Shop’n Kart®

EMPLOYEE HANDBOOK

POLICY & PROCEDURES

At Shop’n Kart®,

The company will provide the low prices

Our people must provide the friendly atmosphere.

Restated September 2013

Shop'n Kart®
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Shop'n Kart®

WELCOME

You are now part of the Shop'n Kart ® organization and you, as an employee, are the foundation of our continued success. The most important ingredient in our business are satisfied customers. Courtesy, quality and integrity as well as low prices will make us the leader in our marketing area.

Your attitude toward your job and responsibilities helps determine the continued growth of our Company. By your performance, enthusiasm and initiative, impressions are formed which directly reflect on Shop'n Kart®. These impressions are formed every time you come in contact with a customer, be it in the check stand or out on the sales floor. Once formed, they are not easily erased. You, as an employee, help create and preserve a tradition that we are proud of at Shop'n Kart®. We are confident that you will do your utmost to maintain that reputation. That, again, is integrity, quality, courtesy and the competitive pricing in all our marketing areas.

The purpose of this Handbook is to act as a guide in order to assist you in understanding your responsibilities and our policies as well as describing the benefits you will receive as a Shop'n Kart® employee. This is our contract with you so that you will know 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.

The Shop'n Kart® concept is uniquely different from other food stores. You will undoubtedly be shown new methods and procedures that may differ from your past experiences. Please pay close attention to these procedures: They work, and enable us to sell food for less.

Together Everyone Achieves More

T.E.A.M.

Here is a Brief History of Shop'n Kart

Darris McDaniel, the owner of Shop'n Kart, bought and renovated an existing grocery store in 1990. His vision, creativity, commitment, and direction, along with all the employees, has increased the store to 44,000 sq. ft., has gone thru numerous beneficial remodels, and continues to grow as a company with fresh, new ideas.

EQUAL EMPLOYMENT OPPORTUNITY

The Company is strongly committed to equal employment opportunity in all of its employment practices. Management and supervisors are required to recruit, employ, train, transfer, promote, pay, discipline, layoff and terminate employees solely on the basis of individual qualifications and merit and/or according to the standards and policies outlined in our employee handbook and related policies. Decisions involving any aspect of the employment relationship must be made without regard to an employee's race, color, creed, religion, sex, age, national origin, marital status, physical or mental handicaps, or any other status or characteristics protected under any applicable federal or state law. Discrimination or harassment based on

any of those factors is totally inconsistent with our philosophy and will not be tolerated at any time. Any employee who witnesses any harassment or any other conduct inconsistent with the philosophy of this section should report the incident immediately to the management.

PROBATIONARY PERIOD

All new hires shall be on a ninety (90) day probation period. During this period employment may be terminated with or without cause, with or without notice.

HARASSMENT POLICY

Sexual Harassment

1. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when (a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (b) submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or (c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

2. Specific behaviors that this company will consider sexual harassment and will not tolerate include but are not limited to the following:
   1. Spoken or written abuse related to an employee's sex.
   2. Any sexual advance.
   3. Sexually oriented comments about an employee or customers.
   4. Showing or displaying pornographic or sexually explicit objects or pictures in the work place.
   5. Jokes of a sexual nature.
   6. Swearing or profane language.

3. No employee will engage in any act of sexual harassment as defined in Sections 1 and 2 above.
   We strongly urge you to report immediately all incidents of sexual harassment to your supervisor or manager. If you feel that you are being harassed by your manager or do not feel comfortable discussing the problem, with him/her, then report the incident directly to their Supervisor. We understand that in some situations, you may want to resolve the problem yourself rather than bringing the problem to our attention. If so, you might consider these steps:

1. Make it clear that the conduct or statements are not welcomed or appreciated and that you want them to stop.
2. If the problem continues, you may give the harasser a letter confirming your earlier conversation and identifying the conduct or statements you find offensive. Tell the harasser that you will report it to management if it does not stop.
3. If the letter does not work, or if you feel uncomfortable with approaching the harasser, then contact your Supervisor l immediately.

