

JUST BETWEEN FRIENDS, INC.

EMPLOYEE HANDBOOK

2021

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INTRODUCTION

This handbook is designed to help employees get acquainted with Just Between Friends, Inc. (the “Company”). It explains some of our philosophies and beliefs, and describes, in general terms, some of our employment guidelines. We hope that it will serve as a useful reference document for employees throughout their employment at the Company. Employees should understand, however, that this handbook is not intended to be a contract (express or implied), nor is it intended to otherwise create any legally enforceable obligations on the part of the Company or its employees. This handbook supersedes and replaces all previous personnel policies, practices and guidelines.

Because the Company is a growing and changing organization, it reserves full discretion to add to, modify, or delete provisions of this handbook, or the policies and procedures on which they may be based, at any time without advance notice. The Company also reserves the right to interpret any of the provisions set forth in this handbook in any manner it deems appropriate. For this reason, employees should check with Jen Hundley to obtain current information regarding the status of any particular policy, procedure, guideline, or practice. Similarly, to obtain information regarding specific employment policies or procedures, whether or not they are contained in this handbook, employees should contact Jen Hundley.

Only has the authority to enter into any employment or other agreement that modifies Company policy. Any such modification *must* be in writing.

This handbook is the property of the Company, and it is intended for personal use and reference by employees of the Company. Circulation of this handbook outside of the Company requires the prior written approval of Jen Hundley.

Employees should sign the Acknowledgement/Receipt form at the back of this handbook and return it to Jen Hundley. This will provide the Company with a record that each employee has received this handbook.

EMPLOYMENT AT WILL

All employment at the Company is “at will”. This means that both employees and the Company have the right to terminate employment at any time, with or without advance notice, with or without cause. Employees also may be demoted or disciplined and the terms of their employment may be altered at any time, with or without cause, at the discretion of the Company. No one other than Jen Hundley has the authority to alter this arrangement, to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to this policy. Any such agreement must be in writing, must be signed by Jen Hundley and by the affected employee, and must express a clear and unambiguous intent to alter the at-will nature of the employment relationship.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

It is the Company’s policy to provide equal employment opportunity for all applicants and employees. The Company does not unlawfully discriminate on the basis of race, color, religion, religious creed (including religious dress and religious grooming), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity (including transgender identity), gender expression and sex stereotyping, national origin, ancestry, citizenship, age, physical or mental disability, legally protected medical condition or information (including genetic information), family care or medical leave status, military caregiver status, military status, veteran status, marital status, domestic partner status, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages, requesting a reasonable accommodation on the basis of disability or bona fide religious belief or practice, or any other basis protected by local, state, or federal laws. Consistent with the law, the Company also makes reasonable accommodations for disabled applicants and employees; for pregnant employees who request an accommodation, for pregnancy, childbirth, or related medical conditions; for employees who are victims of domestic violence, sexual assault, or stalking; and for applicants and employees based on their religious beliefs and practices.

The Company prohibits sexual harassment and the harassment of any individual on any of the other bases listed above. For information about the types of conduct that constitute impermissible harassment and the Company’s internal procedures for addressing complaints of harassment, please refer to the Company’s Policy Against Harassment and Discrimination.

This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer, disciplinary action, and social and recreational programs. It is the responsibility of all employees to conscientiously follow this policy. Any employee having any questions regarding this policy should discuss them with Jen Hundley.

POLICY AGAINST HARASSMENT AND ABUSIVE CONDUCT

A. Purpose

The Company is committed to providing a workplace free from unlawful harassment and discrimination. This includes sexual harassment (which includes harassment based on pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions) and harassment based on gender, gender identity, (including transgender identity) gender expression, and sex stereotyping, as well as harassment based on such factors as race, color, religion, religious creed (including religious dress and religious grooming), national origin, ancestry, citizenship, age, physical or mental disability, legally-protected medical condition or information (including genetic information), family care or medical leave status, military caregiver status, military status, veteran status, marital status, domestic partner status, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, or any other basis protected by federal, state, or local laws. The Company strongly disapproves of and will not tolerate harassment of or discrimination against applicants, employees, unpaid interns, or volunteers by managers, supervisors, co-workers or third parties with whom employees come into contact. Similarly, the Company will not tolerate harassment by its employees of non-employees with whom the Company employees have a business, service, or professional relationship.

B. Harassment Defined

Harassment includes verbal, physical, and visual conduct that creates an intimidating, offensive, or hostile working environment or that interferes with an employee's work performance. Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

Harassing conduct can take many forms and may include, but is not limited to, the following (when based upon an employee's protected status as noted above: slurs, jokes, statements, gestures, assault, impeding or blocking another's movement or otherwise physically interfering with normal work, pictures, drawings, or cartoons, violating someone's "personal space," foul or obscene language, leering, stalking, staring, unwanted or offensive letters or poems, offensive email or voicemail messages.

Sexual harassment is defined as harassment based on sex or conduct of a sexual nature, and includes harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity or gender expression. Sexually harassing conduct in particular may include all of these prohibited actions, as well as other unwelcome conduct, such as requests for sexual favors, conversation containing sexual comments, and other unwelcome sexual advances. Sexually harassing conduct can be by a person of either the same or opposite sex. Sexually harassing conduct need not be motivated by sexual desire to be a violation of this policy.

C. Abusive Conduct

In addition to the above-referenced prohibitions against harassment, the Company will not tolerate abusive conduct. Abusive conduct/bullying is defined as: Conduct of an employer or employee in the workplace, with malice, that a reasonable person would find hostile, offensive, and unrelated to an employer's legitimate business interest. Abusive conduct may include:

1. Repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, and epithets;
2. Verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating;
3. The gratuitous sabotage or undermining of a person's work performance. Such abusive conduct will not be tolerated.
4. Visual behavior such as displaying or sharing insulting or offensive cartoons, sexually suggestive or lewd pictures or photographs.

D. Reporting and Investigating Harassing Conduct

The Company understands that victims of harassment are often embarrassed and reluctant to report acts of harassment for fear of being blamed, concern about being retaliated against, or because it is difficult to discuss sexual matters openly with others. However, no employee should have to endure harassing conduct, and the Company therefore encourages employees to promptly report any incidents of harassment so that corrective action may be taken. Any incidents of harassment, including work-related harassment by any Company personnel or any other person, should be reported immediately to Jen Hundley who is responsible for investigating harassment complaints. An employee is not required to complain to Jen Hundley if that person is the individual who is harassing the employee, but may instead report the harassment to his or her immediate supervisor or any other member of management. Supervisors who receive complaints or who observe harassing conduct must immediately inform Jen Hundley or other appropriate company official so that an investigation may be initiated.

Every reported complaint of harassment will be investigated thoroughly and promptly by impartial and qualified personnel. Typically, the investigation will include the following steps: an interview of the employee who lodged the harassment complaint to obtain complete details regarding the alleged harassment; interviews of anyone who is alleged to have committed the acts of harassment to respond to the claims; and interview of any employees who may have witnessed, or who may have knowledge of, the alleged harassment. Jen Hundley, or other Company employees responsible for the investigation, will notify the employee who lodged the harassment complaint of progress during the investigation, including documentation where applicable, and timely notification of the results of the investigation. The investigation will be handled in as confidential a manner as possible consistent with a fair, timely, and thorough investigation in a manner that provides all parties appropriate due process and reaches reasonable conclusions based on the evidence collected.

In addition to notifying the Company about harassment or retaliation complaints, affected employees also may direct their complaints to the California Department of Fair Employment and Housing (“DFEH”), which has the authority to conduct investigations of the facts. The deadline for filing complaints with the DFEH is three years from the date of the alleged unlawful conduct. If the DFEH believes that a complaint is valid and settlement efforts fail, the DFEH may file a lawsuit in court. The courts have the authority to award monetary and non-monetary relief in meritorious cases. Employees can contact the nearest DFEH office at the locations listed in the Company’s DFEH poster or by checking the State Government listings in the local telephone directory.

E. Corrective Action

The Company will not tolerate retaliation against any employee for making a good faith complaint of harassment or for cooperating in an investigation. If harassment or retaliation in violation of this policy is established, the Company will take appropriate corrective action. Corrective action may include, for example: training, referral to counseling, or disciplinary action ranging from a verbal or written warning to termination of employment, depending on the circumstances. With regard to acts of harassment by customers or vendors, corrective action will be taken after consultation with the appropriate management personnel.

Employees will not experience retaliation as a result of lodging a complaint or participating in any workplace investigation.

RIGHT TO WORK

All offers of employment are contingent upon verification of your right to work in the United States. On your first day of work, you will be asked to provide original documents verifying your right to work and to sign a verification form required by Federal law. If you, at any time, cannot verify your right to work in the United States, the Company may be obligated to terminate your employment.

EMPLOYEE CLASSIFICATIONS

A. Regular Full-Time Employees

An employee who is regularly scheduled to work 30 hours or more per week for a period of indefinite duration, is referred to as a regular full-time employee.

B. Regular Part-Time Employees

An employee who is regularly scheduled to work less than 30 but at least 20 hours per week for a period of indefinite duration, is referred to as a regular part-time employee.

C. Temporary Employees

Temporary employees are persons hired to work on special assignment with the understanding that such work will be completed within a specified period of time, usually not to

exceed three months. Temporary employees do not become regular employees as a result of the passage of time.

D. Salaried Employees

Salaried employees are employees who are paid a fixed amount on a periodic basis and not by the hour.

E. Hourly Employees

Hourly employees are all those employees whose wages are paid by the hour. Wages fluctuate according to the number of hours worked.

F. Exempt/Nonexempt Employees

Exempt employees, by definition, are exempt from earning overtime compensation. Nonexempt employees are all those who are eligible to be paid for overtime work in accordance with the provisions of applicable wage and hour laws.

G. Change in Employment Status

The Company may change the employment classification of any employee at any time based on the nature of the employment assignment.

HOURS OF WORK, OVERTIME, AND PAY DAY

A. Hours of Work

Company work hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday, with one-half hour unpaid for lunch. Nonexempt employees receive two ten-minute paid break periods for each full workday, one in mid-morning and one in mid-afternoon.

B. Overtime Pay

1. Overtime Definition and Rates of Pay

Non-exempt employees may be required to work overtime when work requirements make it necessary. The Company pays all non-exempt employees overtime in accordance with state and federal law. All non-exempt employees who work more than 8 hours in one workday or more than 40 hours in one workweek will receive overtime pay computed as follows:

- Overtime at the rate of 1-½ times the employee's regular rate of pay for all hours worked in excess of 40 in any one workweek.
- Overtime at the rate of 1-½ times the employee's regular rate of pay for the first 4 hours worked in excess of 8 hours in any one workday, and for the first 8 hours on the 7th day of work in any one workweek.

- Overtime at the rate of double the employee's regular rate of pay for all hours worked in excess of 12 on one workday, and for all hours worked in excess of 8 on the 7th day of work in one workweek.

Only those hours that are actually worked are counted to determine an employee's overtime pay. Compensated holidays, for example, are not hours worked and are therefore not counted in making overtime calculations.

All overtime work must be previously authorized by a supervisor. Employees who violate this requirement may be subject to discipline up to and including termination of employment.

