

WELCOME TO FLORIDA KEYS ELECTRIC COOPERATIVE

Our employees are the backbone of the company's operations, a major key to its success and reputation. We are pleased that you have elected to become an employee of Florida Keys Electric Cooperative Association, Inc. (FKEC) and to begin a relationship that we hope will be beneficial to both you and FKEC. Florida Keys Electric Cooperative was established January 20, 1940 to provide reliable electric service at the lowest possible cost to an area not served by other utilities. This tradition continues today. FKEC is a progressive, financially sound, nonprofit utility that is owned and controlled by its members, the people receiving electric service.

We realize that starting a new job requires adjustment to many new things; there are new people to meet, new skills to learn and new policies to remember. The purpose of this Employee Handbook is to promote understanding of our policies and procedures and thus contribute to productive and satisfying business operation at FKEC.

After reading this handbook, and at various times in the future, you undoubtedly will have questions about your job and FKEC. We welcome these questions and encourage you to check with your supervisor or Director of Human Resources for specific information that may not be covered in this handbook.

We have done our best to explain the policies, procedures, and benefits correctly in all sections of this handbook. However, if these pages inadvertently contain anything that disagrees with formal policies, including the summary plan description, policy bulletins, legal documents, the bargaining agreement, or state and federal laws, those formal documents and laws are the ones we have to follow in the administration of our programs.

At FKEC, you will have certain responsibilities that you must carry out to make both the cooperative and you successful. FKEC, in turn, as your employer, assumes responsibilities to you. With a clear understanding of this relationship, and a conscientious effort by you and FKEC to work together, we will approach our mutual goals.

FKEC reserves the right to change any policies or procedures in this handbook, with the exception of the bargaining agreement, as operational needs dictate with or without notice. While we hope that your employment relationship will be rewarding and long-term, this handbook should not be construed as, and does not constitute a contract of employment for any specific duration but is for your information and guidance.

Congratulations on becoming a member of our team. Good luck to you with your new job assignment. We look forward to a long and lasting relationship.

Sincerely,

Scott Newberry
Chief Executive Officer

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SECTION I - INTRODUCTION

This handbook is designed to answer many of the questions that may arise in connection with your employment with Florida Keys Electric Cooperative Association, Inc. (FKEC). The handbook sets forth general policies and guidelines only. Neither this handbook, nor any of its individual terms, constitutes or represents contractual commitments between FKEC and its employees. FKEC reserves the right to change, revise, eliminate or supplement any of the policies and/or benefits described in this handbook and to take any action which management deems necessary to the effective operation of FKEC. No one other than the CEO has authority to change, revise, eliminate or supplement the contents of this handbook.

Information for this handbook has been taken from various sources, FKEC Board Policies, Union Contract and various insurance plan documents. In the event of any inconsistency between the actual policy, contract or plan document and this handbook, or any oral representation, the actual plan, contract or policy will take precedent.

All benefits, policies, rules and regulations, and other information covered in this handbook are subject to change at the discretion of management or through union negotiations. Changes will be communicated as they occur, and will be posted on the employee's bulletin boards and intranet. It is your responsibility to comply with them. If you are in doubt about whether an official change has been made, please check with management before you take action. If you have any questions, please ask your supervisor. Your questions and your ideas are important to us.

FKEC VISION STATEMENT

Carved out of the coral rock that our community is built on, and with a vision as clear as the water surrounding us, Florida Keys Electric Cooperative will be a progressive employer and influential community partner that sets the benchmark in providing high quality, environmentally sensitive, and safe electrical power.

FKEC MISSION STATEMENT

FKEC is a member-owned electric utility committed to delivering high quality, competitively priced energy and services for our community. Every day we will be guided by integrity, innovation and a commitment to excellence. Every day we will consider our employees and members as individuals, respect their dignity and recognize their merit. Every day we will strive to better ourselves, assist our co-workers, improve our company and serve our members efficiently and effectively in an environmentally responsible manner.

EMPLOYMENT AT WILL

Your employment at FKEC is on an "at will" basis. This means that you are free to leave your employment with FKEC at any time, and for any reason or no reason. Further, your employment may be terminated by FKEC at any time and for any reason or no reason and with or without notice consistent with the law. For employees covered by the collective bargaining agreement between FKEC and the International Brotherhood of Electrical Workers (The IBEW), termination of employment is also subject to the provision(s) of that agreement.

EQUAL EMPLOYMENT OPPORTUNITY

As an employee, we believe it is very important that you know and understand FKEC's position on Equal Employment Opportunity.

FKEC is consistent in carrying out all applicable federal and state laws and to satisfy the requirements set forth by Federal Executive Order 11246. FKEC affords equal employment opportunities to all qualified employees and applicants without regard to race, religion, creed, color, national origin, sex, gender, age, veteran status, marital status, union membership, or physical or mental disabilities, except where any such factors are a bona fide occupational qualification. This policy is extended to all categories of employees and all aspects of the employment relationship including but not limited to recruitment, selection, promotion, demotion, transfer, termination, layoff, recall, training, compensation, benefits, social and recreational activities, and facilities.

In accordance with the regulations and guidelines set forth in Executive Order 11246 as amended, FKEC tracks all human resource actions to insure that employment decisions are based on good employee relations principles intended to promote and ensure equal opportunity in all aspects of the employment relationship as outlined in FKEC's EEO policy. As required by the Americans with Disabilities Act of 1990 (ADA), FKEC does not discriminate against any qualified individual with a disability who can perform the essential functions of a job, with or without a reasonable accommodation, unless those reasonable accommodations will cause undue hardship. A copy of FKEC's Equal Employment Opportunity/Non-Discrimination Policy is posted on all bulletin boards for your information. If you have any questions or wish to discuss any aspects of FKEC's EEO policy, contact your supervisor or the Director of Human Resources.

OPEN DOOR POLICY

FKEC believes that an employee should feel free to discuss any matter with his or her supervisor. You should never hesitate to seek information or advice from your supervisor on anything that concerns you. Feel free to make suggestions on improvements or to call attention to any condition you feel may be unfair to you. You will always find your supervisor ready and willing to talk over any of these matters with you and to give you any assistance that he or she can.

We believe that most difficulties can be satisfactorily resolved between an employee and his or her supervisor. If, after discussing the matter with your supervisor, you are still not satisfied or feel uncomfortable, you may request a confidential meeting with the Director of Human Resources or other members of management. They are more than willing to listen to your problems or suggestions and will respect your wishes to keep your conversation confidential.

Freedom of communication between those who work together is essential to the well being of FKEC and for the job satisfaction of all of us. Therefore, we cannot emphasize too strongly the fact that the lines of communication are always open between the employee and supervisor.

POSITIVE WORK ATMOSPHERE

The most significant responsibility each FKEC employee has is to get along with fellow employees and provide outstanding service to our internal and external customers. All FKEC employees are expected to maintain a positive work atmosphere by interacting and communicating in a manner that promotes cooperation and getting along with co-workers, customers and management. Treat others as "They" want to be treated.

ENVIRONMENTAL POLICY

FKEC employees shall follow sound environmental protection practices in the planning, design, construction, operation, and maintenance of FKEC's systems and facilities. This includes, but is not limited to, pollution prevention, energy conservation, environmental impact avoidance and mitigation, and compliance with environmental laws. Employees are encouraged to utilize recycle bins located throughout FKEC facilities.

SECTION II - GENERAL POLICIES

ADDRESS / PERSONAL STATUS CHANGE

It is important that your personnel file be kept up to date. Any changes in your personal status must be given to the Human Resources Department immediately after such changes occur. You may use an "Employee Personnel Update Form" for this purpose. All information will be held confidential and will not be released without your approval unless required to do so by law, subpoena or other court order. Notify Human Resources or Payroll of:

- A. Change of your address or telephone number.
- B. Your marriage, divorce, or legal separation.
- C. Birth or death in your immediate family.
- D. Change in military status (National Guard, etc.).
- E. Legal change of your name.
- F. A change in the name or telephone number of the person to be called in case of an emergency here at work.
- G. Any completion of special training since your date of hire that would increase your prospects of promotion.
- H. Any other change which would in any way affect your employment, or the ability of FKEC to contact you when off duty, if needed. FKEC cannot accept responsibility for failure to locate you if you have not kept your records up to date.

RIGHT TO WORK LAW

The State of Florida's Declaration of Rights states that "The right of persons to work shall not be denied or abridged on account of membership or non-membership in any labor union or through a labor organization, to bargain collectively shall not be denied or abridged."

FKEC recognizes the International Brotherhood of Electrical Workers as the exclusive bargaining union for its production, distribution and maintenance employees. This means that hourly employees in these departments are represented by the above union whether they have elected to join the bargaining union or not.

APPLICANT REFERENCE INQUIRIES

All information submitted by a job applicant must be factual. References will be checked prior to employment. An applicant who misrepresents or omits essential facts from an application will not be considered for employment. If after employment begins, such misstatements or omissions are found, the employee may be subject to immediate dismissal.

NEPOTISM

No person who is of “Close Relationship” to any member of the FKEC Board of Directors or its CEO shall be hired. No person who is of “Close Relationship” to a Cooperative employee may be employed in a direct supervisor – subordinate relationship.

Candidates are ineligible for employment, promotion, or transfer to a job where an employee who is of a “Close Relationship” would recommend or approve hiring, termination, performance appraisals, pay changes, disciplinary actions, promotions, etc., for the candidate.

Close Relationship Defined: For purposes of this policy, "close relationship" means spouse, former spouse, parents, stepparents and parents-in-law; children, by blood or adoption; half or full brothers and sisters, by blood, step or in-law relationship; aunt, uncle, niece or nephew, by blood or in-law relationship; grandparents or grandchildren, by blood or in-law relationship; and, any other person who is by blood, adoption or otherwise kin to a member of the household of a Director, the CEO or an FKEC staff member with “member of household” defined as "living in the home of" on any basis other than as a casual, occasional visitor.

Please refer to FKEC Policy #114.0, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

TOBACCO FREE WORKPLACE

FKEC is a “Tobacco Free Work Place”. As a result, the use of tobacco products of all types is prohibited on FKEC property and in FKEC vehicles.

Employees are not allowed to leave company property on their break. Therefore, those who wish to use tobacco products must do so either before reporting for work, after their shift, or off property during their lunch period.

All FKEC employees must comply with FKEC's Tobacco-Free Work-place Policy. Persons who violate these policies will be subject to progressive discipline as defined in the Standard of Conduct section of this handbook.

INTRODUCTORY PERIOD

Notwithstanding “Employment at Will”, all newly hired employees are considered to be in an “Introductory Period” for the first one hundred eighty (180) days of their employment. This is a period of adjustment, both personally and in terms of learning the job requirements and work rules. It allows management the opportunity to evaluate your potential for continued employment. It should also be a time for you to evaluate FKEC from an employee standpoint.

During this period and beyond, your attendance, job performance, and other work-related factors will be closely monitored and evaluated. Your performance will be discussed with you regularly throughout your employment at FKEC. Any employee failing to achieve a satisfactory rating during their "Introductory Period" will be discharged immediately if it appears they are unable or unwilling to correct a deficiency.

In accordance with its "at will" policy, FKEC reserves the right to terminate an employee during or after Introductory Period at any time, with or without notice, and for any reason or no reason, in accordance with the law.

EMPLOYEE ORIENTATION

All new employees will participate in FKEC's Orientation Program. This program is designed to familiarize new employees with the Rules and Regulations of FKEC, its organization, policies, personnel, facilities, and benefits. The first section will be conducted by the Human Resources Department. New employees will then spend time in the various departments, tour FKEC facilities, and will attend a meeting with the Safety Director who will explain the employee's requirement to work safely, the Hazard Communication Program, and/or other safety programs.