Harassment Based on Color, Religion, National Origin, Age, Race or Handicaps

We intend to maintain a working environment free from all forms of discrimination and harassment, whether based upon race, color, religion, national origin, age, physical and mental handicaps or sex. The procedures outlined above for sexual harassment will also apply in situations involving other types of harassment.

Employee's Responsibility

You must report any violations of this policy within thirty (30) days of when it happened to your or you observed it happen to another employee or customer, whether it directly affects you or another employee or customer. Additionally, you must cooperate in the investigation.

Supervisor's Responsibility

When a violation of this policy comes to the supervisor's attention, the Store Director must be informed immediately.

NON-FRATERNIZATION POLICY

Fraternization between a supervisor and/or manager and an employee may be perceived as favoritism or sexual harassment.

Supervisors/managers should not participate in activities or decisions that may reward or punish an employee with whom they have a romantic relationship. This could include hiring, promotion, evaluation, compensation, work assignments and discipline. This applies equally to married employees as well as those who are single.

Any social or romantic relationships resulting in disruptive conduct or job performance problems, or that reflect poorly on the company, are performance issues that could be cause for corrective action.

Sexually oriented conduct that is unwanted by the recipient or that creates a hostile work environment is considered sexual harassment, is not tolerated, and is prohibited. All complaints of sexual harassment will be promptly investigated as outlined in the company's "Harassment" policy. Retaliation against any employee who files a complaint in good faith is strictly prohibited.

POLICY ON DRUG AND ALCOHOL ABUSE

The objective of this policy is to provide a workplace and environment that is free from the effects of substance abuse. Furthermore, Shop'n Kart believes that we all have a responsibility to our employees, to those who come in to contact with our products and services, and to the general public to ensure safe operating and working conditions. To satisfy our **drug free workplace** objective and meet these responsibilities, we must establish a work environment where employees are free from the effects of drugs, alcohol, or other impairing substances. Accordingly, we have adopted this **zero tolerance** substance abuse policy.

The following conditions and activities are expressly prohibited on our premises or property or during work time or while representing us in any work related fashion:

- The manufacture, offer, sale, attempt to sell, use or possession of any controlled or illegal substances
- Any other substances that impair job performance or pose hazard, when use or possession occurs;
- Reporting for work under the influence of alcohol, illegal drugs, or controlled substances in a manner that may impair work performance.

When your doctor prescribes medication for you, either over-the-counter or prescription drugs, that can inhibit you from performing your normal duties safely, please discuss this with your supervisor before commencing work. Any medical issues discussed will be kept confidential.

If you have a problem with drugs and/or alcohol and wish to undertake rehabilitation, it is your responsibility to seek help before the problem adversely affects your work performance or results in a violation of this policy. If you need assistance in seeking this help, you may talk to your supervisor. No one will be discriminated against for undertaking rehabilitation.

For purposes of this policy, having any detectable level of an illegal or controlled drug in one's system while covered by this policy will be considered a violation. Where we have a reasonable suspicion 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 alcohol or drugs. The company also conducts random drug screenings. When an employee is injured on the job, the company will also conduct drug testing. We reserve the right to determine whether reasonable suspicion exists.

The following definitions apply:

Reasonable suspicion is specific, describable observations concerning such circumstances as the work performance, appearance, (including, for example, noticeable odor of an alcoholic beverage), behavior, or speech of an employee, or as being involved in an accident on organization premises which results in physical injury or property damage.

Under the influence is defined as any detectable level of alcohol or drugs in an employee's blood or urine or any noticeable or perceptible impairment of the employee's mental or physical faculties.

Shop'n Kart recognizes that alcohol and drug abuse in the work place has become a major concern. We believe that by eliminating drug and alcohol use, we will improve the safety, health, and productivity of associates. The intent of this alcohol and drug policy is to provide a safe and healthy work place for all associates, to comply with federal and state health and safety regulations and to prevent accidents.

