



Employee Handbook



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Chapter 1

General Information

Introductory Statement

Welcome! As an employee of Hospitality Resource Center (sometimes referred to herein as “HRC” or the “Company”), you are an important member of a team effort. We hope that you will find your position with the Company rewarding, challenging and productive.

Because our success depends upon the dedication of our employees, we are highly selective in choosing new members for our team. We look to you and the other employees to contribute to the success of the Company.

This Employee Handbook is intended to explain the terms and conditions of employment for all full-time and part-time employees and supervisors, including both Non-Exempt Employees and Exempt Employees (for a definition of these classifications, please see “Non-Exempt Employees and Exempt Employees” on page 6.) Written employment contracts between Hospitality Resource Center and some individuals may supersede some of the provisions of this Employee Handbook. Where there is a conflict, the conflicting provisions of this Employee Handbook shall be superseded and replaced by the provisions of applicable laws, rules and regulations as if written in this Employee Handbook in place of the conflicting provisions of this Employee Handbook.

At-Will Employment Status

Employees are employed on an “at-will” basis. Employment at-will may be terminated with or without cause and with or without notice at any time by the employee or the Company. Nothing in this Employee Handbook shall limit the right to terminate at-will employment. No manager, supervisor, or employee of the Company has any authority to enter into an agreement for employment for any specific period of time or to make an agreement for employment on other than at-will terms. Only the Chairman of the Company has the authority to make any such agreement, which is binding only if it is in writing and signed by the Chairman of the Company.

Right to Revise

This Employee Handbook contains the employment policies and practices of the Company in effect at the time of publication. All previously issued handbooks and any inconsistent policy statements or memoranda are superseded.

The Company reserves the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this Employee Handbook or in any other document, except for the policy of at-will employment. However, any such changes must be in writing and must be signed by the Chairman of the Company.

Any written changes to this Employee Handbook will be distributed to all employees so that employees will be aware of the new policies or procedures. No oral statements or representations can in any way alter the provisions of this Employee Handbook.

The purpose of this Employee Handbook (“Handbook”) is to provide you with important information about our benefits, policies, procedures, and practices. This Handbook is designed as a ready reference for explanation of our policies. It is important for you to read it thoroughly and save it for future reference. If you have any questions, please do not hesitate to ask your supervisor, who is here to help you.

Employment Applications

HRC relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in HRC’s exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.



Immigration Law Compliance

HRC is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the Human Resources Department. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

EEO with ADA Provisions

The Company is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available persons in every job. Company policy prohibits unlawful discrimination based on race, color, religion, sex, gender identity, sexual orientation, age, marital status, disability (physical or mental including HIV/AIDS diagnosis), medical condition (cancer and genetic characteristics), national origin, or any other consideration made unlawful by federal, state, or local laws. It also prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. All such discrimination is unlawful.

The Company is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in Company operations and prohibits unlawful discrimination by any employee of the Company, including supervisors and coworkers.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, the Company will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result for the Company.

Any applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact the Human Resources Department and request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job. The Company then will conduct an investigation to identify the barriers that interfere with the equal opportunity of the applicant or employee to perform his or her job. The Company will identify possible accommodations, if any, that will help eliminate the limitation. If the accommodation is reasonable and will not impose an undue hardship, the Company will make the accommodation.

If you believe you have been subjected to any form of unlawful discrimination, submit a written complaint to your supervisor, the Human Resources Department or General Manager. Your complaint should be specific and should include the names of the individuals involved and the names of any witnesses. If you need assistance with your complaint, or if you prefer to make a complaint in person, contact the Human Resources Department. The Company will immediately undertake an effective, thorough, and objective investigation and attempt to resolve the situation.

If the Company determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense. Appropriate action also will be taken to deter any future discrimination. The Company will not retaliate against you for filing a complaint and will not knowingly permit retaliation by management employees or your co-workers.