2. Workweek and Workday

Unless otherwise provided, for purposes of calculating overtime, each workweek begins on Monday and each workday begins at midnight.

3. Pre-Authorization

Non-exempt employees may not work overtime without the express prior approval of their supervisor.

C. Other Types of Pay

1. Reporting Pay

A nonexempt employee who reports to work at the Company's request, whether for a regularly scheduled shift or otherwise, will be paid a minimum of four hours' pay at the employee's regular rate, without regard to the number of hours actually worked, unless the reasons for lack of work are beyond the Company's control. Reporting time pay will not be paid to an employee on paid standby status who is called to perform assigned work at a time other than the employee's scheduled reporting time. Reporting time hours are not counted as "hours worked" for overtime purposes unless work is actually performed.

2. Callback Pay

A nonexempt employee who is called back for a second work period in a workday and is given less than two hours' work will be paid a minimum of two hours' pay at the regular rate for the second work period, without regard to the number of hours actually worked, unless the reasons for lack of work are beyond the Company's control.

D. Timekeeping

Non-exempt employees are all required to accurately record the time they work for payroll purposes on timesheets provided for this purpose. Employees must record their own time at the start and at the end of each work day. Non-exempt employees must also record time out before and time in after their meal breaks. Employees must record their time out and their time of

return whenever they leave their work area for any reason other than on Company business or a rest break.

At no time may any employee perform off-the-clock work or otherwise alter, falsify or manipulate any aspect of their time-keeping records to inaccurately reflect or hide hours worked, meal periods taken or time spent working during meal periods.

Any changes or corrections to an employee's time card or time record must be initialed by the employee and his or her supervisor. Under no circumstances may any employee punch or record another employee's time card.

Employees who work beyond their regularly scheduled work hours, including overtime or off-schedule hours, without prior authorization by their supervisor are subject to disciplinary action, which may include termination of employment.

E. Place and Time for Payment of Wages

1. Regular Pay Days

Employees are paid twice per month, encompassing the period of the 1st through the 15th and the 16th through the end of the month. If a pay day falls on a holiday, paychecks will be distributed on the preceding workday, or if the employee has enrolled for direct deposit, paychecks are direct deposited prior to the holiday. Checks and paystubs are distributed by the Payroll Department on the date assigned for payment. If the employee is absent from his or her work station when the paycheck or paystub is distributed, the employee may claim the paycheck or paystub from the Payroll Department when the employee returns.

2. Payment on Resignation, Termination, or Completion of Assignment or Term

If an employee resigns, his or her paycheck will be available on the final day of work provided the employee has given at least 72 hours' prior notice. If an employee resigns without giving 72 hours' notice or fails to return to work, his or her paycheck will be made available at the office within 72 hours after the date when the employee is considered to have terminated, unless the employee requests in writing that his or her final paycheck be mailed. If an employee is terminated involuntarily, his or her paycheck will be available on the day of discharge. If an employee is hired for a specific assignment or otherwise has a defined term of employment, his or her paycheck will be available upon the completion of the assignment or employment term. The employee's final paycheck will include payment for all wages owed and for any accrued but unused vacation, less authorized and required deductions.

F. Expense Reimbursement

The Company reimburses employees for all reasonable expenses incurred in the course of conducting business. Employees will be paid the standard IRS mileage rate for personal vehicle use, excluding regular commute mileage. This rate is assumed to cover operating costs, including gas, wear and tear, maintenance, and insurance. All expenses must be submitted for

reimbursement within one month of the expense being incurred, on a form provided by the Company. Receipts, where possible, must accompany such requests.

G. Paycheck Deductions

The Company complies with applicable law and will make only required or authorized deductions from employees' wages. The following deductions, if applicable, will be made from employees' gross wage payments:

Deductions to pay the employee portion of local, state and federal taxes.

Deductions required pursuant to a withholding order for support, an earnings assignment order, an earnings' withholding order or other similar court order.

Deductions required pursuant to a wage garnishment order.

Other deductions authorized in writing by the employee, including deductions to cover insurance premiums or payments for other employee benefits.

All deductions will be itemized on employees' paycheck stubs. Employees with questions regarding any deductions taken from their paychecks should immediately contact Jen Hundley.

REST AND MEAL PERIODS

A. Rest Breaks

All employees are authorized and permitted to take rest breaks at or near the middle of each four-hour work period. The rest break shall be ten minutes of rest time for every four hours worked or major fraction thereof. Rest breaks shall take place at the Company's designated areas, which may include or be limited to the employee's immediate work area. Employees whose total day work time is less than three and one-half hours will not receive a rest break. Employees whose totally day work time exceeds ten hours will be entitled to a third ten-minute rest break. If you are unable to take a rest break as scheduled, you must notify Jen Hundley or your supervisor at the time of the missed break.

B. Meal Periods

Employees who work more than five hours in the day are authorized and permitted to take an unpaid duty-free meal period of not less than thirty minutes, and which must be taken before the end of the fifth (5th) hour of their workday. Employees who work more than ten hours in the day will be entitled to a second unpaid meal period of not less than thirty minutes. Employees will not be permitted to work during their thirty-minute meal period. Employees who work fewer than six total hours in a day may elect, in writing, to forgo their meal period. Employees who work fewer than twelve total hours in a day may elect, in writing, to forgo their second meal period, provided they take the first meal period. Non-exempt employees are required to record their meal period(s) time(s) on their timesheet. **There are no exceptions to this requirement.** If you are unable to take a meal period as scheduled, you must notify your supervisor or Jen Hundley at the time of the missed break.

Failure to comply with the policies in this section may lead to discipline, up to an including termination of employment.

BENEFITS

The descriptions of the benefits programs contained in this handbook are general in nature. Employees are advised to consult with Jen Hundley to review the summary plan, descriptions, or other governing documents for further details.

Commented [RB1]: Optional

VACATION POLICY

Commented [RB2]: Optional

The Company has established a Vacation Policy to provide eligible employees who have completed at least ninety (90) days of continuous service with a period of rest and relaxation without loss of pay or benefits. Part-time, temporary and introductory employees are not entitled to vacation under this policy.

A. Eligibility.

All regular full-time employees begin accruing vacation benefits after completing 90 days of continuous service, measured from the date of hire. Employees will be eligible to use this accrued vacation only after completing 180 days of employment.

B. Accrual.

Upon completing 90 days continuous service, regular full-time employees accrue vacation days on a monthly basis according to the following schedule:

Regular full-time employees with between 0 and 3 years of continuous service: 10 days per year.

Regular full-time employees with between 3 and 7 years of continuous service: 15 days per year.

Regular full-time employees with more than 7 years of continuous service: 20 days per year.

C. Administration.

Maximum accrual. Vacation accruals may not exceed twice your current annual entitlement. (For example, 20 days for an employee with 2 years of service). Once this maximum is reached, all further accruals will cease. Accrual will recommence after you have taken vacation and your accrued vacation has dropped below twice the 1-year maximum level.

Vacation Use. All vacation days should be taken no later than the calendar year immediately following the year in which they accrue, unless prior supervisor approval is obtained.

Vacation Advances. You may not take vacation before you have earned it unless you obtain written permission from your supervisor. **If permission is granted, the vacation will be considered a salary advance.**

No Pay in Lieu of Vacation. No employee will receive pay in lieu of vacation except on termination of his or her employment, as provided below.

Approval. All vacation must be approved in advance by your supervisor.

Scheduling. When planning your vacation, first submit a Vacation Request Form to Jen Hundley. The scheduling of your vacation is based on Company operational needs and the request for vacation and leave of absence of other employees. If there is a conflict in request for time off, the employee with the most seniority will be given preference.

Pay on Termination. On termination of your employment by you or the Company, you will be paid all accrued but unused vacation.

Holidays. A holiday that falls during a scheduled vacation will be treated as a holiday and not as a day of vacation taken.

Accrual During Unpaid Leaves of Absence. If you are granted an unpaid leave of absence, you will not earn vacation during the leave. Vacation accruals will recommence when you return to work.

Vacation Increments. Accrued vacation must be taken in increments of at least 1 full day.

PAID SICK LEAVE

Commented [RB3]: Can be done as up front or accrual.

The Company provides paid sick leave benefits in accordance with California and federal law. Eligible employees of the Company receive their paid sick leave on January 1 each year for their use during the following twelve months. Eligible employees receive three days (24 hours) each year.

New employees receive their full amount of paid sick leave on the day they are hired. However, new employees may not begin using their paid sick leave until after 90 days of employment.

If paid sick leave is not used by December 31 it will be lost and the employee will receive a new bank of paid sick leave on January 1. Sick leave must be used in minimum increments of two hours.

Unused paid sick leave does not carry over into the following twelve-month period. Unused paid sick leave will not be paid to an employee at the end of the employment relationship. If an employee leaves the Company and is rehired within one year, they will be entitled to use any paid sick leave remaining in their account.

Employees may use sick leave for the diagnosis, care or treatment of an existing health condition of the employee or the employee's family members. Paid sick leave may also be used for preventative care for an employee or the employee's family members. Family members include:

- Children (biological, adopted, or foster), stepchild, legal ward, or child to whom the employee stands in loco parentis;
- Biological, adoptive, or foster parent, stepparent, legal guardian of the employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the child was a minor;
- Spouse;
- Registered domestic partner;
- Grandparent or Grandchild;
- Sibling.

Sick leave may also be used for victims of domestic violence, sexual assault, or stalking.

If the use of sick leave is foreseeable, the employee must provide advance notice to the Company. If the use of sick leave is unforeseeable, the employee must provide notice of the need for leave as soon as possible. Employees are required to report sick leave absences on their time sheets.

Sick leave for non-exempt hourly employees will be paid at the employee's hourly rate. Sick leave for non-exempt salaried employees will be paid by dividing the total wages earned (not including overtime pay) by the total hours worked during the full pay periods in the preceding 90 days to determine the hourly rate. Sick leave for exempt employees will be paid in the same manner as for other forms of paid leave.

LEAVES OF ABSENCE

A. Introduction

The Company provides unpaid leaves of absence as follows: (A) pregnancy leave for up to four months in accordance with the California Fair Employment and Housing Act; (B) disability leave as required to reasonably accommodate employees with a qualified disability under the Americans with Disabilities Act ("ADA") or with a workplace injury; and (C) family leave in accordance with California law; and (D) leave for other legally required absences as set forth below. Employees having any questions regarding this policy should contact Jen Hundley.

B. Pregnancy-Related Disability Rights

1. Leaves of Absence, Accommodations, and Transfers

Any employee who is disabled by pregnancy, childbirth, or related conditions may take a Pregnancy-Related Disability Leave for up to four months or for the period of actual disability. Pregnancy-Related Disability Leaves may be taken intermittently, or on a reduced-hours schedule, as medically necessary.

Moreover, an employee is entitled to a reasonable accommodation for pregnancy, childbirth, or related medical conditions if she so requests and provides the Company with medical certification from her health care provider. In addition to other forms of reasonable accommodation, a pregnant employee is entitled to transfer temporarily to a less strenuous or hazardous position or to less hazardous or strenuous duties if she so requests, the transfer request is supported by proper medical certification, and the transfer can be reasonably accommodated.