The use, possession, sale, transfer, purchase or being under the influence of alcohol beverages, illegal drugs or other intoxicants by any associate at any time on company premises or while on company business is prohibited. Associates are not permitted to possess or consume alcoholic beverages, controlled substances, or drugs either in our store or on the surrounding premises. Anyone reporting to work suspected of being under the influence of alcohol, controlled substances or drugs may be subject to urine or other laboratory test and appropriate corrective action up to, and including, termination of employment.

WORK SCHEDULE, TIME CARDS AND ADJUSTMENTS TO TIME CARDS

Your weekly work schedule will be posted on the employee bulletin board or in your department area by **6:00 p.m. on Friday**. You are expected to know your working hours and be on time and ready to work at the beginning of your shift. Please return to work promptly at the conclusion of your break and lunch periods. Failure to observe this policy may result in disciplinary action, up to and including discharge.

Not punching in while working is subject to disciplinary action up to and including termination. Likewise, there will be no "working off the clock." Failure to punch in or out at the scheduled time will result in no pay and disciplinary action, up to and including discharge. Lastly, no employee may punch in early and leave early. You must observe your schedule.

Anyone found punching another employee's time card will be subject to disciplinary action up to and including termination. Your time card is also you name badge and this is part of the uniform for Shop'n Kart ®'s employees and it should on you at all times while working in the store.

ABSENTEEISM

All employees are expected to attend work on time and as scheduled. 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 P.I.C. or Manager 2 hours prior to the start of the employee's scheduled shift. Each workday missed is subject to this requirement unless the employee has received prior permission to be absent from work on that day.

Unexcused absences increase the workload of other employees and disrupt the Company's operations. Employees who have unexcused absences or are guilty of excessive absenteeism or tardiness will be subject to appropriate disciplinary action, which may include termination. We reserve the right to ask for a doctor's note to excuse an employee, even for one day. REMEMBER: NO SHOW, NO CALL – NO JOB.

STARTING TIMES AND SCHEDULES

Starting and ending times may be staggered for various shifts due to the demands of the business. The Employer retains discretion to set such starting times and to schedule employees so as to fit its staffing requirements. The Employer shall post work schedules for all employees or various departments by **6:00 p.m. on Friday**, preceding the start of the workweek.

BREAKS AND MEAL PERIOD

A meal period of no less than thirty (30) and no more than sixty (60) uninterrupted minutes will be granted for shifts over six hours each day but will not be considered part of the regular work day or compensated for. Each employee shall be released from work for his meal period within five (5) hours, but no sooner than three (3) hours after having reported work. There will be one 15-minute break scheduled for 8 hour employees as near to the middle of his/her shift as possible. If you work 5-1/2 hours, <u>you must</u> take a lunch break. If you work less than an 8-hour shift but at least 6 hours, you will take a 15-break and one unpaid lunch period.

PAY DAY AND PAYCHECK

Employees shall receive their paycheck every Friday after 7:00 a.m. In the event of termination, you will receive your final paycheck on the next regularly scheduled payday. You must turn in your shirts, name tag and your time card at that time.

HOURS OF WORK AND OVERTIME

1. The regular workweek shall commence on Sunday and run through Saturday.

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

- Tier 1- "Grandfathered" employees: Overtime shall be paid at a rate of time and one half (1 ½) per hour for any hours worked over 40.
- Tier 2- "Grandfathered" employees shall receive the following premium pay for the hours worked from 6 p.m. to 9 p.m., shall receive a night premium of twenty cents (.20) per hour and for the hours worked from 9 p.m. to 6 a.m., shall receive a night premium of fifty cents (.50) per hour.
- Tier 3- Employees not considered "Grandfathered": Overtime pay will be granted at time and a half (1 ½) and shall receive no premium pay for the hours worked between 6 p.m. to 9 p.m. and/or hours from 9 p.m. to 6 a.m.

There shall be no compounding of Sunday and/or overtime pay. Overtime is strictly prohibited, unless specifically authorized by your department manager and noted on a schedule.

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. You must work the scheduled day before and after the following holidays in order to qualify not worked holiday pay. If you work a holiday, you will receive 1 ½ times your regular pay.