Unlawful Harassment



The Company is committed to providing a work environment free of unlawful harassment. Company policy prohibits sexual harassment and harassment based on race, ancestry, color, religion, national origin, marital status, sex (including sexual harassment and gender identity), pregnancy, sexual orientation, disability (physical or mental including HIV/AIDS diagnosis), medical condition (cancer and genetic characteristics), age or any other basis protected by federal, state, or local law or ordinance or regulation. It also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. All such harassment is unlawful. The Company's anti-harassment policy applies to all persons involved in the operation of the Company and prohibits unlawful harassment by any employee of the Company, including supervisors, co-workers and any other persons.

Prohibited unlawful harassment includes, but is not limited to the following behavior:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations, or comments.
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings, or gestures.
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work because of sex, race, or any other protected basis.
- Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors.
- Retaliation for reporting or threatening to report harassment.
- Communication via electronic media of any type that includes any conduct that is prohibited by state and/or federal law, or by company policy.

If you believe that you have been unlawfully harassed, submit a complaint as soon as possible to your supervisor or the Human Resources Department after the incident. You will be asked to provide details of the incident, names of individuals involved, and names of any witnesses. Supervisors will refer all harassment complaints to the Human Resources Department. The Company will immediately undertake an effective, thorough, and objective investigation of the harassment allegations.

If the Company determines that unlawful harassment has occurred, effective remedial action will be taken in accordance with the circumstances involved. Any employee determined by the Company to be responsible for unlawful harassment will be subject to appropriate disciplinary action, up to, and including termination. A Company representative will advise all parties concerned of the results of the investigation. The Company will not retaliate against you for filing a complaint and will not tolerate or permit retaliation by management, employees or co-workers.

The Company encourages all employees to report any incidents of harassment forbidden by this policy immediately so that complaints can be quickly and fairly resolved.



Chapter 2 Employment

New Hires

The first 90 days of continuous employment at Hospitality Resource Center is considered an Introductory Period. During this time, you will learn your responsibilities, get acquainted with fellow employees, and determine whether or not you are happy with your job. Your supervisor will closely monitor your performance. The Company reserves the right to extend the “Introductory Period” at its sole discretion for any employee who the Company feels can be successful with some additional training, but who has not successfully completed the first 90-day Introductory Period. Employees may be terminated at any time during this period, with or without cause.

Upon completion of the Introductory Period, the Company will review your performance. Subsequent reviews will take place periodically. If the Company finds your performance satisfactory and decides to continue your employment, it will advise you of any improvements expected from you. At that time, you may express suggestions to improve the Company’s efficiency and operations. Completion of the Introductory Period does not entitle you to remain employed by the Company for any definite period of time, but rather allows both you and the Company to evaluate whether or not you are right for the position. After completion of the Introductory Period, eligible employees will receive the benefits described in this Employee Handbook.

Non-Exempt Employees and Exempt Employees

Non-Exempt Employees are employees who are entitled to overtime pay pursuant to California law and the federal Fair Labor Standards Act (“FLSA”).

Exempt Employees are employees who are not entitled to overtime pay because they fall within the Executive, Administrative or Professional exemptions pursuant to California law and the federal FLSA.

Regular Employees

Regular Employees are those who are hired to work on a regular schedule. Regular employees may be classified as Full-Time Employees (Exempt or Non-Exempt) or Part-Time Employees (Exempt or Non-Exempt).

Full-Time Employees

Full-Time Employees are those who are scheduled for and do work a minimum of 32 hours per week.

Part-Time Employees

Part-Time Employees are those who are scheduled for and do work greater than 20 hours but fewer than 32 hours per week.

Temporary Employees

Temporary Employees are those employed for short-term assignments. Short-term assignments generally are periods of three (3) months or fewer; however, such assignments may be extended. Temporary Employees are not eligible for employee benefits except those mandated by applicable law.

Inactive Status

Employees who are on any type of leave of absence, work-related or non-work-related, that exceeds two (2) months will be placed on inactive status. During the time the employee is on inactive status, benefits such sick leave will not be earned and seniority will not continue to accrue.