FRCC RELIABILITY – INTERNAL COMPLIANCE PROGRAM

Internal Compliance Program (ICP) to Bulk Electric System Reliability Standards

FKEC's Internal Compliance Program, which remains accessible by all employees at all times pulls together into a single point of reference what is being done by FKEC to achieve and maintain its goal of 100% compliance with each applicable NERC and FRCC Reliability Standard. This formal program is fully endorsed at all levels within FKEC. This ICP provides for ongoing training, auditing, and disciplinary measures for misconduct.

All FKEC personnel with specific responsibilities related to compliance with NERC and FRCC Reliability Standards and/or who participate in the FRCC Reliability Standards compliance monitoring process will have continued access to this document. This includes all applicable management including executive management. All employees not directly involved with specific Reliability Standards responsibilities shall also have continued access to the Internal Compliance Program through, either the FKEC NERC-Compliance Official (Director) or by intranet posting.

FKEC's Director will serve as the primary contact to the Regulating Authorities for answers to questions and assistance regarding the Internal Compliance Program. The Director may designate other Responsible Supervisors of the functional areas involving compliance obligations in his/her absence.

BULLETIN BOARDS

Bulletin boards, located throughout the Cooperative, are provided as an information center for all FKEC employees. Information, such as policies, State and Federal laws, job openings, recreational activities, important announcements, etc., can be obtained from the bulletin boards. It is your responsibility to stay informed, and the best way is to read the bulletin board daily.

Items posted on Cooperative bulletin boards must be information beneficial to the Cooperative and/ or its employees and should NOT be controversial in nature. Items deemed inappropriate will be removed by management.

HOUSEKEEPING

Good housekeeping and sanitation are all a part of the safe operation of FKEC. You are expected to do your part in helping to keep your own work area, offices, and FKEC vehicles clean and orderly in accordance with specific instructions from your supervisor.

PERSONAL MAIL / TELEPHONE CALLS

Personal telephone calls should be avoided during working hours. If you must make a personal telephone call or you receive a personal call from home, except during break and lunch periods, try to hold the call down to a minimum. Likewise, employees should not receive personal mail at work. Advise anyone who may be corresponding with you of your home address and not your business address.

TELEPHONE MANNERS

Employees are expected to answer the telephone promptly and pleasantly. It is a common business practice to identify yourself, such as, "Florida Keys Electric, this is Brenda speaking, how can I help you?" To the person calling, you are FKEC. Your telephone manners may mean the difference between a satisfied member and a disgruntled member.

UNIFORM / DRESS AND PERSONAL GROOMING

All employees are expected to project a professional, well groomed image each and every day. FKEC feels that business casual attire (neat, clean, & well pressed) can make our employees more comfortable and at the same time retain the professionalism required of a corporate environment. We remind everyone that proper dress, grooming and personal cleanliness are important in promoting a positive company image to our customers.

There may be situations when casual business attire would not be the most appropriate attire, and employees must exercise good judgment in such situations and dress more formally, if the situation requires a more professional image. Our business casual philosophy does not mean that we are lowering our standards of excellence – it only means that we want our employees to be comfortable while serving our members.

Casual Friday; your performance may not be based on what you wear, but our customers may still judge your work on your appearance. You can still be comfortable, while keeping in mind that we are still a business. With this in mind, we need to set a few limits on “Casual Days”:

- “Nice” jeans (of any color) are acceptable
- Shoes without socks are acceptable (this is the Keys, after all)
- FKEC sport shirts are encouraged, but not T-Shirts
- Sports shoes (sneakers) may be worn only on “Casual Friday.”

For Union Personnel - The Cooperative agrees to supply uniforms to all members. Employees who work in the field should make all reasonable attempts to maintain a clean appearance, but it is understood that in the performance of their duties they will not always be able to do so. Torn clothing or clothing with holes are not acceptable and should NOT be worn to work. Operations employees exposed to energized parts or flames are required to wear FKEC approved and supplied flame resistant clothing. Upon termination of employment, employees are required to return all issued uniforms prior to receiving their last paycheck. Because of the nature of their jobs and safety regulations, union personnel will not be able to participate in “Casual Friday”. If you have any questions about this, please contact your supervisor.

Should an employee not be able to comply with FKEC’s dress code for health or hygienic reasons, the employee will be required to provide a letter of explanation from their physician. Employees who do not conform to the dress code will be required to leave the office and return to work wearing appropriate apparel. Time away from work will be charged to the employee’s PTO time. Repeated violations of the dress code will result in disciplinary action, up to and including termination.

For all FKEC employees, flip flops or facial tattoos or jewelry, such as eyebrow rings, nose rings, and lip rings, are not professionally appropriate and must not be worn, or visible, during business hours. Sun glasses are also not professionally appropriate for indoor meetings or gatherings and should only be worn while outdoors. All clothing (shirts, hats, etc) worn with a logo shall be the logo of FKEC only, no non-FKEC logos are allowed. In keeping with the image that FKEC wishes to present to the public, all shirts, with the exception of those specifically designed to be worn “un-tucked”, shall be worn “tucked in”. This includes t-shirts and polo shirts.

Managers and Supervisors are responsible for interpreting and enforcing these guidelines. Employees who report to work dressed or groomed inappropriately will be sent home to correct the problem on their own time. Continued problems will result in disciplinary action.

WORK SCHEDULE

Each workweek starts at 12:01 A.M. Monday and ends at 12:00 midnight the following Sunday.

Employees work varying schedules which depend on the business needs of FKEC. Normally, the scheduled workweek will consist of five (5) consecutive eight (8) hour days, each with a scheduled lunch period and two relief periods of fifteen (15) minutes for non-union personnel and ten (10) minutes each for union personnel. Any employee required to work in excess of twelve (12) hours on any shift shall be granted an additional ten (10) or fifteen (15) minute relief period accordingly.

Prior to the start of their shift or while on lunch break non-exempt employees are neither expected nor permitted to perform any work for FKEC. Such work must be pre-approved by the employee's supervisor. Employees found in violation of this policy may be subject to disciplinary action, up to and including termination.

All employees are hired with the understanding that they will work overtime hours as scheduled. All overtime work must be approved by your immediate supervisor in advance. You may not work overtime without authorization. Working unauthorized overtime may lead to disciplinary action. Overtime work, including work on weekends and holidays, when necessary, is required even if we are unable to give advance notice.

At times, when the operation of FKEC so requires, employees may be requested to report to work during their non-scheduled periods. In those circumstances, employees must report to work in accordance with the instructions of his or her supervisor or his or her designee. Overtime compensation is paid to all non-exempt employees in accordance with the law. Overtime pay is based on actual hours worked. If you are an hourly, non-exempt, employee, you will be paid for overtime at one and one-half (1 ½) times your regular rate of pay for all actual time worked in excess of forty (40) hours in any workweek. Members of the Collective Bargaining Unit shall be paid according to the union contract.

Time off for holidays, vacation, PTO or other leave will not be considered hours worked for overtime pay calculation.

You should be at work, ready to start, at your scheduled starting time. This means change of clothing, or any other necessary preparation that must be done before starting time.

PAY PERIODS

Employees will be paid each Friday for the pay period that ended midnight on the previous Sunday. If a holiday falls on a Friday, employees will be paid the last working day prior to the holiday. All FKEC employees participate in the direct deposit program as outlined below.

DIRECT DEPOSIT

FKEC is pleased to provide you the convenience of direct deposit of your weekly pay. Our direct deposit offers great flexibility by allowing deposits to as many as five different banks/accounts. Once you have completed the paperwork for direct deposit, it will take two pay periods for the bank to make changes. If you have a loan with the FRECU credit union, your loan payments can be taken out of your FRECU direct deposit. For more information on direct deposits, please contact the payroll department.

ELECTRONIC TIME SHEET PROCEDURES

Since the electronic timesheet is the only record upon which to base your weekly pay, it is essential that it is always submitted to your supervisor correctly. Once you have finished your weekly time entry and checked the completed box, you are certifying that your time is correct and you agree with the information that you are submitting to your supervisor for approval. Once your supervisor approves your time as entered, they are also certifying that your time is correct and that they agree with the information that will be submitted to the payroll department. If your net pay ends up incorrect, the payroll department will make an adjustment to your next scheduled paycheck. Falsifying your time records or those of any other FKEC employee will lead to disciplinary action, up to and including immediate termination of your employment.

PAYROLL DEDUCTIONS

Authorized payroll deductions are made for transactions relating to such options as Credit Union, ACRE, Insurance, 401(k) Savings Plan, etc. Employees must complete the appropriate authorization forms in the Payroll Department if they wish to participate in a payroll deduction program.

DEDUCTIONS FROM SALARIES OF EXEMPT EMPLOYEES

It is the policy of FKEC to fully comply with the Fair Labor Standards Act. In keeping with this commitment, FKEC will pay exempt employees their full salary for any workweek in which they perform work, regardless of the number of days or hours worked, subject only to deductions that are permitted by law. Full day deductions from pay that are permitted by law include, for example, deductions for personal time off, sick days before or after eligibility for paid sick leave, or deductions for infractions of written workplace conduct rules. Full or partial day deductions may be made from the salaries of exempt employees for infractions of safety rules of major significance or for use of intermittent leave under the Family and Medical Leave Act.

It is further the policy of FKEC to promptly investigate and correct any improper payroll deductions or other payroll practices that do not comply with the Act. If an employee believes that an improper payroll practice — such as an improper deduction from an exempt salary — has occurred, he or she may make a complaint to the Director of Human

Resources. HR will see that the matter is appropriately reviewed; the employee will be reimbursed for the amount of any inappropriate deduction taken.

ON - CALL ASSIGNMENTS

In order to provide emergency service to our members, FKEC assigns selected qualified employees who are to be available for such service if it should be needed. Each employee assigned to on-call duty shall be required to perform such duties as required unless for reasons of extreme emergencies beyond his/her control, he/she is excused by the assigned supervisor in charge. Information on pay, for on-call assignments during off hours, weekends, and holidays is available in the bargaining agreement between FKEC and the IBEW union. If you have any questions, ask your supervisor.

HIRING & PROMOTION PROCEDURE

Hiring and/or promotions will be managed by the Director of Human Resources. The Cooperative will attempt to employ qualified individuals in every position that becomes available, and will comply with all laws affecting the employment and placement of employees.

In accordance with the Americans with Disabilities Act, no applicant for employment will be required to undergo a physical exam prior to being offered a position. An applicant may be required to undergo a physical exam and drug test after an offer of employment has been made. Any offer of employment will be contingent upon the results of the medical exam and drug test.

HIRING - FKEC accepts employment applications/resumes only when a job opening exists. Unsolicited applications/resumes will not be accepted. Only applicants who complete an FKEC application will be considered for employment. After an employment decision has been made, applications of unsuccessful applications will be retained for one year.

Job openings for Union positions will be filled in accordance with the Union Contract. For all non-union openings, a job posting will be placed on FKEC bulletin boards for a period of up to five (5) working days. It is the responsibility of the employee to properly notify Human Resources of their interest in an open position in a timely manner. When a job posting is removed from the bulletin boards, or when the stated deadline of the posting has expired, the posting is no longer active.

Positions requiring special qualifications or immediate replacement may make it necessary to expedite the hiring/promotion process. Management reserves the right to hire directly or directly promote qualified individuals in certain circumstances. In seeking outside applicants, the Cooperative will advertise regular employment openings in area newspapers and on www.FKEC.com. Employment web sites may also be utilized, if necessary.