Grandfathered Employees for Chehalis and Centralia receive the following seven (7) paid holidays:
New Year's Day, Presidents Day, Memorial Day, July 4th, Labor Day, Thanksgiving, Christmas

Grandfathered Employees hired before December 2010 thru September 2013 receive the following five (5) paid holidays: New Year's Day, Memorial Day, July 4th, Thanksgiving, Christmas

All other employees will not receive paid holidays.

VACATIONS

To be eligible for vacation pay for employees hired after December 2010 must have to work for the company two (2) years. Employees hired before December 2010 shall be grandfathered at their vacation grants.

After two years of service, vacation pay is based on the average of straight time hours worked.
After three up to five years of service, vacation pay is based on the average of straight time hours worked.
After five up to twelve years of service, vacation pay is based on the average of straight time hours worked.
After twelve years of service, vacation pay is based on the average of straight time hours worked.

A vacation pay are not cumulative from year to year nor is vacation pay an earned worked benefit. Vacations must be taken between the anniversary dates of hiring. If an employee does not take vacation within their hired anniversary date, your vacation pay will be loss for that year.

SICK PAY

Sick leave pay will start accruing after the first and each succeeding year of continuous employment with the company. Sick leave will be accrued by an employee depending upon the number of straight-time hours worked in each twelve (12) months as follows:

Hours Worked	Hours of Sick Leave Pay
1248 to 1679	24
1680 to 1999	32
2000 or more	40

Sick leave begins the first day of hospitalization or the 4th day of absence due to injury or illness shall continue for each working day of illness or injury thereafter, and shall be in an amount per day equal to the average number of straight-time hours worked per day by the employee during the past twelve (12) months. Sick pay shall be cumulative from year to year, but not exceed a maximum of one hundred sixty (160) hours. Sick leave will be paid only on those days when the employee was scheduled to work and may require a doctor's note. A

doctor's note or other authoritative verification of illness must be presented by the employee not more that forty-eight (48) hours after a return to work. If the employee is absent more than two (2) scheduled days, such verification must be presented prior to return to work, provided the Employer has given the employee reasonable advance notice. Any employee found to have abused sick leave benefits by falsification or misrepresentation shall be subject to disciplinary action, reduction or elimination of such leave benefits and will be required to restore to the Company amounts paid to an employee for abusing this sick leave policy.

FUNERAL LEAVE

After twelve (12) months continuous employment, regular full-time employees shall be allowed up to three (3) 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 workdays. The immediate family shall be defined as spouse, son, daughter, mother, father, brother sister, grandparent or grandchild.

JURY DUTY

After an employee's first year of continuous employment, employees who are regularly scheduled for twenty (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 (8) hours a day and forty (40) hours per week, with a total limit of fifteen (15) working days. If jury duty does not require the employee to serve more than four (4) hours of one-half (1/2) 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, (s) he will be excused from work without pay or 120 hours within any calendar year.

FAMILY MEDICAL LEAVE POLICY

1. After 12 months of employment, and, provided that you worked for Shop'n Kart® at least 1,250 hours during the 12 month period before the leave begins, you are eligible for family leave for up to a maximum of 12 weeks within any one (1) year period for the following three (3) reasons:

   a. To care for a newborn, newly adopted or newly placed foster child;
   b. For purposes of a serious health condition of yourself, your spouse, child, or parent;
   c. An additional "reasonable leave for pregnancy related disability" for a female employee.

2. Employee pregnancy is also covered by this policy. Pregnancy leave is the period of the actual medical disability immediately before and just after childbirth, unless the employee is transferred before childbirth to a less strenuous or hazardous position.

3. Female employees affected by pregnancy, childbirth or related medical conditions or occurrences shall be entitled to transfer, temporarily, to a less strenuous or less hazardous position, for the duration of the pregnancy, if the transfer is reasonably necessary and Shop'n Kart® can reasonably accommodate the request. This is subject to Shop'n Kart's® right to request a medical opinion verifying that need. Or, to take a leave of absence for a reasonable period of time if the leave is reasonably necessary and Shop'n Kart® can reasonably accommodate the request.