Temporary Transfers

Employees who request a temporary transfer for medical and/or family medical leave reasons will be considered for that transfer if a position exists at the time the transfer is requested and the employee is qualified to perform the job. The employee will be paid in accordance with the responsibilities and duties of the temporary job.

Employees Who Are Required to Drive

Employees who are required to drive a Company vehicle or their own vehicle on Company business will be required to show proof of a current, valid license and current, effective insurance coverage prior to the first day of employment. The Company participates in a system that regularly checks the DMV records of all employees who drive as part of their job.

The Company retains the right to transfer to an alternative position, suspend or terminate an employee whose license is revoked, or who fails to maintain personal automobile insurance coverage or who is uninsurable under the Company's policy. Employees who drive their own vehicles on Company business will be reimbursed at the standard rate per mile.

Job Duties

During the Introductory Period, your supervisor will explain your job responsibilities and the performance standards expected of you. Be aware that your job responsibilities may change at any time during your employment. From time to time, you may be asked to work on special projects, or to assist with other work necessary or important to the operation of your department or the Company. Your cooperation and assistance in performing such additional work is expected.

The Company reserves the right, at any time, with or without notice, to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities when circumstances require such modifications be made, temporarily or permanently.

Telecommuting

The Company does not provide telecommuting for employees working locally who are based in the office.

Rehire Policy

The Company maintains its right to deny employment to employees after termination of employment, regardless of whether the termination was voluntary or involuntary. The Company may consider an employee for rehire if termination of employment (1) was not initiated by the employee and (2) termination did not occur because of employee misconduct. An employee who applies for rehire must have been in good standing at the time of termination, must meet the requirements of the position for which the employee is applying, and must participate in the normal employment process to be considered for vacancies at the Company.

Open-Door Policy

Suggestions for improving the Company are always welcome. At some time, you may have a grievance, suggestion, or question about your job, your working conditions, or the treatment you are receiving. Your good-faith complaints, questions, and suggestions are also of concern to the Company.

Employment of Relatives

The Company may refuse to hire relatives, including registered domestic partners, of present employees if doing so could result in actual or potential problems in supervision, security, safety, or morale, or if doing so could create



potential conflicts of interest. The Company defines “relatives” as spouses, registered domestic partners, children, siblings, parents, in-laws, and step-relatives.

If two employees marry or become related, causing actual or potential problems such as those described above, only one of the employees may be retained by the Company, unless reasonable accommodations can be made to eliminate the actual or potential problems. The employees will have 30 days to decide which relative will stay with the Company. If this decision is not made within the time allowed, the Company will take appropriate action which includes but is not limited to transfers, reassignments, changing shifts or if necessary termination of employment taking the employment history and job performance of both employees into account.

Conflict of Interest

All employees must avoid situations involving actual or potential conflict of interest. Personal or romantic involvement with a competitor, supplier, or subordinate employee of the Company, which impairs an employee's ability to exercise good judgment on behalf of the Company, creates an actual or potential conflict of interest. Supervisor/subordinate romantic or personal relationships also may lead to supervisory problems, possible claims of sexual harassment, and morale problems.

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 other appropriate supervisor, for a determination about whether a potential or actual conflict exists. If an actual or potential conflict is determined, the Company may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for disciplinary action.

Reduction in Work Force

It may be necessary under certain conditions to terminate employment due to Company business necessity.

Involuntary Termination and Discipline

Violation of the Company policies and rules may warrant disciplinary action in the form of verbal counseling, written warning, suspension without pay, or termination. The Company may, in its sole discretion, utilize whatever form of discipline is deemed appropriate under the circumstances, up to, and including, termination of employment. In certain circumstances, immediate termination may be appropriate discipline. The Company's policy on appropriate discipline in no way limits or alters the at-will employment relationship.

Voluntary Separation

Voluntary separation results when an employee voluntarily resigns his or her employment at the Company or fails to report to work for two consecutively scheduled workdays without notice to, or approval by, his or her supervisor. All Company-owned property, including vehicles, keys, uniforms, identification badges, and credit cards, must be returned immediately upon termination of employment.

