee applying for re-hire will be considered a new applicant. Approval for all re-hires must be secured through the Human Resource Department. Previous employee files will be reviewed before a decision of re-hire is made.

Work Schedules

The regular work week shall commence on Sunday and run through Saturday. Starting and ending times may be staggered for various shifts due to the demands of the business. Staffing needs and operational demands may necessitate variations in start and end times, as well as variations in the total hours that may be scheduled each day and week. Employee and department work schedules for the following week shall be posted by the Company by noon on Fridays.

Breaks & Meal Periods

An unpaid meal period of no more or less than 30 minutes must be taken if you work more than 5 hours per Washington State Law. You must work at least 2 hours into your shift and less than 5 hours to take your meal period. One fifteen minute break will also be granted for every 4 hour shift. Example: If you are scheduled an 8 hr shift it will entitle you to one 30 minute unpaid lunch and one paid 15 minute break. If you are scheduled for 8 and 1/2 hours, you will be entitled to one unpaid 30 minute lunch and two 15 minute breaks. If you work less than 4 hours, you will not be entitled to a break.

Attendance and Punctuality

All employees are expected to be at their work stations on-time and ready to work at the beginning of their shifts and any time when they are returning from breaks. The Company recognizes that some degree of absence or tardiness because of a bona fide illness or emergency situation beyond the control of the employee may be unavoidable. In such a situation, the employee is responsible for notifying the Company at least two hours prior to the start of the employee's scheduled shift, each day that you will be absent. Workdays missed are subject to this requirement unless the employee has received prior permission to be absent from work on that day.

Should you find it necessary to leave during a working day because of an illness or for an emergency, notify your manager. You are not to leave your job during your normal work schedule without first obtaining permission from your Department Manager or the Person In Charge of the store. The Company may request a doctor's note for absences of three consecutive days or longer. Employees who are excessively absent will be subject to disciplinary action. Employees who are absent without reporting their absence to management will be considered a voluntary resignation.

Pay Schedule and Timekeeping

Pay Schedule

All employees are paid weekly on Fridays. D&S Enterprises®' work week is from Sunday to Saturday. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

Timekeeping

Accurately recording time worked is the responsibility of every nonexempt employee. Federal and state laws require D&S Enterprises® to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked typically means all time an employee is required to be on Company's premises, on duty or at a prescribed work place. It includes all time spent performing job activity or performing an activity preparing an employee for work as required by your job.

Nonexempt employees should accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. They are also responsible for accurately recording whether they have received all paid rest breaks they are entitled to (ten minutes for every four hour work period) for each pay period. Overtime work must always be approved before it is performed.

Careless or improper reporting of an employee's own time, or altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

D&S Enterprises® encourages every employee to immediately report any pay or benefit inaccuracies to your supervisor or Human Resources. Our policy is to accurately pay for all time worked and calculate earned time and benefits properly, and D&S Enterprises® will not tolerate retaliation against those who report pay or benefit inaccuracies in good-faith.

In the event of termination, you must turn in your aprons, name tag, keys, and non-purchased jackets at that time. You will receive your paycheck on the next regularly scheduled payday after all of these items are returned, if they are not returned, payment for items will be taken out of the paycheck.

Overtime

All work performed in excess of 40 hours in an employee's work week shall be compensated with overtime pay. Henceforth, employees hired for Chehalis Shop N' Kart prior to 2004, and existing employees from Centralia Shop N' Kart before November 11, 2011 will be considered as "Grandfathered" employees. Overtime hours will be granted in the following manner:

- Union and Grandfathered employees shall be paid at a rate of time and one half (1.5) per hour for any hours worked over forty (40).
- Grandfathered employees shall receive a night premium pay for the hours worked 9 p.m. to 6 a.m., of fifty cents (.50) per hour.
- Employees hired after September 2013, not considered "Grandfathered" overtime pay will be granted at time and a half (1.5) and shall receive no premium pay.
- PIC pay after the store manager leaves for the day.
- All Union employees only (Yardbirds Maintenance) overtime will be granted for after their 8 hour shift and anything over forty (40) hours worked.

Pay Deductions

The law requires that D&S Enterprises® make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. D&S Enterprises® also must deduct Social Security taxes and Medicare on each employee's earnings.

In addition to standard payroll deductions, D&S Enterprises® is required by law to comply with certain court orders, liens, or wage assignments and make payroll deductions pursuant to those orders. D&S Enterprises® offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs.

Contact your supervisor if you have questions concerning deductions taken from your paycheck or how they were calculated.

Benefits

Jury Duty

After an employee's first year of continuous employment, employees who are regularly scheduled for 20 hours or more per week shall be excused from work for the days on which they are called to serve for jury duty. Employees shall be entitled to the difference between the total amount received for such service and the amount of straight time earnings lost by reason of such absence. Said payment shall be limited to eight hours a day and 40 hours per week, with a total limit of fifteen working days.

If jury duty does not require the employee to serve more than four hours or one-half of their regularly scheduled shift, they are required to return to work and finish their shift. If an employee is called for jury duty in the first year of employment, he/she will be excused from work without pay.

Funeral Leave

After twelve months of continuous employment, employees shall be allowed up to three days of paid funeral leave at straight time for the purpose of attending the funeral and assisting in arrangements in connection with the death in the employee's immediate family. Paid days off will be limited to an employee's scheduled work days. The immediate family shall be defined as spouse, son, daughter, mother, father, sister, brother, grandparent, grandchild, or the employee's spouse's parent.

Up to three days of paid funeral leave will be provided to eligible employees in the following classification(s):

- Any qualified employees who have completed six months of employment

Vacation Benefits

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Employees in the following employment classification(s) are eligible to earn and use vacation time as described in this policy:

- Employees hired after December 2010, must have to work for the company for two years.
- Employees hired before December 2010, shall be grandfathered at their vacation grants.

The amount of paid vacation time employees receive each year increases with the length of their employment as shown in the following schedule:

<u>Years of Service Completed</u>	<u>Vacation Days Earned</u>
2 years	7 days (1 week)
3-5 years	14 days (2 weeks)
5-12 years	21 days (3 weeks)
12+ years	28 days (4 weeks)

The length of eligible service is calculated on the basis of an "anniversary year." This is the 12-month period that begins with the employee's date of hire. An employee's anniversary year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

Eligibility for vacation shall be computed from the original date of employment of the employee, unless in the interim, the continuity of service has been broken, in which case eligibility shall date from the time of reemployment.

Part-time employees or those employees who have worked more than 1,040 hours in any year of continuous service shall have their vacation prorated on the basis of the average number of hours worked per week during the prior year of continuous service.

Once employees enter an eligible employment classification, they begin to earn paid vacation time according to the schedule. They can request use of vacation time after it is earned.

Paid vacation time can be used in minimum increments of one week. Vacations shall be taken during a time mutually agreed upon by the employee and the Company after the annual anniversary date entitling an employee to such vacation unless otherwise authorized by a manager. A minimum of six months of active employment must elapse between vacation leaves.

All vacation time must be used within 12 months after it has been earned. Employees are not permitted to carry over vacation time from year to year and any vacation time not taken within the required period shall be considered to have been forfeited by the employee.