2. Procedure for Requesting Pregnancy-Disability Leave or Transfer

Whenever possible, an employee should submit a written request for Pregnancy-Disability leave or Pregnancy-Disability transfer to the Company as soon as she is aware of the need for such leave or transfer. If the leave or transfer is foreseeable, the employee must provide 30 calendar days' advance notice to the Company of the need for Pregnancy-Disability leave or transfer. If it is not practicable for the employee to give 30 calendar days' advance notice of the need for leave or transfer, the employee must notify the Company as soon as practicable after she learns of the need for the Pregnancy-Disability leave or transfer.

If an employee fails to provide the requisite 30 days' advance notice for a foreseeable need for leave or transfer, without any reasonable excuse for the delay, the Company reserves the right to delay the taking of the leave until at least 30 days after the date the employee provides notice of the need for the leave or transfer.

Any request for a Pregnancy-Disability leave must be supported by medical certification from a health care provider, which shall provide the following information: (a) the date on which the employee became disabled due to pregnancy; (b) the probable duration of the period or periods of disability; and (c) an explanatory statement that, due to the disability, the employee is unable to work at all or is unable to perform any one or more of the essential functions of her position without undue risk to herself, her pregnancy, or to other persons. In the case of a Pregnancy-Disability transfer, the medical certification shall provide the following information: (a) the date on which the need to transfer became medically advisable; (b) the probable duration of the period or periods of the need to transfer; and (c) an explanatory statement that, due to the employee's pregnancy, the transfer is medically advisable. Upon expiration of the time period for the leave or transfer estimated by the health care provider, the Company may require the employee to provide another medical certification if additional time is requested for leave or transfer.

3. Substitution of Paid Leave for Pregnancy-Related Disability Leave

An employee taking Pregnancy-Related Disability Leave must substitute any available sick pay for her leave and may, at her option, substitute any accrued vacation or PTO for her leave. The substitution of vacation or PTO for Pregnancy-Related Disability Leave does not extend the total duration of the leave to which an employee is entitled.

4. Leave's Effect on Benefits

During a Pregnancy-Related Disability Leave, the Company will continue to pay for the employee's participation in the Company's group health plans, to the same extent and under the same terms and conditions as would apply had the employee continued in employment continuously for the leave period.

Thus, the employee must continue to pay the employee's share of the health plan premiums during the leave. If paid sick leave is substituted for any portion of the leave that is unpaid leave, such payments will be deducted from the employee's pay through the regular payroll deductions. Otherwise, the employee must make arrangements with the Company for the payment of such premiums.

The Company may recover from the employee the premiums that it paid to maintain coverage for the employee under the group health plan if the employee fails to return from leave after the period of leave has expired and the employee's failure to return is for a reason other than: (i) the employee is taking (i.e., has transitioned over to) leave under the California Family Rights Act (CFRA), unless the employee chooses not to return after CFRA leave, in which case the Company can recover such premiums; (ii) the continuation, recurrence, or onset of a health condition that entitles the employee to Pregnancy-Related Disability Leave, unless the employee chooses not to return after the Pregnancy-Related Disability Leave, in which case the Company can recover such premiums; (iii) non-pregnancy related medical conditions requiring further leave, unless the employee chooses not to return to work following the leave, in which case the Company can recover such premiums, or (iv) other circumstances beyond the employee's control.

It is the Company's policy that, similar to other unpaid leaves, during any unpaid portion of a Pregnancy-Disability Leave, employees will accrue employment benefits, such as sick leave, vacation or PTO, and seniority, only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual.

Employee benefits may be continued during the unpaid portion of the Pregnancy-Disability Leave according to the provisions of the Company's various employee benefit plans.

5. Return to Work Certification

Consistent with the Company's practice for other employees returning from a disability leave for reasons other than pregnancy, the Company requires that an employee returning from Pregnancy-Related Disability Leave provide a release to return to work from her healthcare provider stating she is able to resume her original job or duties and noting any work restrictions which must be accommodated.

6. Leave's Effect on Reinstatement

Employees returning from Pregnancy-Related Disability Leave generally are entitled to be reinstated in the same position, subject to certain conditions, and consistent with applicable law.

C. Other Disability Leaves

1. Eligibility and Duration

In addition to pregnancy-related disability leaves described herein, employees may take a temporary disability leave of absence, if necessary, to reasonably accommodate a workplace injury or a disability under the ADA or the FEHA.

Disability leaves under this section will be unpaid.

If the disability leave is needed due to a work-related injury, all matters relating to an employee's leave rights, including compensation, benefits, substitution of paid leave, notice and certification requirements, and reinstatement shall be governed by state workers' compensation laws. Employees having questions about such rights should contact Jen Hundley.

If a disability leave under this section extends beyond 12 weeks in a 12-month period, the employee will not be entitled to any continued employer contributions towards any employee benefit plan unless otherwise required by law. An employee, however, may elect to continue participating in such benefit plans, at the employee's own expense, to the extent permitted by such plans and the law.

The duration of a leave under this section shall be consistent with applicable law, but in no event shall the leave extend past the date on which an employee becomes capable of performing the essential functions of his or her position, with or without reasonable accommodation. For a full explanation of leave duration and reinstatement rights, employees should contact Jen Hundley.

2. Leave's Effect on Pay and Benefits

An employee taking temporary-disability leave must substitute any accrued sick pay and vacation or PTO pay for the leave. Except to the extent that paid leave is substituted for temporary-disability leave, the temporary-disability leave will be unpaid.

Group insurance benefits may be continued during the temporary-disability leave period. However, the cost of such coverage, including the Company's premium payment, becomes the responsibility of the employee.

3. Procedure for Requesting Disability Leave

Unless the circumstances render it impractical, a temporary-disability leave must be approved in advance by the Company. Whenever possible, an employee should submit a written request for disability leave to the Company as soon as the employee is aware of the need for such

leave or transfer. Any request for a disability leave must be supported by medical certification from a health care provider, which shall provide the following information: (a) the date on which the employee became disabled; (b) the probable duration of the period or periods of disability; and (c) an explanatory statement that, due to the disability, the employee is unable to work at all or is unable to perform any one or more of the essential functions of his or her position without undue risk to the employee or to other persons. The certification should also explain what accommodations, if any, will assist the employee with performing the essential functions of his or her position.

4. Reinstatement After Temporary-Disability Leave

Each employee who has taken a temporary-disability leave must keep the Company advised of the disability status and must contact the Company at least two weeks prior to the expiration of the scheduled leave to discuss the employee's return to work. An employee desiring to return to work from temporary-disability leave shall be given his or her former position when staffing requirements permit. The Company cannot, however, guarantee that the employee's former position, or any other position, will be available upon the expiration of the scheduled leave.

Each employee who has taken a temporary-disability leave must be released by a doctor to return to work. The release should be in writing and submitted to the Company on or before the employee's return from temporary-disability leave. The release must note any work restrictions which must be accommodated.

D. California Family Rights Act (CFRA)

1. Eligibility

To be eligible for CFRA leave, an employee must (1) have worked for the Company for at least 12 months prior to the date on which the leave is to commence; and (2) have worked at least 1,250 hours in the 12 months preceding the leave.

An employee returning from fulfilling his or her National Guard or Reserve military obligation will be credited with the hours of service that would have been performed but for the period of military service in determining the 1,250 hours of service.

In the case of a pregnancy-related disability or other legally protected disability or medical condition or work-related injury, an employee may not need to satisfy all of the above requirements. In such circumstances, the employee should contact Human Resources for clarification about his or her rights for other types of leave.

2. Permissible Uses

CFRA leave may be requested for (1) the birth or adoption of an employee's child; (2) the placement of a foster child with the employee; (3) the serious health condition of an employee's child, registered domestic partner, spouse, parent, grandparent, grandchild, or sibling; or (4) an employee's own serious health condition.

- A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either (1) the individual being admitted to a medical care facility with the expectation that the or she will remain at least overnight, or (2) continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Pregnancy disability leave up to 4 months per pregnancy subject to medical confirmation of disability is a separate right and does not count as CFRA leave. Please see the Pregnancy Disability Leave section for more information.
- Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Military exigency leave may be requested when there is a qualifying military exigency arising out of the fact that an employee's spouse, domestic partner, child, or parent is on covered active duty (or has been notified of an impending call or order to covered active duty) in the Armed Forces outside of the United States. Contact Human Resources for questions about what qualifies as covered military exigencies.

3. Substitution of Paid Leave

Employees are required to substitute accrued vacation for all CFRA leaves. Employees are required to use sick leave only for the employee's own medical leaves. Employees may elect to substitute sick leave to attend to an illness of a child, parent, spouse or domestic partner of the employee or for other types of family care leave.

4. Amount of Leave

a. CFRA Leave

Provided all the conditions of this policy are met, an employee may take a maximum of 12 weeks of family care, medical, and military exigency leave in a rolling 12-month period measured backwards from the date the employee's leave commences.

Family care leaves for the birth, adoption, or foster care placement of a child must be concluded within one year of the birth, adoption, or placement.

b. Intermittent Leave

Medical leave for the employee's own serious health condition, family care leave for the serious health condition of the employee's spouse, registered domestic partner, parent, grandparent, grandchild, or sibling, may be taken intermittently or on a reduced schedule when medically necessary. Where the intermittent or reduced schedule leave is for planned medical treatment, the employee must make an attempt to schedule the treatment so as not to disrupt

unduly the Company's operations. Where the family care leave is to be taken in connection with the birth, adoption, or foster placement of a child, the minimum duration for each period of leave is two weeks, except that the employee may request leave of less than two weeks duration on any two occasions. Exigency leave also may be taken intermittently or on a reduced schedule.

5. Leave's Effect on Pay

Except to the extent that other paid leave is substituted for family care, medical, and military family leave, leave under the CFRA is unpaid. However, employees may be entitled to California State Disability Insurance (SDI) when leave is taken for their own serious health condition.

Employees also may be entitled to Paid Family Leave (PFL) benefit payments for up to six (6) weeks in any twelve-month period during leaves to care for qualifying family members. PFL provides a partial wage replacement for absences from work to care for a seriously ill or injured family member or for bonding with a minor child within one year of the birth or placement of the child in connection with foster care or adoption. Employee contributions provide funding for this program. PFL is administered like SDI by the California Employment Development Department. To the extent possible, PFL benefits must run concurrently with family care leave and do not entitle an employee to take any additional time off. In addition, an employee must use up to two weeks of any accrued but unused vacation before the employee will be eligible to receive PFL.

6. Leave's Effect on Benefits

During an employee's CFRA leave, the Company will continue to pay for the employee's participation in the Company's group health plans, to the same extent and under the same terms and conditions as would apply had the employee not taken leave.

Thus, the employee must continue to pay his or her share of the health plan premiums during the leave. If paid leave is substituted for the unpaid leave, such payments will be deducted from the employee's pay through the regular payroll deductions. Otherwise, the employee must make arrangements with the Company for the payment of such premiums.

If the employee fails to pay his or her share of the premiums during leave, or if the employee fails to return from the leave at the expiration of 12 weeks (or 26 weeks in the case of a military caregiver leave) for a reason other than the recurrence, continuation, or onset of a serious health condition for which leave under this policy is allowed or other circumstances beyond the employee's control, the Company can recover any health plan premiums paid by the Company on the employee's behalf during any periods of the leave.

