



Fred Garrison Oil Company

Employee Handbook

701 Employee Conduct and Work Rules

Effective Date: 1/1/2013

Revision Date:

We expect you to follow certain work rules and conduct yourself in ways that protect the interests and safety of all employees and Fred Garrison Oil Company.

It is impossible to list every action that is unacceptable conduct, the following lists some examples. Employees who break the work rules such as these may subject to disciplinary action, up to and including termination of employment.

- * Theft or inappropriate removal or possession of property
- * Falsification of timekeeping records
- * Working under the influence of alcohol or illegal drugs
- * Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- * Fighting or threatening violence in the workplace
- * Boisterous or disruptive activity in the workplace
- * Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- * Insubordination or other disrespectful conduct
- * Violation of safety or health rules
- * Smoking in prohibited areas
- * Sexual or other unlawful or unwelcome harassment
- * Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
- * Excessive absenteeism or any absence without notice
- * Unauthorized absence from work station during the workday
- * Unauthorized use of telephones, mail system, or other employer-owned equipment
- * Unauthorized disclosure of business "secrets" or confidential information
- * Violation of personnel policies
- * Unsatisfactory performance or conduct

Since your employment with Fred Garrison Oil Company is voluntary and at will, you may terminate your employment at any time you want, with or without cause or advance notice. Likewise, Fred Garrison Oil Company may terminate your employment at any time, with or without cause, and with or without advance notice.



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702 Drug and Alcohol Use

Effective Date: 1/1/2013

Revision Date:

Fred Garrison Oil Company is committed to being a drug-free, healthful, and safe workplace. You are required to report to work in a mental and physical condition that will allow you to perform your job satisfactorily.

Fred Garrison Oil Company employees may not possess, distribute, sell or be under the influence of alcohol or illegal drugs while on Fred Garrison Oil Company premises or while conducting any business-related activity away from Fred Garrison Oil Company premises. You may use legally prescribed drugs on the job only if they do not impair your ability to perform the essential functions of the job effectively and safely without endangering yourself or others.

If you violate this policy, it may lead to disciplinary action, up to and including immediate termination of employment. We may also require that you participate in a substance abuse rehabilitation or treatment program. If you violate this policy, there could also have legal consequences.

We have a drug-free awareness program to explain this policy to employees. The program gives information about the dangers and effects of substance abuse at work. It also explains the resources available to employees and what can happen if you violate this policy.

Under the Drug-Free Workplace Act, if you perform work for a government contract or grant, you must notify Fred Garrison Oil Company of a criminal conviction for drug-related activity that happened at work. You must make the report within five days of the conviction.

If you have questions about this policy or issues related to drug or alcohol use at work, you can raise your concerns with your supervisor or the Chief Executive Officer without fear of reprisal.



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703 Sexual and Other Unlawful Harassment

Effective Date: 1/1/2013

Revision Date:

Fred Garrison Oil Company is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. Fred Garrison Oil Company will not tolerate any actions, words, jokes, or comments based on a person's sex, race, color, national origin, age, religion, disability, sexual orientation, or any other legally protected characteristic. Fred Garrison Oil Company provides ongoing sexual harassment training to ensure you the opportunity to work in an environment free of sexual and other unlawful harassment.

Sexual harassment is defined as unwanted sexual advances, or visual, verbal, or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. The following is a partial list of sexual harassment examples:

- * Unwanted sexual advances.
- * Offering employment benefits in exchange for sexual favors.
- * Making or threatening reprisals after a negative response to sexual advances.
- * Visual conduct that includes leering, making sexual gestures, or displaying of sexually suggestive objects or pictures, cartoons or posters.
- * Verbal conduct that includes making or using derogatory comments, epithets, slurs, or jokes.
- * Verbal sexual advances or propositions.
- * Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations.
- * Physical conduct that includes touching, assaulting, or impeding or blocking movements.

Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission or rejection of the



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conduct is used as a basis for making employment decisions; or, (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

If you experience or witness sexual or other unlawful harassment in the workplace, report it immediately to your supervisor. If the supervisor is unavailable or you believe it would be inappropriate to discuss it with your supervisor, you should immediately contact the Chief Executive Officer or any other member of management. There will not be punishment or reprisal if you report sexual harassment or ask questions or raise concerns about it.

All allegations of sexual harassment will be quickly and discreetly investigated. To the extent possible, your confidentiality and the confidentiality of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment must immediately advise the Chief Executive Officer or any member of management so it can be investigated in a timely and confidential manner. Any employee who engages in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment.



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704 Attendance and Punctuality

Effective Date: 1/1/2013

Revision Date:

We expect Fred Garrison Oil Company employees to be reliable and to be punctual. You should report for work on time and as scheduled. If you cannot come to work or you will be late for any reason, you must notify your supervisor as soon as possible.