Length of service is to be considered in the choice of vacation requests by employees within various classifications. In arranging vacations, the Company will take the employee's preferences into account, but operation needs will control when a vacation may be taken.

Vacation time off is paid at the employee's base pay rate at the time of vacation. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work. However, if D&S Enterprises®, in its sole discretion, terminates employment for cause, forfeiture of unused vacation time may result.

Sick Leave Benefits

D&S Enterprises® provides paid sick leave benefits to all eligible employees for periods of temporary absence due to illnesses or injuries. Sick leave will be accrued by an employee depending upon the number of hours worked in each twelve month period. Eligible employee's hours worked classification(s):

- 1248 to 1679 hours earns 24 work hours of sick leave pay.
- 1680 to 1999 hours earns 32 work hours of sick leave pay.
- 2000 or more hours earns 40 work hours of sick leave pay.

Sick leave benefits are calculated on the basis of an "anniversary year," the 12-month period that begins when the employee starts to earn sick leave benefits.

Paid sick leave must be used in full-day increments. An eligible employee may use sick leave benefits for an absence due to his or her own illness or injury, or that of a child, parent, or spouse of the employee.

It is the employee's responsibility to request sick pay benefits. Requests can be communicated to the Office manager and department manager.

Employees who are unable to report to work due to illness or injury should notify their direct supervisor before the scheduled start of their workday if possible. The direct supervisor must also be contacted on each additional day of absence. If an employee is absent for three or more consecutive days due to illness or injury, a physician's statement must be provided verifying the disability and its beginning and expected ending dates. Such verification may be requested for other sick leave absences as well and may be required as a condition to receiving sick leave benefits. Before returning to work from a sick leave absence of three calendar days or more, an employee must provide a physician's verification that he or she may safely return to work.

Sick leave benefits will be calculated based on the employee's base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

Sick pay begins after the second day of absence. Unused sick leave benefits will not be allowed to accumulate from year to year. If the employee's benefits reach this maximum, further accrual of sick leave benefits will be suspended until the employee has reduced the balance below the limit.

Unused sick leave benefits will not carry over into the next year and will be considered forfeit.

Sick leave benefits are intended solely to provide income protection in the event of illness or injury, and may not be used for any other absence. Unused sick leave benefits will not be paid to employees while they are employed or upon termination of employment.

Holidays

D&S Enterprises® will be open on all holidays. Employees shall be expected to work holidays, but shall first be selected from a pool of employees who volunteer. Only grandfathered employees are eligible for not worked holiday pay based on average hours worked in the previous 8 weeks- at their regular rate of pay. If you work a holiday, you will receive 1.5 times your regular pay.

Union employees will receive the following 7 paid holidays:

- New Year's Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Grandfathered employees hired before December 2010 through September 2013 will receive the following 5 paid holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Thanksgiving Day
- Christmas Day

All other employees will receive the following 3 paid holidays:

- New Year's Day
- Thanksgiving Day
- Christmas Day

An associate must work 16 hours (exclusive of hours worked on the holiday) during the week of the holiday and must have completed six months of service to be entitled to holiday pay.

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

Health Insurance

D&S Enterprises®' health insurance plan provides employees and their dependents access to medical, dental, vision care, and life insurance benefits. Employees who work at least 30 hours per week are eligible to participate in the health insurance plan after completing two months (60 days) of service.

On the first day of the month following completion of the two month qualification period, those employees who qualify will become eligible to participate in this plan.

Eligible employees and their eligible dependents may participate in the health insurance plan subject to all terms and conditions of the agreement between D&S Enterprises® and the insurance carrier.

A change in employment classification that would result in loss of eligibility to participate in the health insurance plan may qualify an employee for benefits continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Refer to the Benefits Continuation (COBRA) policy for more information.

Those who qualify will receive a separate booklet explaining this program in more detail.

Consolidated Omnibus Budget Reconciliation Act (COBRA)

On April 7, 1986, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) was signed into law (Public Law 99-272, Title X). Under COBRA, most employers sponsoring group health plans must offer covered workers and their families the opportunity for a temporary extension of health coverage called "continuation coverage" at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the COBRA law. Both you and your spouse should take the time to read this notice carefully.

If you are an employee of D&S Enterprises covered by its insurance plan, you have a right to choose continuation coverage if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment for reasons other than misconduct on your part.

If you are the spouse of an employee covered by the D&S Enterprises insurance plan, you have a right to choose this continuation coverage for yourself, if you lose group health coverage under The Company Plan for any of the following four reasons:

- (1) The death of your spouse;
- (2) A termination of your spouse's employment for reasons other than misconduct, or reduction in your spouse's hours of employment so he or she becomes ineligible for the company's insurance plan;
- (3) Divorce or legal separation from your spouse;
- (4) Your spouse applies for and becomes entitled to Medicare.

In the case of a dependent child of an employee or other worker covered by its insurance plan, he or she has the right to continuation coverage if group health coverage under its insurance plan is lost for any of the following five reasons:

- (1) The death of a parent;
- (2) The termination of a parent's employment for reasons other than gross misconduct or reduction in a parent's hours of employment with D&S Enterprises;
- (3) Parents' divorce or legal separation;
- (4) A parent applies for and becomes entitled to Medicare; or
- (5) The dependent ceases to be a "dependent child" under the D&S Enterprises Health Insurance Plan.

Under COBRA, the covered worker or a family member has the responsibility to inform D&S Enterprises of a divorce, legal separation, or a child losing dependent status under the insurance plan. Such notice must be made within 60 days of the event or the date on which coverage would be lost because of the event. D&S Enterprises has the responsibility to notify its insurance plan of the covered worker's death, termination of employment or reduction in hours, or entitlement to Medicare.

Health care continuation rights are also available to covered retirees, their spouses, and widows or widowers of covered retirees, if they should lose group health coverage in the event that D&S Enterprises should ever file for bankruptcy.

When D&S Enterprises is notified that one of the above named events has happened, D&S Enterprises will in turn notify you that you have the right to choose continuation coverage. Under COBRA, you have at least 60 days from the date you would lose coverage because of one of the events described above to inform D&S Enterprises that you want continuation coverage.

If you do not choose continuation coverage, your group health insurance coverage will end.

If you choose continuation coverage, D&S Enterprises is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. COBRA requires that you be afforded the opportunity to maintain continuation coverage for 36 months (i.e. 3 years), unless you lost group health coverage because of a termination of employment or reduction in hours. In that case, the required continuation coverage period is 18 months. The 18-month period may be extended to 36 months if other events (e.g., divorce, legal separation, death or Medicare entitlement) occur during that 18-month period. Moreover, the 18-month period may be extended for an additional 11 months (for a total of 29 months), if an individual is determined to be disabled under the rules for Social Security disability benefits, and the plan administrator is notified of that determination within 60 days. The affected individual also must notify D&S Enterprises' Human Resources when it is determined for purposes of Social Security disability benefits that the individual is no longer disabled.