4. Upon completion of the leave, you will be reinstated to your former job, if still available, or to equivalent job(s) with equivalent pay, benefits and other employment terms. Generally thirty (30) days' written notice is required for leave. If the needed leave is not anticipated or not foreseeable,

verbal notice must be within 24 hours of starting leave unless it is an emergency, after which written notice must be given as soon as practicable.

5. Shop'n Kart® may require certification from your health care provider and where treatment is required – that schedule, which the employer may request to be modified; and, where appropriate, a fitness for duty report to return to work.

6. Although leave is unpaid, you will be required to use any available paid time off, such as vacation, sick pay, while you are on Family Leave.

7. Records will be kept regarding the utilization of this policy.

ALL ACCIDENTS AND/OR INJURIES ON THE JOB

All accidents/incidents on the job must be reported and an accident report prepared, no matter how insignificant the accident/incident is. This policy applies not only to employees, but also to customers.

If you have an accident that requires medical attention, you will be asked to take a substance abuse test, as set forth in Shop'n Kart ®'s Policy on Drug and Alcohol Abuse. Failure to consent to this testing and/or if there are positive results to the testing, your employment will be terminated.

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.

HYGIENE: Employee should shower enough to be free from offensive and overpowering body odors.

CLOTHING: Your own polo shirts with collar and plain (no logos or patterns). Shirts must be tucked in. Black pants are to be worn. At all times appearance must be neat and clean. Only Shop'n Kart jackets or plain black jackets with no logo may be worn over uniform. Red or black turtlenecks or long underwear may also be worn under uniform shirts as well as Shop'n Kart® or black sweatshirts.

NAME BADGES: Shop'n Kart® name badge/time card is to be worn on the left side of the shirt at all times. A lost badge/time card will be replaced for $20.00.

SHOES: Shoes should be comfortable and kept neat and clean. Shoes must be dark colored athletic type shoes or black dress shoes. No high heels, open toed, back strap or backless shoes are permitted.

HAIR:
Women- conservatively styled, neat and clean, avoiding extreme styling and/or coloring. Long hair should be controlled by styling in such fashion to insure that your nametag is visible to customers and without obstruction to your eyes and face.

Men- 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. No extreme hairstyles or coloring are permitted. Beards or goatees are not allowed. **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 kept clipped and neat. **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. YOU MUST SHAVE PRIOR TO COMING TO WORK!

HANDS:
Women- Make an extra effort to keep your hands and nails clean. Nails should be of medium length with a clear or soft polish.

Men- Make an extra effort to keep your hands and nails clean.

PERFUME and COLOGNE: Mild and in moderation.

JEWELRY: Should not be too fancy or obvious. It should not get in the way of your work.

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. Please give name, message, and "please," name.

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, (5) employee theft, and (6) intentional damage of company property.

Shop'n Kart® 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 car license and description of car and person(s).

EMERGENCY CALL

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:

Call for "SERVICE 99, PLEASE" to the location where help is needed. The 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 are needed, use the phone and dial 9-1-1. Customer should request. Shop'n Kart® assumes no liability or guilt in case of an accident.

If someone is on the floor, hurt, do not move them. Make them comfortable and get help. In case of robbery, do not leave the building. Get a description of the person(s), car and a license number.

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 "Good Morning/Afternoon/Evening Shop'n Kart®. How may I help you?" If the call is for the meat department, use your intercom to alert the meat department, "Meat Department, line 2 please." (Repeat) – To be sure the meat department hears your call. Don't leave the caller hanging – watch your blinker light on line 2 to be sure the call was answered. If necessary, check back to see that the customer has reached the department requested. If you are unsure as to how to handle a phone call, refer it to a manager.

PRELIMINARY DUTIES AND CHECKOUT DUTIES

1. Report to work dressed to code.

2. Check bulletins or special instructions.

3. Punch in on the time clock and go to work station <u>immediately</u>.

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:

    1. See that it is neat and clean.

    2. Have adequate supply of register tape and bags.

6. Smile and greet all of your customers.

    1. Make an effort to call your customers by name whenever they pay by check.

    2. As an act of courtesy, address your customer by name: "Thank you, Mrs. Jones." This is as important as all your other duties.

