

# **SHOP Companies**



## **POLICY HANDBOOK**

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## WORD ABOUT THIS POLICY HANDBOOK:

This Policy Handbook (“Handbook”) is a guide and not intended to cover every policy or situation. There may be issues that concern you that may not be covered in this handbook. You should read, understand and follow the policies, rules and procedures described in this handbook. It describes many of your responsibilities as a team member of SHOP Companies (“Company”) and outlines the programs developed to benefit you. If you have questions, please ask a member of management or your supervisor.

While every attempt has been made to create these policies consistent with federal and state law, if an inconsistency arises, the policies will be enforced consistent with the applicable law.

All terms of this handbook are subject to change at any time at the sole discretion of SHOP Companies (“Company”). This handbook is not a contract, but a general statement of policy that the Company may amend, change, modify or repeal at its sole discretion, with or without notice in whole or in part as circumstances might warrant. No statements contained in this handbook represent contractual commitments or obligations of the Company to any employee or contractor. No one other than a Founding Partner or Director of Finance & Operations can alter or modify any of these policies. The policies and benefits described in this Handbook are not conditions of employment and do not constitute either a contract of employment or a contract between the Company and any of its team members to provide any benefit or benefits. This handbook, any other documents given to you, and/or statements by any team member of the Company are not to be interpreted as a guarantee of continued employment with the Company; employment with the Company is an “at will” arrangement. This means that both you and the Company have the right to terminate employment at any time, for any purpose, with or without prior notification, with or without cause.

**This handbook references the current benefit plans maintained by the Company and apply to team members who meet the eligibility criteria of each of the benefit plans, but the actual benefit plans and summary detail will be provided under separate cover. The Company retains the right to amend, alter, modify or terminate benefit plans at any time. If any questions arise regarding the interpretation of these plans, the answers will be determined by reference to the actual plan documents and policies rather than the summaries contained in this handbook. In the event of a discrepancy between the summary and the actual plan document, the plan document will prevail.**

This handbook supersedes all previous handbooks, statements, policies, procedures and rules given to any team member, whether verbal or written.

**THIS DOCUMENT IS NOT A CONTRACT**

WELCOME TO SHOP Companies.

We would like to extend a warm welcome to you as a new team member of SHOP Companies.

You have joined a company that has established a good reputation in our community and industry. Credit for this goes to everyone on our team.

Our success depends on our people and we are glad that you joined our team. Everyone carries a share of the responsibility for the success of our company and everyone has the opportunity to benefit from that success. During the next few months you will learn more about us and your role. As a valued member of our professional team, it is your responsibility to assist us in providing the highest quality services to our clients. To that end, we expect you to maintain the strictest attention to detail, provide excellent customer service and to uphold the highest ethical standards. We encourage excellence and will support you with the resources necessary for your success.

#### SECTION I – ABOUT US:

- We set up SHOP to accomplish something fairly simple; create a culture of selected peers, who are among the best within their discipline and who share a passion for the real estate business.
- In our SHOP, we build relationships and strategies with and for our clients. Though we are not trying to re-invent the process (yet), we are unwavering about our **4 Guiding Principles**:
  - o People Before Profits – We love what we do because we love who we do it with
  - o Stay Relevant
  - o Entrepreneurship – Opportunities lies in what others overlook
  - o Do The Right Thing, Period.

#### SECTION II

##### COMPANY POLICIES:

###### EQUAL EMPLOYMENT OPPORTUNITY

SHOP Companies is an equal opportunity employer and complies with applicable state and local laws governing nondiscrimination in employment in every location in which the company operates.

###### VERIFICATION OF UNITED STATES WORK AUTHORIZATION

The Company complies with Federal and State laws and regulations, and only employs persons legally authorized to work in the United States. All employees are required to submit original documents verifying their eligibility to work legally in the United States, and to sign a verification form required by Federal Law (Form I-9) on the first day of employment. If a new employee does not or cannot produce the required documentation demonstrating his or her right to work in the United States within three (3) days of employment date, the Company has no alternative but to discharge the employee from employment.

###### VIOLENCE, HARASSMENT AND DISCRIMINATION FREE WORKPLACE POLICY

The Company is an equal opportunity employer and is committed to providing a work environment that is free from all forms of violence, discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment.

#### DRUG FREE WORKPLACE POLICY

The Company is dedicated to providing a drug-free, healthful and safe workplace. To promote this goal, team members are expected to report to work in appropriate mental and physical condition to perform their job in a satisfactory manner.

#### SAFETY AND HEALTH POLICY

The Company is committed to providing its team members with a safe and healthy working environment. The Company makes every effort to comply with relevant federal and state occupational health and safety laws and to develop programs conducive to such an environment.