The Director of Human Resources and supervisor/manager will select qualified applicants to be interviewed. The Director of Human Resources is responsible for ensuring that the group selected includes representative numbers of protected category applicants whenever possible.

Applicants selected will be scheduled for a personal interview. There may be times when a personal interview is not possible. A telephone interview may be conducted as an initial interview, followed up by a second interview in person, if appropriate. The interview is conducted by the Director of Human Resources and the supervisor/manager.

Each applicant's experience, training and references will be measured against the job specifications or qualifications and the position description. During the interview, nondiscriminatory questions will be asked, and the interview will concentrate on the applicant's previous work history and skills. The Director of Human Resources and supervisor/manager will make a final selection and recommendation to the CEO.

The Director of Human Resources will make written offers of employment to the selected candidate.

PROMOTIONS or Transfers - To be eligible for promotion or transfer, employees must NOT be under any disciplinary action (written warning or written reprimand) within the past six months. Additionally, the employee must have been in their current position for a minimum of two years. The CEO may waive this rule if beneficial to FKEC. All requests by qualified employees will receive consideration based on the following work related factors: **ABILITY TO PERFORM THE ESSENTIAL FUNCTIONS OF THE JOB** (with or without a reasonable accommodation if applicable), **EXPERIENCE, JOB PERFORMANCE, WORKMANSHIP, and ATTENDANCE**. If the final analysis indicates that more than one employee is equally qualified, the most qualified senior employee will be selected.

Union employees promoted or transferred will be given a four (4) week trial period. A two week trial period is all that is required for most non-union positions. If during the trial period the employee is found unqualified, they shall be reassigned to the job previously held, or a similar position at the same rate of pay as the position previously held.

Employees who are in an apprenticeship program will not be allowed to bid into a different apprenticeship program.

RESIGNATION NOTICE

An employee who wishes to leave FKEC in good standing should give notice, in writing, of his or her intent to resign. Except in the case of an emergency, employees are expected to give at least a two-week notice. If proper notice is not given, the employee may not be eligible for rehire. Failure to give proper notice will be noted on any requests for references received from perspective employers. PTO or Safety Time benefits may not be substituted in lieu of notice.

On the last day of work, the employee will be asked to participate in an exit interview. They must also turn in their identification cards, their employee handbook, safety manual, uniforms, keys and any other FKEC property.

REHIRE ELIGIBILITY

FKEC often receives requests from ex-employees to be considered for rehire. To be eligible for rehire, you must meet the following requirements:

- A. Average or better performance record while employed with FKEC.
- B. Voluntary resignation.
- C. Must have given an advance notice of resignation of at least two weeks.

Rehire will be based on availability of openings for which previous employees qualify. Other applicants will also be considered for available openings and the most qualified applicant will be selected. FKEC is not obligated to rehire employees who reapply. If rehired, it means that the ex-employee is the most qualified person.

VEHICLE PARKING

Cooperative owned vehicles will be parked in designated areas on the property. A lottery will be held for the limited parking spaces located underneath the office building. The Cooperative accepts no responsibility for damage to employee's vehicles while parked on FKEC property. It is the employee's responsibility to ensure their vehicle is properly insured.

EMPLOYEE SUGGESTIONS

The employees who actually do the work of supplying our members with electricity are often in a position to offer valuable ideas and suggestions for increasing production, improving quality, and lowering costs. FKEC values all ideas and suggestions, therefore, employees are encouraged to discuss their suggestions with your supervisor or you may wish to submit suggestions in writing by using one of the "Employee Suggestion" boxes located in the employee break areas. We assure you that all suggestions will be given every consideration.

EMPLOYEE'S PRIVACY

Each employee of FKEC has a general right to his or her privacy. However, FKEC retains the right to conduct unannounced searches of its property, vehicles and facilities,

including work areas, desks and lockers assigned to employees, at any time. No employee has the right to interfere with or object to such searches of Company property based on expectations of privacy or otherwise. This will normally be the last resort.

In order to maintain our high quality of service and to safeguard FKEC'S property and employees, all employee communications and business activities, while on FKEC property or while using FKEC equipment (radios, telephones, fax, Internet, Email, etc.), may be monitored. In most situations monitoring employees will only be used for security and quality control purposes.

PROTECTED HEALTH INFORMATION (PHI)

Florida Keys Electric Cooperative recognizes the obligation to keep Protected Health Information (PHI) confidential and will only use information as necessary to administer certain benefits, and will not disclose PHI without authorization from the covered employee, other than disclosures required or permitted by law.

The Director of Human Resources has been designated as the Cooperative's "HIPAA Privacy Officer", as well as the privacy contact point. Policies and procedures have been developed to ensure appropriate administrative, physical and technical safeguards to protect PHI.

Cooperative employees who are taking medications or have medical issues that could affect their ability to safely do their jobs are required to notify either their supervisor or the HIPAA Privacy Officer. Employees, who wish to keep their information confidential, should contact the HIPAA Privacy Officer. The Privacy Officer will then determine on a "need to know" basis the handling of the confidential information.

REDUCTION IN FORCE AND RECALL

If it becomes necessary to lay off employees and subsequently recall employees from a layoff, two factors will be considered:

- A. Ability and experience to satisfactorily perform the remaining work.
- B. Length of service (seniority) within a department, within a job classification and with FKEC.

If the abilities are equal, FKEC will attempt to retain the more senior employees and assign them jobs relative to their qualifications. Notice to return from layoff will be given by phone, registered mail, or Email to the home address that was furnished by the employee. Employees on layoff will be given at least a two-week notice. Failure to return by the expiration of the two-week notice will be construed as a voluntary resignation, unless employee notifies FKEC of his/her inability to return. Before going on lay-off, be sure your contact information is current and up to date. Employees remaining on lay-off continuously in excess of one (1) year would be required to apply for re-hire.

EMPLOYEE PURCHASES

FKEC does allow employees to purchase various items through FKEC's Buying Power. Requisitions for personal employee purchases MUST go through the purchase order system and must be approved in advance. These items, if paid for by FKEC, must be repaid within 30 days. If an invoice is not paid in full after 7 days from the date the invoice was issued, payroll deductions will begin. Deductions for personal purchases will be spread over a maximum of 4 pay periods with no deduction being less than \$10.

The period in which employees must repay FKEC for the cost of tools and uniforms, not furnished by FKEC but required for use by the employee, will not exceed 90 days. Under no circumstances shall an employee's accounts receivable be allowed to exceed one month's pay net of deductions.

OUTSIDE EMPLOYMENT

FKEC expects employees to devote their full attention and effort to the duties for which they are assigned and are being paid. Should you find it necessary to take an additional job, you should discuss it with your supervisor, or the Director of Human Resources, to assure that your second job does not adversely affect your job performance at FKEC or the safety of your co-workers.

Employment with FKEC is the employee's primary responsibility. Outside employment will not be considered an excuse for poor performance, absenteeism, tardiness, or refusal to work overtime. Should the outside employment cause or contribute to any of these situations you will be advised to discontinue it.

ATTENDANCE AND PUNCTUALITY

Your attendance on the job is vital to the needs of our members. You and your co-workers are part of a team. When a team member is absent, late, or must leave work early, the Cooperative's ability to work efficiently is hampered. Your faithful attendance cannot be overemphasized.

We realize that there are times when emergencies and extenuating circumstances may require your late arrival or absence. If you need time off, request it as soon as you are able. If you must leave work early, request permission from your supervisor before you leave. When your absence or tardiness is unexpected or you cannot report to work at your scheduled time, you must notify your supervisor by or before your normal starting time. If you are unable to reach your supervisor, contact his or her supervisor or the Human Resources Office.

Under normal circumstances, the employee is expected to telephone the supervisor personally. Phone calls to co-workers or non-management employees are not

acceptable. Telephone messages received from friends or family members may not be accepted.

We may require proof of the reason for any time you miss from work. An employee failing to communicate his/her absence for three consecutive working days without a valid excuse may be terminated. If at any time you are unable to return to work as scheduled, you must personally contact your manager to explain the situation. You must do this as soon as you become aware that you will not be able to report to work as scheduled. Management will decide if additional time off will be scheduled. You must receive authorization in advance to take additional time off.

In the event an employee requests time off on very short notice, the Supervisor should weigh the needs of the employee against the needs of the Cooperative during the anticipated absence. If the employee is denied the requested leave, he or she must report to work as scheduled or face disciplinary action.

Poor attendance and excessive tardiness are disruptive and may result in disciplinary action, up to and including termination of employment.

EMPLOYEE TRAVEL TIME

All FKEC employees traveling for training, conference, shows, etc, shall be compensated in accordance with the FLSA regulation as follows;

Training: When employees travel to attend training and return the same day, they will be compensated only for their regular working hours. When employees travel overnight to attend training, they will be compensated for all time that falls within their regular working hours, even if such hours occur on a day the employee normally does not work. (Example, employee's regular schedule is 8 a.m. – 4 p.m. Monday – Friday, and during a trip which involves an overnight stay, the employee travels from 9 a.m. to 1 p.m. on Sunday. He would be entitled to four (4) hours pay for Sunday).

Non-Training Travel: Where employees travel in one day to another city, only travel occurring during regular working hours is compensable; except for employees who are driving. All time an employee spends driving to or from another city is compensable. Employees riding as passengers are not compensated for travel outside their regular working hours.

Non-Training Overnight Travel: Every employee who travels to another city overnight is compensated for travel time occurring during their regular working hours, even if such hours occur on a non-work day.

Extended Training: Employees who attend "extended" training out of town, for a period of more than two weeks, shall be deemed to have been assigned to a new work location. Employees who are assigned to new work location are NOT entitled to compensation for time spent traveling between their primary residence and their "new / temporary" residence located at or near their new work location. Any travel time between the employee's new / temporary home and his/her previous permanent residence is ordinary

home to work travel and is not considered hours worked; therefore, no compensation, either straight time or overtime, is due.

Employees who travel to conferences or training shall, upon their return, submit to their supervisor a recap memo stating the general purpose of the travel and the benefits to the employee or the Cooperative. Expense reimbursement reports will only be approved if the recap memo is attached.

Please refer to FKEC Policy #205.12, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

EMPLOYEE TRAVEL EXPENSES

Board members and FKEC employees, while involved in official duties or while in attendance at authorized meetings, shall be reimbursed for all legitimate expenses upon submission of a detailed expense statement currently in use by FKEC. Employee expense reports must be completed in a timely fashion and approved by the employee's supervisor and by the Chief Executive Officer.

Travel advances will be issued only in cases of extreme financial hardship and must be approved in advance by the CEO. Employees will be reimbursed within (5) business days of submitting a properly completed and approved expense report.

Traveling employees shall use an FKEC vehicle, when available. If an FKEC vehicle is not available, employees may use their private vehicle and shall be reimbursed at the current rate approved by the IRS. When a traveler uses his or her personal vehicle, reimbursement will be for actual mileage or the cost of the lowest available airfare to that destination, whichever is less. If an FKEC vehicle is available for use and the traveler elects to use their private vehicle, they will be reimbursed for the actual cost of fuel only and will not be reimbursed for mileage. Under any circumstance, the maximum reimbursement for travel shall not exceed the cost of round trip, coach class, and airfare.

At the discretion of the authorized traveler, FKEC will pay a per diem (Currently set at \$50.00 – Paying \$10.00 for breakfast; \$15.00 for lunch; and \$25.00 for dinner) for meals. FKEC **will not** reimburse a traveler for a "bar tab", use of a hotel room's "wet bar" or any other consumption of alcohol (FKEC is a drug-free employer). FKEC expects each traveler to exercise good judgment in meal selection and to remember that he or she is traveling on business and not entertainment.