Reasonable advance notice of at least two (2) weeks is appreciated as a courtesy to the Company and your fellow employees so staffing levels and work schedules can be reasonably adjusted.

Personnel Records

You have a right to inspect certain documents in your personnel file, as provided by law, in the presence of a Company representative at a mutually convenient time. If you wish for copies of any documents in your personnel file, please make a request in writing and you will be given copies in twenty-one (21) days. You may add your comments to any disputed item in the file.



The Company will restrict disclosure of your personnel file to authorized individuals within the Company. Any request for information contained in personnel files must be directed to the Human Resources Department. Only the Human Resources Department is authorized to release information about current or former employees. Disclosure of personnel information to outside sources will be limited. However, the Company will cooperate with requests from authorized law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.

Employee References

All requests for references must be directed to the Human Resources Department. No other manager, supervisor, or employee is authorized to release verbal or written references for current or former employees. By policy, the Company discloses only the dates of employment and the title of the last position held of former employees. If you authorize the disclosure in writing, the Company also will inform prospective employers of the amount of salary or wage you last earned. Violation of this policy may result in disciplinary action including discharge.



Chapter 3

Time and Attendance

Work Schedules

HRC is normally open for business eight (8) hours per day, year-round. Your supervisor will assign your individual work schedule. All employees are expected to be at their desks or workstations at the start of their scheduled shifts, ready to work. The regular workweek for employees begins at 12:01 a.m. Sunday and ends at 12:00 midnight on Saturday. The regular workweek may vary by department, position, and the operational needs in a given workweek.

Exchanging work schedules with other employees is discouraged. However, if you need to exchange schedules, notify your supervisor, who may authorize an exchange if possible. Work schedule exchanges will not be approved for the mere convenience of an employee or if the exchange interferes with normal operations or results in excessive overtime. Employees may not exchange shifts with another employee without written approval from their direct supervisor. Shifts exchanged without approval will be subject to disciplinary action including up to termination.

Exempt Employee Office Hours

Exempt Employees must establish a regular workday schedule so meetings can be planned, daily duties carried out, and contact with other people maintained, during customary business hours. Exempt Employees may establish their own personal schedule at hiring time or thereafter with prior written approval of their immediate supervisor. Each workday is a minimum of eight (8) working hours. Actual hours worked will periodically be greater as job schedules require. To enable customary interaction with other employees and third parties, the workday must start between 7:00 a.m. and 9:30 a.m. and end no sooner than eight (8) working hours after the employee's start time, excluding time spent on meal and rest periods.

Once determined, schedules must be adhered to on a regular basis. If an employee anticipates being more than 15 minutes late for any reason, the employee must contact his or her supervisor promptly by cell phone or text message. Being late three (3) or more times within a quarter will be documented and reviewed by the Human Resources Department for further discussion and/or action.

Punctuality and Attendance

As an employee of the Company, you are expected to be punctual and regular in attendance. Any tardiness or absence causes hardship for your fellow employees. When you are absent, your assigned work must be performed by others.

Employees are expected to report to work as scheduled, on time, and prepared to start work. Employees also are expected to remain at work for their entire work schedule, except for meal periods or when required to leave on authorized Company business. Late arrival, early departure, or other unanticipated and unapproved absences from scheduled hours are disruptive and must be avoided.

If you are unable to report for work on any particular day, you must under all but the most extenuating circumstances call your supervisor at least two (2) hours before the time you are scheduled to begin working for that day. If you call less than one (1) hour before your scheduled time to begin work and do not arrive in time for your assigned shift, you will be considered tardy for that day. In all cases of absence or tardiness, employees must provide their supervisor with an honest reason or explanation. Employees also must inform their supervisor of the expected duration of any absence. Repeated absenteeism or tardiness will not be tolerated and disciplinary action may be taken at the discretion of the Company.



If you fail to report for work without any notification to your supervisor and your unreported absence continues for a period of two (2) consecutive scheduled workdays, the Company will treat your absence as your voluntary termination of employment.