#### STANDARDS OF CONDUCT POLICY

The Company is committed to providing a working environment that enables everyone to be able to provide customers with the highest quality services, to earn their continued loyalty by timely meeting their needs, and to achieve community-wide respect of our professional team and our work.

#### ETHICAL CONDUCT

The successful business operation and reputation of the Company is built upon the principles of fair dealing and ethical conduct of our team. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations as well as scrupulous regard for the highest standards of conduct and personal integrity. The continued success of the Company is dependent upon our customer's trust and we are dedicated to preserving that trust. Team members owe a duty to themselves, the Company, its customers and shareholders to act in a way that will merit the continued trust and confidence of the public.

#### PROFESSIONAL CONDUCT

Team members are expected at all times to conduct themselves in a positive manner in order to promote the best interests of the Company. Employees shall interact with all fellow employees and customers, in a professional, dignified, respectful manner.

#### CONFIDENTIALITY / NON-DISCLOSURE POLICY

An essential element of the Company business is to protect all confidential information, thus information designated as confidential may not be discussed with anyone outside the organization and may only be discussed within the organization on a "need to know" basis. In addition, team members have a responsibility to avoid unnecessary disclosure of confidential internal information about the Company, its employees, its contractors, its clients and its suppliers; such as proposed new businesses, financial condition of the Company, marketing plans, composites, sketches or any other confidential information that is not already in and/or considered part of the public domain.

- A. Team members, except within the scope of employment, cannot remove, make or cause to be made any copies of drawings, reports correspondences or other writings or samples relating to the Company or its business. Team members cannot use for their own gain or disclosure, except within the scope of employment, any trade secrets, other confidential information, data or knowledge relating to the Company.
- B. Team members must surrender all documents, drawings, company property and information to the Company upon termination or employment or at any time upon request of their supervisor.

- C. Any violations of the confidentiality policy will result in disciplinary action, up to and including termination. The Company reserves the right to avail itself of all legal or equitable remedies to prevent impermissible use of confidential information or to recover damages incurred as a result of the impermissible use of confidential information. In addition, team members will be subject to appropriate disciplinary action, up to and including termination for revealing information of a confidential nature.
- D. The contractual obligations under this policy shall continue after the termination.

#### CONFLICTS OF INTEREST

It is the policy of the Company to prohibit its team members from engaging in any activity, practice or conduct which conflicts with or appears to conflict with the interests of the Company or its clients.

### SECTION III

#### COMPANY PROPERTY

##### COMPANY CREDIT CARDS

On certain occasions, the Company will provide credit cards for use by team members authorized to make purchases on behalf of the Company and/or for authorized travel. Company owned credit cards will only be used for authorized expenses. Personal use of a Company provided credit card is prohibited without the expressed approval of a Founding Partner or the individuals' immediate supervisor. Misuse of the credit card or violations of this policy will require immediate reimbursement of the amount improperly charged to the credit card and subject the team member to disciplinary action up to and including discharge.

##### ELECTRONIC COMMUNICATION, E-MAIL & CELLULAR DEVICES

It is the policy of the Company that the use of all electronic communication tools such as telephone, facsimile and computers (e-mail and internet) are governed by the Company's Electronic Communication policy. This policy covers all team members, and all are required to acknowledge the receipt of this policy. Violations of the Electronic Communication policy can result in disciplinary action including immediate termination of employment.

##### COMPANY PHYSICAL PROPERTY

It is the responsibility of all team members to safeguard and maintain functional activity of any or all provided Company physical property, such as phones, laptops, Ipad/tablets, credit cards, badges, keys, building or parking IDs.

All items are required to be return to the Company upon termination/last day worked. Failure to return all Company physical property will result in 1) delayed final payment and/or financial claw back of current replacement value of missing property item(s).

## SECTION IV

### EMPLOYMENT

#### EMPLOYEE EMPLOYMENT CATEGORIES

The Company has established certain employment classifications so that employees understand their employment status and benefit eligibility. These classifications have been established in accordance with applicable federal and state law. Nothing in this policy shall be construed to limit or change the Company's employment at-will policy. All employment with the Company is for an unspecified time and the right to terminate the employment relationship at will, at any time, with or without cause or notice is retained by both the employee and the Company. The Company at its discretion will periodically review job descriptions. In doing so it will designate positions into the following classifications based upon guidelines provided by Fair Labor Standards Act.

- A. Every employee is designated as either exempt or non-exempt.
- B. In addition, every employee will be further classified as either full-time, part-time or temporary.
- C. There is also an additional classification which is not an employee, a contractor. A contractor is independent from any employment classification and is eligible for any company provided benefits. They are only provided considerations that are specifically outlined in their contract.

#### EMPLOYMENT AT WILL

Employment with the Company is an "at will" arrangement. This means that both you and the company have the right to terminate employment at any time, for any purpose, with or without prior notification, with or without cause.