Unplanned absences can disrupt work, inconvenience other employees, and affect productivity. If you have a poor attendance record or excessive lateness, you may be subject to disciplinary action, up to and including termination of employment.



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705 Personal Appearance

Effective Date: 1/1/2013

Revision Date:

Personal appearance means how you dress, how neat you are, and your personal cleanliness standards. Your personal appearance can influence what customers and visitors think about Fred Garrison Oil Company. Personal appearance can also impact the morale of your co-workers.

During business hours or when representing Fred Garrison Oil Company, you should be clean, well groomed, and wear appropriate clothes. This is particularly important if your job involves dealing with customers or visitors in person.

If your supervisor finds that your personal appearance is inappropriate, you will be asked to leave work and return properly dressed and groomed. If you are asked to leave, you will not be paid for the time away from work. See your supervisor if you are not sure about the correct clothing standards for your job.

Where necessary, Fred Garrison Oil Company may make reasonable accommodations to this policy for a person with a disability.



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706 Return of Property

Effective Date: 1/1/2013

Revision Date:

Fred Garrison Oil Company may loan you property, materials, or written information to help you do your job. You are responsible for protecting and controlling any property we loan you.

You must return it promptly if we ask. If you stop working at Fred Garrison Oil Company, you must return all Fred Garrison Oil Company property immediately.

If you do not return our property and if the law allows, we may take money from your regular or final paycheck to cover the cost. We may also take legal action to get back our property.



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708 Resignation

Effective Date: 1/1/2013

Revision Date:

Resignation means you voluntarily terminate your employment at Fred Garrison Oil Company. If you decide to resign, we would like you to tell us in writing at least 2 weeks before the day you will leave. Although advance notice is not required, you will be helping your co-workings because there will be more time to reassign work and replace you if necessary.

Before an employee leaves, we schedule an exit interview. The exit interview helps us to understand why the employee is resigning. We can also talk about the changes in benefits.

If you do not give enough advance notice before leaving, we may not rehire you if you want to return.



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710 Security Inspections

Effective Date: 1/1/2013

Revision Date:

Fred Garrison Oil Company wants to have a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. We prohibit the possession, transfer, sale, or use of such materials on our premises.

We may provide you with desks, lockers, and other storage devices for your convenience but these are the sole property of Fred Garrison Oil Company. Because they are our property, we may allow our representative or authorized agents to inspect them at any time, either with or without advance notice to you. We may also inspect any items that we find inside them.

We also want to discourage theft and the unauthorized possession of property that belongs to our employees, Fred Garrison Oil Company, visitors, and customers. To help enforce this policy, we may require inspection of employees and other persons who enter or exit our premises as well as any packages or other belongings they carry with them. If you wish to avoid having your belongings inspected, the best thing is to not bring them to work.



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712 Solicitation

Effective Date: 1/1/2013

Revision Date:

Fred Garrison Oil Company does not allow people who are not employees to solicit or distribute literature in the workplace at any time for any reason.

We realize that many employees participate in events and organizations outside work. However, during working time, employees may not solicit or distribute information about them. Working time does not include lunch periods, work breaks, or any other time when you are scheduled to be working.

We also limit what types of information are posted on our bulletin boards. We display information on Fred Garrison Oil Company bulletin boards that we think is important to employees such as:

- * Affirmative Action statement
- * Organization announcements
- * Workers' compensation insurance information
- * State disability insurance/unemployment insurance information

If you want to post something on the bulletin board, first give it to the Chief Executive Officer for approval. If it is approved, the Chief Executive Officer will then post your message.



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714 Drug Testing

Effective Date: 1/1/2013

Revision Date:

We are committed to making Fred Garrison Oil Company a safe, efficient, and productive work environment for all employees. There can be serious safety and health risks if an employee uses or is under the influence of drugs or alcohol on the job. We may ask job applicants and employees to provide body substance samples, such as urine and/or blood. We will use the samples to check for the illegal or illicit use of drugs and alcohol. If you refuse to be tested for drugs, you may be subject to disciplinary action, up to and including termination of employment.

We will provide copies of the drug testing to all employees. We will ask you to sign an acknowledgement form that says you received a copy of the drug testing policy. If you have questions about our drug testing policy or its administration, contact the Chief Executive Officer.



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716 Progressive Discipline

Effective Date: 1/1/2013

Revision Date:

This policy describes the policy for administering fair and consistent discipline for unsatisfactory conduct at Fred Garrison Oil Company.

We believe it is important to make sure that all employees are treated fairly and 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 performance in the future.