COBRA provides that your continuation coverage may be cut short of the full coverage period - i.e., 18, 29 or 36 months - for any of the following reasons:

- (1) D&S Enterprises no longer provides group health coverage to any of its employees;
- (2) The premium for your continuation coverage is not paid;
- (3) You become covered under another group health plan that does not contain any provision restricting or limiting coverage of a "preexisting medical condition";
- (4) You become eligible for Medicare;
- (5) There has been a final determination that you are no longer disabled
(In the case of beneficiaries who qualified for an extra 11 months' continuation coverage based on their disability at termination).

You do not have to show that you are insurable to choose continuation coverage. However, under COBRA, you may have to pay all or part of the premium for your continuation coverage. A minimum 30-day "grace period" will be allowed for you to pay your regularly scheduled premiums. COBRA also says that, at the end of the 18, 29 or 36-month continuation coverage period, you must be allowed to enroll in an individual conversion health plan provided under its insurance plan.

If you have any questions about COBRA, you must contact Human Resources, D&S Enterprises, 505 S Tower Ave Centralia, WA 98531, (360) 748-1936. Also, if you have changed marital status, or you or your spouse have changed address, you must immediately notify D&S Enterprises at the above address.

Contact Human Resources or the corporate office manager for more information on the COBRA program.

401(k) Savings Plan

D&S Enterprises® has established a 401(k) savings plan to provide employees the potential for future financial security for retirement.

To be eligible to join the 401(k) savings plan, you must complete 12 months of service and be 18 years of age or older. You may join the plan only during open enrollment periods. Eligible employees may participate in the 401(k) plan subject to all terms and conditions of the plan.

The 401(k) savings plan allows you to elect how much salary you want to contribute (up to 15% of your salary) and direct the investment of your plan account, so you can tailor your own retirement package to meet your individual needs.

Because your contribution to a 401(k) plan is automatically deducted from your pay before federal and state tax withholdings are calculated, you save tax dollars now by having your current taxable amount reduced. While the amounts deducted generally will be taxed when they are finally distributed, favorable tax rules typically apply to 401(k) distributions.

D&S Enterprises®, in its sole discretion, may choose to contribute an additional matching amount of a certain percentage of each employee's contribution.

Complete details of the 401(k) savings plan are described in the Summary Plan Description provided to eligible employees. Contact Human Resources or the corporate office manager for more information about the 401(k) plan.

Employee Conduct

Progressive Discipline

The purpose of this policy is to state D&S Enterprises®' position on administering equitable and consistent discipline for unsatisfactory conduct in the workplace. The best disciplinary measure is one that does not have to be enforced and comes from good leadership and fair supervision at all employment levels.

D&S Enterprises®' own best interest lies in ensuring fair treatment of all employees and in making certain that disciplinary actions are prompt, uniform, and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence, and prepare the employee for satisfactory service in the future.

Although employment with D&S Enterprises® is based on mutual consent and both the employee and D&S Enterprises® has the right to terminate employment at will, with or without cause or advance notice, D&S Enterprises® may use progressive discipline at its discretion.

Disciplinary action may call for any of four steps - verbal warning, written warning, suspension with or without pay, or discharge from employment - depending on the severity of the problem and the number of occurrences. There may be circumstances when one or more steps are bypassed.

Progressive discipline means that, with respect to most disciplinary problems, these steps will normally be followed: the first offense may call for a verbal warning; the second offense may be followed by a written

warning; the third offense may lead to a suspension; and the fourth offense may then lead to discharge from employment.

D&S Enterprises® recognizes that there are certain types of employee problems that are serious enough to justify either a suspension, or in extreme situations, termination of employment, without going through the usual progressive discipline steps.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and D&S Enterprises®.

Wage Review

It is D&S Enterprises®' intent to provide and maintain wages and benefits that are competitive in our market area. Accordingly, D&S Enterprises® will review its wage and benefit policies once each year. Although such reviews will take place, this is not to mean that each and every time modifications will be made to our pay and benefit programs.

Work Rules

To ensure orderly operations and provide the best possible work environment, D&S Enterprises® expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- Boisterous or disruptive activity in the workplace
- Sexual or other unlawful or unwelcome harassment
- Possession of weapons on company premises
- Excessive absenteeism or any absence without notice
- Falsifying Company personnel, employment, financial or other records.
- Falsely reporting time worked.
- Theft, attempted theft or removal from the premises without proper authorization of Company property or the property of another employee or customer.
- Consumption of alcoholic beverages or being under the influence of alcohol or drugs on Company time or premises.
- Willful insubordination or failure to carry out assignments and job requests of management.
- Careless or willful destruction or damage to Company property or property of another employee or customer.
- Unauthorized departure from work or the work area prior to the end of the work day.
- Frequent failure to work beyond scheduled shifts when it is required to properly handle business.
- Failure to record sales at the very earliest opportunity or cash handling irregularities.
- Discourtesy to a customer.
- Sleeping on the job.
- Clocking into work for another employee.
- Unauthorized disclosure of confidential Company business, files, company financial information, or Company plans.
- Unauthorized discounting of merchandise for benefit of self, fellow employees or anyone else (sweet hearting)

Our main desire is that every employee succeeds in his/her employment and has an opportunity to prove one's self. Various measures are designed to correct whatever problem the employee has, and to make him or her aware of the importance of abiding by Company operating policies and procedures.

Employee Honesty and Integrity

As a new employee, we have accepted you with the fact in mind that your honesty and integrity are of the highest levels. We are certain that in most cases this will continue through your personal lifetime because your success will depend greatly on these two personal traits.

It is each employee's responsibility to advise management when he or she observes a person taking merchandise without paying for it, whether it is an employee or a customer. Employees apprehended for theft may be subject to immediate termination of employment.

Every employee will, at times, be entrusted with the handling of large sums of money, with other items, or with confidential information, where the opportunity may present itself for dishonesty. Employees are not to remove any Company property, equipment, merchandise, or supplies from the Company without permission. You will also be exposed from time to time to information about our business, such as sales volume, advertising, promotion plans, accounting figures and salaries. All such information is to be held in strictest confidence.

Should any theft be suspected, a thorough investigation will be conducted. If the theft is substantiated:

1. A thorough questioning and investigation will take place.
2. Restitution will be required and the Company will prosecute when justified.
3. The guilty employee is subject to immediate termination of employment.
4. Facts surrounding termination of employment will be made part of the employee's personal record with the Company.

In certain circumstances authorities may be called.

We believe and sincerely hope that it will not be necessary to take any of the forgoing actions.

If you have any information regarding any dishonesty, theft, or harassment situation at your workplace, you may also report the information, in complete confidence, to your management team.

Personal Visitors

Personal visitors are not allowed during working hours. It is the employee's responsibility to tell family and friends of this rule. If someone will not leave, please notify the Person In Charge.

In case of an emergency, see the supervisor for permission to leave your work station for a few minutes. This must be done through the supervisor to avoid any disruption of customer service.

Dress Policy

Customers appreciate shopping in a store where the employees are clean, neat and well groomed. While on duty the correct uniform is to be worn at all times. Be sure to follow these guidelines.

