



Policy & Procedure Manual

Manual

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Carter & Carter Construction, LLC

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Section 1 Company Organization and Quality Assurance Program

1.1 Section Description and Use

This first section of your company Operations Manual is important for a number of reasons. It establishes the form of communication between the company and the employee. It is intended not only to establish a rapport with the employee, but also to initiate the employee to the communication format and the manner in which information is intended to be transferred between the company and the employee.

This first section therefore begins with a clear identification of who the company is. It should describe the people and policies that comprise the corporate identity and should provide each employee with the fundamental corporate ideals. Employees should be able to embrace each of those ideals when they are wrestling with the difficult day-to-day decisions that must be made.

The purpose of this section is to provide each employee with a concrete idea of visibility of that employee's fit within the company's operational network, and to see how that employee's daily work product interacts with all others in order to achieve project and company objectives on a daily basis. In this way, if each employee can understand the relationship of his or her work product with the work products of the project team and of the company, such an understanding can further clarify for that employee the manner in which the details of each task can and should be accomplished in order to maximize the benefit to the organization.

1.2 Company Statement of Operations

1.2.1 Company Purpose

The fundamental nature of business and the purpose of the organization is to create profits for its stockholders and to create stable and profitable employment to the organization's team members at every level. The primary method of accomplishing these goals in this industry is to provide construction and construction management services of the highest professional standards and to perform these services to the benefit of our clients. We in this industry have recognized that if we consistently serve our clients, perform each of our jobs effectively, and operate with integrity in good faith, the organization will be consistently profitable by every definition. The resulting client satisfaction will be the primary catalyst that will perpetuate our existence and encourage the organization's steady growth.

As the company continues to operate with the objective of generating profits that are consistently at or above the industry average, we must operate in the way that always adds value to the process. To this end, every executive, manager, supervisor, administrator, and employee should guide his or her day-to-day operating decisions with specific consideration of performing each task and solving each problem in ways that:

- Are expedient
- Finish the item completely—the first time
- Resolve all open issues
- Solve problems for ourselves, our clients, and our associates
- Positively influence the reputation of the company
- Add to the stature of the team

While there may be times when for given situations these objectives may seem to be mutually exclusive, striving for their attainment in every situation will consistently result in efficient work, creative solutions, respect, and personal satisfaction. When our objectives are clear, our work will be focused, our clients will be satisfied, and our operations will be profitable.

1.2.2 Operational Objectives

The Operational Objectives of the company address those processes and procedures that will become the mechanism by which the company purpose will be achieved. Because of the nature of our business, the specific operations through which we will accomplish our goals focus on the work product and professional output. To be sure, the output of the organization ultimately is the physical work-in-place constructed in the field. Into that final outcome, all else flows.

The field production is directed by the company's on-site superintendents. The field staff is directed by, coordinated with, and assisted by both the on-site and home-office project management functions.

Together, these two functions combine to create our total output. In a very real sense, the rest of the organizational effort supports these two activities.

While it might be argued that the business development activities and our marketing professionals are the company team members who create the projects that we will ultimately construct, this function really only provides the company with the opportunity. The on-site and off-site project management and supervisory staff make it happen for the entire organization. All other employees not only support the business development and project management activities, but truly function each day as company ambassadors to the outside world.

1.3 Organizational Structure and Corporate Staff Functions

1.3.1 Corporate Office

The location of the corporate office is listed in the Construction Operations Manual Transmittal provided to each employee in the introductory section of the company manual.

The functions of the corporate staff include:

- Determining company objectives and corporate policy
- Conducting the centralized disciplines of business development, corporate finance, accounting, human resources, and administrative staffs and support
- Coordinating all production operations and integrating all such activities with all other corporate disciplines
- Developing company procedures and providing guidance and assistance to all company members
- Providing training, education, and professional development opportunities for all company employees
- Resolving issues that may be beyond the ability or authority of the individual project staff members
- Developing synergy within the organization through which maximum utilization is gained from the particular strengths of each individual, while continuing personal and professional development is provided for in ways that will improve our individual weaknesses

Each Jobsite Field Office is considered a satellite extension of our corporate office. Accordingly, it is expected that each Jobsite Field Office is established and maintained in a professional, clean, and proper setting that is fitting for our field staff.

1.3.2 Project Management Staff and Functions

In total, “project management” includes the following functions:

- Project management
- Site superintendence
- Project engineering
- Project scheduling
- Project accounting
- Administrative support

Project management functions are divided between “project management” and “site superintendence.” Project management essentially embodies the organizational structure of the project itself, the higher authority for decision making, and the center for project administration. Site superintendence is the extension of project management directly into the field. The instruction and election of project management is carried out by the field staff, who interact at the firing line with the armies of subcontractors, suppliers, and our own trade employees who directly generate the work of our projects.

1.3.3 Operational Objectives

The specific organizational structures in the following exhibits have been designed with objectives of effectiveness, efficiency, and elimination of redundancy.

Comprehensive treatment of the complex issues faced each day in the industry can lead to complicated, detailed activities that can span many operational levels.

It is important for each individual throughout the organization to appreciate that all company procedures have been established, not for their own sake, but to achieve specific objectives. How an individual's function fits within the overall objective may not always be clear.

The ideas of "teamwork" and "cooperation" cannot be treated as the clichés they can appear to be. They must consistently be applied in the truest sense if the company objectives are to be met, and if the individuals meeting those objectives are to develop personally and professionally.

1.4 Organization Charts

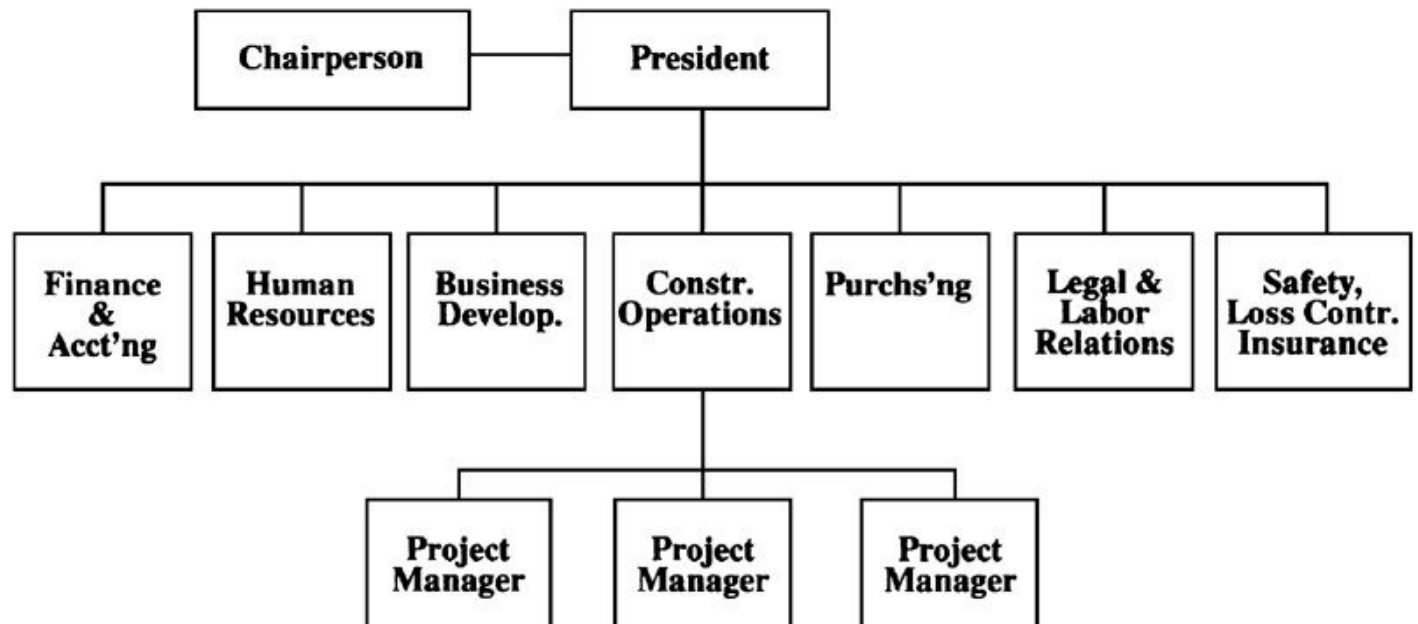
1.4.1 General Description

The organizational structures that follow display the individual components of the respective operation. In large companies, each function will have individuals or even staffs assigned to it. Smaller organizations will necessarily have fewer individuals involved in administration, but the functions performed should be the same. The functions as listed will accordingly be combined in the responsibilities of those individuals. The formulas determining those combinations will be most often based on the specific person's capabilities, inclinations, and initiatives. A project manager (PM) in one company, for example, may also do project engineering, or in another company, may do estimating or purchasing. In still another company, the PM may also serve as the site superintendent.

Observe the functional relationships, and visualize the appropriate individual responsibility assignment within your own company.

Specific jobsite structures will be treated in [Section 1.5](#).

1.4.2 Corporate Organization Chart



1.5 Jobsite Structures—Large and Small Projects

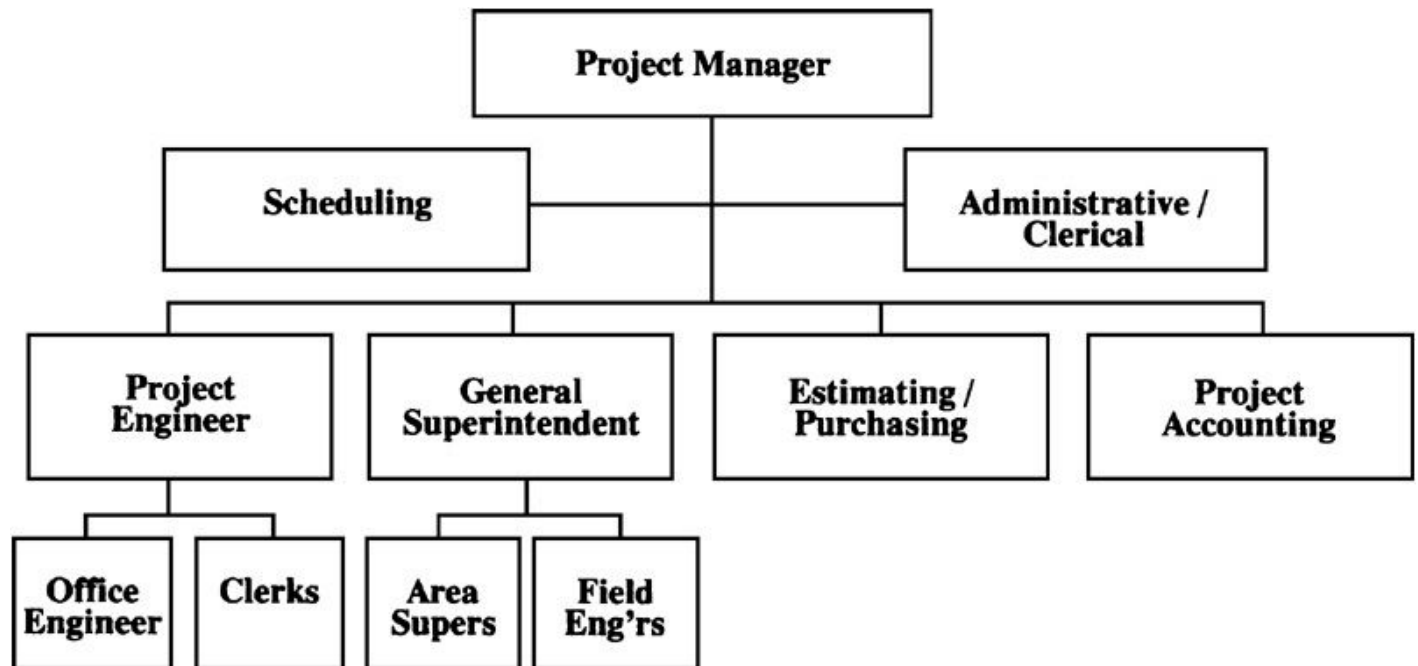
1.5.1 General Description

The detailed descriptions in this section assume a large-project structure for ease in clarifying the individual relationships of the particular line and staff operations. A large and/or complex project may have an individual and even staff assigned to each function—depending strictly upon the needs and responsibilities of the respective assignment.

Smaller projects will require fewer individuals, but the complete list of functions performed will be the same. Examples of ways in which duties may be combined include:

1. Project Manager/Site Superintendent/Project Engineer/Scheduler in a single individual.
2. Project Manager/Purchasing Agent working with a Site Superintendent/Project Engineer, each working with centralized scheduling.
3. Project Manager/Project Accountant working with Site Superintendent/Project Engineer/Scheduler.

1.5.2 Typical Project Organization Chart—Large Projects



1.5.3 Concept, Organization, and Attitude

Construction Operations is the mechanism by which all company objectives as described in the company's operating statement will be achieved. It is what we sell in our business development efforts, and is the force that generates all revenues. Individual project success as defined by cost/profit, time of completion, and quality thus translates directly to success of the company and of the individual. Accordingly, the purpose of virtually every position throughout the organization is to support construction operations.

The summary descriptions (1.5.4 through 1.5.9) of the individual and/or staff responsibilities of the various project functions display their relationships. Their specific activities and responsibilities are treated in great detail throughout the Manual.