Meal and Rest Periods – Non-Exempt Employees

Employees that are scheduled to work more than five (5) hours must take a thirty (30) minute uninterrupted meal period, off the clock, no later than the end of the fifth hour of work. Employees are entitled to be relieved of all their duties and free to take care of personal matters during that time. Employees that have a six (6) hour shift may voluntarily waive the meal period if they execute a Six Hour Shift Waiver Form. Please see the Human Resource Department.

The Company provides a paid ten (10) minute rest period for every four (4) hours of work or major fraction thereof. An employee who works between three and a half (3 1/2) to six (6) hours is entitled to one (1) ten minute break, an employee who works over six (6) hours is entitled to a second ten minute break. An employee that works less than three and a half (3 1/2) hours is not entitled to receive a paid ten (10) minute rest period. Please check with your supervisor for the appropriate time to take meal and rest breaks.

Meal periods and rest periods may not be waived to leave early nor may they be consolidated for a longer break or meal period.

It is against Company policy for any employee to perform work during meal or rest periods. It is against Company policy to return to work before the end of a 30 minute meal period or ten minute rest break. It is also against Company policy for employees to work “off the clock,” that is, perform work without recording it as time worked on their timesheets.

Employees working more than ten (10) hours are entitled to a second meal period before end of the tenth hour of work, unless the employee voluntarily executes a Twelve Hour Shift Waiver Agreement and has taken the first meal period.

Meal and Rest Periods – Exempt Employees

Exempt Employees are encouraged to take necessary meal and rest periods. Exempt Employees may schedule a 30-minute or 1-hour meal period and permanent daily start and end times, adjusted accordingly. Permission must be obtained from your supervisor to deviate from your schedule.

Timekeeping Requirements

All Non-Exempt Employees are required to use a time clock to record time worked for payroll purposes. Employees must record their own time at the start and at the end of each work period, including before and after the meal period. Employees also must record their time whenever they leave the workplace for any reason other than Company business. Any handwritten notes or changes on the time report edits must be initialed by your supervisor.

Overtime for Non-Exempt Employees

Non exempt employees are eligible to receive overtime compensation for overtime hours worked. All overtime must be authorized by their supervisor in advance. Any employee working unauthorized overtime will be subject to discipline.

Overtime will be paid to all eligible non exempt employees as follows:

- One and one half (1 1/2) times their regular hourly rate of pay for hours they are required to work in excess of eight (8) hours in any one (1) workday or in excess of forty (40) hours in any one (1) workweek, and for the first eight (8) hours of work on the seventh (7th) consecutive day of work.



- Two (2) times their regular hourly rate of pay for all hours they are required to work in excess of twelve (12) hours in any one (1) workday and for all work in excess of eight (8) hours on the seventh (7th) consecutive day of any workweek.

There shall be no pyramiding of overtime. When more than one overtime premium can be applied to the same working time (for example, an employee works in excess of eight (8) hours on a particular workday and the employee's hours also total more than forty (40) hours for that workweek) only one computation, whichever is of greater benefit to the employee, shall be used to compute overtime pay.

Time taken off due to sick leave, holidays, or other time off is not counted as time worked for overtime calculations.

Payment of Wages

Paychecks are normally available by 2 p.m. and are distributed by your supervisor. If you observe an error on your check, please report it immediately to your supervisor.

By-weekly Payments

Paydays are scheduled every other Friday.

Advances: The Company does not permit advances against paychecks.

Bereavement Leave

The Company grants leave of absence to employees with no pay up to 3 working days in the event of the death of the employee's current spouse; registered domestic partner; child; parent; legal guardian; brother; sister; grandparent or grandchild; or mother-, father-, sister-, brother-, son-, or daughter-in-law.

Leave of Absence

The Company may grant a personal leave of absence to employees in certain circumstances. Request any leave in writing as far in advance as possible, keep in touch with your supervisor or the Human Resources Department during your leave, and give prompt notice of any change in your anticipated return date. Upon return from a leave of absence, you will resume all aspects of your employment status that existed prior to the start of your leave. The maximum personal leave of absence in any calendar year may not exceed 30 calendar days.