With regard to other employee benefit plans, such as disability insurance plans, pension and retirement plans, and supplemental unemployment benefit plans, the Company will continue to pay for the employee's participation in such plans to the same extent and under the same conditions as apply to other leaves that are not family care, medical and military family leaves. Specifically, with regard to unpaid leaves under this policy: An unpaid leave taken for an employee's own serious health condition will be treated like other unpaid *disability* leaves; unpaid leaves taken for other qualifying family care or medical purposes will be treated like

other unpaid *personal* leaves offered by the Company. Under any circumstances, however, leave taken for CFRA leave will not be treated as a break in service and will not result in the loss of seniority--even if other paid or unpaid leaves count as a break in service or result in a loss of seniority, or for layoffs, recalls, promotions, job assignments, or seniority-related benefits. Nor will the use of family care, medical or military family leave result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

7. Procedure for Requesting CFRA Leave

a. Notice Requirements

Employees must notify the Company of their request for CFRA leave as soon as they are aware of the need for such leave. For foreseeable CFRA leave, the employee must provide 30 calendar days' advance notice to the Company of the need for leave. For events that are unforeseeable 30 days in advance, the employee must notify the Company as soon as is practicable and generally must comply with the Company's normal call-in or notice procedures. If the leave is requested in connection with a planned, non-emergency medical treatment, the employee must make an attempt to schedule such treatment so as to avoid unduly disrupting Company operations, and may be requested to reschedule the treatment so as to minimize disruption of the Company's business.

If an employee fails to provide the requisite 30-day advance notice for foreseeable events without any reasonable excuse for the delay, the Company reserves the right to delay the taking of the leave until at least 30 days after the date the employee provides notice of the need for family care or medical leave.

All requests for CFRA leave should include enough information to make the Company aware that the employee needs qualifying leave, and the anticipated timing and duration of the leave, if known. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the Company if the requested leave is for a reason for which CFRA leave was previously taken or certified.

Any requests for extensions of leave under this policy must be received as soon as is practicable and must include the revised anticipated date(s) and duration of the leave. To the extent permitted by law, the Company reserves the right to deny requests for extensions or deny reinstatement to an employee who exceeds the leave amounts provided by this policy or fails to provide requested medical certification. In addition, if an employee has a disability, he or she may be eligible for leave under the Americans with Disabilities Act (ADA) or state law. For more detailed information on extended leaves, please contact the Human Resource Manager.

Once the Company is aware of the employee's need for leave, it will inform the employee whether he or she is eligible under the CFRA. If the employee is eligible, the notice will specify any additional information required as well as the employees' rights and responsibilities. If the employee is not eligible, the Company will provide a reason for the ineligibility.

b. Certification

Any request for medical leave for an employee's own serious health condition, for family care leave to care for a child, spouse, domestic partner, parent, grandparent, grandchild, or sibling with a serious health condition or for a serious injury must be supported by medical certification from a health care provider. Employees generally must provide the required certification within 15 calendar days after the Company's request for certification. For foreseeable leaves, employees must provide the required medical certification before the leave begins. When this is not possible, employees must provide the required certification within 15 calendar days after the Company's request for certification, unless it is not practicable under the circumstances to do so, despite the employee's good faith efforts.

The medical certification for a child, spouse, domestic partner, parent, grandparent, grandchild, or sibling with a serious health condition or for the serious injury must include (a) the date on which the serious health condition or serious injury or illness commenced; (b) the probable duration of the condition or injury or illness; (c) the health care provider's estimate of the amount of time needed for family care; (d) the health care provider's assurance that the health care condition or injury or illness warrants the participation of the employee to provide family care; and (e) in the case of intermittent or reduced schedule leave where medically necessary, the probable duration of such a schedule.

The medical certification for leave for the employee's own serious health condition must include (a) the date on which the serious health condition commenced; (b) the probable duration of the condition; (c) a statement that, due to the serious health condition, the employee is unable to perform the essential functions of his or her position; and (d) in the case of intermittent leave or reduced schedule leave where medically necessary, the probable duration of such a schedule. In addition, the certification may, at the employee's option, identify the nature of the serious health condition involved.

Failure to timely provide the required certification may result in the denial of foreseeable leave until such certification is provided. In the case of unforeseeable leaves, failure to timely provide the required certification may result in a denial of the employee's continued leave. Where the employee's need for leave due to the employee's own serious health condition, or the serious health condition of the employee's covered family member, lasts beyond a single leave year, the Company may require the employee to provide a new medical certification in each subsequent leave year. Any request for an extension of the leave also must be supported by an updated medical certification.

The Company has developed forms for use in obtaining medical certifications that satisfy the requirements of this policy. Where leave is related to a covered veteran's serious injury or illness, the employee may submit documentation of enrollment in Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

It is the employee's responsibility either to furnish a complete and sufficient certification or to furnish the health care provider providing the certification with any necessary authorization from the employee or the employee's family member in order for the health care provider to release a complete and sufficient certification to the Company to support the employee's leave request.

Where permitted by law, if the Company has a good-faith, objective reason to doubt the validity of the medical certification provided by the employee, the Company may require the employee to obtain a second opinion from a doctor of the Company's choosing at the Company's expense. If the employee's health care provider providing the original certification and the doctor providing the second opinion do not agree, the Company may require a third opinion, also at the Company's expense, performed by a mutually agreeable doctor who will make a final determination. It is the employee's responsibility to furnish his or her health care provider with the necessary authorization for the disclosure of medical information to the doctor(s) who will provide the second and third opinions. If the employee fails to provide the necessary authorization, the request for leave may be denied, in accordance with applicable law.

8. Designation of Protected Leave

Once the Company has enough information to determine whether the leave is CFRA-qualifying, the Company will inform the employee if leave will be designated as CFRA-protected and, if known at that time, the amount of leave that will be counted against the employee's leave entitlement. If the Company determines that the leave is not protected, the Company will notify the employee.

9. Recertification

The employee taking leave because of his or her own serious medical condition or the serious medical condition of a family member may be required to provide the Company with recertification at appropriate intervals. For purposes of recertification, the employer may request the same information as allowed by law for the original certification. As part of that request, the Company may provide the health care provider with a record of the employee's absence pattern to confirm whether such a pattern is consistent with the need for leave. The employee must provide the requested recertification within 15 calendar days of such a request, unless it is not practicable to do so despite the employee's diligent, good faith efforts.

10. Return to Work Certification

Where the leave is for the employee's own serious health condition, the Company requires employees to provide medical certification that he or she is released to return to work and able to do so. The Company may delay restoring the employee to employment or terminate the employee without such certificate.

11. Leave's Effect on Reinstatement

Employees timely returning from a leave covered under this policy are entitled to reinstatement to the same or equivalent position consistent with applicable law. An employee has no greater right to reinstatement than if he or she had been continuously employed rather than on leave. The Company will comply with all applicable laws pertaining to reinstatement of employees, including where required, the reasonable accommodation of employees who have been on an approved leave.

The Company complies with applicable leave laws. Under the CFRA it is unlawful for any employer to: interfere with, restrain, or deny the exercise of any right provided under the CFRA;

or discharge or discriminate against any person for opposing any practice made unlawful by the CFRA or for involvement in any proceeding under or relating to the CFRA. If an employer has done so, an employee may file a complaint of claimed violations of CFRA with the California Department of Fair Employment and Housing (DFEH), which is authorized to investigate such complaints. For more information, visit the DFEH's website at <http://www.dfeh.ca.gov>.

E. Other Leaves of Absence

The Company also grants eligible employees leaves of absence for military leave, jury or witness duty, certain court appearances, appearances at school or daycare activities, emergency duty as a volunteer firefighter, a reserve peace officer, or emergency rescue personnel, to vote in a statewide election, for bereavement leave, for leave related to domestic violence, crime victims leave, or leave for the donation of an organ or bone marrow. Unless otherwise required by law, employees will not be paid for such leaves of absence.

Employees wishing to take a leave of absence for one of these reasons should refer to the procedures outlined below or contact Jen Hundley.

1. Military Leave of Absence

The Company will grant employees a military leave of absence to the extent required by applicable federal and state law.

2. Military Spouse Leave

Qualified California employees will be given up to 10 days leave during that time in which the employee's spouse or domestic partner is on leave from deployment in a combat zone with the active duty or reserve military or national guard during a period of military conflict. Employees may use accrued vacation or PTO to cover this absence. If the employee has no accrued vacation or PTO, the employee must request time off without pay.

Qualifying employees are employees who work an average of 20 hours per week and have a spouse or domestic partner who is serving as (1) a member of the U.S. Armed Forces and who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States or (2) a member of the Armed Forces Reserve Components or the National Guard and has been deployed during a period of military conflict.

Qualifying employees who wish to request this leave must provide the Company with a written request for such leave within two business days of receiving official notice that the military spouse or domestic partner will be on leave from deployment. The employee must also provide written documentation to the Company certifying that the military member will be on military leave from deployment.

3. Jury and Witness Duty

The Company will provide employees time off to serve, as required by law, on a jury or grand jury if the employee provides reasonable advance notice. The Company will also provide

employees with time off to appear in court or other judicial proceedings as a witness to comply with a valid subpoena or other court order.

Leaves under this section will be unpaid.

However, exempt employees who work any portion of a workweek in which they also serve on jury duty or appear as a witness will receive their full salary for that workweek. Employees may elect to substitute accrued vacation or PTO during any unpaid leave due to jury duty or a witness appearance.

Employees are required to provide reasonable advance notice of the need for jury/witness leave. Employees also are expected to report to work each day or portion of a day they are not performing jury/witness duty.

4. Leave for Educational/Daycare Purposes

Employees will be granted time off without pay for up to 40 hours per calendar year, but no more than eight hours in any calendar month, to:

- participate in the activities of schools or licensed child daycare facilities attended by their children,
- find, enroll, or reenroll their children in a school or with a licensed child care provider, or
- address a child care provider or school emergency (i.e., the school or child care provider requested that the child be picked up, there is a behavioral or discipline problem with the child that needs to be addressed with the school or child-care provider, there is a closure or unexpected unavailability of the school or child-care provider, or that there is a natural disaster, such as an earthquake or fire, requiring that the child be kept home or picked up from the school or child-care provider).

Employees eligible for such leave are parents, step-parents, foster parents, grandparents, guardians or persons who stand *in loco parentis* (in the place of a parent) to a child.

Employees must substitute accrued vacation or PTO for purposes of a planned absence under this Section.

Employees wishing to take time off under this Section must provide their supervisors with reasonable notice of the planned absence. If both parents of a child are employed by the Company at the same worksite, the request for time off under this Section will be granted to the first parent to provide notice of the need for time off. The request from the second parent will be accommodated if possible.

The Company reserves the right to request that the employee furnish written verification from the school or daycare facility as proof that the employee participated in school or daycare

activities on the specific date and at a particular time. Failure to provide written verification is grounds for disciplinary action.

The Company prohibits any discrimination or discharge due to an employee taking time off under this policy.