CLOTHING: D&S Enterprises® aprons will be issued upon employment. Aprons can be exchanged when they become too worn or stained. Your own solid color polo shirts with collar and plain (no logos or patterns). Shirts must be tucked in. Clean, pressed regular or wash and wear black pants with pockets are to be worn. No jeans will be allowed. Only Shop N' Kart jackets or plain black jackets with no logo may be worn over uniform. Black turtlenecks or long underwear may also be worn under uniform shirts as well as Shop N' Kart or black sweatshirts.

NAME BADGES: D&S Enterprises® name badge is to be worn on the collar of the shirt and must be visible at all times. A broken badge will be exchanged at no cost. A lost badge will be replaced for \$20.00. Forgetting to wear your badge will cost \$20.00 for a replacement with no refunds.

SHOES: Should be comfortable and are to be kept neat, clean and polished if applicable. Black exercise shoes or black dress shoes with non-slip soles are required. No high heels or opened-toed shoes are permitted. Socks or stockings are also required.

HAIR: For women, hair must be neat and clean. Long hair should be controlled by styling in such a fashion to insure that your name badge is visible to customers and without obstruction to your eyes and face. For men, hair must be neatly trimmed on sides and back, not to extend more than one-half inch (1/2") below the collar; must be kept well groomed and combed in place. Moustaches are permitted, but are not to be lower than the corners of the mouth and are not to overhang the upper lip. To be well trimmed to avoid the appearance of being bushy. **YOU MUST SHAVE PRIOR TO COMING TO WORK!** No extreme hairstyles are allowed; all facial hair must be well trimmed. For men and women, hairnets or hats are mandatory in the meat, deli and bakery departments.

HANDS: Make an extra effort to keep your hands and nails clean. Nails should not be longer than medium length and if polish is worn, it should be a clear or soft color.

MAKE-UP: Lightly and carefully applied.

PERFUME: Please keep mild and in moderation.

JEWELRY: Should be appropriate to the workplace and should not be too fancy or large. It should not get in the way of your work. For men, no earrings are allowed. For women, earrings are to be no longer than one inch below the ear. Piercings are to be in the ear only and no more than two per ear. Necklaces should be no longer than 16 inches for women and 24 inches for men.

SIDEBURNS: Should not extend beyond the bottom of the ear and must be in a straight line and uniform in width. To be well trimmed to avoid the appearance of being bushy.

TATTOOS: Visible tattoos are not allowed.

Smoking

No smoking is permitted by employees or customers on the sales floor, back room or employee lounge area. Smoking is also prohibited in the front of the store. It is suggested that employees smoke in their vehicles or in the back of the store, as long as it is not within 25 feet of any entrance or exit, as that is prohibited by state law.

Parking

Below is general guidance on where to park at each of D&S Enterprises locations. **Please get exact location from your manager, in order to avoid being towed at your expense.**

Chehalis employees - designated blue-lined parking spaces, as well as the far end of the front parking lot.

Centralia employees - park in the gravel area or the curbs surrounding the store.

Westport employees - park at the end of the store parking lot.

Use of Telephones

No personal calls should be made from or to the store unless for emergency circumstances. Employees may be required to reimburse D&S Enterprises® for any charges resulting from their personal use of the telephone.

Answering the Telephone

A telephone call from a customer is as important as their personal visit to the store. Answer the phone promptly, with a friendly smile in your voice, and say "Hello, thank you for calling _____ Shop N' Kart®, may I help you?" If the call is for the meat department, use the intercom to alert the meat department, "Meat Department, phone call holding on Line 1." (repeat) – to be sure the meat department hears your call. Don't leave the caller hanging – watch your blinker light on line 1 to be sure the call was answered. If necessary, check back to see that the customer has reached the department requested. If they ask for the manager by name and they are not in, ask if they would like to go to voice mail.

Use of Personal Cell Phones

During working hours cell phones must be kept in Employees' lockers or with their personal property. Personal cell phone use is not permitted while working. Cell phone use should be limited to lunches and breaks, unless required by your job or with prior Management approval.

Company policy and Washington law prohibit the use of cell phones while driving without hands-free devices. Employees are prohibited from taking business calls while driving if they don't have a hands-free device. Employees are asked to pull over before answering a call without a hands free device.

Store Intercom Use

The intercom is to be used for business purposes only. Before using the intercom, be sure that no one else is using it. No personal conversations between employees are permitted. The intercom is intended as an instrument of communication – the less said the better. The goal is to accomplish communication of a message in as few words as possible. Your supervisor will instruct you in the proper phrases to use on the intercom.

Company/Personal Property

You are expected to treat any and all company property, property belonging to fellow employees, or any other third-party property with care and respect. Theft, misappropriation, misuse or willful destruction of property, or unauthorized removal of such, is prohibited.

You are responsible for the custody and care of any company property that has been issued or assigned to you for use in performing the functions of your position. If you are terminated, whether voluntarily or involuntarily, you are required to return such property immediately.

In accordance with applicable law, D&S Enterprises® with reasonable suspicion or at its sole discretion, may request that you consent to and permit an inspection of, including, but not limited to, personal property brought onto or taken from the premises, any work, rest or storage area, all company vehicles, desks, lockers, computers, etc. that are within your possession or control.

Employee packages, handbags, sport bags and lunch boxes are subject to inspection and verification by supervisory personnel or security personnel. This includes purchases made at other stores and carried into D&S Enterprises®. By commencing work for the Company, the employee expressly consents to any such inspection.

Before you remove company products, samples or any other items belonging to the Company from the premises you must obtain a signed receipt or an authorization form from your supervisor.

Discounting Merchandise

No employee may discount merchandise for other employees or customers. Distressed merchandise may be marked down only by the department manager or a management employee and must be offered for sale to the general public. Employees may purchase these products in the normal manner (only at lunches or on break which you must be clocked out for), at the marked price.

Refunds

All over rings must be approved by the Person In Charge. It is company policy to cheerfully and pleasantly refund or exchange the purchase price of any item purchased in the store that is not satisfactory to the customer. Meat, produce, bakery and deli, or merchandise items should be referred to the manager of those departments who will fill out a refund voucher that may be used at the check stand. All other refunds will only be given if a customer has a receipt and must be authorized by a P.I.C. No refunds will be given on books, magazines, cigarettes, beer, wine and liquor.

Gifts

No employee will accept gifts, premiums, cash, or any type of gratuity from sales people, suppliers, or customers. These become the property of the Company and must be sent to the Office. Merchandise samples are prohibited unless authorized by the Manager. They become property of the Company and must be sent to the office.

Computer and E-mail Usage

D&S Enterprises® is the owner of the Company's computer system, software and Internet account. These have been made available for the employee's use for business purposes, not for personal use. Any material or message put into the system should not be considered a private communication. D&S Enterprises® retains the right to access and review any E-mail activity or documents utilizing company property.

D&S Enterprises® cautions that all communications via its electronic communications network systems, as well as any other document or file created or stored via the Company's computer systems, may be subject to discovery in connection with legal proceedings involving the Company or its employees.