Working While Off-Duty and During Absences

Non-Exempt Employees are prohibited from working after their scheduled hours without the prior written approval of their supervisor.



Chapter 4

Policies and Practices

Employer Property

Desks, computers, and other Company-owned items are Company property and must be maintained according to Company rules and regulations. They must be kept clean and are to be used only for work-related purposes. The Company reserves the right to inspect all Company property to ensure compliance with its rules and regulations, without notice to the employee and at any time, not necessarily in the employee's presence.

Company voicemail and/or electronic mail (e-mail) are to be used for business purposes only. The Company reserves the right to monitor voicemail messages and e-mail messages to ensure compliance with this rule, without notice to the employee and at any time, not necessarily in the employee's presence.

The Company may periodically need to assign and/or change passwords and personal codes. Communication technologies and related storage media and databases are to be used only for Company business and they remain the property of the Company. The Company reserves the right to keep a record of all passwords and codes used and/or may be able to override any such password system.

Prior authorization must be obtained before any Company property may be removed from the workplace.

Terminated employees should remove any personal items from their workplace at the time they leave the Company. Personal items left in the workplace are subject to disposal if not claimed at the time of an employee's termination.

Confidentiality

Each employee is responsible for safeguarding the confidential information obtained during employment. In the course of your work, you may have access to confidential information regarding the Company, its suppliers, customers, or perhaps even fellow employees. You have responsibility to prevent revealing or divulging any such information unless it is necessary for you to do so in the performance of your duties. Access to confidential information should be on a "need-to-know" basis and must be authorized by your supervisor. Any breach of this policy will not be tolerated and legal action may be taken by the Company.

No employee may carry on personal business in a way that conflicts with the Company's business. You may not accept or ask for any gift, gratuity, discount, or any other personal benefit from any customer, vendor, supplier, or other person seeking to do business with the Company. If you have a question about what may create a conflict of interest, discuss it with the Human Resources Department.

Entertainment

Employees are limited to one (1) glass of wine when entertaining clients during business functions sponsored by the Company or when invited to other venues.

Etiquette

The Company expects all employees to conduct themselves in a professional manner as they are representing the Company. The following are examples of Etiquette expected:

Do not interrupt meetings. Be on time for appointments, be dependable, no gossip, be proactive (bring suggestions and new ideas), think outside of the box, use interdepartmental collaboration, be accountable, know professional and personal boundaries, conduct business matters during business hours, be respectful of associates, and address issues only with appropriate personnel. Prior to any planned absence, you must coordinate with your supervisor and co-workers so that your duties are covered impeccably during your absence.

**Employee Property**

An employee's personal property, including but not limited to vehicles, packages, purses, and backpacks, may be inspected upon reasonable suspicion of unauthorized possession of Company property. Removing or attempting to remove Company property without proper authorization can result in disciplinary action up to and including termination.

Bulletin Boards

The Company maintains bulletin boards located in the employees' lounge room with the purpose of providing information such as job openings, notifications, news and other pertinent information to all employees. Employees are not authorized to post items on Company bulletin boards.

Personal Mail

The Company business address should not be used for personal mail. Special situations must be pre-approved by the Executive Vice President.

Company Keys

All Company keys issued to you by the Company must be secure in your possession at all times; they are not to be loaned to others and may not be duplicated.

Negligence

Breakage, loss of equipment or guest property due to dishonest acts or employee negligence will be subject to employee disciplinary action up to and including termination.

Employee Work Areas and Facilities

All employees are expected to keep their work areas clean and organized. Employees using common areas such as lunchrooms, locker rooms, and restrooms are expected to keep them sanitary. Please clean up after meals and dispose of trash properly.

Meals and Beverages

Meals, snacks, and beverages should be confined to the employee lounge and must, at all times, be out of view of the customers.