Please refer to FKEC Policy #205.10, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

EMPLOYEE RESIDENCY REQUIREMENTS

It is the requirement of the Cooperative that "Operations" employees' live within FKEC's service territory. Operations employees subject to emergency, after-hour duty must reside within FKEC's service area. Additionally, employees on standby must be present in their assigned district. It shall be the discretion of Management whether to call out for

overtime those employees who are not on standby and reside more than 25 miles from their assigned duty location.

Employees being reassigned to another location will be given an opportunity to move to comply with this policy. Any employee shall have up to 180 days to come into compliance with this policy. The CEO may grant temporary extensions of the relocation requirement. An employee who regularly fails to meet acceptable response times or who willfully refuses to relocate to a location within FKEC's service area and above stated proximity will be subject to discipline, up to and including termination.

SECTION III - WAGE AND SALARY ADMINISTRATION

FEDERAL WAGE-HOUR LAW

Under the provisions of the Federal Wage and Hour laws, all employees are classified as either exempt or non-exempt employees. Exempt employees are paid on a salary basis and are not eligible for overtime payments. Non-exempt (hourly) employees are eligible for overtime pay. Non-bargaining (office) employees will be notified of their status and job grade during their orientation period.

PERFORMANCE APPRAISAL

Performance appraisals provide a systematic way to measure an employee's development and communicate to them how they are meeting the requirements of their job. Bargaining unit employee's progress from one rate to the next higher rate every four (4) months, in their Job Classification until they reach the top of their grade, provided the employee's performance is rated as satisfactory. Employees reaching the top of their job grade will be evaluated annually.

You will have an opportunity to review your evaluation during the performance appraisal conducted by your supervisor. The evaluation process provides the opportunity for positive discussion. You will be asked to sign the appraisal, indicating that it has been explained to you, and you may make comments. Your objective participation will keep the appraisal rewarding and constructive.

Non-Bargaining employees are evaluated by their supervisors on a daily basis as outlined in the "ICON" model adopted by FKEC. Under this program, annual performance appraisals are not conducted.

WAGE ADMINISTRATION

FKEC maintains a balanced compensation program, which takes into account the employee's skill, responsibilities, experience and knowledge requirements assigned to each position. Our compensation program pays competitive pay rates and salary ranges obtained from information we get within the industry and operational area for comparable work.

The object of this policy is to attract, motivate and retain the caliber of individuals required for effective operations, and to compensate employees fairly, in return for the fulfillment of their responsibilities. Bargaining employees are paid the established pay rates as defined in Addendum A of the Union Agreement between FKEC and the IBEW, Local No. 349.

SECTION IV - BENEFITS

PAID TIME OFF (PTO) – Part of FKEC Policy #109.0

All eligible regular full time employees, both exempt and non-exempt, earn PTO leave in accordance with the following schedule:

- A. 11.67 hours per month (140 hours or 3.5 weeks per year) from date of hire up to the 5th anniversary, with a maximum accrual of 400 hours.
- B. 15.00 hours per month (180 hours or 4.5 weeks per year) from the 5th anniversary up to the 10th anniversary, with a maximum accrual of 400 hours.
- C. 18.33 hours per month (220 hours or 5.5 weeks per year) from the 10th anniversary up to the 15th anniversary, with a maximum accrual of 400 hours.
- D. 20.00 hours per month (240 hours or 6.0 weeks per year) from the 15th anniversary up to the 20th anniversary, with a maximum accrual of 600 hours.
- E. 21.67 hours per month (260 hours or 6.5 weeks per year) after the 20th anniversary has been reached, with a maximum accrual of 800 hours.
- F. 23.35 hours per month (280 hours or 7.0 weeks per year) after the 30th anniversary has been reached, with a maximum accrual of 850 hours.

PTO will begin to accrue immediately for new employees. Employees are not allowed to have a “negative” PTO balance without the approval of the CEO. Accrued PTO may be used beginning the first of the month after one month of employment.

The maximum PTO any employee may take during a one year period shall not exceed that employee’s one year accrual (according to the above schedule) plus forty (40) hours.

Employees are encouraged to request extended use of PTO hours (i.e. vacations) in advance. Vacations shall be scheduled by the Cooperative in a manner so as not to interfere with the essential operations and service of the Cooperative. Supervisors, at their discretion, have the right to deny a request for time off, either “PTO or Safety” time, where the employee is neither sick nor has an urgent need for leave.

Any employee who has at least two hundred (200) hours of accumulated PTO may “sell back” up to forty (40) hours, at the employee’s straight time rate, not more than two (2) times per rolling calendar year providing employee has used eighty (80) hours of PTO within the previous twelve (12) months. Additionally, any FKEC employee may donate

PTO hours to another FKEC employee with the approval of the CEO. Vacation pay may be advanced to employees, if desired, at the commencement of the vacation.

Employees with no un-excused absences for a period of one year shall receive a cash award equal to one day's pay. Absences due to approved FMLA leave will not be counted as an unexcused absence, so long as the employee follows FKEC's policies with respect to FMLA leave. To qualify as an excused absence for purposes of this bonus, employees must request and receive supervisor's approval in advance for a planned absence. Employees must either; A) show up to work and request "same day leave" (if the supervisor does not feel the requested absence is disruptive, he may approve the absence), or B) have their absence excused prior to the end of their previous shift. Calling the supervisor after your shift has ended or in the morning before work starts, does not constitute adequate notice. Any short notice request that leaves a supervisor with no reasonable choice (i.e. calling in sick, going home sick, family illness or other personal emergency etc.) is considered automatic disqualification for this bonus.

Clarification point; the specific language used to describe how an employee will qualify or not qualify for the bonus pay of "one day's pay" should, in no way, be confused with the notification requirements for scheduled time off.

Employees separating from service shall NOT be permitted to extend their employment through the use of accrued PTO.

Employees may request vacations at any time; however, if the vacation is taken during hurricane season (June 1st through November 30th) the employee must keep FKEC advised of where and how he may be contacted by telephone and/or Email and shall return to work as soon as possible if directed by FKEC to do so.

Under special circumstances the CEO may approve exceptions to this policy.

Please refer to FKEC Policy #109.0, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

HOLIDAYS – Part of FKEC Policy #109.0

FKEC recognizes the following nine (9) days as company holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Friday following Thanksgiving Day, Christmas Eve Day, and Christmas Day. For each holiday, an employee shall be granted holiday pay of eight hours at his/her regular straight time rate of pay provided:

- A. The employee has been continuously employed by the Cooperative for a minimum of sixty (60) days; and
- B. The employee is scheduled and performs work during the work week in which the holiday falls; and
- C. The employee works the last scheduled work day before and the first scheduled work day after the holiday; and

- D. In the event an employee is instructed to work on the holiday, he/she performs such work as instructed.

Absences due to approved FMLA leave will be counted as hours worked.

Work performed on any observed holiday shall be paid as follows:

- A. Work performed by non-dispatch (SOC) employees who were not scheduled to work but were called in will be paid at a rate of two times the employee's regular straight time hourly rate plus eight hours pay for holiday pay.
- B. Work performed by regular scheduled dispatch (SOC) employees at a rate of one and one-half (1 ½) times the employee's regular straight time hourly rate plus eight hours pay for holiday pay.

Please refer to FKEC Policy #109.0, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

WORKERS COMPENSATION

FKEC pays into the State of Florida Workers Compensation Fund as all other employers are required to do. Employees who are hurt on the job, unless they test positive for drugs or alcohol, receive compensation for the injury at 66% of the employee's regular weekly rate of pay, after the regular waiting period. This compensation is limited to a maximum weekly dollar amount as set by the State of Florida.

Employees of FKEC are also paid the difference between the compensation paid to him/her by the State of Florida, and the employee's normal straight time weekly wage depending on the length of continuous service the employee has with FKEC (See Policy 109.0). For additional information see your supervisor or the Director of Human Resources.

FKEC **will** pay medical insurance premiums for employees absent on Worker's Compensation at the same rate as if they are actively working, for only the first three months of absence and while on Family Medical Leave, even if FMLA is exhausted. During this same three month period, employees will continue to earn PTO, Safety Time, and will receive Holiday Pay while absent on Worker's Compensation. Employees are NOT allowed to supplement Workers Compensation with PTO.

Please refer to FKEC Policy #109.0, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

RETURN TO WORK / MODIFIED DUTY

FKEC's Policy 109.10 provides guidelines for modified-duty work for employees with temporary disabilities arising from on or off-the-job injury or illness. This policy is intended to provide consistent guidelines for the return employees to safe, productive work when they are temporarily unable to perform all the full duties of their regular job.

This policy applies, and an employee may be permitted to return to work before a full medical release is obtained, when each of the following conditions is met:

1. A doctor provides a written release detailing the capabilities and/or limitations under which the employee may safely return to work. Florida Keys Electric Cooperative reserves the right to require a Return-to-Work Screen test by another doctor of FKEC's choice.
2. The employee is expected to be able to return to full performance of the essential functions of the employee's classification within 60 calendar days from the employee's commencement of the modified-duty work assignment.
3. Safe, meaningful work, as determined by FKEC management, is determined in advance to be available for the entire expected period of restriction. Modified-duty work assignments must involve the performance of tasks or duties determined by the Cooperative to be necessary and within the capabilities of the employee per the Capabilities Evaluation form.

Please refer to FKEC Policy #109.10, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

MILITARY LEAVE OF ABSENCE

In accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), FKEC grants Military Leave of Absence to our employees entering Military Service for Active or Reserve Duty. This also includes members of the National Guard.

To be entitled to re-employment the employee shall furnish satisfactory evidence of entry into the armed forces. Returning employees will be reinstated to their former or a like position with no loss in seniority, status, or pay, providing they apply within the required period as stated in USERRA regulations.

FKEC will pay employees in the Armed Forces Reserve or the National Guard who are ordered to serve their two (2) week training, the difference between the employee's regular hourly rate of pay and the service amount earned during that period.

FKEC will continue to maintain the employee in the pension plan during the leave of absence, provided the employee returns upon the completion of military service.

PERSONAL LEAVE OF ABSENCE

A personal leave will be granted for a maximum of thirty (30) days. Only one personal leave will be granted in any twelve-month period. All requests must be approved by the CEO. A personal leave of absence may be granted without pay for unusual personal reasons. Although personal leave of absences are discouraged, they will be granted for a good reason and only when your supervisor is assured that your personal problems will be solved within the thirty days allowed.

Leave with Pay: FKEC **will** pay medical insurance premiums for active employees (or dependents) absent on leave with full/regular pay. The payment will be at the same rate as if actively working. Employees **will** earn PTO, Safety Time, and receive Holiday pay during an absence receiving full/regular pay.

Leave without Pay: FKEC **will not** pay medical insurance premiums for employees (or dependents) absent on leave without pay. During leave without pay, employees **will not** earn PTO, Safety Time, or receive Holiday pay. Normal benefits will resume once the employee returns to work full time.

FAMILY AND MEDICAL LEAVE – (BOARD POLICY 109.3)

To promote a healthier balance between work and family responsibilities and to comply with the Federal Family and Medical Leave Act of 1993 (FMLA), Board Policy Bulletin 109.3 was published. Policy Bulletin 109.3 sets forth the conditions under which an employee may request and FKEC will grant Family and Medical Leave (FML).

Under certain circumstances, employees who are absent for more than three days, may be required by the company to classify their missed time as FMLA. Employees who miss more than three days (whether continuous or not continuous) due to health related issues are required to notify HR to determine whether FMLA applies.