    3. Know the answers to your customers' 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 $1,200.00 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, depress the total key.

    C. If you have any coupons, refunds, or other deductions, do them after the item.

    D. Total amount of the sale and inform your customer of the total.

    E. After calling out the amount given you for the 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, both currency and coinage back audibly to your customer and be sure to give a receipt to the customer by placing it in his/her hand..

    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. Don't place this money in the register along with the money from the previous bill. Do not begin another sale until you record the even money purchase.

13. Sign out and turn off the register whenever you leave the register.

14. Do not engage in talk to other customers or checkers while ringing an order for a customer in your check stand. 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 you started with. The amount left should be the total amount you checked out. Any shortages or overages in excess of $5 per day will be treated as failure to perform work and subject to disciplinary action up to and including discharge. All cash drawers will be counted to $200.

TOBACCO SALES

You are not allowed to sell cigarettes or tobacco to anyone under the age of 18. Violation of this law could result in a fine and possible legal punishment. Shop'n Kart maintains a zero tolerance policy on the sale of tobacco to minors, anyone doing so will be terminated.

ALCOHOLIC BEVERAGE SALES

Alcoholic beverages can only be sold after 6:00 a.m. and before 2:00 a.m. 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 I.D. and a person cannot produce it, do not sell beer or wine to them. If I.D. is questionable, do not sell beer or wine to them.

The violation of this rule could cost your Company its license and subject the Company and yourself to legal punishment. Shop'n Kart maintains a zero tolerance policy on the sale of alcoholic beverages to minors, anyone doing so will be terminated.

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.) New accounts refer to P.I.C.
3. Written amount matches numerical amount.
4. Has a current phone number.
5. Has 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.
8. Put employee I.D. number and initial on check.
9. Call P.I.C. if check is in the negative check file.

Shop'n Kart ® <u>will not</u> accept any of the following checks:

A. Two-party checks.

B. Cashier's checks.

C. Checks outside the trade area.

D. Finance or loan company checks.

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

1. Do not write on the check.

2. Do not tell the customer, Shop'n Kart® cannot cash that check.

3. Smile and say, "I'm sorry; I'm not authorized to accept your check. Please let me call the person in charge for you".

4. Write clearly and do not deface the check.

5. If a customer presents you with a pre-approved check, be sure you follow through and get all the information required.

6. Make sure all ID information is on the front of the check.

A. 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.

B. All Checks:

1. All checks other than personal checks must have P.I.C. approval and a 10% purchase.

2. All payroll checks must have P.I.C. approval and a 10% purchase.

4. Personal checks written for more than the store limit policy above the total of items purchased must have

Telecheck approval or P.I.C. approval if not Telecheck is not approved.

There is common sense that must be used in any check policy. 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 discharge.

Failure to follow company policy in okaying checks could result in disciplinary measures including discharge.

W.I.C. PROGRAM

The W.I.C. Program is a Federal Food Assistance program 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 and administered by the State Department. There are a few guidelines to go by when accepting a W.I.C. check (voucher):

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. There is also maximum value limits stated – do not exceed.

5. W.I.C. checks are check tendered on the register and deposited with all other checks.

6. Handle each W.I.C. as a separate transaction on the register.

7. You are not required to ask for a W.I.C. identification card.

8. A man may use a W.I.C. check only if one of the following are present:

   A. His signature appears on the W.I.C. voucher

Checkers are responsible for handling all WIC checks properly. Be sure to closely follow the guidelines on each WIC transaction. Failure to do so may cause the Company to lose its ability to participate in the WIC program. Any checks returned because of checker error will be treated as failure to perform work and subject to disciplinary action up to and including discharge.

COUPONS

VENDOR COUPONS: Credit will be given only if: (a) the coupon has not expired, and (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 <u>will not</u> accept competitors' "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 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 film, books, magazines, cigarettes, and alcohol.