Workplace Monitoring

The Company does monitor its phone system, network, and computers. Information stored in or on company facilities is subject to inspection at any time without notice. Employees expressly waive any right of privacy in anything created, received, or sent on or from the computer and/or Internet system; by accessing the system, employees expressly waive any right of privacy in anything they create, store, send, or receive on the system. By accessing the system, employees further consent to allowing personnel of the Company to access all material created, sent, or received on the system.

Business Ethics and Conduct

The successful business operation and reputation of D&S Enterprises® is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of D&S Enterprises® is dependent upon our customers trust and we are dedicated to preserving that trust. Employees owe a duty to D&S Enterprises®, its customers and shareholders to act in a way that will merit the continued trust and confidence of the public.

D&S Enterprises® will comply with all applicable laws and regulations and expects its Directors, Officers, and employees to conduct business in accordance with the letter, spirit and intent of all relevant laws and to refrain from any illegal, dishonest or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with the Store Director, Store Manager, or the HR/Office Manager, who all have open-door policies and are available for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every D&S Enterprises® employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible discharge from employment.

Confidentiality/Non-Disclosure

The protection of confidential business information and trade secrets is vital to the interests and the success of D&S Enterprises®. Such confidential information includes; but is not limited to, the following examples:

- Compensation data
- Computer programs and codes
- Financial information
- Labor relations strategies
- Marketing strategies
- Pending projects and proposals
- Proprietary production processes
- Research and development strategies
- Technological data
- Intellectual property

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

Inappropriate disclosure of information to people outside the Company could cost us competitive advantage and thousands of dollars. As you work at D&S Enterprises®, you may become aware of information that is considered proprietary to D&S Enterprises®. Because of this, all D&S Enterprises® employees may be asked to sign a non-disclosure agreement that would require you to agree not to disclose confidential information and trade secrets of D&S Enterprises®.

Front End Duties

1. Report to work dressed to code.
2. Punch in on the time clock.
3. Check for bulletins or special instructions.

4. Knowing the current produce and bulk food item codes is your responsibility. This can best be accomplished by touring the departments and reviewing the code sheets. There will be periodic tests on produce codes to insure recognition.
5. Prepare the check stand:
 - a. See that it is neat and clean.
 - b. Have adequate supply of register tape and bags.
 - c. Make sure no handbags or purses are stored in the check stand area.
6. Smile and greet all of your customers.
 - a. Remember G.O.T. (Greet, Offer Assistance and Thank the Customer).
 - b. Make an effort to call your customer by name whenever they pay by check.
 - c. As an act of courtesy, address your customer by name: "Thank you, Mrs. Jones." This is as important as all your other duties.
 - d. Know the answers to your customer's questions regarding your store and merchandise. If you cannot answer a question, call for the Person In Charge.
7. Each sale is rung individually and separately (this does not apply to electronic multiples of the same item).
8. Check to see if the customer has any items on the bottom of the basket and ring those first. The term (B.O.B) will refer to "Bottom of Basket".
9. Keep no more than \$1200.00 in your register at one time. When this amount is reached; call the Person In Charge for service.
10. A sale is considered complete only when the following steps have been taken:
 - a. Scan or ring each item individually and in the right department.
 - b. After ringing all items, press the total key.
 - c. If you have any coupons, refunds or other deductions, record them after the item that is discounted.
 - d. Total amount of sale and inform your customer of the total.
 - e. After calling out the amount given to you for payment, tender this amount with the appropriate key. Put the money in the cash drawer and count any change due, first to yourself. There must not be any incomplete transactions. Close your cash drawer.
 - f. Count the change back audibly to your customer and be sure to issue a receipt.
 - g. Smile, thank the customer and begin the next order while the first customer is bagging her savings.
 - h. Check again and make sure that all items on the bottom of the basket were rung up.
11. If the sale is complete and the customer "remembers" one more item, treat that purchase as a separate order. Remember again to check the bottom of the basket for any items.
12. If a customer insists on leaving exact change for a purchase when you are waiting on another customer, complete your current sale, then immediately record the even money purchase. Do not begin another sale until you record the even money purchase.
13. Lock the register whenever you leave the register.
14. Do not talk to other customers or checkers while ringing an order. Excessive chatter will not be tolerated.
15. Base all decisions on the customer that you are serving now.
16. We will bag and help out if requested or needed.

Shortages

A checker is responsible for the balancing of his or her cash drawer. Be sure you count your drawer and loan before you start checking. If the amount is not correct, notify the Front End Manager or Person In Charge immediately. If you do not do this, you will be held responsible for the shortage. At the end of your shift, count out your drawer minus the amount your started with. The amount left should be the total amount you checked out. Any shortages or overages in excess of \$10.00, will be treated as failure to perform work efficiently and subject to disciplinary action up to and including (only if overage or shortage is a constant) termination of employment.

Tobacco Sales

You are not allowed to sell cigarettes or tobacco to anyone under the age of 18, and each retailer must verify by means of photo identification the age of anyone buying these products who appears younger than 27. Violation of this law could result in a fine and or disciplinary action up to and including termination of employment.

Alcoholic Beverage Sales

Alcoholic beverages can only be sold after 6:00 am and before 2:00 am. Be absolutely certain that anyone to whom you sell beer or wine is 21 years of age. Check I.D's of all persons who appear 40 years old or younger. If in doubt, you should politely request some identification. If you request ID and a person cannot produce it, do not sell beer or wine to them. If ID is questionable, do not sell beer or wine to them.

Violation of this rule could cost your Company its license and subject the Company and yourself to legal punishment. All employees using a register must sign an acknowledgment page.

Check Cashing Policy

READ EACH CHECK AND MAKE SURE OF THE FOLLOWING:

1. Date is correct.
2. Name written matches pre-printed name on check. (Accept pre-printed checks only)
3. Written amount matches numerical amount.
4. Check must list a current phone number.
5. Check must have a physical address (Not a P.O. Box number).
6. Check is a personal check on a local bank.
7. Customer has a valid local driver's license. Check to see if the signature and physical description on the driver's license reasonably corresponds with the customer (age, race, sex, photograph likeness). Also, the address on the check must match the address on the driver's license.
8. Put employee ID number and initial on check.
9. Must be run through telecheck.

D&S Enterprises® will not accept any of the following checks:

1. Two-party checks
2. Cashier's checks
3. Checks outside the trade area
4. Finance or loan company checks

If you have a check that requires management approval or that you are uncertain of:

1. Do not write on the check
2. Do not tell the customer ____ Shop N' Kart® can't cash that check
3. Smile and say, "I'm sorry; I'm not authorized to accept your check. Let me call the Person In Charge for you."
4. After you receive written approval, list the information on the check.

Example:

Employee Initials	Customer ID #
P.I.C. Initials If needed	Amount Of check

5. Write clearly and do not deface the check.
6. If a customer presents you with a pre-approved check, be sure you follow through and get all the information required.
7. Make sure all ID information is on front of check.

The following items are not acceptable under any circumstances:

1. Altered checks.
2. Postdated or outdated checks.
3. Foreign traveler's checks and money orders.
4. All checks other than personal checks must have P.I.C. approval and a 10% purchase.
5. All payroll checks must have P.I.C. approval and a 10% purchase.
6. Personal checks more than the store limit policy above the total of items purchased must have PIC approval.