Family Medical Leave Policy (FMLA)

Employees who wish to take Family and Medical leave should contact Human Resources to determine if they are eligible for Family and Medical Leave and if so, to obtain necessary documentation and make arrangements for their leave.

Eligibility and Reasons

Employees, who have worked for FKEC for at least twelve (12) months, and for at least 1,250 hours during the preceding twelve (12) months, may:

- A. Take up to twelve (12) weeks of unpaid leave in a twelve (12) month period for the following reasons:
 - 1. The birth of the employee's child and to care for the newborn child;
 - 2. The placement of a child with the employee for adoption or foster care;

3. In order to care for the employee's spouse, child or parent who has a serious health condition;
 4. Because of a serious health condition which renders the employee unable to perform the essential functions of the employee's position.
 5. Because of a qualifying exigency (as defined below) arising out of the fact that the employee's spouse, child (of any age) or parent is a retired or reservist member of the military on active duty or has been notified of an impending call or order to active duty in support of a contingency operation. Leave under this subsection is not available for an employee whose family member is on active duty as a member of the Regular Armed Forces.
- B. Take up to twenty-six (26) weeks of unpaid leave in a single twelve (12) month period in order to care for the employee's spouse, child (of any age), parent or next of kin who is a military service member who is undergoing medical treatment, recuperation, or therapy, or who is in outpatient status, or who is otherwise on the temporary disability retired list, for a serious injury or illness incurred in the line of duty while on active duty in the Armed Forces.

FKEC will continue to pay the employer's portion of the employee's medical insurance when an employee is placed on FMLA leave.

FMLA may run concurrently with Short Term Disability or Worker's Comp absences, if applicable. Employees who are absent from work due to an FMLA qualifying event will be required to sign up for Family Medical Leave. In no event is an employee allowed to "daisy chain" leave (i.e.: use PTO time and then request 12 weeks of FMLA time) in order to extend time off during or for an FMLA qualifying event.

During the period an employee is on FMLA leave, he/she will be required to use any accrued PTO or Safety time during the leave. The employee must use his/her PTO and Safety time prior to being placed in an unpaid status.

Once FMLA is exhausted, FKEC is no longer required to hold a position open.

Please refer to FKEC Policy #109.3, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

DOMESTIC VIOLENCE LEAVE

Florida Law allows up to three working days of leave within a 12-month period if the employee or a family or household member is the victim of domestic violence and if the leave is sought for specific reasons related to the domestic violence.

Under Section 741.313, Florida Statutes, FKEC must provide leave to an employee to:

- Seek an injunction for protection against domestic violence, repeat violence, dating violence, or sexual violence;
- Obtain medical care or mental health counseling for the employee or a family or household member to address physical or psychological injuries resulting from the domestic violence;
- Obtain services from a victim-services organization;
- Make the employee's home secure from the domestic violence perpetrator or to seek new housing to escape the perpetrator; or
- Seek legal assistance to address issues arising from the domestic violence and to attend and prepare for court-related proceedings arising from the domestic violence.

Roughly patterned on the Family Medical Leave Act, this law applies to employees who have been employed for at least three months. Employees must use PTO or Safety Time while away if they have any. If not, the leave will be without pay.

Employees are encouraged to contact the FKEC "Privacy Officer" (Director of Human Resources) to ensure confidentiality.

FUNERAL LEAVE

Employees who experience a death in their immediate family are granted up to three days for the purpose of attending the funeral. The term "immediate family" is defined and includes: (natural, adopted and step) spouse, children, employee and spouse's full and half brothers or sisters, employee and spouse's parents, and employee and spouse's grandparents.

The Cooperative may grant an additional day for funeral leave when a funeral takes place in another state. Additional PTO time or leave without pay if no PTO time is available, for the purpose of travel to attend the funeral, may be granted upon the request of the employee.

Employees who miss work to serve as an active pallbearer for a deceased fellow employee shall receive up to one day's pay (8 hours straight time) for the absence.

In the event an FKEC employee should pass away, employees will be allowed to attend the funeral service, if held locally, as long as critical coop operations will be able to continue. For out of town services, travel days will be on an employees' personal time.

JURY, WITNESS DUTY

Regular full time employees who are required to serve as jurors, under subpoena and not volunteered, will be excused from work for the required period of time with all FKEC benefits and pay continuing. Employees subpoenaed as a witness in any criminal case will also be excused from work for the required period of time with all FKEC benefits and pay continuing.

Employees are expected to report back to work during all periods in which they are not actually engaged in the above-described duties. A statement from the court must be provided to Human Resources following completion of jury duty service.

Employees that are selected for Federal or Grand Jury duty will be paid the difference between their regular pay for eight (8) hours and their daily jury pay. Employees should indicate their Federal Jury duty service when completing their time entry.

BRIDGING OF SERVICE

Any employee who resigns his/her employment from FKEC for a period of thirty (30) days or longer and returns, loses their seniority until they have completed two (2) years of continuous service. Once they have completed the required two (2) years, their service with FKEC will be bridged not to include absent time.

CREDIT UNION

FKEC is a member of the Florida Rural Electric Credit Union (FRECU). All employees who are past their Introductory Period are encouraged to join. Deposits and loan payments may be made using payroll deductions. Further information is available in Human Resources.

LONG SERVICE BONUS

As a reward for service to FKEC, all full time employees will receive a Long Service Bonus (Policy #109.0) on the anniversary date of their employment, providing they are actively employed on that date. To receive a Long Service Bonus, an employee must have completed:

SERVICE BONUS

\$ 250.00
\$ 500.00
\$ 750.00
\$1,000.00
\$1,250.00
\$1,500.00

YEARS OF SERVICE

5 years, but less than 10
10 years, but less than 15
15 years, but less than 20
20 years, but less than 25
25 years, but less than 30
30 years and over

EDUCATIONAL ASSISTANCE

In order for an employee to be considered for FKEC educational assistance, the following criteria must be met: 1. The employee must have completed their Introductory Period and be a regular full-time employee before the starting date of the course(s) for which assistance is requested. 2. The employee must not currently or within the past six months be under any disciplinary action at the time of application for assistance.

Assistance with courses not specifically job-related that are part of a degree program (i.e. working towards a degree) is available but will require the employee to agree to continue employment with FKEC for a specified period of time as previously established with the CEO.

Reimbursement will be made to employees who complete approved courses as follows:

<u>Grade</u>	<u>Reimbursement</u>
A	100%
B	75%
C	50%

All educational assistance must be approved by the CEO in advance. Denied requests will be returned to the employee, along with the reason for denial. Courses must be taken outside of working hours. FKEC has the option to deduct from an employee's final check any educational costs reimbursed during the last six months of employment. See the Director of Human Resources to obtain a copy of Board Policy #110.0 or for the FKEC Educational Assistance Form. All Educational Assistance must be approved by the CEO.

Please refer to FKEC Policy #110.0 in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

EMPLOYEE GROUP MEDICAL INSURANCE

Currently, FKEC provides our employees medical, dental, vision and life insurance. Newly hired employees will be eligible for life insurance benefits on the first day of employment. Medical, vision and dental benefits are effective the first day of the month following one complete month of employment. Life insurance benefits terminate on the last day of employment. Medical, vision, and dental benefits terminate on the last day of the second (next) month following the employee's termination date.

Once you become eligible to participate in the FKEC Group Insurance Plan, you may choose coverage for yourself and eligible dependents.

A detailed handbook, or Summary Plan Description (SPD), explaining the benefits of the health plan will be given to you at the time of employment. Additionally, SPDs are available on the employee web site.

Questions regarding group insurance should be directed to Human Resources.

COBRA

The Consolidated Omnibus Budget Reconciliation Act, know as **COBRA**, requires employers, providing group health plans to their employees and their dependents, to offer "continuation coverage" to the employee or dependent anytime there is a "qualifying event," a loss of coverage. Under such continued coverage, however, the employee must pay the premium payments during the continuation coverage period.

A "qualifying event" is any of the following events which would result in the loss of coverage under a group health plan:

- A. The employee's termination of employment (**other than for gross misconduct**),
- B. The employee's death, divorce, or legal separation,
- C. A dependent's ceasing to be an "eligible dependent",
- D. Reduction in hours of the covered employee,
- E. The covered employee becomes entitled to Medicare benefits.

Employees and their dependents are responsible for notifying FKEC of divorce, legal separation or cessation of dependent status so that the necessary enrollment information can be furnished. The employees will be notified of his or her entitlement to COBRA benefits should a qualifying event arise. The employee must elect coverage, if he or she so chooses, within sixty (60) days of such notification or within sixty (60) days of termination of coverage, which ever comes later.

Should you be terminated for any reason other than gross misconduct or change your employment status to a category not eligible for benefits, you may continue your individual or family medical and dental insurance up to 36 months, but not beyond the time you become covered under another group health plan or become entitled to Medicare or fail to make timely payments of premiums.

Should your dependent lose coverage because of your death or because he or she ceases to be an "eligible dependent" under the plan, the dependent may continue his or her medical coverage under the Plan for up to 36 months, but not beyond the time the dependent becomes covered under another group health plan or entitled to Medicare, or fails to make timely payment of premiums.

SHORT TERM DISABILITY

FKEC provides all eligible employees with income protection should they become disabled and unable to work. Through NRECA, the Electrewage Weekly Short Term Disability Benefit Plan pays 66.66% of the employee's weekly earnings up to a maximum

payment of \$500 dollars. The benefit period begins on the eighth consecutive day of disability and has a maximum benefit period of thirteen (13) weeks. You must have a disability form completed by your Doctor. Pregnancy is treated as a disability with up to six (6) six weeks of benefits, more if there are complications. As required by the Internal Revenue Service, weekly income benefits are subject to Federal Withholding Tax.

FKEC **will** pay medical insurance premiums for employees absent on Short Term Disability at the same rate as if they are actively working. Employees **will** earn PTO, Safety Time, and receive Holiday Pay while absent on Short Term Disability. This guideline also applies to employees supplementing STD with PTO. Employees accepting NECA-IBEW short term disability money cannot supplement their pay with PTO. Short Term Disability shall run concurrent with Family Medical Leave.

LONG TERM DISABILITY

The Electrowage Long Term Disability Benefit Plan (LTD) through NRECA is designed to provide income, if while covered, you become totally disabled for an extended period of time. To be considered totally disabled, you must be completely unable to perform any and every duty of the occupation you were performing on the date disability began. Eligible employees of the (LTD) Plan are required to be under the care of a Doctor. There is a maximum period for LTD leave which is based on the employee's age when total disability occurs. The benefit period begins after thirteen (13) weeks and pays 50% of an employee's monthly earnings up to a maximum monthly benefit of \$15,000 dollars. For further details on FKEC's LTD program, see the Director of Human Resources.

FKEC **will not** pay medical insurance premiums for employees absent on Long Term Disability or contribute towards dependent medical insurance during this period. Employees **will not** earn PTO, Safety Time, nor receive Holiday pay during absence on Long Term Disability. This guideline also applies to employees supplementing LTD with PTO. Once Family Medical Leave is exhausted, FKEC is no longer obligated to hold open the vacant position.

TERM LIFE INSURANCE / DEATH BENEFIT

Through the National Rural Electrification Administration (NRECA), FKEC provides employees with term Life and Accidental Death/Dismemberment Insurance on the employee's life. The actual benefit amount is stated in the Benefit Handbook for that plan. Benefits are payable to the beneficiary (ies) listed on the forms you complete when you qualify for benefits as stated above.