BAGGING

At Shop'n Kart® we sell at lower prices. In order to maintain that reputation, we must operate more efficiently then competition. Therefore, we do not bag groceries for our customers; we allow them to bag their own groceries. At customer request a "33" or UC can be called.

SPILL POLICY

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 the area – make sure it is clean and dry before removing the "Wet Floor" signs.

HOUSEKEEPING POLICY

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 to correct other minor housekeeping problems.

HAZARDOUS COMMUNICATION POLICY

Located in each department and janitor's room are "MSDS" 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 **SAFETY POLICY!**

LANGUAGE

It is a Shop'n Kart® policy that proper and polite 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 swear to express yourself.

PERSONAL PHONE CALLS

Personal phone calls, received or made, are not permitted, except in cases of emergency. Employee's personal cell phones will not be allowed in Shop'n Kart® while working. You are permitted to make personal calls at your meal period on the pay phone located outside the store or on your cell phone outside of the store.

Shop'n Kart ® COMPANY POLICIES

1. NO GUM CHEWING IS PERMITTED at any time while you are on Shop'n Kart® property.

2. No smoking is permitted by employees or customers on the sales floor, at the loading dock area, back room or employee lounge area. Employees are not permitted to smoke in front of the store. There is a designated area 25 feet away from the front doors of the store where employees may smoke.

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

4. No meals are to be prepared (such as sandwiches) on the premises.

5. 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 slip. 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. No handbags, purses, drinks or snack foods are permitted in the check stand area. Handbags, packages, backpacks and purses are subject to search.

6. Payment must be made at the time of the purchase.

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

8. All purchases made by an employee, members of the employee's family, or relatives or anyone residing in the same household and persons in a known relationship, must be checked out by another employee.

9. No food items are to be consumed on the sales floor or otherwise in view of customers.

10. 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 Shop'n Kart®. By commencing work for the Company, following review of the employee handbook, the employee expressly consents to any such inspection.

11. 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, at the marked price.

12. All charitable organizations asking for discounts must be cleared through the owner or store Manager.

13. *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.*

14. All voids over $10.00 must be okayed by the person in charge. All refunds are to be sent to the manager's stand for approval.

15. All time worked must be recorded on schedule after clocking out for the day. This means you fill in your hours worked for the day each and every day at the end of your shift.

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

17. There are no cameras or picture taking allowed in the store without the approval of the owners.

18. All employee purchases for consumption in the store must have a sales receipt attached to it.

19. Employees must park in the southeast parking area close to the loading dock.

20. Employees will be able to charge purchases after fourteen (14) days of continual employment. Employees may charge each week after they have worked at least one shift during pay period up to 50% of their gross pay.

21. Employee's shirts must be tucked in and uniforms nice neat and clean.

22. No person will operate any power equipment until they have been certified by our current safety officer. Strictly against company policy and could result in disciplinary action.

PROGRESSIVE DISCIPLINE PROGRAM

It is the intent of Shop'n Kart® to assist its employees in becoming both efficient and productive. Sometimes mistakes are made and it is for that reason that we feel it is our obligation to help you understand how you may improve your performance. It is for this reason that we believe in a "progressive discipline" or "written reprimand" system so that if you have a problem, we will have properly identified it so that you can improve it. These written reprimands will indicate that improvement is needed. If after receiving two such warnings, an employee does not work up to or meet Company standards, further disciplinary action up to and including discharge may result.

Shop'n Kart® shall be the judge as to the qualifications and competency of employees, and reserves the right to discharge any employee for good cause.

The following are some examples of the kinds of conduct which are not permitted and for which no written warning will be issued. Disciplinary action will be immediate discharge.

1. Falsifying Company personnel, employment, and financial or other records.

2. Falsely reporting time worked.

3. Theft, attempted theft or removal from the premises without proper authorization of Company property or the property of another employee or customer.