5. Volunteer Firefighter, Reserve Peace Officer, and Emergency Rescue Personnel

Non-exempt employees will be granted time off without pay to perform emergency duties as a volunteer firefighter, reserve peace officer, or emergency rescue personnel (which includes an officer, employee, or member of a disaster medical response entity sponsored or requested by the State). Such employees also are entitled for leave of up to 14 days per calendar year to attend fire, law enforcement, or emergency rescue training. Exempt employees who work any portion of a workweek in which they also perform such emergency duties or training will receive their full salary for that workweek. Otherwise, exempt employees will be granted time off without pay.

Employees may substitute vacation or PTO pay for any unpaid portion of leave to perform such emergency duties or training.

The Company prohibits discrimination against an employee because he or she takes time off under this policy.

6. Voting Time Off

Employees who do not have sufficient time outside of their regular working hours to vote in a statewide election may request time off to vote. If possible, employees should make their request at least two days in advance of the election. Up to two hours of paid time off will be provided, at the beginning or end of the employee's regular shift, whichever will allow the most free time for voting and the least time off work.

7. Bereavement Leave

Employees will be allowed up to 3 consecutive working days off to arrange and attend the funeral of an immediate family member. For purposes of this policy an employee's immediate family is defined to include the employee's current spouse, domestic partner, father, mother, sister, brother, children, current parent in-law, grandparents, and grandchildren. Regular full-time employees will be paid their regular base rate of pay for each day of absence.

If an employee requires more than three days off for bereavement leave, the employee may request additional unpaid leave or may request the opportunity to use any accrued vacation PTO.

8. Leave Related to Domestic Violence, Sexual Assault or Stalking

The Company will provide time off to an employee who has been the victim of domestic violence, sexual assault or stalking to seek any relief, including, but not limited to, a temporary

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restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or his or her child. This includes time off for court proceedings, services from a domestic violence shelter, program or rape crisis center, counseling, medical attention, and participation in safety planning programs. The Company requires reasonable advance notice of the leave when feasible. If time off is taken due to an emergency, the employee must, within 15 days of the absence, provide the Company with certification of the need for the leave such as a police report, court order, documentation from a healthcare provider, victims advocate, or counselor.

Employees eligible for paid sick leave benefits under California law may take any such available paid time off, consistent with such law, for the purposes set forth in this policy. For more information, please see the “Sick Leave” policy. In the event paid sick leave benefits are not available, employees taking leave under this policy may elect to apply accrued and unused vacation or PTO to such time.

Also, the Company will provide a reasonable accommodation for an employee who is a victim of domestic violence, sexual assault, or stalking, and who has disclosed that status to the Company, if the employee requests an accommodation for his or her safety while at work. Such accommodations may include a transfer, reassignment, modified schedule, changed work telephone or work station, installed lock, assistance in documenting domestic violence, sexual assault, or stalking that occurs in the workplace, an implemented safety procedure, or another adjustment to a job structure, workplace facility, or work requirement in response to domestic violence, sexual assault, or stalking, or referral to a victim assistance organization. The Company will engage, in good faith, in a timely and interactive process with the employee to determine an effective reasonable accommodation, and the Company may request that the employee provide (i) a written statement, signed by the employee or someone acting on his or her behalf, certifying that the accommodation is for the purpose stated above, and (ii) a certification demonstrating the employee’s status as a victim of domestic violence, sexual assault, or stalking. Every six (6) months after the date of the previous certification, the Company may request recertification of such status. The Company will maintain certifications as confidential if it identifies the employee as a victim of domestic violence, sexual assault, or stalking, and will disclose such information only as required by law, or as necessary to protect the employee’s workplace safety. The Company will notify the employee before such disclosure.

The Company prohibits discrimination, discharge, or retaliation against an employee for taking time off or requesting an accommodation under this policy, or based on the employee’s status as a victim of domestic violence, sexual assault, and/or stalking.

9. Crime Victims’ Leave

The Company will provide time off to an employee to attend judicial proceedings related to a crime, if that employee is a victim of crime, an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim. The Company requires that where feasible, in advance of taking leave, the employee provide it with a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice. If advance notice is not possible, the employee is required to provide the Company with a copy of the notice within a reasonable time.

No employee who is absent from work pursuant to this provision will be discharged or otherwise discriminated against in compensation or other terms, conditions or privileges of employment, because of such absence. Such leave is unpaid. Employees taking leave under this policy may elect to apply vacation or PTO time to such leave.

10. Leave for Organ and Bone Marrow Donation

The Company will grant an employee the following paid leaves of absence for the purpose of organ or bone marrow donation:

- A leave of absence of up to 5 days in any one-year period for the purpose of donating the employee's bone marrow to another person.
- A leave of absence of up to 30 days in any one-year period for the purpose of the employee donating his or her organ to another person.

A leave of absence for the purpose of organ or bone marrow donation will be provided with pay, however, if an employee has earned and unused sick or vacation or PTO available, the employee is required to first use up to 5 days of paid sick or vacation or PTO for a bone marrow donation and up to 2 weeks of sick or vacation or PTO for organ donation.

In order to receive a leave of absence pursuant to this policy, the employee must provide written verification to Jen Hundley that he or she is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

Any leave taken for the donation of an organ or bone marrow will not constitute a break in service for purposes of the employee's right to salary adjustments, sick leave, vacation or PTO accrual, annual leave, or seniority. During any leave taken under this policy, the Company will maintain and pay for coverage under any group health plan, for the full duration of this leave.

Leave provided under this policy may be taken in one or more periods.

Upon expiration of a leave of absence authorized by this policy, the Company will restore the employee to the position held by the employee when the leave began or to a position with equivalent seniority status, employee benefits, pay, and other terms and conditions of employment. The Company may decline to restore an employee because of reasons unrelated to the exercise of rights under this policy by the employee.

OPEN DOOR POLICY

We hope that your employment with us will be problem-free. Nevertheless, we know that misunderstandings and problems may occur. We encourage an open-door policy. Employees who have job-related concerns or complaints are encouraged to bring the matter to the attention of their supervisor or any other management representative as soon as possible. Nearly all problems and questions can be resolved simply and fairly or avoided entirely if we learn of them promptly. It is our objective to improve the work environment for all employees and count on our employees to communicate with us in this regard.

SOLICITATION, DISTRIBUTION, AND BULLETIN BOARDS

Employees may engage in solicitation on Company premises only during their non-working time. Non-working time means time during meals or breaks and before or after work.

Employees may distribute or circulate non-Company written materials only during non-working time and only in non-work areas. If an employee is not certain whether an area is a work or non-work area, he or she should consult his or her immediate supervisor for clarification.

Solicitation or distribution in any way connected with the sale of any goods or services for profit is strictly prohibited anywhere on Company property at any time. Similarly, solicitation or distribution of literature for any purpose by non-employees is strictly prohibited on Company property at any time.

The Company has bulletin boards located throughout the facility for the purpose of communicating with employees. Postings on these boards are limited to Company-related material including statutory and legal notices, safety and disciplinary rules. Company policies, memos of general interest relating to the Company, local operating rules, and other items. All postings require the prior approval of Management. No postings will be permitted for any other purpose.

TECHNOLOGY USE AND PRIVACY POLICY

Commented [RB5]: Optional if not applicable

The Company provides various Technology Resources to authorized employees to assist them in performing their job duties for the Company. Each employee has a responsibility to use the Company's Technology Resources in a manner that increases productivity, enhances the Company's public image, and is respectful of other employees. Access to the Company's Technology Resources is within the sole discretion of the Company. Failure to comply with the Company's policies regarding Technology Resources may leave to disciplinary measures, up to and including the termination of employment.

A. Technology Resources

Technology Resources consist of all electronic media and storage devices, software, and means of electronic communication, including any of the following: personal computers and workstations; laptop computers; mini and mainframe computers; tablets; computer hardware such as disk drives, tape drives, external hard drives and flash/thumb drives; peripheral equipment such as printers, modems, fax machines, and copiers; computer software applications and associated files and data, including software that grants access to external services, such as the Internet or cloud storage accounts; electronic mail; telephones; mobile phones; personal organizers and other handheld devices; pagers; voicemail systems; and instant messaging systems.

B. Use of Technology Resources

Employees may use the Company's Technology Resources for the following incidental personal uses so long as such use does not interfere with the employee's duties, is not done for

monetary gain, does not conflict with the Company's business, and does not violate any Company policy:

- To send and receive necessary and occasional personal communications;
- To prepare and store incidental personal data (such as personal calendars, personal address lists, and similar incidental personal data) in a reasonable manner;
- To use the telephone system for brief and necessary personal calls; and
- To access the Internet for brief personal searches and inquiries during meal times or other breaks, or outside of work hours, provided that employees adhere to all other usage policies.

The Company assumes no liability for loss, damage, destruction, alteration, disclosure, or misuse of any personal data or communications transmitted over or stored on the Company's Technology Resources. The Company accepts no responsibility or liability for the loss or non-delivery of any personal electronic mail or voice mail communications or any personal data stored on any Company property. The Company strongly discourages employees from storing any personal data on any of the Company's Technology Resources.

C. Improper Use

1. Prohibition Against Harassing, Discriminatory and Defamatory Use

The Company is aware that employees use electronic mail for correspondence that is less formal than written memoranda. Employees must take care not to let informality degenerate into improper use. As set forth more fully in the Company's policy against harassment, the Company does not tolerate discrimination or harassment based on race, color, religion (including religious dress and religious grooming), sex (including pregnancy, perceived pregnancy, child birth, breast feeding or related medical conditions), gender identity, gender expression, marital status, domestic partner status, sexual orientation, national origin, ancestry, citizenship, age, physical or mental disability, legally protected medical condition or information, genetic information, family care status, military caregiver status, veteran's status, political affiliation, or any other basis protected by local, state or federal laws. Under no circumstances may employees use the Company's Technology Resources to transmit, receive or store any information that is discriminatory, harassing, or defamatory in any way (for example, sexually-explicit or racial messages, jokes, and cartoons).

2. Prohibition Against Violating Copyright Laws

Employees must not use the Company's Technology Resources to copy, retrieve, forward, or send copyrighted materials unless the employee has the author's permission or is accessing a single copy only for the employee's reference.

3. Other Prohibited Uses

Employees may not use any of the Company's Technology Resources for any illegal purpose, violation of any Company policy, in a manner contrary to the best interests of the Company in any way that discloses confidential or proprietary information of the Company or third parties, or for personal or monetary gain.

D. Company Access to Technology Resources

All messages sent and received, including personal messages, and all data and information stored on the Company's electronic mail system, voice mail system, phone and text messaging system, or computer systems are the Company's property regardless of the content. As such, the Company reserves the right to access all of its Technology Resources, including its computers, voice mail and electronic mail systems, at any time, in its sole discretion, without prior notice to the employee. Use of the Company's Technology Resources will be viewed as implied consent by the employee for the Company to access this information. An employee's refusal to consent to a third-party service provider's disclosure of this information to the Company will result in discipline up to and including termination.