The NRECA insurance plan also provides term life insurance on the life of employee's dependents, if the employee elects to pay the cost of coverage. For additional information, see the Director of Human Resources.

EMPLOYEE ASSISTANCE PROGRAM

FKEC provides an Employee Assistance Program (EAP) for all employees and covered dependents. The EAP is designed to assist employees and members of their immediate family in the prevention and resolution of personal, family, financial and substance abuse problems. EAP services are provided by qualified licensed mental health professionals. All services are totally confidential.

If you need help and don't know where to turn, try calling your EAP program. Appointments can be arranged by calling **1(800) 272-7252**. The telephone is subject to change; therefore, any changes will be posted as they occur.

THE ACTION COMMITTEE FOR RURAL ELECTRIFICATION (ACRE)

All FKEC employees, who are Cooperative members and who have an electric account in their name, have the opportunity to join ACRE. ACRE is a non-partisan, political action arm of the National Rural Electric Cooperative Association (NRECA). It represents nearly 1,000 electric cooperatives, serving nearly 25 million consumers. ACRE's purpose is to help elect State and Federal officials who support the rural electrification program.

ELECTRIC DEPOSITS

If you have a deposit with FKEC and subsequently are employed, you may be eligible to have your deposit returned to you. To qualify you must have completed your Introductory Period and have not had your name appear on FKEC's cutoff list. You will be required to redeposit if your name appears on the cutoff list. An employee, who has more than one deposit with FKEC, will only have the deposit for their primary residence returned to them. Commercial accounts are not eligible under this program.

PAID BREAKS

Neither Federal nor State of Florida laws require a company to give an employee a break. It is up to a company to decide if it wants to or can afford to give an employee a break and for how long. It is the policy of FKEC to allow employees to take a paid break mid-morning and one mid-afternoon. However, there may be times that you may not be able to take a break at your scheduled time. Your supervisor will allow you to take the break as soon as you finish the task you are working on.

Employees are not allowed to give up their breaks, work eight hours and then get credit for overtime. Since an employee is already paid for the break, they cannot expect to be paid time and a half for the same break. Employees are not allowed to leave company property during paid breaks.

NRECA RETIREMENT & SECURITY PROGRAM

FKEC provides a retirement plan according to the terms of Policy Bulletin 109.0. The plan should be consulted for details about its application. Generally, however, the plan will apply as follows: Employees who are eligible become participants in the plan on the

first day of the month following one year (1) of service. FKEC pays the cost of this program, and employees get credit for all years worked for FKEC, including any prior service they may have worked for another cooperative that also participates in the NRECA retirement plan.

The normal retirement age is 65; however, employees may elect to retire as early as the age of 55 with a reduced benefit. You are fully vested in this program after five (5) years, 20% per year, or at the age of 55, whichever comes first. Each year each participant in the plan will receive a statement of benefits which reflects the employee's accrued and projected retirement benefits. In the case of death of the employee, his/her survivors will receive 50% of the joint and surviving annuity that is due the employee.

401(k) RETIREMENT SAVINGS PLAN

FKEC's 401K plan allows employees the opportunity to make contributions into a retirement account using tax free dollars and generally applies as follows:

1. FKEC makes contributions to the plan on your behalf once you have met the requirements for eligibility. You will receive a quarterly statement showing the current status of your account. Employees are eligible to participate in the 401(k) saving plan once they have completed one (1) year of service.
2. FKEC's 401K plan provides a contribution equal to 150% of the employee elective contribution ranging from 1% to 2.67% - in other words, a 4% match to your 2.67% contribution. Employees may contribute up to the maximum amount allowed by the IRS into the 401K plan, plus an additional \$5,000.00 for those employees over the age of 50.

Employees are discouraged from taking loans against their 401 (k) accounts. This is a Retirement Savings program and should not be used as a source of income for a loan. Loans are repaid at 1% above the prime interest rate. The maximum length to repay the loan is 60 months. See Human Resources for additional information.

SECTION V - STANDARDS OF CONDUCT

CODE OF ETHICS – (BOARD POLICY #110.1)

Florida Keys Electric Cooperative is committed to upholding the highest level of ethical conduct in its business dealings with others and expects the same conduct from people acting on its behalf. FKEC has adopted a Code of Business Ethics and Conduct (the “Code”) to clarify the ethical duties and obligations of all Directors and Employees. Failure to adhere to this policy may result in disciplinary action, up to and including termination of employment and criminal prosecution. Any Director or Employee in a situation they believe may violate or lead to a violation of this Code shall follow the guidelines described in the “Reporting Any Illegal or Unethical Behavior” section of the policy.

Please refer to FKEC Policy #110.1, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

ANTI-FRAUD CONTROLS - (BOARD POLICY #109.9)

The management of FKEC is responsible for detecting fraud or fraudulent activity of any type, involving not only employees but also directors, vendors, outside agencies and third parties. Each department head should be familiar with the types of fraud that might occur within his or her area of responsibility and should be alert for any indication of fraud. Any detected or suspected fraud shall be reported immediately to the Chief Executive Officer.

Please refer to FKEC Policy #109.9, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

WHISTLEBLOWER – (BOARD POLICY #110.2)

This policy is intended to set forth guidance concerning FKEC whistleblower complaint procedures and the anti-retaliation protections afforded to personnel of FKEC. FKEC is committed to full compliance with applicable state and federal laws in all aspects of its operations. FKEC encourages reporting (following Complaint Procedures, below) of truthful information regarding violations or potential violations of federal or state laws. All complaints brought in good faith will be investigated and all legal noncompliance will be corrected promptly. FKEC prohibits retaliation against any person who utilizes this Complaint Procedure or who participates in an investigation pursuant to this policy. FKEC also complies fully with all state and federal laws that protect employees from retaliation for reporting truthful information to state or federal law enforcement or for testifying, participating in, or otherwise assisting with investigations or enforcement actions against FKEC.

Please refer to FKEC Policy #110.2, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

HARASSMENT – (BOARD POLICY #109.1)

Harassment is defined as verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his or her race, color, religion, gender, sex, national origin, age, disability, physical limitation, or that of his/her relatives, friends, or associates, and that:

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

Any employee who believes he or she has been the subject of unlawful harassment should report the alleged act immediately to the Director of Human Resources or to the CEO. If a complaint involves the CEO, it should be filed directly with Board President. Employees are not expected to report harassment to a person they believe is harassing them. All resulting investigations will be kept confidential.

All FKEC personnel are responsible for maintaining a workplace that is free of unlawful harassment and intimidation. FKEC is committed to promptly and thoroughly investigating all complaints of unlawful harassment within thirty (30) days. If, after a thorough investigation, it is determined that unlawful harassment has occurred, immediate and appropriate disciplinary action up to and including discharge will be taken. Appropriate follow-up steps will also be taken to ensure that the harassment has stopped.

Any individual found to have harassed another employee will be subject to appropriate disciplinary action ranging from written warning in his or her file up to and including termination. Retaliation or discrimination against an employee for reporting or complaining about harassment is prohibited and will result in disciplinary action up to and including termination.

Please refer to FKEC Policy #109.1, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

COMPUTER SYSTEMS – INTERNET & EMAIL USAGE – (FKEC POLICY 110.3)

To promote the efficient conduct of FKEC business, documented policies and procedures are created to serve as a guideline for users, (employees with a user name and password), without which FKEC is likely to be at greater legal risk of the consequences of unacceptable behavior. Users must be aware of the policies and procedures governing the use of information technology systems installed at FKEC and will be held accountable for the responsible use of those systems and information stored on those systems. Users found in violation of the Prohibited Use section of the policy will be subject to FKEC's Progressive Discipline System.

FKEC provides Internet and Email access for business usage. Every employee has the responsibility to maintain and enhance FKEC's public image and to use Email and access to the Internet in a responsible and productive manner that reflects well on the Co-op.

Please refer to FKEC Policy #110.3, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

DRUG FREE WORKPLACE – (BOARD POLICY # 109.2)

FKEC sees substance abuse and alcohol misuse as a serious threat to our employees, staff and consumers, and undermines FKEC's ability to operate effectively and efficiently.

Substance abuse and alcohol misuse, which negatively affects an employee's performance or the unlawful manufacture, distribution, possession, sale or use of a controlled substance in the workplace or while engaged in FKEC business while off the premises is strictly prohibited.

Such conduct is also prohibited during non-working hours to the extent that in the judgment of FKEC, it impairs an employee's credibility or ability to perform on the job, or threatens the reputation or integrity of FKEC.

Our ultimate goal is to balance our respect for individual privacy with our need to maintain a safe, productive, drug free environment. We intend to prevent and treat substance abuse. Therefore, we would like to encourage those who abuse drugs or alcohol to seek help in overcoming their problem before it affects their performance. In accordance with the Americans with Disabilities Act of 1990, we will not discriminate against past abuse of drugs or alcohol. It is the current abuse of substances which prevents employees from properly performing their jobs that FKEC will not tolerate.

Please refer to FKEC Policy #109.2, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

DOT TESTING REQUIREMENTS

Effective 1 January 1995, drivers required to have a commercial driver's license (CDL) are subject to the new Controlled Substance and Alcohol Rules as outlined in 49 CFR Part 391 issued by the Department of Transportation. This regulation is part of the Omnibus Transportation Employee Testing Act of 1991. These regulations require that all persons involved in "safety sensitive" positions be tested in accordance with 49 CFR part 40 which establishes procedures for both urine drug testing and breath alcohol testing.

The following alcohol and controlled substance-related activities are prohibited by the Federal Highway Administration's drug use and alcohol misuse rules for drivers of commercial motor vehicles (CMV):

- A. Reporting to duty or remaining on duty to perform safety sensitive functions while having an alcohol concentration of 0.04 or greater.

- B. Being on duty or operating a commercial vehicle (26,000 lbs) while the driver possesses alcohol.
- C. Using alcohol while performing safety-sensitive functions.
- D. When required to take a post-accident alcohol test, using alcohol within eight hours following the accident or prior to undergoing a post-accident alcohol test, whichever comes first.
- E. Refusing to submit to an alcohol or controlled substance test required by post-accident, random, reasonable suspicion or follow-up testing requirements.
- F. Reporting for duty or remaining on duty, requiring the performance of safety-sensitive functions, when the driver uses any controlled substance, except when instructed by a physician who has advised the driver that the substance does not adversely affect the driver's ability to safely operate a commercial motor vehicle.
- G. Reporting for duty, remaining on duty or performing a safety-sensitive function, if the driver tests positive for controlled substances.
- H. Using alcohol within four (4) hours prior to reporting for or performing a safety-sensitive function.

FKEC's Drug Free Work Place Policy #109.2 is attached as an Addendum in the back of this Section.

CELL PHONE / ELECTRONIC DEVICE USE

Use of cell phones while driving is strictly prohibited – this includes all functions of the cell phone including, but not limited to, phone calls, text messaging/SMS, e-mail, MMS, Internet use, camera use, etc. Use of electronic devices – including laptops, PDAs, and cameras – while driving is strictly prohibited. Voicemail must handle all calls while driving, and calls may only be returned when stopped or pulled off the road.