- A. Nothing contained in the Company's Employee Handbook or in any oral or written statement shall change your employment at-will status or otherwise limit the right to terminate employment at will. Policies set forth in this handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between the Company and any of its employees. No manager or employee of the Company shall have the authority to enter into an employment agreement-- express or implied--with any employee providing for employment other than "at will."

#### HOURS OF WORK & WORK SCHEDULES

It is the policy of the Company to establish the time and duration of working hours as required by workload and production flow, client service needs, the efficient management of human resources, and any applicable law. Because of the nature of our business, your work schedule may vary depending on your role, department, company and client's requirements.

Our normal office work week is Monday through Friday.

Should you have any questions concerning your work schedule, please ask your supervisor.

## PAY

It is the policy of the Company to pay employees by check or direct deposit on a regular basis and in a manner so that the amount, method, and timing of wage payments comply with any applicable laws or regulations.

### Brokers:

- A. Paid weekly

### Non-Brokers:

- A. Pay periods are semi-monthly (24 pay periods annually)
- B. Pay days are the 1<sup>st</sup> and the 15th

Team members that do not elect to have their pay direct deposited into their account will receive their check on paydays. All team members can review their pay stubs online via the Company's payroll system or commission system. The pay stub contains a statement showing gross pay, deductions, direct deposit and net pay.

- A. If you are an employee, all local, state, federal and Social Security taxes will be deducted automatically. No other deductions will be made unless required or allowed by law, contract, or employee obligation.

## WAGE ATTACHMENTS AND GARNISHMENTS

It is the Company policy to follow all federal, state and local laws that require us to make deductions from your wages should garnishment or attachment proceedings be brought against you.

- A. Alimony and Child Support garnishments are mandated by state law and the court.
- B. Wage garnishments are effective immediately upon service of the garnishment. Deductions are to be withheld in accordance with the terms of the Court Order and are normally withheld from every check. The Garnishment stays in effect until it is released by the Court.

## OVERTIME

It is the company policy that all overtime must be approved in advance by your supervisor. Failure to work scheduled overtime or overtime worked without prior authorization from your supervisor may result in disciplinary action, up to and including possible termination of employment.

- A. Overtime compensation is paid to all non-exempt employees in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked for all hours worked in excess of forty (40) hours in a work week. For all hours worked in excess of 40 hours in one work week, non-exempt employees will be paid at one and one-half times the employee's regular rate of pay. Only actual hours worked count towards computing weekly overtime. Actual hours do not include PTO, holiday, disability or sick pay hours.
- B. Exempt employees do not receive overtime pay.

## OUTSIDE BUSINESS INTERESTS POLICY

It is the Company policy not to limit a team members activities during nonworking hours unless those activities interfere with the employee's ability to perform their duties or if they are considered to create a conflict of interest with services or products provided by the Company. Before beginning any other business, you should discuss it with your supervisor. In general, outside interests that are in competition with the Company will not be allowed nor will activities that will require you to be gone during our business hours or will interfere with your ability to safely, properly and efficiently perform all of your duties. We would discourage any activity which would have an adverse effect on your performance as a team member. Since there are so many variations of activities which could be considered, each case will be decided on its individual circumstances.

## EXPENSE REIMBURSEMENT

It is the policy of the Company that an expense report must be submitted by a team member any time Company monies are expended for travel. Monies will be reimbursed under the standard T&E policy.

## TRAVEL AND MEAL REIMBURSEMENT

There are occasions when team members are required to travel for business, training, etc. All travel must be preapproved.

- A. Team members eligible for travel reimbursement shall complete an expense report and all receipts for the covered travel and meal expenses. The expenses must be reasonable and should not exceed the guidelines set by the Company.

## SECTION V

### EMPLOYEE BENEFITS

#### PAID TIME OFF (PTO)

It is the policy of the Company to have a flexible Paid Time Off (PTO) policy that allows employees to manage their own time out, whether it be for vacation, sick or to handle personal matters. This is not an unlimited policy, and the set expectation of PTO is to allow employees to reset and recharge, but also to continue to maintain an appropriate level of work.

While the Company's PTO policy is flexible, it does not negate management from addressing tardiness or poor performance due to being out. In addition, there is still an expectation of advance notice for time requested approvals. These approvals can still be denied due to business reasons.

With a flexible PTO policy, upon termination, no time will be considered earned, due or paid out to the employee.

## HOLIDAYS

While certain holidays are celebrated on different days every year, The Company will list the actual holidays the Company is closed with the specific dates of those holidays being determined on an annual basis.

If the Company Holiday falls on a Saturday, the official celebrated day will be the preceding Friday.

If the Company Holiday falls on a Sunday, the official celebrated day will be the following Monday.