1. Privacy

Although the Company does not wish to examine personal information of its employees, on occasion, the Company may need to access its Technology Resources including computer files, electronic mail messages, text messages and voice mail messages. Employees should understand, therefore, that they have no right to privacy with respect to any messages or information created or maintained on the Company's Technology Resources, including personal information or messages. The Company may, at its discretion, inspect all files or messages on its Technology Resources at any time for any reason. The Company may also monitor its Technology Resources at any time in order to determine compliance with its policies, for purposes of legal proceedings, to investigate misconduct, to locate information, or for any other business purpose. Thus, you should not use the Company's Technology Resources for communications that you wish to keep private. For example, you should not communicate with a physician or personal attorney using the Company's Technology Resources.

2. Passwords

Certain of the Company's Technology Resources may be accessed only by entering the password. Passwords are intended to prevent unauthorized access to information. Passwords do not confer any right of privacy upon any employee of the Company. Thus, even though employees may maintain passwords for accessing Technology Resources, employees must not expect that any information maintained on Technology Resources, including electronic mail and voice mail messages, is private. Employees are expected to maintain their passwords as confidential. Employees must not share passwords and must not access coworkers' systems without express authorization from the Company.

3. Data Collection

The best way to guarantee the privacy of personal information is not to store or transmit it on the Company's Technology Resources. To assure that employees understand the extent to which information is collected and stored, below are examples of information currently maintained by the Company. The Company may however, in its sole discretion, and at any time, alter the amount and type of information that it retains.

4. Telephone use and voice mail

Records are kept of all calls and text messages made from and to a given telephone extension. Although voice mail is password protected, an authorized administrator can reset the password and listen to voice mail messages.

5. Electronic mail

Electronic mail is backed up and archived. Although electronic mail is password protected, an authorized administrator can reset the password and read electronic mail.

6. Facsimile use

Copies of all facsimile transmissions sent and received are maintained in the facsimile server.

7. Document use

Each document stored on the Company's computers has a history, which shows which users have accessed the document for any purpose.

8. Internet use

Internet sites visited, the number of times visited and the total time connected to each site is recorded and periodically monitored.

9. Deleted Information

Deleting or erasing information, documents, or messages maintained on the Company's Technology Resources is, in most cases, ineffective. All employees should understand that any information kept on the Company's Technology Resources may be electronically recalled or recreated regardless of whether it may have been "deleted" or "erased" by an employee. Because the Company periodically backs up all files and messages and because of the way in which computers reuse file storage space, files and messages may exist that are thought to have been deleted or erased. Therefore, employees who delete or erase information or messages should not assume that such information or messages are confidential.

E. The Internet and On-line Services

The Company provides authorized employees access to on-line services such as the Internet. The Company expects that employees will use these services in a responsible way and for business-related purposes only. Under no circumstances are employees permitted to use the Company's Technology Resources to access, download or contribute to the following:

- Gross, indecent or sexually-oriented material;
- Sports sites;
- Job search sites;
- Entertainment sites;
- Gambling sites;
- Games, humor;
- Illegal drug-oriented sites; and
- Personal pages of individuals.

Additionally, employees must not sign "guest books" at websites or post messages to Internet news groups or discussion groups at websites. These actions will generate junk electronic mail, and may expose the Company to liability or unwanted attention because of comments that employees may make. The Company strongly encourages employees who wish to access the Internet for non-work-related activities to get their own personal Internet access accounts.

F. Confidentiality

Some of the information to which the Company has access is confidential. Employees should avoid sending confidential information over the Internet, except when absolutely necessary. Employees also should verify electronic mail addresses before transmitting any messages.

THE COMPANY MONITORS BOTH THE AMOUNT OF TIME SPENT USING ON-LINE SERVICES AND THE SITES VISITED BY INDIVIDUAL EMPLOYEES.

The Company reserves the right to limit such access by any means available to it, including revoking access all together.

G. Software Use - License Restrictions

All software in use on the Company's Technology Resources is officially licensed software. No software is to be installed or used that has not been duly paid for and licensed appropriately for the use to which it is being put. No employee may load any software on the

Company's computers, by any means of transmission, unless authorized in writing in advance by the Company.

H. Confidential Information

The Company is very sensitive to the issue of protection of trade secrets and other confidential and proprietary information of both the Company and third parties ("Confidential Information"). Therefore, employees are expected to use good judgment and to adhere to the highest ethical standards when using or transmitting Confidential Information on the Company's Technology Resources.

Confidential Information should not be accessed through the Company's Technology Resources in the presence of unauthorized individuals. Similarly, Confidential Information should not be left visible or unattended. Moreover, any Confidential Information transmitted via Company Technology Resources should be marked with the following confidentiality legend:

"This message contains confidential information. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use or distribute this information. If you have received this message in error, please advise _____ immediately at (____) ____ - _____ or return it promptly by mail."

COMPANY PROPERTY: CONFIDENTIAL AND PROPRIETARY INFORMATION

The security of Company property is of vital importance to the Company. Company property includes not only tangible property, like desks and computers, but also intangible property such as information. All employees share responsibility to ensure that proper security is maintained at all times.

A. Proprietary and Confidential Information

Proprietary information includes all information relating in any manner to the business of the Company and its affiliates, consultants, customers, clients, and business associates produced or obtained by Company employees during the course of their work. This Handbook, for Example, contains proprietary information. All proprietary information that is not known generally to the public or the industry, or is known only through improper means, is confidential information. Customer lists, customer files, personnel files, computer records, financial and marketing data, compensation information, process descriptions, research plans, formulas, electronic codes, computer programs, and trade secrets are examples of confidential information.

Given the nature of the Company's business, protecting proprietary and confidential information is of vital concern to the Company. This information is one of the most important assets of the company. It enhances the Company's opportunities for future growth, and indirectly adds to the job security of all employees.

Employees must not use or disclose any proprietary or confidential information that they produce or obtain during employment with the Company, except to the extent such use or disclosure is required by their jobs. This obligation remains even after an employee's employment relationship with the Company ends.

B. Personnel Files and Payroll Records

The Company maintains a personnel file for each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records.

Personnel files are the property of the Company, and access to the information contained is restricted. Generally, only supervisors and management personnel of the Company who have a legitimate reason to review information in a file are allowed to do so.

Employees have the right to inspect their personnel files at reasonable times and on reasonable notice. In addition, upon a written request from an employee or their representative, the Company will provide copies of the personnel files at a charge not to exceed the actual cost of reproduction.

Employees also have the right to inspect and copy certain company payroll records regarding their compensation and deductions from their compensation, upon reasonable request to the company. Employees wishing to review or copy payroll records must notify Jen Hundley. Any other request will be considered invalid.

Employees who wish to review their own file or review or copy payroll records should contact Jen Hundley. With reasonable advance notice, employees may review their own personnel files in the Company's offices and in the presence of an individual appointed by the Company to maintain the files.

C. Obligations on Termination

On termination of employment, whether voluntary or involuntary, all Company documents, computer records, and other tangible Company property in the employee's possession or control must be returned to the Company.

D. Security

Employees are expected to keep proprietary and confidential information secure from outside visitors and all other persons who do not have legitimate reason to see or use such information. Employees are not to remove Company property without authorization. In addition, employees are expected to comply with Company policies regarding the authorized and secure use of the Company's computer technology, as described in the Company's Security Regulations and in the Technology Use and Privacy guideline of this Handbook. Failure to adhere to Company policies regarding proprietary and confidential information will be considered grounds for discipline, up to and including dismissal.

HEALTH AND SAFETY

We will do all in our power to ensure your well-being and safety whilst at work. If you become aware of any potential hazard or unsafe working conditions, you should have no hesitation raising them with management.

You are required to take all reasonable steps to safeguard your health and safety, and that of any other person who may be affected by your actions, and to observe at all times published safety and fire rules and procedures. You must report to management all accidents, no matter how small.

POLICY CONCERNING WORKPLACE VIOLENCE

A. Statement of Policy

The Company recognizes that workplace violence is a concern among employers and employees across the country. The Company is committed to providing a safe, violence-free workplace. In this regard, the Company strictly prohibits employees, consultants, customers, visitors, or anyone else on Company premises or engaging in a Company-related activity from behaving in a violent or threatening manner. Moreover, as part of this policy, the Company seeks to prevent workplace violence before it begins and reserves the right to deal with behavior that suggests a propensity towards violence even prior to any violent behavior occurring.

B. Workplace Violence Defined

Workplace violence includes, but is not limited to, the following:

- Threats of any kind;
- Threatening, physically aggressive, or violent behavior, such as intimidation of or attempts to instill fear in others;
- Other behavior that suggests a propensity towards violence, which can include belligerent speech, excessive arguing or swearing, sabotage, or threats of Company property, or a demonstrated pattern of refusal to follow Company policies and procedures;
- Defacing Company property or causing physical damage to the facilities; or
- With the exception of security personnel, bringing weapons or firearms of any kind on Company premises, in Company parking lots, or while conducting Company business.

C. Reporting

If any employee observes or becomes aware of any kind of the above-listed actions or behavior by an employee, customer, consultant, visitor, or anyone else, he or she should notify Jen Hundley immediately.

Further, employees should notify Jen Hundley if any restraining order is in effect, or if a potentially violent non-work-related situation exists that could result in violence in the workplace.

D. Investigation

All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. In appropriate circumstances, the Company will inform the reporting individual of the results of the investigation. To the extent possible, the Company maintain the confidentiality of the reporting employee and of the investigation, but may need to disclose results in appropriate circumstances, for example, in order to protect individual safety. The Company will not tolerate retaliation against any employee who reports workplace violence.

E. Corrective Action and Discipline

If the Company determines that the workplace violence has occurred, the Company will take appropriate corrective action and will impose discipline on offending employees. The appropriate discipline will depend on the particular facts but may include written or oral warnings, probation, reassignment of responsibilities, suspension, or termination. If the violent behavior is that of a non-employee, the Company will take appropriate corrective action in an attempt to ensure that such behavior is not repeated.

Under certain circumstances, the Company may forego disciplinary action on the condition that the employee takes a medical leave of absence. In addition, the Company may request that the employee participate in counseling, either voluntarily or as a condition of continued employment.

TERMINATION, DISCIPLINE, AND RULES OF CONDUCT

A. Termination

1. Voluntary Termination

The Company will consider an employee to have voluntarily terminated his or her employment if an employee does any of the following:

- Elects to resign from the Company;
- Fails to return from an approved leave of absence on the date specified by the Company; or
- Fails to report to work without notice to the Company for three consecutive days.

2. Involuntary Termination

An employee may be terminated involuntarily for reasons that may include poor performance, poor attendance, tardiness, misconduct, or other violations of the Company's rules of conduct as set forth below.

3. Termination Due to Reorganizations, Economics, or Lack of Work

From time to time, the Company may need to terminate an employee as a consequence of reorganizations, job eliminations, economic downturns in business, or lack of work. Should the Company consider such terminations necessary, the Company will attempt to provide all affected employees with advance notice when practical.

B. Discipline and Rules of Conduct

Employees are expected to observe certain standards of job performance and good conduct. When performance or conduct does not meet Company standards, the Company will endeavor, when it deems appropriate, to provide the employee a reasonable opportunity to correct the deficiency. If, however, the employee fails to make the correction, he or she will be subject to discipline up to and including termination.