4. Consumption of alcoholic beverages or being under the influence of alcohol or drugs on Company time or premises.

5. Fighting or hitting another employee or customer, or similar disorderly conduct.

6. Willful insubordinations or failure to carry out assignments and job requests of management.

7. Careless or willful destruction or damage to Company property or property of another employee or customer.

8. Unauthorized departure from work or the work area prior to the end of the work day.

9. Failure to cooperate with reasonable requests to work overtime when it is required to properly handle business.

10. Failure to record sales at the very earliest opportunity or cash handling irregularities.

11. Failure to report to work as scheduled.

12. And any other misconduct so serious that discharge is warranted.

13. Writing personal checks to the store that are bad or have insufficient funds.

Should disciplinary action be taken, a procedure is available to resolve any disputes over enforcement of those rules.

JOINT MANAGEMENT COMMITTEE

The Joint Management Committee (JMC) shall consist of the owner, store manager, front end manager and of other designated employee. The JMC's function is to:

a) Provide a conduit between employees and management for ideas, suggestions on safety and/or security problems.
b) Hear grievances as stated in the following grievance policy.

GRIEVANCE POLICY

Shop'n Kart believes that employees should have a sense of security. Accordingly, employees are encouraged to bring problems, complaints or grievances to the attention of management. It is our policy that any employee problem, complaint or grievance will be handled in accordance with an established step-by-step procedure. While not all complaints or problems are susceptible to resolution through a formalized grievance procedure, we believe any non-supervisory employee who has completed their probationary period and who has been terminated may utilize the grievance procedures we mutually agree to use to resolve such disputes.

If any employee has been terminated, he/she may make a written request for a meeting with their supervisor. If the matter is not resolved, the employee may request in writing, to be submitted to the "JMC". The JMC shall be empowered to conduct a hearing during which the store director will present his case, and the employee shall present his/her case. A grieving employee may be represented by one (1) other employee of his/her choice. It is mutually agreed that the "JMC" may formulate a resolution, which will be binding upon the employee and Shop'n Kart. If the JMC is not able to resolve the issue or is otherwise deadlocked, the employee has seven (7) days in which to submit in writing, a request that the matter be submitted to final and binding arbitration before a neutral arbitrator. If the employee has not submitted his/her request for arbitration within seven (7) days, the matter shall be considered resolved and dropped. As agreed, the arbitrator shall be empowered to conduct the hearing and determine procedures to be followed. It is the intent of the parties that the arbitrator shall have the authority to issue a bench award and that the hearing need not to be transcribed.

Additionally, the arbitrator shall be empowered to frame an appropriate remedy limited to reinstatement and back pay, if any. If the arbitrator sustains the discharge, the grieving employee shall be required to pay the

sum of One Hundred Dollars ($100.00) toward the fee of the arbitrator. Otherwise, the cost of the arbitration shall be borne by Shop'n Kart.

REMEMBER

It takes only a few kind words for a customer to remember Shop'n Kart®. In the check stand or the sales floor, it takes a smile, a friendly attitude, courteous service, accuracy, speed and a good appearance to make a customer want to come back to Shop'n Kart®. 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!

Handbook receipt and acknowledgment form for employee file.

I hereby acknowledge that I have received a copy of the Shop'n Kart Employee Handbook.
I understand the Handbook contains important information, and I have the responsibility to read and understand this information, and ask my Supervisor if I have questions about any policy.

I understand this Handbook is not a contract of employment and does not guarantee employment for any certain period of time. I understand this Handbook replaces all prior Employee Handbooks and policies.

Shop'n Kart may add, delete, or change its policies, rules, and benefits described in this Handbook. The Owner is the only person authorized to make changes or enter into an employment contract, and must be in writing to be valid. I understand I will receive a copy of any revisions and sign a receipt form to indicate I am aware of the changes.

This acknowledgment does not alter in any way the "at will" employment relationship. You are free to resign at anytime, for any reason, with or without notice. Similarly, the Company is free to conclude the employment relationship at anytime, with or without reason or notice.

To signify that you have read and understand this handbook, sign your name and printed name below and return this page and the entire handbook to your supervisor within your first 7 days of employment, or within the 7 days following distribution of the handbook to you.

Employee's Signature_____

Employee's Printed Name_____