The use of headsets or hands-free devices while driving is permissible if the use of the device is NOT while operating a commercial vehicle (i.e.: bucket truck or other large vehicle), the use of the device does not cause distraction, any dialing or use of the handset is handled while stopped or pulled to the side of the road, conversations do not interfere with the driver's ability to drive safely, and road conditions are generally good and do not threaten your safety

Florida Keys Electric Cooperative Assn. Inc. understands that sometimes, especially when traveling in unfamiliar areas, drivers require assistance with directions. GPS systems are extremely helpful devices, but they can also be distracting if used improperly. Employees must adhere to the following; Mounted GPS systems may not block or obstruct the driver's view in any way; GPS systems must be voice narrated and must not

require that the driver look away from the road to follow instructions; employees may not program the system while in motion; programming or otherwise engaging with the GPS screen may only occur while stopped or while pulled off the road

MP3 and Other Audio Devices - In some cases, worrying about music selection or touching dials and buttons on the radio, MP3 player or other audio device may be just as dangerous as cell phone use. It takes eyes and concentration off the road, which is not permissible under Florida Keys Electric Cooperative Assn. Inc. policy. FKEC does allow employee use of personal, portable audio devices. However, while the company does not want to eliminate employees' ability to enjoy music while behind the wheel, certain guidelines are in place: Employees may not take eyes off the road to adjust music settings; programming music settings while stopped, pulled off the road or before departing is permissible behavior.

Employees may not under any circumstances use MP3 players or other handheld electronic audio devices with headphones – not only are it illegal in most states, it also impedes the driver's ability to properly hear warning signs, signals or sirens.

Please refer to FKEC Policy #211.0, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

CONFIDENTIALITY

What you see and observe while you're at work is strictly CONFIDENTIAL. You should not discuss FKEC business with persons outside of FKEC, without proper authority. If your job involves working with the public, discuss only those items you are allowed to discuss. If you are unsure of what you should or should not say, ask your supervisor.

You should also be aware that Board members are directed by **Board Policy Bulletin 101-0** to refrain from discussing management matters with employees of FKEC, except in instances where the Board may deem it necessary to confer with employees designated by the CEO. Employees found to be engaging with Board members regarding Cooperative issues are subject to discipline.

CONTACTS WITH OUTSIDE MEDIA

If you are approached by the media (newspaper, television or radio reporters) seeking information, immediately refer the person to the CEO, he is the only person allowed to make an official statement. Inform your supervisor of your action.

EMPLOYEE IDENTIFICATION BADGES

You will be issued an identification badge that identifies you as an employee of FKEC. You must wear your badge at all times when representing FKEC. This identification is required for access to all FKEC facilities in Tavernier. The badge is for your use only and may not be given or loaned to another person for any reason. Misuse may result in disciplinary action, up to and including discharge. Badges are the property of FKEC, and must be returned to FKEC upon termination.

ACCEPTANCE OF GIFTS FROM VENDORS

Employees are prohibited from accepting meals, favors or gifts in excess of \$100.00 from any one agent, supplier, contractor, consultant or other person or entity that, because of the circumstances attending the offer, might reasonably be construed as intended to influence the independent judgment of the Director, Employee or agent.

Please refer to FKEC Policy #110.1, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

OUTSIDE ACTIVITIES

While FKEC encourages our employees to participate in worthwhile civic and community activities, it will not permit any FKEC employee to engage in any outside activities which will be in conflict with the business interests of FKEC. FKEC further believes that the time and energy of each employee, during working hours, belongs to FKEC, therefore community activities should be handled after normal working hours unless approved by the CEO.

MEMBERSHIP ELECTIONS

Employees of FKEC are restricted by **Board Policy Bulletin No. 205.6** from taking part in any election where FKEC Directors are elected, except that employees shall be permitted to exercise their right as members to vote in such election. Any employee who violates this policy shall be subject to discipline, up to and including discharge.

Please refer to FKEC Policy #205.6, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

USE OF COOPERATIVE VEHICLES

Employees are prohibited from using FKEC vehicles for personal purposes other than commuting and incidental personal use without the permission of the CEO. Consuming alcoholic beverages, or being under the influence of drugs or alcohol, while operating a FKEC vehicle is prohibited.

DRIVER LICENSE REQUIREMENTS

- 1) Employees shall immediately report any moving violation in a company vehicle to their supervisor.

- 2) Any employee whose driver license is suspended or revoked shall notify their supervisor no later than the next business day. Under no circumstances shall an employee operate a FKEC vehicle without a valid driver license.
- 3) No employee shall operate a Cooperative vehicle while holding a provisional or limited license without prior authorization of the CEO.
- 4) Failure to notify management that a license suspension has occurred is subject to disciplinary action up to and including termination.

FKEC reserves the right to determine whether an employee, as part of their duties and responsibilities of their position, shall be required to operate either commercial or non-commercial motor vehicles and the licensing requirements for all job classifications / positions.

Holding a non-commercial vehicle driver license of the proper class and with the proper endorsements is a condition of employment for the following job classifications:

- | | |
|-------------------------------|------------------------------------|
| 1) All Operations Supervisors | 2) Relay Technician |
| 3) GIS Technicians | 4) Load Management Tech |
| 5) All Meter Classifications | 6) All Maintenance Classifications |
| 7) All I.T. Classifications | 8) Staking Technicians |
| 9) Utility Electricians | |

Holding a commercial vehicle driver license of the proper class and with the proper endorsements is a condition of continual employment for the following job classifications:

- | | |
|---|--------------------------------------|
| 1) Journeyman Lineman | 2) Journeyman Substation Electrician |
| 3) (Pre) Apprentice Lineman | 4) Apprentice Substation Electrician |
| 5) Right-Of-Way Crew Member | 6) Fleet Mechanics |
| 7) Generating Plant Mechanics (who work on FKEC vehicles) | |
| 8) All Warehouse Classifications | |

Florida Keys Electric Cooperative shall request and review both commercial and non-commercial vehicle license records twice per year for those employees who operate a Cooperative vehicle no matter how often they may drive.

Any employee who loses a required driver license, either for work or non-work related reasons, shall be subject to termination. Temporary accommodations may be made for any employee whose license has been suspended or restricted for a period not to exceed 90 days while the employee awaits final outcome of their situation or while the employee

attempts to obtain provisional or limited driving privileges to meet the requirements of their position. CEO approval is required to extend this 90 day period.

Please refer to FKEC Policy #205.13, in its entirety, attached as addendum and located in the back of this section or in the FKEC Board Policy Manual.

PROACTIVE PERFORMANCE COACHING, COUNSELING AND DISCIPLINE

"Proactive Performance Coaching®" (PPC) is a training method, adopted by FKEC, which is designed to teach supervisors and manager's effective methods for creating behavioral changes on the part of employees. Emphasis is placed on creating a positive environment designed to encourage change without having to implement formal disciplinary steps. Procedurally correct methods for applying formal discipline are, however, addressed (See Positive and Progressive Discipline below).

Notwithstanding "Employment at Will" as outlined on page 1, the intent of FKEC's Proactive Coaching, Counseling and Discipline system, which includes the incorporation of the ICON Model, is to provide fair and consistent supervisory treatment of all employees. FKEC feels it is important that positive coaching procedures be used as a constructive tool to correct an employee's unacceptable performance or behavior before it becomes necessary to use more severe steps which could include: warnings, suspension, and/or termination of employment.

Progressive action will be taken when it is necessary to redirect the efforts or activities of employees by counseling them of accepted standards of work and/or conduct. Progressive action is also taken to stop undisciplined behavior when there is a serious impact on other employees, the general public, FKEC or its facilities.

When supervisory Coaching and Counseling fails to obtain the desired results, progressive disciplinary action will result. FKEC will use a progressive discipline process (Steps C, D, E & F below) in only the more serious offenses or those that continue to reoccur. In all cases, employees have a right to appeal disciplinary action through FKEC's Open Door Policy, for non-bargaining employees, or through the grievance procedure as outlined in the collective bargaining agreement for Union members.

FKEC recognizes that each disciplinary situation is unique. Therefore, management retains the right to treat each incident on an individual basis at its discretion. However, in considering the discipline to be utilized in a particular case, management may consider the severity of the event, the cost involved to FKEC, the interval between violations of a similar nature by the same employee, other violations, the employee's overall work record, the employee's length of service, and other factors as may bear upon the efficient and harmonious operation of FKEC. While FKEC is in no way bound to follow any specific procedures, other than those that may be applicable with respect to bargaining unit employees under the collective bargaining agreement," the following forms of discipline may be utilized:

- A. **Simple Mention** – 95% of employees want to perform acceptably, given that they understand what is expected of them.

- B. **Discussion without Discipline Identified** – By openly discussing the issue and explaining what changes are needed and “WHY” they are needed, many remaining problems can be put to rest without further incident. At this point, an “Action Plan” will be issued.
- C. **Discussion with Discipline Identified - Written Warning** - The purpose of a Written Warning is to document that the employee has again taken an action (either behavior or performance) that was previously addressed or has taken a more serious action, in violation of expected conduct, for the first time. A Written Warning also services as notice that a reoccurrence will result in disciplinary action.
- E. **Written Reprimand**- The purpose of a Written Reprimand is to document that the employee has again taken an action (either behavior or performance) that was previously addressed or has, for the first time, taken a more serious action in violation of expected conduct. This step again includes an “Action Plan” for improvement.
- F. **Suspension** – Suspension is an OPTIONAL step that in most cases will not be used (skipped) unless the CEO determines that it is appropriate to the current circumstance. A suspension becomes necessary when an employee has failed to correct unacceptable behavior, even after receiving prior warnings. A suspension will be without pay, may be for one or more days depending on the offense and the seriousness of the infraction. A “last chance agreement” may be used as an alternative to suspension.
- G. **Termination** - A termination is the final step in the FKEC's Progressive Coaching and Counseling process. However, the use of the progressive process may be suspended should an employee’s actions be of such a serious nature to be sufficient grounds for immediate termination. As with any disciplinary action, the employee shall have an opportunity to discuss the termination action with the Director of Human Resource and / or the CEO. All terminations will be approved by the CEO.

When disciplinary action is taken, we may request your signature to show the problem has been discussed with you. Your signature does not necessarily mean you agree with the charge or the disciplinary action. Even if your signature is not requested, you are required to comply with all guidelines. Refusal to sign a written warning when requested may subject the employee to further disciplinary action deemed appropriate by management up to and including termination.

SECTION VI - SAFETY AND HEALTH PROGRAM

FEDERAL REGULATIONS

The Occupational Safety and Health Administration (OSHA) states that responsibility for accidents must be shared by the employer and the employee alike. Therefore:

The employer (FKEC) shall provide its employees a place of employment which is free of recognized hazards that are likely to cause serious physical harm or even death to its employees.

Each employee shall comply with OSHA standards and regulations that govern our industry and apply to their on-the-job actions and conduct.

APPLICATION TO SAFETY RULES

All employees shall carefully study, not merely read, all safety rules and safe work practices applicable to their job duties. **Compliance with FKEC's safety rules is mandatory and is considered a requirement for employment.** Other rules, policies and operating procedures may apply to specific job duties as well, and it shall be the responsibility of each employee to become familiar with all aspects of an individual task before beginning work. Ignorance will not be accepted as an excuse for failing to work safely.

RESPONSIBILITY FOR SAFETY

A. FKEC'S:

FKEC will provide employees with the necessary training, equipment and personal protective equipment to do their job in a safe and efficient manner. Each supervisor shall have the authority and responsibility to insure that each employee is qualified for his/her assigned task. He/she shall have the authority to suspend any work deemed unsafe and to use disciplinary measures if necessary to assure all work is done in accordance with all safety rules that apply.

Following all near-miss or actual workplaces accidents, an investigative team will be formed and will include the Department Director, Safety Manager, Human Resources Director, and if appropriate, a member of the union. The team will be tasked with determining the "root cause" of the incident and to suggest follow up education or training (based upon "lessons learned") on a company wide basis, to help prevent future occurrences.