Loitering

Employees may not arrive to the workplace earlier than 30 minutes prior to the beginning of their shift and must leave within 30 minutes of the shift end. Friends and relatives are not permitted to visit unless prior approval is obtained from your immediate supervisor.

Employees must refrain from loitering during their meal and rest periods within the work area or creating a distraction for fellow employees. Loitering will result in disciplinary action up to and including termination.

Solicitation and Distribution of Literature

In order to ensure efficient operation of the Company's business and to prevent disruption to employees, we have established control of solicitations and distribution of literature on Company property. The Company has enacted rules applicable to all employees governing solicitation, distribution of written material, and entry onto the premises and work areas. All employees are expected to comply strictly with these rules. Any employee who is in doubt concerning the application of these rules should consult with his or her supervisor.



No employee shall solicit or promote support for any cause or organization during his or her working time or during the working time of the employee or employees at whom such activity is directed.

No employee shall distribute or circulate any written or printed material in work areas at any time, or during his or her working time or during the working time of the employee or employees at whom such activity is directed.

Under no circumstances will non-employees be permitted to solicit or to distribute written material for any purpose on Company property.

Prohibited Use of Cell Phone or Other Devices While Driving

In the interest of the safety of our employees and other drivers, Company employees are discouraged from using cell phones or other devices while driving on Company business and/or Company time.

If your job requires that you keep your cell phone or other devices turned on while you are driving, you must use a hands-free device and safely pull off the road before conducting Company business.

Conducting Personal Business

Employees are to conduct only the Company business while at work. Employees may not conduct personal business or business for another employer while at work or from Company premises or facilities.

Workplace Privacy

Employees may not use any audio or video recording devices in the workplace or in the course of conducting business.

Use of Electronic Media

The Company uses various forms of electronic communication including, but not limited to computers, e-mail, telephones, and Internet. All electronic communications, including all software, databases, hardware, and digital files, remain the sole property of the Company and are to be used only for Company business and not for any personal use.

Electronic communications and media may not be used in any manner that would be discriminatory, harassing, or obscene, or for any other purpose that is illegal, against Company policy, or not in the best interests of the Company.

Employees who misuse electronic communications and engage in defamation, copyright or trademark infringement, misappropriation of trade secrets, discrimination, harassment, or related actions will be subject to discipline and/or immediate termination.

Employees may not install personal software on Company computer systems.

All electronic information created by any employee using any means of electronic communication belonging to the Company is the property of the Company. Personal passwords may be used for purposes of security, but the use of a personal password does not affect the Company's ownership of the electronic information.

The Company will override all personal passwords if necessary for any reason.

The Company reserves the right to access, review, copy, modify or delete any information transmitted or stored in the Company's electronic system, including electronic files, voice and e-mail messages and other digital archives for any purpose and to disclose such information if the Company deems it appropriate. Digital archives containing personal information of an employee will be treated no differently than other archives. Accordingly, employees



should not use the Company's electronic system to send, receive or store anything personal that they wish to keep private.

Unless directed to do so by Company management, employees are not permitted to access work-related electronic communications of other employees or third parties.

Employees who use devices on which information may be received and/or stored, including but not limited to cell phones, cordless phones, portable computers, fax machines, and voice mail communications are required to use these methods in strict compliance with the trade secrets and confidential communication policy established by the Company. These communications tools should not be used for communicating confidential or sensitive information or any trade secrets.

Access to the Internet, websites, and other types of Company-paid computer access are to be used for Company-related business only. Any information about the Company, its products or services, or other types of information that will appear in the electronic media about the Company must be approved by an authorized supervisor before the information is placed on an electronic information resource that is accessible to others.

Questions about access to electronic communications or issues relating to security should be addressed to the Network Administrator.

Internet Social Networking and Blogging Policy

Commented [L1]: Here is the revised Social Media Policy.