Although employment with Fred Garrison Oil Company is based on mutual consent and both you and Fred Garrison Oil Company have the right to terminate employment at will, with or without cause or advance notice, Fred Garrison Oil Company may use progressive discipline at its discretion.

Disciplinary action may be any of the following four steps: 1) verbal warning, 2) written warning, 3) suspension with or without pay, or 4) termination of employment. We will look at how severe the problem is and how often it has happened when deciding which step to take. There may be circumstances when one or more steps are bypassed.

In most cases, progressive discipline means that we will normally take these steps in the following order: 1) a first offense may call for a verbal warning; 2) a next offense may be followed by a written warning; 3) another offense may lead to a suspension; and, 4) still another offense may then lead to termination of employment. If more than 12 months have passed since the last disciplinary action, the process will normally start over.

In very serious situations, some types of employee problems may justify either a suspension, or, in extreme situations, termination of employment, without going through the usual progressive discipline steps.

You should also look at the Employee Conduct and Work Rules policy in this handbook. That policy lists examples of unacceptable conduct that might result in immediate suspension or termination of employment. However, some of the examples of unsatisfactory conduct listed may result in the progressive discipline process described above instead of immediate suspension or termination.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and Fred Garrison Oil Company.



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718 Problem Resolution

Effective Date: 1/1/2013

Revision Date:

Fred Garrison Oil Company encourages an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from Fred Garrison Oil Company supervisors and management.

Fred Garrison Oil Company tries hard to ensure fair and honest treatment of all employees. We expect supervisors, managers, and employees to treat each other with mutual respect. We encourage employees to give positive and constructive criticism to each other.

If you disagree with Fred Garrison Oil Company rules of conduct, policies, or practices, you can state your concerns through the problem resolution procedure described in this policy. You will not be penalized, formally or informally, for making a complaint as long as you do it in a reasonable, business-like manner. You will also not be penalized for using the problem resolution procedure.

If a situation occurs when you believe that a condition of employment or a decision that affects you is not fair, you are encouraged to use the following problem resolution steps. You may stop the procedure at any step.

1. You present the problem to your supervisor within 30 calendar days after the incident occurs. If supervisor is unavailable or employee believes it would be inappropriate to discuss it with your supervisor, you may present the problem to the Chief Executive Officer or any other member of management.
2. Your supervisor responds to problem during discussion or within 30 calendar days after consulting with appropriate management, when necessary. Your supervisor documents the discussion.
3. You present the problem to Chief Executive Officer within 30 calendar days if the problem is not resolved.
4. The Chief Executive Officer counsels and advises you, helps you put the problem in writing, visits with your managers, if necessary, and helps you review the problem.
5. You presents the problem to the Chairman of the Board in writing.
6. The Chairman of the Board reviews and considers the problem. The Chairman of the Board informs



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you of the decision within 30 calendar days, and forwards copy of the written response to the Chairman of the Board for your file. The Chairman of the Board has full authority to make any adjustment that is determined appropriate to resolve the problem.

Not every problem can be resolved to everyone's total satisfaction. However, we believe that honest discussion and listening to each other will build confidence between employees and management and help make Fred Garrison Oil Company a better place to work.



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722 Workplace Etiquette

Effective Date: 1/1/2013

Revision Date:

Fred Garrison Oil Company can be a better place to work when all employees show respect and courtesy to each other. Sometimes there are problems when employees do not realize that they are bothering or annoying other people. If this happens to you, you should first try to solve the problem by politely telling your co-worker what is bothering you.

In most cases, if you use common sense, the problem can be fixed. We encourage you to keep an open mind. If another employee tells you about something that you are doing that makes it hard for that person to work, try to understand the other person's point of view.

The following are some guidelines and suggestions for how to be considerate of others at work. You will not necessarily be disciplined if you do not follow these suggestions, but the guidelines will help you get along with others. If you have comments or suggestions about workplace etiquette, contact the Chief Executive Officer.

- * Avoid public accusations or criticisms of other employees. Address such issues privately with those involved or your supervisor.
- * Try to minimize unscheduled interruptions of other employees while they are working.
- * Be conscious of how your voice travels, and try to lower the volume of your voice when talking on the phone or to others in open areas.
- * Keep socializing to a minimum, and try to conduct conversations in areas where the noise will not be distracting to others.
- * Minimize talking between workspaces or over cubicle walls. Instead, conduct conversations with others in their workspace.
- * Try not to block walkways while carrying on conversations.
- * Refrain from using inappropriate language (swearing) that others may overhear.
- * Avoid discussions of your personal life/issues in public conversations that can be easily overheard.
- * Monitor the volume when listening to music, voice mail, or a speakerphone that others can hear.
- * Clean up after yourself and do not leave behind waste or discarded papers.