B. EMPLOYEE'S:

1. It is the responsibility of each employee to accept safety as a personal matter and to participate in the safety programs by developing safe work habits and by reporting hazardous working conditions to the appropriate person.
2. Before beginning a job, and especially in a tailboard situation, employees shall satisfy themselves that they fully understand the objective, and can perform the task without injury. If an employee is in doubt as their ability to perform work, that employee shall call this to the attention of his/her supervisor.
3. Before starting a job, each employee shall thoroughly understand the work to be done, his/her part in it and the safety rules that apply (Tailgate/Job Safety Briefing Report). **Under no circumstances shall safety be sacrificed for speed.**
4. Experienced employees have extra responsibilities for conducting work safely. Their safety leadership is an important part of the "on-the-job training" all new employees receive.
5. All employees have the responsibility to report any personal or other conditions to their supervisor that may limit their ability to function in a safe manner. These conditions shall include illness, injury, drugs, alcohol, extreme emotional issues or other similar situations.
6. If an employee is called upon to perform work that he or she considers hazardous, he/she shall bring the matter to the attention of the supervisor before commencing work. If questions arise, interpretation rests finally with the supervisor.

REPORTING INJURIES

- A. Injuries, no matter how slight, shall be reported to your immediate supervisor, Safety Manager or Director of Human Resources as soon as practical.
- B. All minor injuries shall be properly treated and a report made to employee's supervisor.
- C. When the medical treatment is necessary, a physician designated by FKEC shall be used whenever possible. Such injuries shall be reported to management (Supervisor first, Safety Manager second, and then the Director of Human Resources) immediately. All workers compensation injuries are subject to post accident drug and alcohol testing as outlined in **Board Policy 109.2**.
- D. In case of serious or fatal accidents, appropriate action shall be taken promptly. The accident shall be reported immediately to management (Supervisor first, Safety Manager second and then the Director of Human Resources).
- E. All employee on-the-job injuries will be reported on an FKEC Investigation Report. Therefore, it is important to write down facts like names of witnesses, addresses,

times, phone numbers, etc. The Safety Committee will review all reports and make appropriate recommendations.

- F. Failure to report on-the-job injuries or intentionally falsifying reports will result in disciplinary action up to and including termination.

REPORTING COMPANY VEHICLE ACCIDENTS

- A. The employee driver has the responsibility to report accurately and immediately any accident involving any FKEC vehicle they are driving/operating or which is assigned to them. Reports shall be made to the police and state authority as required. The employee's immediate supervisor shall be notified as soon as practical. Vehicle accidents/crashes will be subject to post accident testing as outlined in **Board Policy 109.2**.
- B. The driver and all other FKEC employees shall not discuss or argue the cause or results of an accident with other parties, but shall secure all pertinent facts and information. The driver shall answer questions when asked by proper authority but under no circumstances shall he/she admit fault or negligence or sign any statement for anyone except proper representatives of the Cooperative.
- C. Should the other driver demand immediate action, they shall be referred to the Safety Manager or the Director of Human Resources.
- D. The driver, when involved in an accident, shall stop and give his/her name and address, and the name and the address of FKEC. The driver shall also secure the name and address of others involved in the accident and of witnesses; if any **(this is very important)**. The driver shall also note position of vehicle after the collision.
- E. If any person is injured as a result of a vehicle accident, employees shall see that necessary emergency aid is provided.
- F. The Safety Manager or the Director of Human Resources shall be contacted as soon as possible.

REPORTING NON-VEHICLE INCIDENTS OR ACCIDENTS

Employees shall report, to their Supervisor or Safety Manager, any and all incidents or accidents resulting in personal injury or loss or damage to company equipment. Failure to report, or falsifying reports, may result in disciplinary action up to and including termination.

WARNINGS

Warning signs shall be heeded at all times. Persons seen in a dangerous situation shall be warned without being startled. Employees not qualified to be near potentially dangerous places shall keep a safe distance away from them.

REPORTING HAZARDOUS CONDITIONS

When an employee observes a hazardous condition that may cause injury or property damage or interfere with services, regardless of the department in which the condition exists, he/she shall report it promptly to a proper authority and when necessary, guard it.

An employee who receives a report of any hazardous emergency situation shall obtain the name of the informant, the exact location and the nature of the trouble. He/she shall immediately refer this information to the employee having responsibility for correcting the situation.

FIRE PROTECTION

As outlined in the FKEC Safety Manual, employees shall be familiar with the location and the operation of all fire protective equipment in the vicinity of their work area. Employees shall also know their emergency evacuation exits so they can get out of the building quickly and safely, if necessary.

FKEC'S SAFETY MANUAL

Each employee will receive a copy of the FKEC Safety Manual. This manual is based on the American Public Power Association's (APPA) Safety Manual for electric utilities and has been modified to fit FKEC's system safety requirements by the Workplace Safety Committee. The Safety Manual is periodically reviewed by the Safety Committee for revisions and updates in the ongoing process of improving employee safety in our workplace. In the event of any inconsistency between this Employee Handbook and the Safety Manual, the Safety Manual will take precedent.

Should an employee have a question concerning a safety rule or safe work practice or there is an item in the Safety Manual that is not understood, that employee should feel free to discuss it with the Safety Manager or any other member of the Safety Committee. However, it is recommended that the employee discuss it with his/her supervisor first.

SAFETY DAYS

FKEC recognizes the importance of maintaining safe and healthful working conditions and the necessity for all work to be performed in accordance with established safety rules

and regulations. FKEC believes that "Safety is no Accident" and each and every employee must think and work safely every day. As a reward and recognition for working safely, FKEC has instituted "Safety Days".

A safety day is earned each 90 day period that FKEC is free of a lost time injury. Each eligible employee will earn a "Safety Day" when the following safety goals are met:

1. The entire Cooperative has worked 90 consecutive days without suffering a lost time injury, and
2. The employee has not been "at fault" (partially or substantially) in a Cooperative vehicle crash or other incident resulting in damage losses or costs to FKEC during the 90 day period and
3. The employee has followed and adhered to FKEC's safety rules during the 90-day period.
4. The employee has not suffered an "at fault" (partially or substantially) on-the-job, OSHA recordable doctor-treated injury during the 90 day period.
5. The employee has worked for FKEC for at least 90 days.

During the 90 look back, the on-the-job safety record of "Introductory Period" employees will NOT affect other employee's ability to earn a "Safety Day".

Part-time and temporary employees are not eligible to earn "Safety Days" nor will their on-the-job safety record affect any other employee's ability to earn a "Safety day".

Safety days are accumulative up to a maximum of forty (40) hours. The rules and requirements for requesting and using SAFETY time are identical to that of requesting and using PTO discussed earlier in this handbook. Employees separating from service shall NOT be permitted to extend their employment through the use of accrued Safety Time.

SECTION VII - CONCLUSION

Our basic objective is to provide **Recognition, Opportunity, and Security** for our employees. To this end we shall:

- A. Respect to the utmost individual dignity of each and every employee.
- B. Provide the kind of leadership in which all employees may have faith and confidence.
- C. Make demonstrated ability the primary along with seniority the basis for promotion.
- D. Provide adequate training opportunities for all employees and encourage them to develop their capacities to the maximum potential.
- E. Provide fair and equitable compensation for all employees by maintaining wage rates equal to or better than the prevailing rates for comparable work in the community. Those administering FKEC's compensation policy will be guided by the results of periodic community-wide surveys in their determination of wage scales.
- F. Provide facilities and working conditions which are considerate of employee health, safety and convenience.
- G. Provide free and open channels of communication and continuously seek ways of maintaining high morale through fair and equitable treatment of all employees.
- H. Guarantee of recourse to higher levels of management in the event an employee does not feel his/her complaint has been handled equitably by immediate supervisor. However, we ask that you allow your supervisor the opportunity to address your complaint. If you're still not satisfied with your supervisor's decision, you may request that he/she refer to upper management.
- I. Guarantee that the personnel policies of FKEC, both in spirit and according to the letter, will be followed at all times.
- J. Provide equal employment opportunity without regard to race, color, religion, sex, gender, national origin, veteran status, disability, or age.

In return, we only ask that you cooperate by giving FKEC **a good day's work for a good day's pay**. We hope that your work here will be a happy, rewarding and fulfilling experience.

FKEC HANDBOOK ADDENDUM

IMPORTANT TELEPHONE NUMBERS EMPLOYEES SHOULD KEEP AVAILABLE

NRECA	866-673-2299
Employee Assistance Program (EAP)	800-272-7252
Florida Rural Electric Credit Union.....	800-542-1246
NECA – Decatur Health Plan.....	800-765-4239

FKEC TELEPHONE NUMBERS

(In case of an emergency or before 8:00 a.m. and after 5:00 p.m.)

Tavernier Administration.....	305-852-2431
Tavernier Operations.....	305-852-5857
Marathon Front office.....	305-743-9396
Marathon Plant.....	305-743-5323

MEDICAL TELEPHONE NUMBERS

Dr. Magrane.....	305-853-5214
Dr. Smith	305-743-3511
Dr. Samess.....	305-743-2253
Mariners Hospital.....	305-434-3000
Fishermen's Hospital.....	305-743-5533

CONFIDENTIALLY

FKEC publishes the home telephone numbers of each employee who works for Florida Keys Electric Cooperative. You are advised that each number is to be treated as confidential information. Do not give out any employee's home telephone without the employee's permission. You may, in the case of an emergency, get the number of the person who is trying to reach the employee and call the employee who then can return the person's call.

At various times you may receive a telephone call requesting information about a current or former employee. It is FKEC's policy not to give out any information without the employee's permission; therefore, all requests for information will be referred to Human Resources.

ACKNOWLEDGMENT OF RECEIPT OF THE FKEC EMPLOYEE HANDBOOK

This is to acknowledge that I have received the FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC. Employee Handbook and agree to abide by its contents during my employment with FKEC. I understand that my employment is "at will" subject to provisions of the union bargaining agreement, if applicable. I understand that nothing in this handbook in any way creates or modifies the bargaining agreement between FKEC and the IBEW nor does it create or imply any type of employment contract or agreement between myself and FKEC nor does it offer or guarantee continued employment. I further understand that FKEC reserves the right to unilaterally change or discontinue any of the policies, benefits or rules described in this handbook that is not bargained by the above-mentioned union agreement. I understand that no person other than the CEO, with the approval of the Board of Directors, has authority to modify any provisions of this handbook or to enter into any separate agreement regarding the subject matter of this handbook.

I further acknowledge receipt of the following FKEC Board Policies, attached to and part of this FKEC Employee Handbook and agree to abide by their contents during my employment;

- * Policy 114.0 Nepotism
- * Policy 205.12 Employee Travel Time
- * Policy 205.10 Travel Expenses
- * Policy 109.0 Employment, Salary, Wage and Working Conditions
- * Policy 109.10 Return to Work or Modified Duty after Injury or Illness
- * Policy 109.3 Family and Medical Leave (FMLA)
- * Policy 110.0 Education Assistance
- * Policy 110.1 Ethics
- * Policy 109.9 Anti Fraud Controls
- * Policy 110.2 Whistleblower
- * Policy 109.1 Harassment
- * Policy 110.3 Computer Systems, Internet & Email Usage
- * Policy 109.2 Drug Free Workplace
- * Policy 211.0 Cell Phone / Electronic Use
- * Policy 205.6 Activities in Membership Elections
- * Policy 205.13 Driver License

I agree that should I have any questions regarding any portion of this Handbook, the attached FKEC policies, or any other FKEC Board Policy, it is my responsibility to ask my supervisor or the Director of Human Resources. I understand that this Handbook is confidential information and must be surrendered at termination.

Name _____
Please Print

Signature _____

Date _____