If a customer shops with us regularly or is well known by employee, identification is not necessary. If check is returned and customer is not a local resident, employee could be disciplined up to and including termination. Failure to follow company policy in accepting checks could result in disciplinary measures, including termination of employment.

Food Stamps/Electronic Benefits Transfer (EBT)

The State of Washington Department of Human Resources has an EBT program called the Quest Card for customers who receive food stamps, aid to dependent children, and cash benefits. The Quest Card is integrated with the debit/credit system.

Generally, items allowed on food stamps are intended strictly for human consumption. This includes imported food items. However, seeds and plants for growing fruit and vegetables are allowed.

The scanning checkout system has information stored in it to determine what is and is not food-stamp allowable. Any item not capable of being scanned should be determined by the checker as to its food stamp eligibility.

W.I.C. Program

The WIC program is a Federal Food Assistance program that is intended for women, infants, and children. It is funded nationally through the U.S. Department of Agriculture and administered by the State Department of Agriculture. There are a few guidelines to go by when accepting a WIC check (food instrument, or F.I.)

1. Be certain the check is made out to your store and not a different location, and is not post-dated.
2. Check the expiration date.
3. These checks are issued for specific items – make no substitutions.
4. WIC checks are check tendered on the register and deposited with all other checks.
5. Handle each WIC as a separate transaction on the register.
6. Be sure to list your employee number on these checks as well as any other check.
7. You are required to ask for a WIC identification card.
8. A male may use a WIC check only if the following is present:
 - His signature appears on the WIC ID card

Coupons

VENDOR COUPONS: Credit will be given only if: (a) the coupon has not expired, (b) the customer purchases the proper brand and size merchandise offered. Ring the coupon value on the Vendor Coupon Key and place in the designated area. We will not accept competitor's "Double Coupons." Keep current with which coupons we will accept.

Merchandise Refunds

It is company policy to cheerfully and pleasantly refund or exchange the purchase price of any item purchased in the store, which is not satisfactory to the customer. All refunds are to be authorized by a PIC. No refunds will be given on books, magazines, cigarettes, beer, wine, and liquor.

Bagging

At D&S Enterprises® we sell at the lowest prices in the entire area. In order to maintain that reputation, we must operate more efficiently than competition. Therefore, we do not bag groceries for our customers; we allow them to bag their own groceries. At customer request assistance can be called.

Respectful Conduct

It is a D&S Enterprises® policy that proper language be used at all times. The customer is always right and your fellow employees are human beings. Treat and speak to both with respect. Do not use curse words to express yourself.

Safety

All accidents, including those resulting in injury, must be reported to your manager or P.I.C. immediately. In most cases this must be done in writing using the appropriate state required form.

Failure to properly notify your supervisor of any job-related illness or injury could jeopardize your workers' compensation claim. Always notify your supervisor promptly of any job-related accident or injury to you or to any of your teammates. In all cases do this on the day the accident occurs, never wait until the next day!

Falsely stating or making claims of injury may subject you to criminal prosecution for filing a fraudulent workers' compensation claim.

When entering or leaving the store, always use the same doors as our customers. This includes lunch-hour departures as well as returns.

Each employee must:

- Comply with safety policies and supervisor instructions
- Report unsafe conditions or equipment
- Report all injuries and "close calls" to their supervisor immediately
- Refrain from unsafe behavior or endangering other employees
- Assume responsibility for their conduct and actions
- Ask questions when unsure of safe work procedures
- Use all safety equipment/devices provided for their protection
- Report activities occurring in the workplace when considered unsafe or illegal
- Not jeopardize their safety through drug or alcohol use
- Demonstrate a positive verbal and visual example for other employees to follow

Accident Prevention and Safety

Keep your working area, store aisles, sidewalks, and parking lots clear, clean and safe for you, your co-workers and customers. Report immediately to your supervisor or store manager of any unsafe conditions or circumstances observed. Tools and equipment are to be kept clean and in good repair. Horseplay and other actions that are not safe for the work environment are not permitted and may result in disciplinary action.

Power Equipment

No employee under eighteen (18) years of age will operate any power equipment in this Company. Unless you are over eighteen (18) years of age, and specifically designated by a supervisor or manager to do so, meat saws, meat grinders, meat choppers, slicers, trash compactor, cardboard bailer, etc. will not be operated by any team member at any time. All power equipment must follow "lock out tag out" procedures. Any employee who willfully bypasses the built-in safety features and policies may be subject to disciplinary action leading up to and including discharge from employment.

Hold-ups

In case of a holdup, the Company does not want any employee to risk injury in protection of Company funds or property. Obey all orders given by the hold-up person. Stay calm, keep your safety, co-worker safety, and customer safety a priority. Try to get a good description of the individual. Height, weight, hair color, automobile, voice and clothing descriptions will be helpful to authorities. Do not divulge the amount of holdup loss or details of the incident to anyone other than management and the proper authorities.

Theft

Customer, employee and vendor theft is a serious problem. Only experienced management personnel will handle theft situations. One of the best deterrents of theft is an alert, aware attitude on the part of all store employees, giving the best customer service. Therefore, as an employee it is your responsibility to report any incident of theft you may be aware of to the manager.

If you identify someone stealing an item:

- Call a manager or P.I.C. immediately
- Quietly report what you have seen – the item taken, where it has been concealed, a complete detailed description of the person, which direction the person went if they are no longer in sight

Never under any circumstances should an employee apprehend someone suspected of stealing. An employee offering information to management regarding another employee who is stealing from the company can be assured his/her identity will be kept as confidential as possible, and the company prohibits retaliation against any employee who comes forward with a concern in good faith. We appreciate your concern and cooperation as we investigate the situation.

As a means to prevent losses and monitor inappropriate activity by customers and employees, we reserve the right to utilize surveillance equipment on our premises. Both overt and covert equipment may be used in any area on our premises; Cameras will not be used inside of the restrooms.

Store Security

The purpose of a store security program is very basically to safeguard the assets of the Company. The Company's assets include fixtures and equipment, merchandise for sale, supplies, and of course, cash. Methods to take those assets away from the Company illegally fall into five basic categories: (1) customer theft (shoplifting); (2) robbery (hold-up); (3) vendor theft; (4) bad checks, and (5) employee theft, and (6) intentional damage of company property.

D&S Enterprises® has security personnel who are trained in safeguarding the store against these potential losses. It is everyone's job to assist them by reporting observed security violations to security immediately. Losses in this area cost food retailers billions of dollars each year. Numerous companies have failed because of staggering security losses. It is very important that all employees be alert and observant at all times for any suspected illegal activity. Remember, it is **our store**, and **our jobs** that are at stake.

Our policy is not to pursue any suspects beyond the breezeway of the store. If possible, get care license and description of car and the person(s).

Emergencies

From time to time a medical emergency may arise in our store. Examples of medical emergencies would be heart attack, serious fall, etc. So that First Aid or help can be expedited, the following procedure is to be used:

Use intercom to call for “**SERVICE 99, PLEASE**” to the location where the help is needed. The Manager or Person In Charge will respond IMMEDIATELY. In addition, security personnel will respond if they are in the store.