The Company Holiday Schedule is:

- New Year's Day
- Good Friday
- Memorial Day
- Independence Day (July 4<sup>th</sup>)
- Labor Day
- Thanksgiving Day
- The Friday after Thanksgiving
- Christmas Eve
- Christmas Day
- New Year's Eve

## HEALTH INSURANCE

The Company offers health insurance to all eligible team members. The Company pays a portion of the Medical benefit as outlined under the separate Benefit Summary. All other coverages are fully paid by the team member.

Consult the Company's Healthcare Insurance Summary Plan Description about eligibility and coverage available under the plan(s).

## SUMMARY PLAN DESCRIPTIONS

Please refer to the Summary Plan Description booklet provided the employee at time of employment, which outlines the covered medical expenses and other plan guidelines. If a copy of the coverage plan booklet was not provided to the employee at time of employment, one can be obtained at the time of eligibility from the employer.

## CIVIL DUTIES

### JURY DUTY

To be eligible for excused absence for jury duty, the employee must notify the Company immediately upon receipt of the notice to serve. Furthermore, they must report back to work if released by the courts when a reasonable amount of time is left to end the end of the shift. Finally, an attendance slip must be obtained from the court verifying actual dates of service. Jury Duty is an unpaid absence or an employee can use their PTO to cover the absence.

### VOTING IN ELECTIONS

If business hours demand that you cannot get to the polls before or after work you will be paid while you are off sight to vote. The law also requires the employee to notify the employer that he needs a leave of absence to vote prior to Election Day.

### LEAVE OF ABSENCES

With the approval of the Company, full-time employees may be allowed to take a personal leave of absence from work not to exceed 12 weeks. All leaves of absence are unpaid and it is the employee's responsibility to pay costs associated with maintaining all fringe benefits. Fringe benefits do not accrue during a leave of absence.

EXAMPLE: If you take a leave of absence for 2 months and are away from work, you must pay for the costs of maintaining your health insurance for 2 months.

### MEDICAL LEAVE

An employee on leave of absence for medical reasons may be required to pass a physical examination prior to reinstatement. The Company has the right to request that you provide a Return to Work note from your physician to assure you can perform your position safely. Company has the option, at the Company's expense to have the employee get 2nd opinion for a Return to Work (RTW).

### FAMILY AND MEDICAL LEAVE ACT OF 1996 (FMLA)

Texas does not have an FMLA law. Therefore, only the federal law applies.

FMLA time is unpaid.

FMLA is job protection against discrimination and wrongful termination due to approved FMLA Absences.

Being under FMLA is not job protection. You can be terminated while under an approved FMLA Absence, due to a variety of business related items such as Reduction in Force, downsizing, position elimination and etc..

Employers with 50 or more employees within 75 miles of one another are generally subject to the requirements of the FMLA.

For an employee to be eligible, an employee has to have worked at least 1250 hours within the last 12 months; has to have worked at least 12 months' total time for the employer; and be employed at a facility at which at least 50 employees are employed within a 75-mile radius.

SECTION V – Cont.

CIVIL DUITES – Conti

FMLA – Cont.

- Due to the 1250-hour requirement, many part-time employees will not be eligible for FMLA

The reason for the absence must be the serious health condition of the employee or of a member of the employee's immediate family; the birth or adoption of a child or the placement of a foster child in the home; or "any qualifying exigency" (which generally means an urgent or emergency situation) associated with the employee's spouse, child, or parent being on active military duty, or having been notified of an impending order to active duty, in support of a contingency operation

- With regard to leave to care for a child's serious health condition, or parental leave for a biological, adopted, or foster child, the term "parent" means father, mother, or anyone else who stands *in loco parentis* (in the place of a parent) to the child, including same-sex parents

The leave can be all at once or intermittent, even 2 or 3 hours at a time, but intermittent leave all goes toward the 12-week limit on a rolling calendar.

Employers should give employees prompt written notice that they are on FMLA leave and that they must keep in touch with the employer at regular intervals specified by the employer and specific to the individual leave. This includes potential requested medical provider updates. A Return to Work date can be specified or left open ended (as long as it is still within the 12-week period.)

To be compliant with Texas Payday Law limitations on wage deductions:

- A. If the employer is to make payments on behalf of the employee to keep the health insurance plan in effect during the FMLA leave, the employer should make sure to have the employee sign a written agreement that any money so paid will be regarded as an advance against future wages owed and will be repaid in installments deducted from future paychecks.

MILITARY LEAVE ABSENCE

An employee who is a member of the United States Army, Navy, Air Force, Marines, Coast Guard, National Guard, Reserves or Public Health Service will be granted an unpaid leave of absence for military service, training or related obligations in accordance with applicable law. Employees on military leave may substitute their accrued PTO time for unpaid leave. Benefits will continue to accrue during the period of leave in accordance with federal law. Payment of benefits, requests and documentation of military leaves and return from leaves will comply with requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA).