



# **FASTENAL<sup>®</sup>**

## **New Employee Policy Acknowledgement Guide**



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## Equal Employment Opportunity



### ***Committed to diversity***

Recognizing that our customers include large corporations, government agencies and prime contractors, Fastenal is committed to promoting diversity not only within our company, but across our supply chain.

It is the policy of Fastenal Company to provide equal employment opportunity / affirmative action to all employees and applicants for employment in accordance with all applicable federal, state, or local, executive orders, regulations and laws. This includes Minnesota Statutes, Chapter 363. We will not engage in any form of prohibited employment discrimination. This includes: discrimination on the basis of race, color, creed, gender, religion, national origin or citizenship status, disability, age, genetic information, marital status, status with regard to public assistance, sexual orientation, gender identity, familial status, veteran status, or any other protected classifications. Furthermore, Fastenal will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. This policy is applicable to all personnel actions and practices including, but not limited to, recruitment, selection, promotion, training, transfer, rates of pay, part time work, and all other terms and conditions of employment.

Compliance with this policy is the personal responsibility of all employees, especially those who have responsibilities with regard to the employment process. Further, as an Equal Employment Opportunity / Affirmative Action Employer, we will commit the necessary time and resources to meet our responsibilities and obligations. Any employee who does not comply with this policy is subject to appropriate disciplinary action, up to and including discharge.

To assure compliance with this policy, I have designated Noelle Oas, Director of Compliance-HR. Reyne Wisecup, Executive VP – Human Resources, will report directly to me on any action deemed necessary for action or compliance. If you believe that you have received treatment contrary to this policy, immediately notify any Fastenal supervisor, manager, or to the following individuals at the corporate offices at 2001 Theurer Boulevard, Winona, MN 55987:

#### **Reyne Wisecup**

Executive Vice-President of Human Resources

(507) 453-8112

#### **Noelle Oas**

Director of Compliance—Human Resources

(507) 313-7769

Signed,

A handwritten signature in blue ink that reads "Daniel L. Florness".

**Daniel Florness, President & CEO**

## Confidentiality

As an employee of the Company, you may be granted access to various types and forms of proprietary and confidential information generated or maintained by the Company. Due to the importance and economic value associated with this information, the Company believes it is necessary to inform employees about its use and security of this information.

During your employment, you will be provided and may gain access to information about products, persons, systems, functions and activities that are confidential and sensitive to the Company or its business relationships. This “Confidential Information” may include without limitation matters such as Company market strategies, business plans, trade secrets, potential business opportunities, procedures or processes, personnel and compensation information, customer or vendor information or contacts, prospect information, financial data, cost and sales data, source codes or programming techniques, Company or third party software and hardware including processes, designs or codes contained therein, and other types of information or data that is special, unique and valuable to the Company’s business operation.

Employee acknowledges that the Company has taken reasonable measures to preserve the secrecy of its Confidential Information, including the signing of the Acknowledgement. It is understood that you will not, during or after the term of your employment, disclose to third parties or use for your own benefit the Company’s Confidential Information. Upon the discontinuation of employment with the Company, regardless of reason, you will immediately deliver all Confidential Information to the Company. You understand and acknowledge that any work or work-product produced for the Company during the term of your employment will remain the property or “work-for-hire” of the Company and may be considered Confidential Information of the Company. Your failure to handle Confidential Information in this manner will cause irreparable harm to the Company, and the Company may seek injunctive relief or damages, including attorney’s fees and costs, from you for violating these obligations.





## Anti-Harassment

It is the policy of Fastenal Company to provide a workplace free from any type of prohibited harassment, retaliation for having reported prohibited harassment, or participation in any activity protected by applicable federal, state, or local law. This includes, but is not limited to, harassment on the basis of race, color, creed, gender, religion, national origin or citizenship status, disability, age, genetic information, marital status, status with regard to public assistance, sexual orientation, gender identity, familial status, veteran status, or any other protected classifications. Harassing conduct by anyone in our workplace is prohibited and should be reported immediately. This refers to behavior that is personally offensive, impairs morale, and interferes with work. Examples of such conduct include, but are not limited to, the following:

1. Demanding or requiring sexual favors as a condition of employment, continued employment, favorable work assignments, promotions, or favorable working conditions.
2. Repeated and unwelcome sexual advances or physical contact of a sexual nature which have the purpose or effect of unreasonable interference with work performance or which create an intimidating, hostile, or offensive work environment.
3. Repeated and unwelcome comments of a sexual nature (including dirty jokes, sexual innuendoes, obscenities) which have the purpose or effect of unreasonable interference with work performance or which create an intimidating, hostile, or offensive work environment.
4. Repeated and deliberate comments about any protected classification, for example, race, color, sex, sexual orientation, gender identity, disability, veteran status, which have the purpose or effect of unreasonable interference with work performance or which create an intimidating, hostile, or offensive work environment.
5. Repeated and unwelcome conduct such as drawing, distributing or creating materials or objects about protected classifications including, but not limited to, those described above which have the purpose or effect of unreasonable interference with work performance or which create an intimidating, hostile, or offensive work environment.

Engaging in or permitting prohibited harassment, as well as, retaliating against anyone for reporting prohibited harassment will not be tolerated. Allegations of prohibited conduct will be investigated and appropriate disciplinary action, up to and including discharge will occur, if necessary. There will be no adverse action taken against individuals who allege violations of this policy or who participate in the investigation of such matters.



### Reporting

Any individual who believes that she or he has received treatment contrary to this policy should immediately report such behavior to a supervisor, manager or to an individual listed below at the corporate offices:

Reyne Wisecup  
Executive Vice-President  
Human Resources  
(507) 453-8112

Noelle Oas  
Director of Compliance  
Human Resources  
(507) 313-7769

## General Statement

The purpose of this policy is to explain and establish standards which will help assure good management and fair treatment for all employees. The Company has established some guidelines that must be followed in order for our organization to remain profitable and to promote safety, respect, responsibility, ethical behavior, and teamwork within our facilities. All employees of the Company need to understand and comply with the following guidelines.

## Acceptable Conduct

Fastenal requires a high degree of personal integrity and responsibility from its employees. Acceptable conduct involves not only sincere respect for the rights and feelings of others but also the assurance that personal conduct avoids any action that might be harmful to the employee, other employees, the Company, or cause any unfavorable reaction from current or potential customers. Disruptive, fraudulent, or destructive behavior is unacceptable and is grounds for disciplinary action up to and including termination.

## Professional Appearance

As an employee, it is your responsibility to dress in a professional manner when at work and when representing the Company away from work. Employees should be dressed appropriately and accordingly based on the responsibilities of the employee and the work performed. No shirts or hats promoting lewd or illegal behavior (drug related or vulgar messages, etc.) are allowed. Our appearance is a reflection of the service we provide our customers.

### ***Show off your blue spirit!***

Make getting ready in the morning a breeze by stocking up on your new favorite color! Fastenal has partnered with Excel Images to provide a full line of professional, durable workwear. Ask your supervisor if you're eligible for new hire discounts.

Check it out online: [www.fastenalgear.com](http://www.fastenalgear.com)





## Attendance

1. Employees are expected to report to work 100% of the time, on time, for their scheduled shift unless they have informed the appropriate personnel. If employees are unable to make their scheduled shift, they must contact their department manager or appropriate person at least one hour prior to their scheduled shift to report their tardiness or absenteeism.
2. Employees are expected to be in their department and ready for work by their scheduled time. Request for vacation/time off should be done in writing with reasonable advance notice. Attendance is crucial in our work environment, and failure to report to work without a prior request for time off will lead to termination.
3. If employees do not report to work after two hours of their scheduled start time, and do not call in to report their tardiness or absenteeism, this will be considered a no call/no show. Two no call/no shows (consecutive or non-consecutive) during their tenure will be considered a voluntary resignation and a replacement for or elimination of their position will occur.

## Job Safety

1. Personal safety, health, and prevention of work related injuries are of great importance to the Company. Management will provide to employees the proper and recommended instructions to use all tools (via video, online training, literature, classes, or on the job training). Additionally, all employees will be required to complete specific safety training. Employees will be informed of proper ways to lift and lower heavy objects. Any person involved in an injury or accident must report to a member of management immediately. Failure to follow these guidelines may result in termination.
2. No employee shall operate a forklift before completing the required Fastenal forklift (online) training and the driver skills test.
3. Certain behaviors will not be tolerated on Fastenal property. These include, but are not limited to, the following:
  - No passenger riding on forklifts
  - No climbing racks
  - No forms of horseplay (e.g., wrestling)
  - Do not throw products or any other objects
  - Do not ride on belts or conveyor
  - Do not ride pallet jacks
  - Do not jump across belts or rollers. Use the walkovers.



## Time Sheets

Falsification of time sheets will result in immediate termination of employment.

## Breaks

All employees must take all meal and rest breaks required by law. The regulations for each jurisdiction can be found on FastNet/Human Resources/Payroll. When an employee is on a paid break, he or she will not be allowed to leave the premises or go to his/her vehicle without the supervisor's knowledge or permission. Breaks should be taken in designated areas, and Fastenal property cannot leave the building (e.g., Telxons, tapeguns, RF units, etc.)

## Discipline

An employee is issued a verbal or written warning when a standard of conduct is broken or company policies are not followed. Disciplinary actions can result from, but are not limited to, the following:

1. Poor work performance
2. Insubordination
3. Unexcused absence or repeated tardiness
4. Unsafe practices (e.g., throwing things)
5. Misuse of equipment (e.g., riding pallet jacks, raising other employees on the forklift, etc.)

Certain forms of improper conduct or violations of company policies may lead to immediate termination without warning.

The most severe forms of improper conduct, which typically warrant immediate termination without warning, are classified as gross misconduct. Gross misconduct termination can result from, but is not limited to, the following:

1. Theft (e.g., misuse of Company assets, timesheet falsification, fraudulent billing, misrepresentation of sales data, etc.)
2. Inappropriate physical contact or assault
3. Use, possession, sale or purchase of illegal drugs or alcoholic beverages on Company time
4. Severe safety violations
5. Malicious verbal threats or harassment

## Phone Calls

Employees can use business phones for emergencies. If there is an emergency, incoming calls will be forwarded to the employee or the employee's manager. Nonemergency calls may be made by employees during break and/or lunch periods. During scheduled working hours, non-business related cell phone usage is permitted during breaks and/or lunch periods only.



## Tobacco

Tobacco use of any kind is prohibited in all Fastenal facilities. Violations will result in disciplinary action.

## Personal Belongings

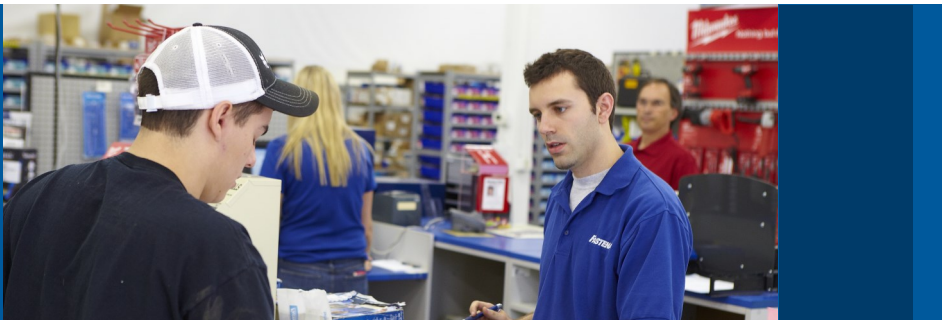
Employees are responsible for the loss of personal property. Any Company premises and/or property, including materials contained inside such property, are subject to review at any time by authorized Company personnel.

## Cleanliness

All Fastenal facilities are considered professional working environments and need to be maintained in the same manner. Please discard waste in the proper receptacles and recycle whenever possible. These are facilities that we all should take pride in.

## Ethical and Legal Standard

The Company expects employees to be honest, moral, and perform duties in a highly ethical and legal manner. Employees are prohibited from participating in any illegal conduct while on Company premises, when using Company property, or during the performance of Company business activities. Employees shall avoid the following: conflicts of interest (divided loyalty between Company interests and personal interest of employee), receiving or participating in bribes or kickbacks, participating in anti-competitive arrangements (improper agreements with competitors, price fixing, splitting markets or similar activities intended to restrain trade), fraudulent use or entry of company records or accounts, use of Company funds to improperly influence political or government officials, the unauthorized and improper use of Company name, assets, or information for personal interests and any similar practices or activities that are contrary to the interests or related Policies of the Company.



## Relationships with Vendors and Suppliers

The Company values its vendors and suppliers, and these relationships must remain professional and ethical at all times. Their graciousness is appreciated, but to maintain the integrity of our business, only the following items will be considered acceptable gifts for employees to receive from these contacts:

1. Gifts with a value of up to \$20 (e.g., t-shirt, polo shirt)
2. Gifts of business lunches and/or dinners

Any other offerings/gifts valued at more than \$20 (including outings, trips, tickets to events, etc.) will not be permitted or accepted by employees unless received in connection with an authorized promotional contest. The relationships Fastenal has with its vendors and suppliers are valuable and need to be maintained within these guidelines. Any activity contrary to this standard should be reported to the Human Resource Department.

## Financial Records and Public Reports

It is the Company's policy that the information in its public communications, including any reports and documents filed with the Securities and Exchange Commission, be full, fair, accurate, timely, and understandable. All of the Company's business transactions must be completely and accurately recorded on the Company's books and records in accordance with generally accepted accounting principles and established Company financial and accounting policy. Off-balance sheet transactions, arrangements and obligations must not be executed, and unrecorded funds or assets must not be maintained, unless permitted by applicable law or regulation and disclosed in appropriate reports filed with the Securities and Exchange Commission to the extent required by applicable law or regulation. No employee may misrepresent, omit, or cause others to misrepresent or omit material facts about the Company to others, including the Company's outside auditors. The Company's Chief Executive Officer, Chief Financial Officer, Accounting Managers, Controller (if any) and other employees performing similar functions are required to maintain familiarity with the disclosure requirements applicable to the Company and to manage the Company's transactions and reporting systems in furtherance of this policy.



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Quarterly Newsletter!



## Reporting of Violations

Employees of the Company have several options in seeking compliance advice or reporting violations of these standards of conduct. Under normal circumstances, if an employee suspects that someone may have violated these standards of conduct or is in doubt about the best course of action in a particular circumstance, the employee should promptly contact his or her direct supervisor. In the rare case where it may not be appropriate for any employee to discuss a matter with his or her supervisor, or where an employee feels uncomfortable approaching his or her supervisor regarding a matter, the employee may instead discuss the matter with any member of the Company's management, any attorney in the Company's legal department, any member of the Company's Audit Committee, or the Chairman of the Board of the Company. The Company does not allow retaliation for reports of violations of these standards of conduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations regarding violations of these standards of conduct.

## Applicability

**Applicability to Non-Employee Officers and Directors:** In addition to employees of the Company, these standards of conduct shall, to the extent applicable, be followed by any and all officers and directors of the Company who are not employees of the Company.

## Waivers

Any waiver of these standards of conduct for directors or executive officers of the Company must be approved by the Board of Directors of the Company. Any such waiver shall be disclosed if and as required by law, the listing standards of the NASDAQ Stock Market or the rules and regulations of the Securities Exchange Commission.

## Other

Information on other Company policies can be found in the Policy and Procedure Guide.



## Drug-Free Workplace

The Company understands that safety and health concerns are a part of our daily operations and requires that all employees be free of the influence of alcohol and/or mind/mood altering drugs. Employees under the influence of alcohol or mind/mood altering drugs pose a safety risk to themselves, their co-workers and the Company. The Company therefore bans the use of alcohol and/or mind/mood altering drugs by all employees whenever Company work is being performed — this includes prescribed medications and medical marijuana. We encourage and promote reasonable measures to maintain a safe workplace for our employees and will comply with applicable federal and state regulations.

The use, possession, sale or purchase of alcohol or mind/mood altering drugs by any employee while on the Company premises or wherever work is performed is strictly prohibited. Employees who report to work and are believed to be impaired, will be considered unable to properly perform required duties and will not be allowed to work. If an employee is considered impaired, the employee should be sent home by way of a reasonably safe transportation alternative. The employee will not be paid for any time subsequent to being requested to return home.

A supervisor or authorized representative of the Company will make this determination based upon observable and specific facts. If possible, a supervisor or authorized representative should seek another supervisor's opinion of the employee's status. The supervisors should consult privately with the employee to rule out any medical conditions that could be the cause of impairments being observed. Please note: prescription drugs and medical marijuana will not be considered an exception to the following of the protocols within this policy.

An employee's use of alcohol while conducting business at social functions, or otherwise representing the Company at outside functions, is permitted only to the extent that it does not lead to impaired work performance, inappropriate behavior, endanger the safety of any individual, or violate applicable law.

Employees who violate this policy may be subject to disciplinary action up to and including termination. Neither the implementation of this program nor any of the terms of this program are intended to modify the employment relationship at the Company or to otherwise create any contract, expressed or implied, with any employee.





## PART I General Overview

Fastenal Company and Fastenal Company Purchasing (collectively 'Company') understand that safety and health concerns are a part of our daily operations. We rely on our employees to take responsibility at all levels of the organization for their safety and the safety of others. Employees who use illegal drugs are a detriment to both themselves and the Company in the form of lower productivity, accidents, and higher insurance costs.

The Company encourages and promotes reasonable measures to maintain a safe workplace for our employees. As such, we have developed a drug testing program committed to the prevention of on and off the job illegal or unauthorized drug use that adversely affects an employee's job performance, jeopardizes his/her safety, the safety of co-workers or the public, and/or contributes to damages to the Company's property or equipment.

## PART II Scope

All Company employees are subject to the Company's **Drug-Free Workplace Policy** which can be found on the previous page of this guide. **Employees subject to this Drug Testing Policy** ('Policy') are in both part-time and full-time positions where impairment would: threaten the health or safety of themselves and/or others, cause property damage, or result in fiscal negligence. Based on this outline, all employees will be deemed to be performing at risk or safety sensitive functions. This policy, however, will not apply to the Company's DOT employees who are subject to the testing regulations defined by the Department of Transportation and the Federal Highway Safety Administration and follow internal Company requirements as outlined by the Fleet/Traffic Department.



## PART III Testing Circumstances

### A. Types of Tests

As a condition of employment, employees and applicants of the Company are subject to drug testing under this Policy at the following times and under the following circumstances, unless prohibited by government regulations.

#### Pre-Employment Testing

Applicants for job openings at the Company are notified of the requirement to submit to drug testing under this Policy as a condition of employment via all job postings. Any applicant, who is otherwise qualified for employment and has been offered a conditional job offer of employment, must submit to a drug test. Current employees of the Company that are being promoted or transferred into another job opening will NOT be subject to Pre-Employment Testing; however, these employees will remain subject to this Policy. Pre-Employment testing will apply to all new hires and rehires ONLY.

Prior to the first day of employment, applicants conditionally offered employment will be required to undergo testing for controlled substances under this Policy. **No applicant shall commence employment prior to the completion of required testing AND the receipt of a MRO (Medical Review Officer) verified negative drug test result.** If a MRO-verified positive test result is received, the job offer will be rescinded and made null/void. Furthermore, the individual will be ineligible for future application and/or employment with the Company for a period of twelve (12) months.

#### Random Testing

Random selection and testing will be conducted throughout the calendar year to equal an amount at least 25% of the covered workforce. The random selection process will be objective, anonymous, and administered by an unaffiliated third-party vendor using a scientifically valid selection method. Testing will be performed monthly and employees will be notified by their Manager (or a member of the Human Resources Department) of their selection for testing. Such notifications will occur at various times throughout the work day, and any employee notified of his/her selection for random drug testing will be expected to proceed to the collection site immediately. An employee selection DOES NOT remove the employee from the possibility of future random drug testing in that year.



## PART III Testing Circumstances

### Random Testing (continued)

Employees selected for random testing shall be directed to the nearest collection site during the stated selection period. Any employee selected for random testing that is unavailable for testing during any part of the testing cycle (e.g., medical leave of absence, vacation, business travel, or other similar circumstance) will be tested upon his/her return to work within the testing cycle. In circumstances where the employee will be away from work for an extended period of time, the Company will exercise the right to forego testing of the selected employee in exchange for an alternate, randomly selected employee (also selected by the unaffiliated third-party vendor).

### Return-to-Duty Testing

An employee who has been removed from his/her position due to a drug policy violation must submit to a return-to-duty drug test and receive a MRO verified negative drug test result before returning to work. This test must be completed **before** returning to work and **after** successfully completing the education and/or treatment program prescribed by a certified Substance Abuse Professional (SAP) with knowledge and clinical experience in the diagnosis and treatment of drug related disorders.

**NOTE:** The return-to-duty drug test is not limited to a specific substance (i.e., the particular drug for which the covered employee received a positive drug test result initially). Return-to-duty testing may follow any and all recommendations of the SAP and may require additional substance testing (e.g., alcohol or other controlled substances) above and beyond the Company's original five drug classes.

## B. Controlled Substances

Although this program prohibits the use of any controlled substance and/or mind/mood altering drug, any drug test required under this Policy will analyze an individual's urine to test for the presence of the following substances:

1. Amphetamines
2. Cocaine metabolites
3. Marijuana metabolites
4. Opiate metabolites
5. Phencyclidine

**NOTE:** The use of marijuana or other controlled substances with no recognized medical purpose under federal guidelines will not constitute a valid medical explanation and will therefore not be permitted under this Policy. Although some states have decriminalized the medical use of marijuana, federal law (which preempts state law) offers no such protection.

## PART IV Testing Procedures

The Company has partnered with a third-party testing provider to assist in the management of this program. This third-party vendor will be responsible for maintaining a certified network of collection sites to accommodate the Company's various locations. All test collection activities will occur at sites within the provider's affiliated network at a site nearest to the workplace of the employee/applicant.

In order to submit to testing, the employee/applicant being tested will need to provide a government-issued form of identification with a photo ID (e.g., driver license, passport, etc.) to the collection site prior to the submission of the specimen. Time spent providing the specimen (including travel time to and from the designated collection site) will be considered "on-duty" time for current employees. All urine specimens to be tested for the presence of controlled substances will be analyzed by a certified laboratory designated by the testing provider.

**NOTE:** If a medical reason exists that prohibits a donor from providing an adequate urine specimen, an alternate testing method will be offered to the donor (e.g., blood, hair, or oral fluid testing).

A Medical Review Officer (MRO) will review all confirmed positive, adulterated, substituted and invalid drug test results to verify that the specimen was not tampered with and to determine if there is a medical reason to explain the non-negative result reported by the laboratory. All employees and applicants are allowed the opportunity to explain a confirmed positive drug test result to the MRO and may request a retest of the original specimen sample, at their own expense. A 'MRO-verified negative drug test result' indicates the absence of a drug or its metabolite in a drug test, or the confirmed presence of a drug or its metabolite that is below the laboratory cut-off limits.





## PART V Company Actions

Employee involvement with drugs can adversely affect the work environment, job performance, and the safety of co-workers, customers, and the general public. Covered employees and applicants who are in violation of this Policy are subject to the following Company actions:

1. An APPLICANT who refuses to consent to testing or who receives a MRO verified positive drug test result is ineligible for employment. His/her contingent offer of employment will be rescinded and made null/void and he/she will be ineligible for future application and/or employment with the Company for a period of twelve (12) months.
2. An EMPLOYEE who receives his/her first MRO verified positive drug test result will be given the opportunity to participate in a certified drug rehabilitation, counseling, or treatment program, at the employee's expense. Such employees will be relieved from duty and will not be permitted to return to work until (1) the Company is satisfied that the employee has been evaluated and successfully completed the educational or treatment program recommended by a certified Substance Abuse Professional (SAP) and (2) the employee submits to a return-to-duty drug test and receives a MRO verified negative drug test for all substances tested for, at the recommendation of the MRO. An employee who doesn't completely satisfy the above listed criteria or who violates this Policy a second time will be discharged from employment.
3. An EMPLOYEE who refuses to submit to a required drug test or otherwise fails to cooperate with any part of the testing process is in violation of this Policy and will be discharged from employment with the Company. A refusal to submit to a required drug test means that an employee:
  - a. Fails to appear for any test within the timeframe outlined by the Company, after being directed to do so by the Company;
  - b. Fails to remain at the testing site until the testing process is complete;
  - c. Fails to provide an adequate specimen when directed, and it is determined, through a required medical examination, that there is no adequate medical explanation for the failure;
  - d. Fails or declines to take a second test the Company or collection site has directed the employee to take;
  - e. Fails to undergo a medical examination or evaluation as directed by the MRO or Company as part of the confirmation process;
  - f. Fails to cooperate with any part of the testing process (e.g., refuse to empty pockets when so directed by the collector, behave in a confrontational way that disrupts the collection process, etc); or
  - g. Is reported by the MRO as having a confirmed adulterated, substituted or diluted test result.

## PART V Company Actions

4. An EMPLOYEE who refuses to seek treatment in a timely manner and at their own expense following their first confirmed positive drug test result will be promptly discharged from employment with the Company. A refusal to seek treatment means that an employee:
  - a. Fails to schedule an appointment with a certified SAP within 5 business days of receipt of the SAP's contact information (as provided by a member of the Human Resources Department);
  - b. Fails to initiate treatment immediately following receipt of the SAP's recommendation(s); or
  - c. Fails to successfully complete the SAP recommended educational or treatment program.

## PART VI Confidentiality

The Company will maintain all records generated under this program in a secure manner so that disclosure to unauthorized persons does not occur. The results of any tests administered under this Policy and/or information will not be disclosed or released to anyone without the written consent of the employee, except as required by applicable law. Upon written request by the employee, the Company will promptly provide copies of any records pertaining to the employee's use of controlled substances, including test results.

## PART VII Acknowledgment

To ensure efficient administration of all drug tests and the proper release of test results, as a condition of employment all current and prospective employees who are subject to drug testing are required to sign an Acknowledgment form.

**NOTE:** The Company reserves the right to interpret and administer this Policy at its sole discretion. At any time, the Company may amend or change this Policy, in whole or in part, with or without notice. This Policy is not an implied contract of employment nor is it to be interpreted as such. Additionally, this Policy does not in any way affect or change the status of any at-will employee. Nothing in this Policy is a promise or guarantee or should be construed as a promise or guarantee that the Company will follow a particular course of action, disciplinary approach, rehabilitative regiment or otherwise in any situation. This Policy is subject to applicable laws, rules and regulations.

Questions related to this policy should be directed to the Human Resources Department. Please contact Teresa Lisowski at (507) 313-7225 or Reyne Wisecup at (507) 453-8112.

## Health and Safety

The Fastenal Company has an effective Health and Safety Program and is committed to safety. This program was established to maintain an environment that will assure safe and healthful working conditions for every employee in all operations and is directed towards the elimination of personal injury and damage to equipment or property. It is the responsibility of all employees to help maintain a safe working environment. Managers are responsible for ensuring that co-workers are complying with all safety policies, rules, and government regulations.

The Company safety manuals contain the materials required to implement an effective health and safety program. Additional safety information will be communicated to distribution centers and stores via e-mail, company newsletters/intranet, mass mailings, and training sessions. The corporate Safety Manager will periodically distribute material that can be used in safety meetings or be posted for employees to view at the distribution centers and stores. Our insurance carrier may also periodically conduct meetings and presentations regarding job-specific and general safety issues. If facilities have any additional needs or would like to request consultation, please contact the Safety Department in Winona.

All new employees are required to complete the appropriate safety trainings and participate in all safety programs. Our goal is to educate employees concerning our safety requirements, to reduce injury incidences, and to increase productivity. All accidents or injuries must be reported to a supervisor immediately so the appropriate medical attention can be given.



### ***Reduce workplace injuries***

- Use common sense and be aware of what is going on around you
- Adhere to safety regulations as they relate to your job duties
- Notify a supervisor if you identify a potential risk in your workspace
- Get enough rest so as to be alert and focused while working
- Complete all trainings required of your position

Ultimately the responsibility for an effective safety program rests upon each individual employee. Every employee should conduct him/herself in a way that promotes safe working conditions and must bring to the attention of supervisors or management any conditions or practices that violate written company policies.

**SPECIAL NOTE:** Weapons of any kind are strictly prohibited from all company premises and property, as local law allows. Violation of the policy is grounds for disciplinary action including termination.

## Safety Training Requirements

Employees are required to complete the following training:

Training Course	Eligible Employees	When to Complete
Forklift Safety and Hands-on Skills Test	Any employee that operates a forklift	Prior to operating any forklift
Hazard Communication	All Employees	Prior to beginning job duties
Hazardous Material Training	All employees that effect the transportation of hazardous materials	Prior to beginning job duties
Safety Orientation	All Employees	Prior to beginning job duties

The Safety Training Courses can be found on FastNet > FSB Virtual Campus > Training Plans > New Hire Kickstart > Required Safety Trainings. You must have your Fastenal computer login and password to complete this training.

Managers are required to ensure that each employee has read, completed, understood and signed the employee health and safety checklist prior to starting work.

***Safety is everyone's responsibility!***

Work with your immediate supervisor to determine what safety trainings are required for your position.





## Pay Periods

Fastenal has three separate payroll cycles in the United States. Detailed payroll schedules can be found on FastNet outlining when base and other pay will be disbursed. Commissions are paid monthly, unless otherwise directed by applicable state or local laws. Please see your manager for details on the commission plan for your position.

<b>FT = Semi-monthly</b>	Full-time employees are paid semi-monthly. The pay periods are the 1 <sup>st</sup> through the 15 <sup>th</sup> and the 16 <sup>th</sup> through the last day of the month. Pay day is the first business day following the end of the pay period.
<b>PT = Bi-weekly</b>	Part-time employees are paid bi-weekly. Pay day is 5 business days following the end of the pay period. The pay period is the previous two weeks ending on Sunday.
<b>Massachusetts PT &amp; FT = Weekly</b>	Massachusetts part-time and full-time non-exempt employees are paid weekly. Pay day is 5 business days following the end of the pay period. The pay period is the previous week ending on Sunday.

## Payroll Payment Options

Employees have two options to receive their pay checks: Direct Deposit or Paper Check.

### **1. Direct Deposit** is the safest, most reliable method.

Your pay will be automatically credited to your personal checking or savings account each pay day. Per the Pay Period policy, when your regular pay day falls on a weekend or bank holiday, your direct deposit will be credited to your account the following banking business day.

Enrolling in direct deposit or changing your deposit to a different bank will trigger a paper check while the information is being verified. Account information is verified by initiating a zero dollar deposit to your account. This process ensures that funds will arrive safely the next payroll. While the verification process is taking place, your paper pay check will be sent to your mailing address.

The Company is authorized to initiate debit entries and adjustments, if necessary, for any entries in error to your account. Any account other than the employee's will experience an adjustment also. This authority is to remain in full force and effect until the Company has received written notification from you on its termination in such a time and manner as to afford the company reasonable time to act on it.

Note – If the state you work in allows direct deposit to be mandated, and you do not enroll, you will be contacted to sign up.

### **2. Paper Checks** are mailed to your mailing address.

It is important to note that pay checks are mailed on the business day before the actual pay day via the U.S. Postal Service from Winona, Minnesota.

Should there be a delay in the delivery of your check, there is a 5 business day reissue procedure. You can call the Payroll Department 5 business days after pay day to have a replacement check sent to you.

## Employee Self Service

Self Service (via the Fastnet intranet system) offers employees the ability to view their payroll and benefits information electronically. Please note that pay statements are available for viewing and printing through Self Service, but printed copies of pay statements are not provided/mailed unless specifically requested. Employees can also update their personal information online including change of address, direct deposit information, federal tax withholding status, and other data.

## Withholding Obligations

As an employer, the Company may be required to continue any court ordered child support, wage assignment or bankruptcy obligations for a new employee, and also implement any new orders that may be received for existing employees. This is a mandatory obligation that the Company is required to expedite, and all employees are expected to comply with this request, if applicable. If this pertains to you, please notify the Payroll Department, and they will assist you in implementing the order for withholding. Employees are required to assist with the processing of any order or assignment and, if requested, will need to provide the Company with additional or supporting documentation concerning such matters. The Company reserves the right not to process third-party voluntary wage assignments by creditors.



## Cash Drawer Policy

Under no circumstances are Company employees to use cash from the Company for any reason other than Company business as listed on the Cash Proof Form.

The misuse of Company drawer cash will result in disciplinary action up to and including termination.

1. No loans, IOUs or payroll are to be taken from the cash till. All cash transactions must be accompanied by a computer generated invoice.
2. The Group Manager or Store Manager is responsible for the cash drawer.
3. Stores should maintain no more than \$500 cash at the start of each month unless *otherwise approved by the District Manager*.
4. *Excess* cash should be sent back to Winona via money order. The receipt shall be kept at the branch in case the money order is lost in the mail (U.S. or Fastenal) and a re-issue is necessary.
5. Money order cost is expensed in cash expenses.
6. Checks made payable to the Company may not be cashed. These checks must be forwarded to Accounts Receivable for processing.



## Credit Policy PART I

### Credit Check

All store employees must perform a 'Store Credit Check' before making a sale to a new customer on credit. For purposes of this policy, a 'Store Credit Check' consists of the following:

1. Inquiring if this customer currently buys from other Fastenal locations or if they have purchased from this location in the past.
2. Visiting the new customer's place of business to ascertain it exists and it appears to be an 'on-going' business.
3. Talk to several individuals during the customer site visit (preferably more than two). Document the names of the individuals you met and their position (title) with the customer.
4. Inquire and document the following – (1) official name of the business and tax id if readily available, (2) physical address of the business, (3) type of business (e.g., manufacturer, contractor, etc.), (4) the number of years in business, (5) the number of employees at this location, and (6) the total number of employees. (Note – 4, 5, and 6 can be approximates.) If the new customer needs product before you have the 'Store Credit Check' completed, contact your District Manager (DM) for approval. If your District Manager is unavailable, you can sell up to \$500 to the customer without approval. Additional credit sales cannot occur until the 'Store Credit Check' is complete.

**NOTE<sup>1</sup>:** The 'Store Credit Check' form is posted on FastNet. Accounts established by the store will automatically receive a 'store credit limit of \$1,000.' This credit limit assumes the store personnel have completed the 'Store Credit Check.'

**NOTE<sup>2</sup>:** If a new customer does not make a payment within 60 days of their first purchase, NO ADDITIONAL SALES CAN BE MADE TO THIS CUSTOMER unless the payment on the sales from the first 30 days is received or unless you have written Regional Vice President (RVP) or Regional Finance Manager (RFM) approval.

## PART II

### Approval of Customer Credit Limits

If the customer needs a credit limit greater than \$1,000, send the completed 'Store Credit Check' (pages 1 and 2) to the District Manager (in some regions, this can go directly to the Regional Finance Manager, or to one of their support personnel).

1. If rejected, no additional sales on credit should be provided to this customer.
2. If accepted, the Regional Finance Manager will set the customer's credit limit. A copy of the 'Store Credit Check' for all customers must be maintained (effective September 1, 2010) by the store.



## PART III Management of Customer's Account

Management of the customer's account is the responsibility of all store employees. When the account is approaching the approved credit limit, contact your District Manager or Regional Finance Manager to review the credit limit. Credit terms on all standard accounts are Net 30. Any special dating must be approved by the Regional Vice President or Regional Finance Manager. Special dating for National Account customers are managed centrally.

## PART IV Past Due Customers

Any customer with a past due balance greater than 60 days cannot purchase on credit. All sales to the customer must be C.O.D., and a minimum of 25% of the past due amount must be collected with the purchase. Any exceptions for customers with a past due balance less than \$10,000 must be approved by the District Manager. Any exceptions for accounts with a past due balance greater than \$10,000 must be approved by the Regional Vice President or Regional Finance Manager.

## Violation of Credit Policy

It is very important that all store employees strictly follow the Credit Policy requirements stated above. Violations of the Credit Policy include the following:

1. Charging more than \$500 to an account without a completed 'Store Credit Check.'
2. Charging to an account an amount over their established credit limit.
3. Charging to an account with past due invoices over 60 days.

**NOTE:** Any exceptions must be approved in writing by the District Manager or Regional Finance Manager.

Upon a violation of the Credit Policy the Company will be authorized to discipline / terminate any offending employee.



## PART I Use of Vehicle

All employees are authorized to use Company vehicles while in the course of their employment. This is normally construed as during the regular working day, while moving Fastenal goods between stores, or on trips between Company distribution centers and back to the store to which the vehicles are assigned.

Employees may use Company vehicles for personal use with Regional Vice President approval only. When using vehicles for personal use, the borrower will be held responsible for all damages to the vehicle while in his or her possession, to include collision, theft, fire, windshield, property damage and personal injury to others, etc. Fastenal does not carry this type of insurance, so the user of the vehicle must assume the risk. If you carry this coverage on your personal automobile, coverage might extend to the vehicle. We recommend you check with your insurance agent to verify your coverage.

## PART II Personal Vehicle

When employees choose to use their own personal vehicle for Company business (e.g., to attend Company meetings) the Company will not assume any responsibility for damage to personal vehicles. This includes a collision, striking an animal, windshield, theft or maintenance-type breakdown, etc. Employees will want to check with their insurance agent to be sure they have the appropriate limits while using vehicles for work. In the event of damage to the employee-owned vehicle, Fastenal will not repair the vehicle.



## PART III Safety and Regulations

All employees are expected to operate Company vehicles and personal vehicles for Company business in a safe and legal manner. Employees should understand and comply with all motor vehicle regulatory requirements for the state/province/country in which they are operating a motor vehicle. Safety and good judgment should always be used when driving a motor vehicle for Company business. The Company discourages the operation of cellular phones or other equipment while driving, and it is necessary for employees to adhere to any restrictions or prohibitions imposed by your state/province/country concerning the use of such equipment while driving a motor vehicle for Company business. Also, seat belts must be properly worn at all times when operating a motor vehicle for Company business.

Employees are prohibited from working while under the influence of alcohol and/or any mood/mind altering drugs (including prescription medications). Further, and not under any circumstances, is an employee to operate a Company vehicle while under the influence of alcohol and/or any mood/mind altering drug (including prescription medications). None of the aforementioned substances are allowed in or on Company premises or property. Violation of these outlined restrictions is grounds for immediate dismissal. **Any employee that receives a charge for a DUI or an impairment related offense (for using alcohol or taking an illegal or legally prescribed mood or mind altering drug) while operating a Company vehicle will be dismissed.**

If an employee whose position includes duties that involve driving a company vehicle is charged with a DUI or a similar type of impairment related offense resulting from the use of mood or mind altering drugs (including prescription medications), s/he must immediately notify a supervisor. No driving privileges will be given to any employee that is charged with an offense of this nature and/or has restrictions placed on their license as a result of a motor vehicle offense (note: one example of a restriction on a license could be a driving/work permit). No driving privileges will be given until all restrictions have been removed from the offending employee's license. If a non-driving position for which you qualify is not available during this period, you could be dismissed. Employees who fail to give notice of receiving a charge for an offense of this described nature, losing a license, and/or employees who have driving restrictions and continue to drive company vehicles will be dismissed.



### ***What sets us apart***

Our company-owned  
transportation fleet makes  
*Growth Through Customer  
Service* possible!

## PART IV Acceptable Driving Record



### Serious offenses include:

- Reckless or careless driving
- Speeding 15 mph above the speed limit
- Fleeing or eluding a police officer
- Chemical test refusal
- Leaving the scene of an accident
- Driving after suspension or revocation
- Passing a stopped school bus
- DUI, DWI, or similar alcohol or drug related offenses
- At-fault accident with a violation

### Minor/Other offenses include:

- Failing to yield the right of way
- Equipment malfunction
- Obstructed view
- Speeding 1-14 mph above the speed limit

**NOTE:** At-fault accident refers to the employee's involvement in avoidable negligence and possession of our vehicle at the time of incident.

All employees must sign a consent form authorizing Fastenal Company to conduct periodic Motor Vehicle Record (MVR) checks in order to ensure that employees driving our vehicles are licensed and insurable. Some states/provinces may require employees to fill out authorization forms on an annual basis — these locations will be handled accordingly. If an employee refuses to sign a consent form, that employee may not drive a Fastenal Company vehicle under any circumstances. MVR checks can be done at any time but will always be reviewed and evaluated once every three years by an Insurance Coordinator.

All employees, both full-time and part-time, are held to the same guidelines concerning driving records. Offenses on an applicant's driving record are reviewed before an offer of employment is made and every three years thereafter. The following Company guidelines detail how driving offenses will be handled when beginning employment and when renewing an employee's Fastenal Driver's License.

RECORD	OFFENSES	GUIDELINES
<b>CLEAR</b>	None	Employees with no offenses on their driving record within the last 3 years will not be held to any pre-determined repercussions if involved in an at-fault accident in a Company vehicle. Any discipline taken will be based on the frequency and severity of the event(s), and the discipline will be at the discretion of the supervisor.
<b>BORDERLINE</b>	1 Serious - OR - 1 Serious & 1 Minor - OR - 1-2 Minor	Employees with 1 serious, 1 serious and 1 minor, or 1-2 minor offenses within the last 3 years are eligible to drive. These employees would be subject to the following limitations when obtaining/renewing their Fastenal Driver's License: if an employee has 2 at-fault accidents in a Company vehicle during this 3 year period, they will lose their Fastenal Driver's License for 6 months; if a non-driving position that they're qualified for isn't available, they could be dismissed from the Company.
<b>SERIOUS</b>	2+ Serious - OR - 1 Serious & 2+ Minor - OR - 3+ Minor	Employees with 2 or more serious, 1 serious and 2 or more minor, or 3 or more minor offenses within the last 3 years are eligible to drive only with Regional Vice President (RVP) approval. These employees would be subject to the following limitations when obtaining/renewing their Fastenal Driver's License: if an employee has an at-fault accident in a Company vehicle within the first 6 months of obtaining/renewing their Fastenal Driver's License, the RVP will make a decision regarding their continued employment — either they will lose their Fastenal Driver's License for 6 months and be retained, or they will be terminated. If they remain employed and have another at-fault accident during this 3 year period, they could be dismissed from the Company.

**Special note for distribution center (DC) employees:** Based on the needs of the DC, Operations Managers in the DCs will determine which employees are required to complete the process to obtain a Fastenal Driver's License.



## Acceptable Use Policy

This Policy applies to all Fastenal employees and approved users (herein “Users”) to ensure that everyone continues to function in a productive work environment. This Policy covers protection, ownership, retention and disposition of data; the security of data and the equipment used to access data, and the internal and external access of Fastenal’s computer and systems resources. The word “data” in this policy refers to information on any media including paper and electronically encoded material. This Policy will be administered in connection with the Fastenal Security Policy Procedural Guidelines, and Users should review and abide by these procedural guidelines available on FastNet. Unauthorized destruction or distribution of data, including mail listings, is contrary to this policy. (e.g., destruction by intentional deletion or other forms of destruction, private encryption and loss of the encryption key, or altering data.). The Information Systems Department will assist Users in developing methods for retaining and destroying data, including all backup media in accordance with Fastenal’s Record Retention Program.

## PART I Approvals and Passwords

Network resources and equipment should be provided to authorized Users only. All Users must receive a computer account or User-ID that will be confirmed and approved via current payroll records. Access to restricted network resources is provided through the User-ID. Alternative User-ID names (e.g., nicknames, abbreviations, etc.) will not be permitted, unless approved by the Company for legitimate business reasons. Users are responsible for all activity performed with their personal user-IDs. All Users are responsible for maintaining a confidential password that should be changed regularly, at least every three months. In addition, network resources Users should not store their password in a programmable key. This practice assists in maintaining network resources integrity. When appropriate, Information Systems administrators are authorized to temporarily suspend access to computer accounts.

In addition, Users are not permitted to transfer their rights to others. For example, Users should not do any of the following:

1. Disclose or share their computer account with others.
2. Permit unauthorized users to access network resources via their equipment.
3. Copy software or data files from network resources and transfer these files to unauthorized third parties.

## PART II Authorized Use

Fastenal intends to comply with applicable copyright and patent laws governing usage of software and other intellectual properties. All Users are required to ensure that any software they use is only for Fastenal business activities. Also, this usage must comply with existing Fastenal policies, practices, and applicable laws. All software used in Fastenal's computers must carry a valid and appropriate license. The Information Systems Department discourages the use of freeware and shareware programs. If no alternative exists, the User must contact the Information Systems Department (the applicable team leader will be contacted to determine appropriateness of use) to review and approve the use of such freeware and/or shareware programs. No personal software (i.e., software not licensed by Fastenal) should be used for any Fastenal business activity at any Company location. Users should report any virus or reoccurring malfunction or errors to Fastenal's Help Desk and/or an Information Systems Administrator upon detection.

## PART III Electronic Mail

Electronic Mail (E-Mail) is an important tool for business communication within Fastenal. E-Mail messages should be considered similar to printed communication and should be written with the same care. All E-Mail remains the property of Fastenal. The E-mail system is not considered private and may be monitored, without prior notice, for legitimate reasons by authorized individuals. E-Mail service is not guaranteed for all employees and may be limited or restricted as deemed appropriate or necessary. Examples of inappropriate use of this system are: 1) Non-Business, Junk, Broadcast, or Mass E-Mail; 2) Chain E-Mail 3) Fake or Anonymous E-Mail; or 4) Intimidating, Hostile, or Offensive E-Mail.

The E-Mail system should be used with good judgment and consistent with standard business practices, and communications should be limited to individuals with a need to know. Be aware, deleting an E-mail message may not delete the message from the system. A deleted message may be in the recipient's mailbox, forwarded to others, or stored by back-up systems. Please report any inappropriate use of the E-Mail system immediately to your supervisor, team leader, department manager, or when appropriate, to those designated in the Company's Anti-Harassment Policy.



## **PART IV** **Acceptable Internet Usage**

Business communication tools and programs exist that allow Users to interact (e.g., the Internet; news-groups; chatting programs; picture, audio, and video transmission; telephone; and facsimile transmission). Using, viewing, or communicating with such tools or programs that may create an intimidating, hostile, or offensive work environment is unacceptable. Employees are encouraged to consult and follow the Company's Anti-Harassment Policy in connection with the use of such tools and programs. Fastenal promotes zero tolerance for accessing and using these materials in our workplace. In addition, playing games or other inappropriate non-business use of tools and programs during working time is prohibited (do not download such software or services into your business computer unless approved by the Information Systems Department). If you use communication tools to conduct business, please use common courtesy and conduct yourself in a professional manner.

The Company has chosen to make information available on the Internet and Intranet. Only Users with approval are permitted to communicate Company information on either site.

## **PART V** **Telephone and Voice Mail**

Telephone and Voice Mail systems should only be used for Fastenal business activities. These systems are Fastenal property and should not be considered private. Telephone and Voice Mail systems may be monitored for legitimate reasons by authorized individuals. Users initiating non-business telephone call(s) will be responsible for reimbursing Fastenal for the charges incurred through such telephone usage.

The Voice Mail system is to be used only for the temporary storage of business related messages. Intimidating, hostile, or offensive messages should not be stored in the system. Please report any inappropriate use of the Telephone and Voice Mail systems immediately to your supervisor, team leader, department manager, or when appropriate, to those designated in the Company's Anti-Harassment Policy.

## PART VI Personal Use

Some personal use of business communication tools and equipment by Users during non-working time is allowed, but you must use common sense and good judgment. However, no tools and equipment shall be used for other business or income related purposes. Fastenal's business use will always supersede any personal use of tools and equipment. Any costs associated with use of these Fastenal tools and equipment, will be assessed and paid by the User. Users should not store personal data in network storage space.

## PART VII Monitoring

Fastenal reserves the right to routinely audit systems usage for violations of the Computer and Systems Resources Acceptable Use Policy by authorized personnel, without advance notice to the user. Both activity and/or content may be monitored. Department Managers, Store Managers and District Managers should all promote acceptable use of the computer and systems resources for their employees. Any noted violations should be forwarded to the Regional Vice President, the appropriate department manager and/or Reyne Wisecup, x8112.

## PART VIII Corrective Action

Appropriate disciplinary action up to and including termination of employment will occur if any of the previously described business computer, network, software or equipment resources are used contrary to this Policy. In addition, Fastenal maintains its right to initiate legal action for relief and/or damages, including costs against any individual whose behavior is contrary to this Policy.



### ***Training is just a click away***

The Fastenal School of Business offers hundreds of online training courses to help you continually improve in your role at Fastenal. Work with your supervisor to log in and see customized career plans and course suggestions tailored to YOU!



## General Statement

### Fastenal Company and Subsidiaries

Fastenal has adopted this policy for all employees, directors, officers and agents of Fastenal. These prohibitions apply to members of your immediate family and others living in your household. You are expected to be responsible for compliance by those individuals.

From time to time you may know about material information concerning Fastenal which has not been disclosed to the public and therefore may be considered insider information. This information may be positive or negative and may include, among other insider information, the following:

1. Current revenue, earnings or losses, comparable Fastenal sales or other operating results not yet released that are substantially different from prior results or from public expectations.
2. Projections of future earnings or losses that vary significantly from historical performance or from public expectations.
3. Potential material financings, or acquisitions or divestitures of businesses.
4. Significant changes in expansion plans.
5. Litigation relating to Fastenal's operations.
6. Decisions of governmental or regulatory bodies affecting Fastenal's operations.
7. Changes in dividend policies or the pending declaration of a stock split or stock dividend.
8. Changes in senior management.
9. Liquidity problems



## Going public

Fastenal's initial public offering (IPO) on August 20, 1987 set the stage for explosive growth. Sales quadrupled from \$41 million to \$161 million in the five-year span from 1989 to 1994.

Today, Fastenal is part of the 100 largest non-financial companies listed on NASDAQ (FAST).

Pursuant to the policies set forth below under "What You Cannot Do," you may not discuss any insider information with, or disclose it to, people outside Fastenal, including family members, friends and work associates (individuals you may have contact with during the work day that are not Fastenal employees). Also, you cannot discuss the information with people at Fastenal unless they are authorized to receive it. Pursuant to the policies set forth below under "What You Cannot Do," you may not use insider information in determining when to buy or sell Fastenal stock. That means, if you have oral or written material non-public information regarding, for example, unusual financial performance (either positive or negative), or a significant event or development that has not been publicly disclosed, you may not buy or sell Fastenal stock (although you may exercise options to buy Fastenal stock) or make any recommendations to anyone else that would encourage them to buy or sell such stock.

## Reasons for Policies

Because of the possible penalties imposed by law resulting from insider trading (which are very substantial), because Fastenal's reputation is among its most important assets, and because of the damage to your and Fastenal's reputation if you are accused of insider trading, Fastenal has adopted the following policies. Please read and follow them carefully.

### What you CANNOT Do

1. **Do Not Trade While in the Possession of Insider Information.** You cannot use insider financial or other information when you buy or sell Fastenal stock (including the purchase or sale of options or warrants to purchase any shares of Fastenal stock or securities convertible into or exchangeable for shares of Fastenal stock). You should not therefore buy or sell Fastenal stock while in possession of insider information.
2. **Do Not Share Insider Information with Others.** You cannot give anyone else, including relatives, friends or work associates, any insider information orally or in writing which you believe he or she or any of his or her contacts might use in buying or selling Fastenal stock, or make any recommendations that could be used by anyone to buy or sell Fastenal stock if you have insider information (even though you do not actually disclose the information resulting in such recommendations).
3. **Do Not Make Trading Recommendations While in the Possession of Insider Information.** You cannot make any recommendations that might encourage others to or discourage others from buying or selling Fastenal stock if you have insider information (even though you do not actually disclose the information resulting in such recommendations).
4. **Do Not Sell Short.** You cannot sell short any Fastenal stock.

These prohibitions apply even if you want to make the proposed purchase or sale for reasons having nothing to do with your possession of the insider information, such as your desire to raise money for unanticipated expenditures. There are no exceptions to these prohibitions, except as otherwise specifically provided under "What You Can Do" below.



## Trading Blackout Periods for Officers and Directors

If you are an officer or director of Fastenal, there are further restrictions imposed by federal securities laws on your ability to effect transactions involving Fastenal stock without accounting to Fastenal for profits from such transactions. Fastenal has determined that all directors and officers who are subject to the reporting and liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended ("Section 16 Individuals"), shall be prohibited from buying, selling or otherwise effecting transactions in any stock or other securities of Fastenal or derivative securities thereof during the period beginning on the 16<sup>th</sup> day of the third calendar month of each fiscal quarter and continuing through the second business day following the date of public disclosure of Fastenal's financial results for that fiscal quarter. In addition, Fastenal shall have the right to impose at times other than the regular quarter-end blackout period described in the previous sentence additional blackout periods during which such Section 16 Individuals will be prohibited from buying, selling or otherwise effecting transactions in any stock or other securities of Fastenal or derivative securities thereof. These blackout period restrictions on trading shall not apply to transactions made under a trading plan adopted pursuant to Securities and Exchange Commission Rule 10b5-1(c) and approved in writing by the Board of Directors of Fastenal or such proper officer(s) of Fastenal as may be designated by the Board of Directors. A Rule 10b5-1(c) trading plan may only be initially established, however, outside of a trading blackout period. Trading plans may be subject to disclosure on a Form 8-K at the discretion and direction of the Board of Directors.

### What you CAN Do

1. **Option Exercises.** You may exercise options granted to you by Fastenal regardless of whether you are in possession of insider information, because stock purchases pursuant to those options are made directly from Fastenal or an insider of Fastenal who should be aware of all material non-public information concerning Fastenal, rather than the public. However, your sales of such option stock are subject to the restrictions of this policy.
2. **401-K Plan Transactions.** You may make investments in the Fastenal Stock Fund of Fastenal's 401-K Plan through periodic payroll deductions regardless of whether you are in possession of insider information. However, changes to the amount of your compensation allocated to the Fastenal Stock Fund and/or the transfer of funds in or out of the Fastenal Stock Fund are subject to the restrictions of this policy.

3. Rule 10b5-1 Plan Transactions. You may purchase or sell Fastenal stock pursuant to a contract, instruction or plan that satisfies the affirmative defense provisions of Rule 10b5-1 of the Securities Exchange Act of 1934 (a so-called “10b5-1 plan”), regardless of whether you are in possession of insider information, so long as the 10b5-1 plan was not entered into or amended at a time when you were in possession of insider information.

## **Insider Information**

Insider information is any information not known to the public which gives the recipient an advantage in deciding whether to buy or sell Fastenal stock. Although insider information must be material before trading is restricted, courts have found that information which many might not regard as important is material. The courts have said that information is material if a reasonable investor, given the total mix of available information, would consider it important in deciding whether to buy, hold or sell securities — or put another way, if disclosure of such information might reasonably be expected to affect the price of securities.

## **What May Happen**

Information is not considered to become known to the public immediately after a press release is issued. Accordingly, if you are in possession of insider information that is subsequently disclosed to the public in a press release, we recommend you wait to buy or sell Fastenal stock until a sufficient period of time has passed (at least two full business days after issuance of the press release) to allow the public to react to the information.

## **Possible Penalties**

If you buy or sell Fastenal stock shortly before something happens which changes Fastenal's stock price in a way that makes it appear you knew something not then known to the public, you may be investigated by the Securities and Exchange Commission, the NASD or others even if you in fact had no insider information. The same is true if the purchase or sale is by a friend, relative or work associate of yours. Defending against such a charge is very difficult and embarrassing, not only to you but also to Fastenal. Although it is impossible to assure that your trading in Fastenal stock will not occur shortly before such a price change, it is very important that you do your best to avoid even an appearance that you might have traded while in possession of insider information.

Possible penalties for trading on insider information include: (1) a civil penalty based on a multiple of the profit made or loss avoided, (2) a criminal fine (no matter how small the profit was), and/or (3) a jail term. In addition, if you violate any of these policies, Fastenal may take any disciplinary action that it determines to be appropriate, which may include termination of your employment for cause.



## Avoiding Accusations of Insider Trading

1. Do not buy or sell Fastenal stock (except as otherwise specifically provided under "What You Can Do" above) if you know something material which is not known to the public, even though you think it will have no effect on the price of Fastenal stock.
2. Do not share insider information with anyone outside of Fastenal (except its legal counsel or accountants as appropriate). Do not share insider information with anyone if you expect the recipient might buy or sell Fastenal stock after receiving the information. Do not recommend to others the purchase or sale of Fastenal stock while you are arguably in possession of insider information.
3. Purchases of Fastenal stock should be made as long-term investments. You should avoid frequent trading in Fastenal stock and other speculative practices that may appear to be based on insider information. You cannot engage in short selling of Fastenal stock which would reward you for downward changes in stock price and, in hindsight, is more likely to appear to have resulted from the possession of insider information than other stock transactions.
4. We recommend you not buy or sell Fastenal stock during a period beginning two full business days before the end of each fiscal quarter and ending on the second full business day after the press release disclosing earnings for that quarter is issued.

## Important Disclaimer and Assistance

The purpose of these policies is to provide information censoring the current legal restrictions on securities trading by Fastenal personnel and to impress upon the employees, directors, officers and agents of Fastenal the importance Fastenal places on complying with these restrictions. These policies are not intended, however, to result in the imposition of any liability that would not exist in the absence of these policies. Any person who has any questions about specific transactions may obtain additional guidance from Fastenal's Human Resource Department. Remember, however, that the ultimate responsibility for adhering to these policies and avoiding improper transactions rests with you.



### **General Statement**

Fastenal Company and its subsidiaries ('Company') are committed to complying with all applicable civil, criminal, export, import and trade compliance laws and regulations in all countries in which the Company conducts business. These domestic and foreign laws and regulations include, but are not limited to, activities associated with: embargoes, trade sanctions, country of origin marking, anti-boycott laws, anti-bribery, anti-corruption or money laundering.

The Company conducts business in many countries and each country may have specific laws or regulations that apply to or restrict the importing or exporting of certain types of products. Under no circumstances will exports or imports be facilitated by any Company employee, agent or representative that violate any United States (U.S.) or international trade regulations. Employees outside the U.S. may not re-export any commodity, technology, or software, unless appropriate authorization has been obtained. This includes foreign produced items that are the direct product of U.S. technology or software, which are subject to national security controls under the U.S. Export Administration Act.

Furthermore, no activities will be undertaken by employees that are in violation of U.S. government policy or related international policies, which seek to ensure homeland and national security, control nuclear proliferation, missile technology, chemical and biological weapon distribution or related governmental concerns. Employees should be vigilant and reasonably recognize if the use of the Company's assets or products may be used for purposes that are contrary to such governmental policies, and any suspected improper use of such assets or products should be promptly reported to the Company.

The U.S. Foreign Corrupt Practices Act, as amended, as well as similar laws and regulations in foreign countries, make it illegal for companies and their employees, agents or representatives to bribe foreign officials, with a corrupt intent, to secure an advantage in the marketplace. Employees and representatives of the Company should not directly or indirectly through any vendor or agent, make any offer, payment or give anything of value (such as gifts, gratuities or accommodations, tangible or intangible) to a foreign official, a foreign political party (or official thereof) or candidate for foreign office, for the purpose of influencing the decisions of those officials, parties or candidates, regardless of the fact that giving anything of value may be widely accepted or even seem necessary in the country in question. Additionally, employees are required to keep and maintain accurate records that detail and fairly reflect all transactions and disposition of assets made by or on behalf of the Company.



### General Statement (continued)

Failure to comply with domestic or international regulations may result in the loss of export and import privileges for the Company. In addition, failure to comply with such laws and regulations could result in the imposition of government criminal and civil fines, penalties or potential prison time for Company officials and any active participants. Furthermore, if any employee knowingly violates international trade regulations or laws, they will be subject to disciplinary action by the Company, up to and including termination.

In accordance with the Company's Standards of Conduct, employees will not be subject to adverse employment action or retaliation from the Company or other employees if, in good faith, they raise questions or report concerns regarding the Company's compliance with this Policy.

If you have any questions concerning the legitimacy of a transaction or potential violations of trade regulations, please contact: [exportcompliance@fastenal.com](mailto:exportcompliance@fastenal.com). The Company's export compliance team has procedures in place to promote compliance and help safeguard the Company from violating international trade laws and regulations. The Company requires every employee to follow our export compliance policy, which is located on Fastnet>Operations>Export Compliance.

Any questions or concerns regarding the U.S. Foreign Corrupt Practices Act or similar laws and regulations in foreign countries should be directed to the Company's Legal Department. Please direct inquiries to: [legal@fastenal.com](mailto:legal@fastenal.com).

The Company takes these matters very seriously and all employees are expected to comply and promptly notify the Company of any activities that are inconsistent with this policy. Any suspected violations concerning this policy should be immediately reported to the Company through the "Reporting of Violations" process set forth in the Standards of Conduct contained within the Company's Policy and Procedure Guide.



## General Statement

Photocopying, reproduction of graphics or designs, downloading articles and information off the Internet, etc. is commonly done in a business environment; however, employees need to be aware that there are certain restrictions concerning the use of such information. Reproduction and use of copyrighted materials without permission from the copyright owner may be unlawful, and consequences of not complying with copyright laws can be very costly. As a result, the Company believes it is necessary to implement a policy that will help ensure copyright compliance and avoid potential infringement.

## Copyright Compliance

It is the intent of Fastenal that all employees adhere to the provisions of the United States Copyright law (Title 17, United States Code, Sect. 101, et seq.), Patents and Copyrights and this Policy. The following guidelines and statements apply to all employees who wish to reproduce, alter, or perform works that are protected by copyright.

## Copyright Definition

By definition, Copyright is a form of legal protection for authors of original works, including literary, dramatic, musical, artistic, and other intellectual products. Publication is not essential for copyright protection nor does the encircled “©” symbol need to be displayed with the work to achieve copyright protection. Virtually any work that is published or displayed may be protected under the copyright laws.

The following are examples of copyrighted works that require permission from the author prior to reproduction and distribution:

1. Literary works (e.g., books, magazines, newspapers, cartoons, trade journals, training materials, newsletters, documentation)
2. Computer software (please be aware that software or other works or articles downloaded from the internet may be protected by copyright)
3. Pictures, graphics and sculptures (e.g., maps, charts, cartoon characters, photographs)
4. Sound recordings (e.g., compact discs, cassette tapes, phonographic records)
5. Architectural works (e.g., blueprints, drawings or designs)
6. Dramatic works (e.g., plays, screenplays)
7. Audiovisual works (e.g., DVDs, streaming video)



## Copyright Definition

Section 106 of the Copyright Act (90 Stat. 2541) provides the owner of a copyright work the exclusive right to do and to authorize any of the following:

1. Reproduce copies of the work.
2. Prepare derivative works based on the copyrighted work.
3. Distribute copies of the work by sale, rental, lease, or lending.
4. Publicly perform the work.
5. Publicly display the work. While copyright laws provide the owner with broad protections, these rights are not absolute. There are a number of limited exceptions and the most common is referred to as the "Fair Use" doctrine. The following is a brief description of the exception.

## Fair Use

Under the "fair use" doctrine, unauthorized reproduction of copyrighted materials is permissible for such purposes as criticism, comment, news reporting, teaching, scholarship or research.

To determine fair use, the following four factors need to be considered:

1. The purpose and character of the use, including whether the copied material will be for nonprofit, educational, or commercial use. Typically, copyrighted materials used to further commercial endeavors (advertising, marketing efforts and training) will not be subject to the "fair use" exception.
2. The nature of the copyrighted work, with special consideration given to the distinction between a creative work and informational work. For example: photocopies made of a newspaper or newsmagazine column are more likely to be considered a fair use than copies made of a musical score or a short story.
3. The amount, substantiality, or portion used in relation to the copyrighted work as a whole. This factor requires consideration of the proportion of the larger work of what is copied and the significance of the copied portion. For example, using a small excerpt from an article may be permissible as opposed to using the entire article.
4. The effect of the use on the potential market of the copyrighted work. In other words, will the owner or author lose sales or value relative to the work if it is reproduced? This factor is regarded as the most critical one in determining fair use, and it serves as the basic principle from which the other three factors are derived and to which they are related.

## Fair Use

It is important to remember that the “fair use” doctrine is relatively limited and may not always apply in the business environment. It is necessary to review these factors in light of each work to be photocopied or reproduced within the workplace. Provided these factors do not create a “fair use” for a work you plan to reproduce, you should not copy or reproduce such copyrighted material. Also, keep in mind, some authors or owners may grant individuals the express or implied right to reproduce the work for limited purposes, but it is necessary to comply with the limitations they establish.

As a general rule of thumb, avoid photocopying or reproduction of copyrighted materials to distribute to others in the workplace or to third parties, unless an exception such as the “fair use” doctrine applies or the owner has authorized further reproduction. To obtain authorization for the reproduction and distribution of copyrighted materials, you can either contact the owner of the copyrighted materials directly or obtain permission from a licensing representative such as the Copyright Clearance Center (CCC).

While personal and incidental use of copyrighted works may be permissible in some cases, employees need to be careful and aware of the limitations concerning the use, reproduction and distribution of copyrighted material in the workplace or in connection with pursuing business objectives. Potential penalties of copyright infringement may include liability for damages (e.g., lost profits) and/or statutory damages up to \$100,000 for willful infringement. As a result, all employees need to be aware of these basic copyright principles and this Policy.

Please contact the Legal Department at 1-877-Fastenal, Prompt 3 to determine if your reproduction of copyrighted material is appropriate or if you have any questions concerning this topic.



## Stay “in the know” with FastNet

Whether you’re interested in Government Sales, need to request a flyer from Marketing, or just want to look up Benefits contact information, our intranet system has the answers you are looking for!

## General Statement

### Complaint Procedure for Financial, Accounting, and Auditing Matters Fastenal Company and Subsidiaries

Fastenal is committed to the fair, accurate and transparent accounting of its financial matters and expects all employees, officers, directors and agents to act in accordance with the highest ethical standards in the performance of their responsibilities for the Company. Fastenal requires compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices and prohibits violations of applicable securities or other laws in relation to fraud against shareholders. Fastenal relies on all of its employees, officers, directors and agents to conduct themselves in accordance with the requirements and the spirit of this policy and to report any suspected violations of this policy or other questionable financial, accounting or audit matters without fear of retaliation.

## Reporting Complaints

### Reporting Complaints, Concerns or Questionable Financial Practices

Any person who has complaints or concerns about Fastenal's accounting, internal accounting controls or auditing matters, or who becomes aware of questionable accounting or auditing matters, is encouraged to report such matters directly to the Fastenal Audit Committee.

To report a complaint or concern, or to report a questionable accounting or auditing matter, to the Audit Committee, employees should send details in writing to:

Mr. Michael J. Dolan   or   Email: [mjdolan@dolan-mn.com](mailto:mjdolan@dolan-mn.com)  
Chair of the Fastenal Audit Committee  
6117 Scotia Drive  
Edina, MN 55439

In order to facilitate a complete investigation, employees should provide as many details as possible. This includes: a description of the questionable practice or behavior; the names of any persons involved; the names of possible witnesses, dates, times, places; and any other available details. As stated above, Fastenal encourages all employees with complaints or concerns to come forward with information and prohibits retaliation against employees raising concerns; however, if an employee feels more comfortable doing so, reports may be made confidentially and/or anonymously in the manner described above.

## Investigation and Response

The Audit Committee will oversee the receipt and handling of allegations of questionable accounting or auditing matters it receives, including directing an appropriate investigation and response. Based on its investigation, the Audit Committee will direct Fastenal to take prompt and appropriate corrective action in response to the complaint or concern if necessary to ensure compliance with legal and ethical requirements relating to financial, accounting and audit matters of the Company. If the Audit Committee determines that a particular complaint or concern is not covered by this policy, it will refer the complaint or concern to Fastenal's in-house legal counsel for appropriate handling and response.

## Confidentiality & Non-retaliation

Reports of questionable accounting or audit practices will be kept confidential to the extent possible consistent with the Audit Committee's obligation to investigate and correct unlawful or unethical accounting or audit practices. In order to ensure confidentiality, an employee may elect to make a complaint anonymously.

Fastenal will not retaliate or take any form of reprisal against any person who makes a report pursuant to this policy or who participates in an investigation regarding a violation of the applicable securities laws, rules or regulations, or any provision of other laws regarding fraud against shareholders. Any such retaliation or reprisal by a Fastenal employee is forbidden. Any employee who retaliates against another employee or a witness as described above will be subject to discipline, up to and including discharge. Employees who believe they are subject to retaliation because they have made a report or participated in an investigation are encouraged to report such suspected retaliation to the Audit Committee in the same manner as described above for the reporting of questionable practices.

Questions about this policy should be directed to the Audit Committee at the aforementioned address.





This notice provides you important information regarding the Fastenal Company & Subsidiaries 401(k) and Employee Stock Ownership Plan (“Plan”) and its provisions regarding default investments.

## Default Investment

The Plan offers a broad range of investment options to you. You have the right to designate how new contributions and how your existing account balances are invested by electing from the available investment funds under the Plan. The Plan is designed to be an “ERISA 404(c) plan.” This means that it is your responsibility to monitor investment of your accounts and to decide which investment options are right for you. Plan fiduciaries are not liable for the results of your investment decisions.

**If at any time you do not make an investment election for your contributions going into the Plan, such contributions are invested in a “default investment.”** Effective 10/1/13, the Plan’s default investment is the Vanguard Target Retirement Date Fund Series based on your birth year as shown below:

Birth Year	Target Retirement Date Fund	Ticker Symbol	Gross Expense Ratio
1993 or after	Vanguard Target Retirement 2060 Fund	VTTSX	0.18%
1988-1992	Vanguard Target Retirement 2055 Fund	VFFVX	0.18%
1983-1987	Vanguard Target Retirement 2050 Fund	VFIFX	0.18%
1978-1982	Vanguard Target Retirement 2045 Fund	VTIVX	0.18%
1973-1977	Vanguard Target Retirement 2040 Fund	VFORX	0.18%
1968-1972	Vanguard Target Retirement 2035 Fund	VTTHX	0.18%
1963-1967	Vanguard Target Retirement 2030 Fund	VTHRX	0.17%
1958-1962	Vanguard Target Retirement 2025 Fund	VTTVX	0.17%
1953-1957	Vanguard Target Retirement 2020 Fund	VTWNX	0.16%
1948-1952	Vanguard Target Retirement 2015 Fund	VTXVX	0.16%
1943-1947	Vanguard Target Retirement 2010 Fund	VTENX	0.16%
Before 1943	Vanguard Target Retirement Income Fund	VTINX	0.16%

The Vanguard Target Retirement Fund Series is an age-based investment option that invests in Vanguard mutual funds using an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of the respective target year. It is diversified to minimize the risk of large losses and designed to provide capital appreciation and current income consistent with its current asset allocation. The retirement date for these funds is the approximate date when an investor plans to start withdrawing his or her money. Each fund is managed to a specific year and is adjusted gradually to become more conservative as the target year approaches. Within seven (7) years after a person’s target retirement date, the fund’s asset allocation should resemble that of the Target Retirement Income Fund.

## Default Investment

An investment in the Vanguard Target Retirement Fund Series is subject to certain investment management expenses. Each of the investments that make up the funds within the Vanguard Target Retirement Fund Series has an investment management fee (expressed as an “expense ratio”). The portion of each investment that makes up the target retirement date funds and the applicable expense ratios may periodically change. The current expense ratio for each fund is listed above.

**You do not have to accept the default investment. You may change how your new contributions, or your current balances, are invested at any time.** You can transfer amounts from the Vanguard Target Retirement Date Fund to any other investment option under the Plan. You can access your account, give investment instructions, and get information about all of the investment options offered under the Plan by contacting the Retirement & Benefits Contact Center at 1-800-228-4015 or online at [www.benefits.ml.com](http://www.benefits.ml.com). Investment instructions that you give by 3:00 p.m. Eastern Time are normally processed the same day. Plan fiduciaries are not liable for the investment results of a qualifying default fund because of special rules under federal law [for qualified default investment alternatives \(QDIAs\)](#). The Vanguard Target Retirement Fund Series currently qualifies for this special treatment.

## Your Diversification Rights

### Your Rights Concerning Company Stock

The plan allows you to move the portion of any of your accounts that is invested in Fastenal Company stock from that investment into other investment alternatives. You can move into and out of Fastenal Company stock at any time.\*

### The Importance of Diversifying Your Account

To help achieve long-term retirement security, you should carefully consider the benefits of a well-balanced and diversified investment portfolio. Such a portfolio can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one asset category, or one particular security, to perform well often cause another asset category, or another security, to perform poorly. Although diversification does not guarantee against loss, it does help manage investment risk. You should remember that Fastenal Company stock is not a diversified or managed investment option. **Investing in a non-diversified, unmanaged single stock (of any company) involves more investment risk than investing in a diversified portfolio.** The investment performance of Fastenal Company stock is affected by the performance of Fastenal Company, as well as the overall stock market. **If the value of a single stock declines, you could lose a substantial amount of account value.**

If you invest more than 20% of your assets in one company or industry, most investment professionals would agree that your savings may not be properly diversified. Many investment professionals would tell you that investing more than 5% or 10% of your assets in one company or industry may be too much for adequate diversification.

## Your Diversification Rights

In deciding how to invest your savings, you should take into account all of your assets, including any savings outside of the 401(k)/ESOP. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. You should invest or continue to invest in Fastenal Company stock under the 401(k)/ESOP only if you feel it is the right investment for you, taking into account your overall investment portfolio.

It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the plan to help ensure that your savings will meet your goals.

### The Role of Fastenal Company Stock under the Plan

The Fastenal Company 401(k)/ESOP is designed in part to allow you to participate in the financial future of Fastenal Company by investing in Fastenal Company stock **if that is what you choose to do**. Because the 401(k)/ESOP requires that Fastenal Company stock be provided as an investment option, Fastenal Company stock will remain an option unless Fastenal Company amends the plan to remove Fastenal Company stock. Fastenal Company will not provide financial or other information to plan participants that it does not otherwise provide to the public.

### For More Information

If you have any questions about your diversification rights, or how to exercise your diversification rights under the 401(k)/ESOP, contact the Retirement & Benefits Contact Center at 1-800-228-4015.

\*Federal securities laws generally prohibit you from trading on material, non-public information. If you are an employee who Fastenal Company has determined may potentially possess material, non-public information about Fastenal Company, your ability to change your investment directions to purchase or sell Fastenal Company stock under the plan will be affected by Fastenal Company's insider trading policy. You should refer to the current version of the policy in the Policy and Procedure Guide for a description of the limitations. The policy does not affect regularly scheduled purchases of Fastenal Company stock pursuant to investment directions made prior to the beginning of any regularly scheduled blackout period. Further, while daily processing of transactions generally occurs, events may occur from time to time that result in a suspension of investment transactions.

This notice is only intended to provide certain general information regarding the plan. The plan has been established under detailed plan documents which control the rights of participants. Participants also receive a summary plan description. Please refer to those documents for further details regarding the operation of the plan.

To obtain an additional copy of the summary plan description, contact the Fastenal Company Benefits Department at 1-877-327-8362 (Option 3, Option 2). For more information about the plan, including information about investments available under the plan, please contact the Retirement & Benefits Contact Center toll-free at 1-800-228-4015.

**This employee guide is intended to provide general information to employees of the Company.**

This employee guide is reasonably complete and accurate relative to the stated policies and programs of the Company; however, if you have any questions concerning this information, you should consult with your supervisor or the Human Resources area for an explanation or further information concerning this material.

The policies and information contained in this employee guide are not conditions of employment, and the language is not intended nor does it create a contract between the Company and any employee. The Company reserves the right to change, add to, eliminate or modify any of the policies in this employee guide at any time, at its discretion and without notice. An employee may resign their employment at any time and for any reason. Likewise, the Company reserves the same right to discontinue an individual's employment at any time and for any reason. An employee's employment with the Company will remain at all times "at will".

The Company from time to time may be providing you with updated materials and documents to be included in this employee guide. Any employee guide materials or documents previously distributed to you are to be replaced with the most current materials and the previous materials will be specifically revoked, with the previous provisions being null and void.

In the event you acknowledged (signed a form indicating acceptance of) any policy contained in this guide, your acknowledgement will continue to apply to any revised or updated information contained within the respective policy. Provided you object to or reject any revisions or updates sent to you, please provide the Human Resources area, within ten (10) days after receipt of these materials, written notice of your rejection of the respective revisions or updates to the information.