The rules set forth below are intended to provide employees with fair notice of what is expected of them. Necessarily, however, such rules cannot identify every type of unacceptable conduct and performance. Therefore, employees should be aware that conduct not specifically listed below but which adversely affects or is otherwise detrimental to the interests of the Company, other employees, or customers, may also result in disciplinary action.

1. Job Performance

Employees may be disciplined for poor job performance, including but not limited to the following:

- Unsatisfactory work quality or quantity;
- Poor attitude (for example, rudeness or lack of cooperation);
- Excessive absenteeism, tardiness, or abuse of break and meal privileges;
- Failure to follow instructions or Company procedures; or
- Failure to follow established safety regulations.

2. Misconduct

Employees may be disciplined for misconduct, including but not limited to the following:

- Insubordination;
- Dishonesty;
- Theft;
- Discourtesy;

- Misusing or destroying Company property or misusing or destroying the property of another while on Company premises;
- Violating conflict of interest rules;
- Disclosing or using confidential or proprietary information without authorization;
- Falsifying or altering Company records, including an application for employment and/or a timecard;
- Interfering with the work performance of others;
- Altercations;
- Harassing, including sexually harassing, employees, vendors, or clients;
- Being under the influence of, manufacturing, dispensing, distributing, using, or possessing alcohol or controlled substances on Company property or while conducting Company business;
- Gambling on Company premises or while conducting Company business;
- Sleeping on the job or leaving the job without authorization;
- Possessing a firearm or other dangerous weapon on Company property or while conducting Company business;
- Being convicted of a crime that indicates unfitness for the job or raises a threat to the safety or well-being of the Company, its employees, customers, or property;
- Failing to report to the Company, within five days, any conviction under any criminal drug statute for a violation occurring in the workplace.

3. Attendance

In addition to the general rules stated above, employees may be disciplined for failing to observe the following specific requirements relating to attendance:

- Reporting to work on time, observing the rules for rest and meal periods, and obtaining approval to leave work early; and
- Notifying the supervisor in advance of anticipated tardiness or absence.

4. Dress and Grooming

The Company considers the presentation of the company image to its clients, vendors, and the public at large to be extremely important.

All Company employees are expected to present a professional, businesslike image to clients, visitors, customers and the public. Accordingly, the Company expects all its employees to dress in a manner consistent with good hygiene, safety, and good taste. During regular working hours, employees are not permitted to wear ripped, frayed, or disheveled clothing or athletic wear. Likewise, tight, revealing, or otherwise workplace-inappropriate dress is not permitted. Any employee who needs a medical or religious accommodation to the Company's dress and grooming standards should contact Jen Hundley.

5. Discipline Procedure

Except as set forth below, discharge or demotion for poor performance ordinarily will be preceded by an oral warning and a written warning.

The Company reserves the right to proceed directly to a written warning, demotion, or termination for misconduct or performance deficiency, without resort to prior disciplinary steps, when the Company deems such action appropriate.

6. Exit Interview

Employees who leave the Company for any reason may be asked to participate in an exit interview. This interview is intended to permit terminating employees the opportunity to communicate their views regarding their work with the Company, including job duties, job training, job supervision, and job benefits. At the time of the interview, employees are expected to return all the Company furnished property, such as uniforms, tools, equipment, ID cards, keys, credit cards, documents and handbooks. Arrangements for clearing any outstanding debts with the Company and for receiving final pay also will be made at this time.

NOTHING IN THIS HANDBOOK IS INTENDED TO ALTER THE AT WILL STATUS OF YOUR EMPLOYMENT WITH THE COMPANY.

CONFLICT OF INTEREST POLICY

The Company's success depends on the hard work, dedication, and integrity of everyone who works here. The Company expects all employees to devote their energies and loyalties to the Company. All employees must avoid situations involving actual conflict of interest. Personal or romantic involvement with a competitor, supplier, or subordinate employee of the Company that impairs an employee's ability to exercise good judgment on behalf of the Company can create a conflict of interest.

Although the Company cannot list every activity or relationship that would create either an actual or potential conflict of interest, examples of activities that violate this policy include the following:

- Working for a competitor, customer, or vendor as a part-time employee, full-time employee, consultant, independent contractor, or in any other capacity;

- Owning an interest in a competitor, customer, vendor, or anyone else who seeks to do business with the Company;
- Engaging in a supervisor-subordinate romantic or personal relationship;
- Using the resources of the Company for personal gain; or
- Using your position in the Company for personal gain.

An employee involved in any of the types of relationships or situations described in this policy should immediately and fully disclose the relevant circumstances to his or her immediate supervisor, or any Company manager, for a determination about whether an actual conflict exists. If an actual conflict is determined, the Company may take whatever corrective action is deemed appropriate according to the circumstances. An employee's failure to disclose relevant facts shall constitute grounds for disciplinary action.

Employees who violate this policy face disciplinary action, up to and including termination. If you are unsure about whether an activity might violate this policy, or if you have any questions at all about this policy, please talk to Jen Hundley.

SMOKE FREE WORKPLACE

The Company asks that employees conduct themselves with reasonable and proper regard for the welfare and rights of other employees and clients. This concern is significantly felt by all personnel with regard to office smoking. California law and Company policy prohibits smoking in all work areas.

DRUG-FREE WORKPLACE

A. Purpose of Policy

Drug and alcohol abuse contributes to billions of dollars of lost productivity and thousands of work place injuries every year. The Company takes drug and alcohol abuse as a serious matter and will not tolerate it. It is the intent of the Company to establish a policy and to secure a safe, healthy work environment free of drugs and alcohol. The goals of this policy would be severely compromised by drug or alcohol abuse in the workplace. Accordingly, the Company has adopted a strict policy regarding the inappropriate use or possession of drugs or alcohol.

B. Definitions

For purposes of this Policy:

“Illegal drugs or other controlled substances” means any drug or substance that (a) is not legally obtainable; or (b) is legally obtainable but has not been legally obtained; or (c) has been legally obtained but is being sold or distributed unlawfully.

“Legal drug” means any drug, including any prescription drug or over-the-counter drug, that has been legally obtained and that is not unlawfully sold or distributed.

“Abuse of any legal drug” means the use of any legal drug (a) for any purpose other than the purpose for which it was prescribed or manufactured; or (b) in a quantity, frequency, or manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.

“Reasonable suspicion” includes a suspicion that is based on specific personal observations such as an employee’s manner, disposition, muscular movement, appearance, behavior, speech or breath odor; information provided to management by an employee, by law enforcement officials, by a security service, or by other persons believed to be reliable; or a suspicion that is based on other surrounding circumstances.

“Possession” means that an employee has the substance on his or her person or otherwise under his or her control.

C. Prohibited Conduct

1. Scope

The prohibitions of this section apply whenever the interests of the Company may be adversely affected, including any time the employee is:

- On Company premises;
- Conducting or performing Company business, regardless of location;
- Operating or responsible for the operation, custody, or care of Company equipment or other property; or
- Responsible for the safety of others in connection with, or while performing, Company-related business.

2. Alcohol

The following acts are prohibited and subject an employee to discharge:

- The unauthorized use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of alcohol; or
- Being under the influence of alcohol.

3. Illegal Drugs

The following acts are prohibited and subject an employee to discharge:

- The use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of any illegal drug or other controlled substance; or
- Being under the influence of any illegal drug or other controlled substance.

4. Legal Drugs

The following acts are prohibited and subject employee to discharge:

- The abuse of any legal drug;
- The purchase, sale, manufacture, distribution, transportation, dispensation, or possession of any legal prescription drug in a manner inconsistent with law; or
- Working while impaired by the use of a legal drug whenever such impairment might:
 - Endanger the safety of the employee or some other person;
 - Pose a risk of significant damage to Company property or equipment; or
 - Substantially interfere with the employee's job performance or efficient operation of the Company's business or equipment.

D. Use of Legal Drugs

The Company recognizes that employees may, from time to time, be prescribed legal drugs that, when taken as prescribed or according to the manufacturer's instructions, may result in impairment. Employees may not work while impaired by the use of legal drugs if the impairment might endanger the employee or someone else, pose a risk of significant damage to Company property, or substantially interfere with the employee's job performance. If an employee is so impaired by the appropriate use of legal drugs, he or she may not report to work. To accommodate the absence, the employee may use accrued sick leave, vacation, or PTO. The employee may also contact Jen Hundley to determine whether or not he or she qualifies for an unpaid leave of absence. Nothing in this Policy is intended to sanction the use of accrued sick leave, vacation, or PTO to accommodate absences due to the abuse of legal drugs.

E. Effect of Criminal Conviction

An employee who is convicted under a criminal drug statute for a violation occurring in the workplace or during any Company-related activity or event will be deemed to have violated this Policy. Employees must notify the Company of any conviction under a criminal drug statute for a violation occurring in the workplace or during any Company-related activity or event. Employees must notify the Company within five days after any such conviction.

F. Confidentiality

Disclosures made by employees to the Company concerning their use of legal drugs will be treated confidentially and will not be revealed to managers or supervisors unless there is an important work-related reason to do so in order to determine whether it is advisable for the employee to continue working. Disclosures made by Employees to the Company concerning their participation in any drug or alcohol rehabilitation program will be treated confidentially.

G. Counseling/Employee Assistance

Employees who suspect they may have alcohol or drug problems, even in the early stages, are encouraged voluntarily to seek diagnosis and to follow through with the treatment as prescribed by qualified professionals. Employees who wish to voluntarily enter and participate in an approved alcohol or drug rehabilitation program are encouraged to contact Jen Hundley who will determine whether the Company can accommodate the employee by providing unpaid leave for the time necessary to complete participation in the program. Employees should be aware that participation in a rehabilitation program will not necessarily shield them from disciplinary action for a violation of this Policy, particularly if discipline is imposed for a violation occurring before the employee seeks assistance.

H. Testing for Drugs or Alcohol

To facilitate the enforcement of the anti-drug policy, the Company may require or request employees to submit to drug or substance abuse testing under certain circumstances.

1. Pre-employment

All applicants must pass a drug test before beginning work or receiving an offer of employment. Refusal to submit to testing will result in disqualification of further employment consideration.

Commented [RB6]: Optional

2. Reasonable suspicion

Employees are subject to testing based on (but not limited to) observations by the supervision of apparent workplace use, possession or impairment. Jen Hundley should be consulted before sending an employee for testing. All levels of supervision making this decision must use the Observation Checklist, available from Jen Hundley

, to document specific observations and behaviors that create a reasonable suspicion that the person is under the influence of illegal drugs or alcohol. If the results of the Observation Checklist indicate further action is justified, Jen Hundley will confront the employee. Under no circumstances will the employee be allowed to drive himself or herself to the testing facility. A member of management must escort the employee; the manager will make arrangements for the employee to be transported home.

3. Post-accident

Employees will subject to post-accident testing when the following conditions occur:

- When they cause or contribute to accidents that seriously damage a Company vehicle, machinery, equipment or property or result in an injury to themselves or another employee requiring offsite medical attention; AND
- When the circumstances lead to a reasonable suspicion that employee drug or alcohol use was a contributing factor to the incident. A circumstance that constitutes probable belief will be presumed to arise in any instance involving a

work-related accident or injury in which an employee who was operating a motorized vehicle (including a Company forklift, pickup truck, overhead cranes and aerial/man-lifts) and is found to be responsible for causing the accident. In any of these instances, the investigation and subsequent testing must take place within two hours following the accident, if not sooner. Testing will be limited to drugs that could have contributed to the accident. Under no circumstances will the employee be allowed to drive himself or herself to the testing facility.