IF FIRE DEPARTMENT, POLICE OR AN AMBULANCE is needed, use the phone and dial 9-1-1. Customer should request. D&S Enterprises assumes no liability or guilt in case of an accident.

If someone is on the floor and hurt, do not move them. Make them comfortable and get help.

Spills

Product spills can create a serious slip-and-fall hazard for customers and employees. Each employee is responsible to be alert for product spills and to make sure the following steps are used to correct the problem:

1. Be alert – watch for spills
2. Protect the area – never leave spill unattended.
3. Get assistance – one person protects area; other person gets clean up equipment.
4. Immediately set up “Wet Floor” signs.
5. Clean up area completely. If the spill is oil based, use the cat litter located by the back room bailer.
6. Thoroughly inspect area – make sure it is clean and dry before removing “Wet Floor” signs.

Housekeeping

It is the policy of this store to maintain a clean and safe place to shop. Management will arrange for sweeping, mopping and other major housekeeping activities. **ALL EMPLOYEES** are responsible to inspect their work area on a regular basis and to clean up any debris on the floor or correct other minor housekeeping problems. Employees must also alert store management to housekeeping problems which require additional time or equipment.

Hazardous Communication Policy

Located in each department and janitor's room are "MSDS" Material Safety Data Sheets. The sheets contain information for every item that an employee may use in a non consumer fashion with information that may be needed if the item is wrongfully handled. If you come in contact with any item that may harm you, you must notify the “Manager In Charge”. This is a **SAFETY POLICY!**

Food Handler Cards

If you work in any designated department, you will need to get your food handlers card. You can obtain these from the Health Department. Please call a week in advance to receive your card promptly. Each

store will have the proper phone number for the local health department and class information. The cost is \$10.00 in the form of cash or money order. They do not take checks. You must secure a health card prior to working.

WA Health Department Policies

Sick leave policy: Food borne illnesses including Hepatitis A and Staphylococcus aureus are easily spread through food and beverages. Sick employees easily spread their germs to food and beverages, which can result in a food borne illness outbreak.

To prevent food borne illness outbreaks, these guidelines must be followed:

- Employees ill with vomiting, diarrhea, etc. must advise management of their illness so they may be excused from work.
- If an employee becomes ill while at work, they must advise management of their illness so they can be reassigned duties that do not include food/beverage handling or be sent home.
- Employees who have been ill within the 24 hours prior to their shift, must advise management of their illness so they can be reassigned duties that do not include food/beverage handling.
- If an employee has an infected cut, sore, etc. on their hands, they must advise management so they can be reassigned duties that do not include food/beverage handling.
- If an employee is diagnosed with a communicable disease such as Hepatitis A, they must advise management immediately.

Hand washing policy: The prevention of food borne illness through proper hand washing is well established. In order to maintain the highest degree of food safety, the following policy has been developed to reduce the risk of food borne illness. **ALL EMPLOYEES ARE REQUIRED TO FOLLOW THIS POLICY!**

Wash your hands using the following procedure:

- Wet hands with warm water
- Use a liquid or powered soap
- Lather and scrub hands thoroughly (for a minimum of 20 seconds)
- Rinse hands under running water
- Dry hands with paper towels

Your hands must be washed:

- When you enter the food prep area
- Before preparing or serving food
- After using the restroom (wash your hands in the restroom and again when entering the food prep area)
- After cleaning work areas or using chemicals
- After handling raw meat
- After coughing or sneezing
- After touching your face or hair
- After smoking
- After eating
- After taking a break
- After handling money
- After emptying garbage
- Whenever you change tasks
- **And at any time when hands could have become contaminated**

Employees are also required to wash their hands an additional time (once an hour) to provide extra protection. Remember, the use of a hand sanitizer does not take the place of proper hand washing.

Examples of proper hand washing during food preparation:

1. Employee enters food prep area and immediately washes his/her hands. Employee places raw hamburgers on the grill. Employee washes his/her hands. Employee prepares hamburger buns. Employee does not touch the raw hamburger with his/her hands during the cooking process.
2. Employee enters food prep area and immediately washes his/her hands. Employee prepares cold sandwiches with cheese and pre-cooked meats. Employee takes out garbage. Employee returns to food prep area and immediately washes his/her hands. Employee begins a new task.

Workplace Violence Prevention

D&S Enterprises® is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, D&S Enterprises® has adopted the following guidelines to deal with intimidation, harassment, or other threats of, or actual violence that may occur during business hours or on its premises.

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons and other dangerous or hazardous devices or substances are prohibited from the premises of D&S Enterprises® without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a customer or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including: harassment that is based on an individual's sex, race, age or any characteristic protected by federal, state or local law.

All threats of or actual violence, both direct and indirect, should be reported as soon as possible to your immediate supervisor or any other member of management. This includes threats by employees, as well as threats by customers, vendors, solicitors or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to a supervisor or department manager. Do not place yourself in peril. If you see or hear a commotion or disturbance near your work station, do not try to intercede or see what is happening.

D&S Enterprises® will promptly and thoroughly investigate all reports of threats, or actual violence, and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, D&S Enterprises® may suspend employees, either with or without pay, pending investigation.

Anyone determined to be responsible for threats of, or actual violence, or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action, up to and including termination of employment.

D&S Enterprises® encourages employees to bring their disputes or differences with other employees to the attention of their supervisors before the situation escalates into potential violence. D&S Enterprises® is eager to assist in the resolution of employee disputes, and will not discipline employees for raising such concerns.

Weapons

Possession of dangerous or deadly weapons on company premises or off company premises while performing job-related duties is strictly prohibited.

Alcohol and Drug Free Workplace Policy

Statement of Policy Free Workplace

D&S Enterprises® has zero tolerance for drugs or alcohol in the workplace. D&S Enterprises® is committed to providing a safe work environment and to fostering the well-being and health of its employees. That commitment is jeopardized when any of our employees use drugs on the job, comes to work under the influence, or possesses, distributes or sells alcohol or drugs in the workplace. The term "drug" for purposes of this policy includes prescription drugs that might affect performance or safety, as well as illegal inhalants and illegal drugs.

D&S Enterprises believes that we all have a responsibility to our employees, to those who come into contact with our products and services, and to the general public to ensure safe operating and working conditions.

The goal of this policy is to balance our respect for individuals with the need to maintain a safe, productive drug-free environment. Drugs will not be tolerated at D&S Enterprises®. Abuse of prescribed medications and over-the-counter drugs will not be tolerated at D&S Enterprises®.

With these basic objectives in mind, we have established the following zero tolerance policy:

1. It is a violation of policy for any employee to use, possess, distribute, sell, trade or offer for sale alcohol or drugs in the workplace, or in circumstances that we believe might adversely affect our operations or safety.
2. It is a violation of policy for any employee to report to work under the influence of alcohol or drugs, to be in this condition while on D&S Enterprises®' property, at customers' premises or vendors or in other circumstances we believe might adversely affect our operations or safety.
3. It is a violation of this policy for an employee to participate in any conduct that has the purpose or the effect of interfering with the enforcement of the policy or its collection and testing procedures.