Post-accident testing will be limited to drug testing methods measuring only recent drug or alcohol use, and only test results from the date of the incident will be considered by Company in evaluating the appropriate follow up.

4. Follow-up

Employees who have tested positive, or otherwise violated this policy, are subject to discipline, up to and including discharge. Depending on the circumstances and the employee's work history/record, Company may offer an employee who violates this policy or tests positive the opportunity to return to work on a last-chance basis pursuant to mutually agreeable terms, which could include follow-up drug testing at times and frequencies determined by Company for a minimum of one year but not more than two years as well as a waiver of the right to contest any termination resulting from a subsequent positive test. If the employee either does not complete the rehabilitation program or tests positive after completing the rehabilitation program, the employee will be subject to immediate discharge from employment.

Any drug or alcohol screening will be conducted by a professional medical staff and laboratory. The testing will be conducted, without cost to the employee, while the employee is "on the clock." Transportation will be provided to and from the medical facility. After the test, the employee will be placed on an immediate suspension from work until the results are obtained. If the employee tests positive, the employee will be subject to discipline, including possible immediate termination. The failure of any employee to consent to testing when requested to do so will be considered insubordination and will result in discipline, possibly including immediate discharge.

NOTE: Pursuant to this policy, you will be asked to sign a CONSENT TO DRUG AND ALCOHOL TESTING in connection with your employment. A copy is attached.

I. Disciplinary Action

Violation of any part of this policy will result in disciplinary action, up to and including termination, even for a first offense, and, if appropriate, referral for prosecution by local, state, or federal law enforcement agencies. An employee convicted of violating a criminal drug statute based on conduct that occurred on Company premises or during working hours must notify Jen Hundley within five days of the conviction.

INSPECTIONS ON COMPANY PREMISES

A. Purpose of the Policy

The Company believes that maintaining a workplace that is free of drugs, alcohol, and other harmful materials is vital to the health and safety of its employees and to the success of the Company's business. The Company also intends to protect against the unauthorized removal of Company property. In addition, the Company intends to assure its access at all times to Company premises and Company property, equipment, information, records, documents, and files. Accordingly, the Company has established this Policy concerning inspections and searches on Company premises. This Policy applies to all employees of the Company.

B. Definitions

For purposes of this Policy:

"Prohibited materials" means firearms or other weapons; explosives and/or hazardous materials or articles; illegal drugs or other controlled substances; drug-related paraphernalia; alcoholic beverages; Company property, and/or proprietary and confidential information belonging to a third party that an employee is not authorized to have in his or her possession.

"Company property" includes all documents, records, software, electronic codes, data, and files relating to the Company's business; and all equipment, hardware, and other property of any kind, whether owned, leased, rented, or used by the Company.

"Company premises" includes all premises and locations owned or leased by the Company or under the control of the Company, including parking lots, lockers, and storage areas.

"Reasonable suspicion" includes a suspicion that is based on specific personal observations such as an employee's manner, disposition, muscular movement, appearance, behavior, speech or breath odor; information provided to management by an employee, by law enforcement officials, by a security service, or by other persons believed to be reliable; or a suspicion that is based on other surrounding circumstances.

"Possession" means that an employee has the substance or Company property on his or her person or otherwise under his or her control.

C. Inspections and Searches

1. Access to Company Property

In order to assure access at all times to Company property, and because employees properly in possession of Company property or information related to Company business may not always be available to produce the property or information when needed in the ordinary course of the Company's business, the Company reserves the right to conduct a routine inspection or search at any time for Company property on Company premises. In addition, the Company reserves the right to access at all times information and communications stored in

Company computer files, on Company disk-drives, and in employee voicemail boxes and electronic-mail systems.

Routine searches or inspections for Company property may include an employee's office, desk, file cabinet, closet, computer files, voice mail, electronic mail, or similar places where employees may store Company property or company-related information, whether or not the places are locked or protected by access codes and/or passwords.

Because even a routine search for Company property might result in the discovery of an employee's personal possessions, all employees are encouraged to refrain from bringing into the workplace any item of personal property that they do not wish to reveal to the Company.

2. Inspections and Searches for Prohibited Materials.

Inspections or searches for prohibited materials in or on Company premises also will be conducted whenever the Company has reasonable suspicion to believe that a particular employee or group of employees may be in possession of materials in violation of this Policy.

Inspections or searches for prohibited materials may be conducted by an independent security service or by Company personnel.

Inspections or searches for prohibited materials may include an employee's office, desk, file cabinet, closet, computer, or similar places where employees may place personal possessions or information, whether or not the places are locked or password protected. Inspections or searches for prohibited materials also may include an employee's locker, or an employee's pockets, purse, briefcase, lunch box, or other item of personal property that is being worn or carried by the Employee while on Company premises.

Employees who refuse to cooperate during an inspection or search will not be forcibly detained or searched. They will be informed, however, that the Company will base any disciplinary decision on the information that is available, including their refusal to consent to the search as well as the information that gave rise to a reasonable suspicion that the employees were in possession of prohibited materials, if applicable, and that their failure or refusal to cooperate could deprive the Company of information that may clear them of suspicion. In addition, the Company reserves the right to take appropriate action to prevent the unauthorized removal from Company premises of Company property.

D. Disciplinary Action

Employees who are found to be in possession of prohibited materials in violation of this Policy and/or in violation of the Company Property; Proprietary and Confidential Information Policy, the Technology Use and Privacy Policy, and the Drug-Free Workplace Policy, or employees who are found to have used Company property in an unauthorized manner, will be subject to discipline, up to and including discharge, regardless of the Company's reason for conducting the search or inspection.

E. Confidentiality

Managers will make their best effort to restrict communications concerning a violation or possible violation of this Policy to persons who have an important work-related reason to know.

CONFIDENTIALITY AND PROPRIETARY INFORMATION AGREEMENT

Employee understands that, by virtue of his/her employment with the Company, Employee may acquire and be exposed to proprietary and other confidential information of the Company and/or its clients. The term “proprietary/confidential information” includes all ideas, information and materials, tangible or intangible, that are not generally known to the public and that relate, in any manner, to the business of the Company, its personnel, its clients and all others with whom it does business, that Employee learns about or acquires during his/her employment with the Company. Employee agrees to hold in trust and in confidence all proprietary/confidential information during Employee’s employment with the Company. Employee agrees not to disclose any proprietary/confidential information to anyone outside of the Company without the prior written approval of an authorized officer of the Company. Employee may not use any proprietary information for any purpose other than for the clear and specific benefit of the Company, as required by Employee’s duties for the Company.

By signing below, employee acknowledges and agrees that failure to maintain the confidentiality of the Company’s proprietary information could result in the termination of the employment relationship.

I acknowledge that I read this confidentiality and proprietary information agreement, fully understand it, and voluntarily agree to all of its provisions.

Employee signature

Print or type name

Date

MEAL AND REST PERIOD OBLIGATION ACKNOWLEDGEMENT

I understand that the Company provides me the opportunity to take a meal period of no less than 30 minutes whenever I work more than five hours in a work day. The meal period must begin before I complete five hours of work. I also understand that if I work more than ten hours in a day, I must take a second meal period of no less than 30 minutes which must begin before I work more than ten hours of work. Unless I qualify for an exception **and** I sign a waiver of my right to a meal period that is also signed by an authorized superior, I understand it is my obligation under the Company’s policies, and the law, to take a meal period of at least 30 minutes within the times identified above. Because a violation of this rule constitutes a violation of the law and my employer’s policies, I understand that I may be subject to discipline, including the possibility of immediate termination, if I violate this policy.

I also understand that I am entitled to a rest period at the rate of 10 minutes rest for every four hours of work or major portion of four hours. I further understand that the rest period should be taken as close to the middle of each four-hour work period as possible and that no supervisor may ask or require me to give up my rest period.

I hereby certify that I fully understand the rules regarding meal periods and rest periods and will comply fully with those rules. If I am denied a meal or rest period to which I am entitled, or if I fail to take a meal or rest period as required by law and my employer’s policies, I agree to notify Jen Hundley within 24 hours so that the matter can be fully and carefully investigated and appropriate corrective action can be taken.

Employee’s signature

Please print or type your name

Date

CONSENT TO DRUG AND ALCOHOL TESTING

I consent to allow the Company to collect urine and blood specimens from me for testing for alcohol, drugs, and controlled substances in accordance with its drug and alcohol testing policy delineated in the Employee Handbook. I also give my consent for the release of the test results to appropriate management employees. I understand that if I decline to sign this consent or decline to take the test, my employment with the Company may be terminated.

Agreed to: _____

Dated: _____

Refused: _____

Dated: _____

Witness: _____

Dated: _____

Reason for Refusal: _____

ACKNOWLEDGMENT OF RECEIPT OF HANDBOOK

PLEASE READ THE EMPLOYEE HANDBOOK AND FILL OUT AND RETURN THIS PORTION TO THE PERSONNEL DEPARTMENT WITHIN ONE WEEK OF EMPLOYMENT.

Employee Name: _____

I acknowledge that I have received a copy of the Company’s Employee Handbook. I understand that I am responsible for reading the Handbook and for knowing and complying with the policies set forth in the Handbook during my employment with the Company.

I further understand that the guidelines contained in the Handbook are guidelines only and are not intended to create any contractual rights or obligations, express or implied, and shall not be construed to create any type of right to a specific procedure prior to termination or other disciplinary action. I also understand that, except for the Company’s at-will employment policy, the Company may amend, interpret, modify, or withdraw any of the provisions of the Handbook at any time in its sole discretion, with or without notice. Furthermore, I understand that, because the Company cannot anticipate every issue that may arise during my employment, if I have any questions regarding any of the Company’s guidelines or procedures, I should consult with human resources.

I understand and agree that my relationship with the Company is “at-will,” which means that my employment is for no definite period and may be terminated by me or by the Company at any time with or without cause or advance notice. I also understand that the Company may demote or discipline me or otherwise alter the terms of my employment at any time at its sole discretion, with or without cause or advance notice.

I understand and agree that the terms of this Acknowledgment may not be modified or superseded except by a written agreement signed by me and Jen Hundley, that no other employee or representative of the Company has the authority to enter into any such agreement, and that any agreement to employ me for any specified period of time or that is otherwise inconsistent with the terms of this Acknowledgment will be unenforceable unless in writing and signed by me and the President of the Company. I further understand and agree that if the terms of this Acknowledgment are inconsistent with any guideline or practice of the Company now or in the future, the terms of this Acknowledgment shall control.

Finally, I understand and agree that this Acknowledgment contains a full and complete statement of the agreements and understandings that it recites, that no one has made any promises or commitments to me contrary to the foregoing, and that this Acknowledgment supersedes all previous agreements, whether written or oral, express or implied, relating to the subjects covered in this Acknowledgment.

I have carefully read this Acknowledgement of Receipt.

Date: _____ Signed: _____