Violations of this policy subject the employee to disciplinary action, up to and including termination of employment.

Pre-Employment Testing

All applicants for employment who have passed our other pre-employment evaluation may be subject to drug testing prior to beginning employment. Any positive result of any degree will disqualify the applicant from employment.

Current Employee Testing

All current employees are subject to drug and alcohol testing as described below.

Probable Cause for Testing

Where we have probable cause that an employee is in violation of this policy, the employee will be required to submit to testing to determine the presence or use or any involvement with drugs. D&S Enterprises® reserves the right to determine whether probable cause for testing exists.

Probable cause or circumstances that could be indicators of a violation of the alcohol and drug policy and considered probable cause prior to the time of the test, is observable, objective evidence that gives D&S Enterprises® a reasonable basis to suspect that the employee may be impaired or affected by drugs or alcohol in the workplace and may include, but is not limited to the following:

- Observed drug or alcohol use during work hours at the workplace, or employee statements or admissions regarding such use
- Apparent symptoms of impairment or being affected by alcohol or drugs, including slurred speech, smell of alcohol or marijuana on the breath, or physical movements suggesting impairment
- Bizarre behavior
- Incoherent mental state
- A substantial reduction in productivity
- Marked or significant changes in personal behavior or performance that are otherwise unexplainable
- Repeated tardiness or unexplained or unprotected absences
- Credible reports of alcohol or drug use in violation of this policy or credible reports of off-the-job illegal drug use
- Workplace accidents or injuries to person or property (Post Accident Testing – below) or other actions that provide probable cause to believe the employee may be in violation of the alcohol and drug policy

Post-Accident Testing

Any employee involved in or otherwise causing a job-related accident which causes personal injury to the employee or others that requires medical treatment by a physician or by hospital/clinic medical personnel will be required to take an alcohol and/or drug test immediately following the accident or at the time of initial treatment by a medical care facility.

Any employee involved in or otherwise causing an accident resulting in what D&S Enterprises® deems substantial damage to D&S Enterprises® property or to another's property while the employee is conducting company business may be required to take an alcohol and/or drug test. Also, "near miss" incidents, where there is no personal or physical damage or injuries will be evaluated and D&S Enterprises® will make a determination as to whether or not to test for drugs for any or all employees involved.

Random Testing

We also reserve the right to conduct random or unannounced drug testing. This may include testing by random selection (a neutral, unbiased selection process will be used) or testing of an entire department or work unit.

Retest Option

Any employee who tests positive by urinalysis testing is entitled to have the **same specimen** retested. The employee must request such a retest in writing within three calendar days of receiving notice of the positive test result. The retest must be conducted by authorized persons.

Additional Policy Procedures and Rules

1. An employee whose alcohol or drug test result is "positive" will be considered in violation of this policy. Adulterating or substituting a specimen, or any test that is cancelled will be deemed a "positive" test result. D&S Enterprises® has a zero tolerance policy.

As a limited exception, there may be some D&S Enterprises® social functions or meetings where alcohol may be served with prior company approval, or situations where Company employees or managers are allowed to consume alcohol. However, such consumption is

never a business obligation and any use of alcohol in these circumstances must be done with extreme moderation and confined to off-duty or evening hours when no further company work will be required. Do not drive after drinking on these occasions; the Company will reimburse for cab fare when provided with a receipt.

2. For purposes of this policy, under the influence of drugs is any detectable level of alcohol or drugs present in the individual's system (based on the results of urinalysis or breathalyzer testing).
3. Failure to give written consent, without qualification, to testing, or failure to provide samples for testing will be considered insubordination, and grounds for immediate suspension and later termination of employment. In addition, failure to permit a urinalysis test or breathalyzer upon request will be considered the same as a positive test.
4. If an employee is covered by Department of Transportation regulations, additional testing requirements will apply and will be enforced.
5. Employees who are medically authorized to use over-the-counter drugs or prescription drugs which might impair safe job performance are responsible to determine from a physician or pharmacist whether or not the substance is capable of impairing safe job performance. If it could impair safe job performance, the employee must report the use of the substance to Human Resources and provide proper written medical authorization from a physician stating that the physician has reviewed the position description and has concluded that it is safe for the employee to work while using such authorized drugs. The Company will request follow-up information if necessary to ensure your safety and the safety of co-workers. Consistent with federal and state laws the Company will keep such information confidential.
6. Employees are required to notify the Company of any criminal drug statute arrest or conviction no later than five days after such arrest or conviction.
7. We recognize that situations may arise which are not specifically covered by this policy and these guidelines. Such situations will be dealt with on a case-by-case basis taking into account such things as the nature of the situation or problem, the employee's overall employment record and job assignment, the potential impact on production and safety and customer relations concerns.

Post-Rehabilitation Testing

All employees undergoing a treatment program (voluntarily or with the D&S Enterprises®' agreement in order to avoid discipline) will be required as a condition of continued employment to sign a last chance agreement requiring:

- Agreement to participate and successfully complete a substance abuse rehabilitation program
- Adherence to the rehabilitation counselor's recommendations, including, but not limited to agreeing to remain drug or alcohol free
- Participation in an employee assistance program or other similar program
- Submission to random or periodic drug or alcohol testing to demonstrate that the employee remains drug or alcohol free

Violation of a last chance agreement will subject an employee to discharge from employment.

The employee's willingness to agree to treatment and such a last chance agreement may be one factor utilized by D&S Enterprises® in determining whether or not to "show leniency" and not terminate the employee for a violation of this policy.

Remember

It takes only a few kind words for a customer to remember D&S Enterprises®. In the check stand it takes a smile, a friendly attitude, courteous service, accuracy, speed and a good appearance to make a customer want to come back to D&S Enterprises®. You are the last contact with a customer as they leave the store. Make it pleasant and memorable.

Be Proud of your Job...

We Want to be Proud of You!

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Receipt of Employee Handbook

This acknowledges I have received a copy of the D&S Enterprises® Employee Handbook and Drug Free Workplace Policy. As an employee of D&S Enterprises®, I agree to read this Handbook, and to ask about any portion of this Handbook I do not understand. I also understand that D&S Enterprises® has the right to add, delete or otherwise modify the policies, procedures or other information provided in this Handbook at any time. I agree to abide by these policies, procedures and other requirements of this Handbook. I understand that my failure to do so will lead to disciplinary action, up to and including immediate termination of employment for the first offense.

I understand that neither this Employee Handbook nor any verbal statements made by D&S Enterprises® constitute an agreement or promise of continued employment and that the provisions of this Handbook may be changed at any time. I understand that D&S Enterprises® follows the employment-at-will doctrine which means that either D&S Enterprises® or I may terminate the employment relationship at any time with or without notice, with or without cause. I am also aware and understand that no one other than D&S Enterprises® has any authority to enter into any agreement for employment on behalf of D&S Enterprises®, or to make any agreement contrary to the foregoing, and no such agreement has been made.

If I have any questions about this Handbook I understand that I should ask my supervisor or department manager for answers to my questions.

Print Name

Employee's Signature

Date