Social media has become an extremely important communications channel. This technology, and the capabilities of the World Wide Web, blurs the line between personal and professional communications. While this creates new opportunities for communications and collaboration, it also creates new responsibilities for individuals. Posted material can, when matched with an identity or photograph, reflect not only on the individual, but also on that individual's employer, clients, associates and profession. When you participate in social networking or use social media, use common sense and good judgment when posting or sharing material. There may be consequences that can include, among other issues, negative publicity, regulatory attention and confidentiality or copyright concerns. This policy is not meant to infringe on your personal interaction or commentary online, inasmuch as it does not pertain to the Company or create a negative image for the Company, its employees, clients, vendors and other such parties.

You should also understand that any posted material will be available on the Internet indefinitely—it is virtually impossible to recall or permanently or completely delete material once posted. The overall goal of social media participation from a business perspective is one of adding value and providing worthwhile information and perspectives. The Company's brand is best represented by our people; what you post may reflect on our brand whether you intend for it to or not.

In general, the Company views social networking sites (e.g., Twitter, Facebook), personal Web sites, and Blogs positively and respects the right of employees to use them as a medium of self-expression. However, an employee who chooses to use such social networking site should not identify himself or herself as an employee of the Company or any of its affiliates on such Internet venues because some readers of such websites or blogs may view the employee as a representative or spokesperson of the Company or its affiliates or, depending on the content of the website or blog, may view the Company, its employees, and its affiliates negatively. In addition to the foregoing, the Company requires that employees observe the following guidelines:

1) You are responsible for what you post. Even if your employment with the Company is not explicitly stated when using a social media site, your use of the site reflects on the Company. Represent yourself and the Company well. Be professional, respectful, discreet and authentic. Remember that you can't control what happens to your content once you hit "update." Employees and attorneys should not use obscenities, profanity, or vulgar language



nor should they engage in threatening or racially/ethnically hateful behavior online or make defamatory or offensive statements under an identity that can be tied to your employment with the Company. This includes any posting under a screen name behind which is a profile – even if “private” – that includes your actual identity, whether or not that profile itself identifies you as an employee of the Company.

2) **For non-business participation on social media sites, you must use a personal e-mail address and must not attribute to or imply personal opinions or statements are endorsed or supported by the Company.** If you choose to list your work affiliation on a social network, then you should regard all communication on that network as you would in a professional network. Online lives are ultimately linked, whether or not you choose to mention the Company in your personal online networking activity. If you identify yourself as being affiliated with the Company, you must state that entries are your personal opinion and do not represent the position of the Company. If you extol the virtues of the Company on a social media site, you must identify yourself as having an affiliation with the Company.

3) **When participating in social networking sites in a professional context and when writing personal blogs, make an explicit statement that the views expressed by the author represent the author's alone and do not represent the views of the Company.** Write or speak in the first person to help identify that you speak for yourself and not the Company.

4) **Employees must not use social media to disparage the Company, its employees, clients, competitors or vendors.**

5) **Employees must not use social media to disclose any confidential or proprietary information of the Company or its clients, including financial information.** Honor the terms of your contracts with the Company and contracts we have with any client. Employees must at all times keep client matters confidential and must not discuss ANY client-related business via social media, from identification of clients to discussion of their matters. Employees should also refrain from commenting on the business or practices of any Company client. Any such discussion will be considered a serious violation of the Company's social media policy.

6) **Employees must not use social media to harass, bully or intimidate other employees.** Behaviors that constitute harassment and bullying include, but are not limited to, comments that are derogatory with respect to race, religion, gender, sexual orientation, color, or disability; sexually suggestive, humiliating, or demeaning comments; and threats to stalk, haze, or physically injure another employee.

7) **Employees must not use social media to discuss engaging in conduct that is prohibited by Company policies,** including, but not limited to, the improper or illegal use of alcohol and drugs, sexual behavior and sexual harassment and bullying.

8) Follow the rules of privacy/confidentiality.

9) **Employees should comply with any applicable state and federal, trademark, copyright and other intellectual property laws.** The use of any copyrighted Company name or logo is not allowed without written permission.

10) **Do not give advice or form personal relationships with business associates when using social media.** The Company's standard intake procedures should be used to avoid conflict or other ethical problems. Always engage in a professional business manner.

11) **Employees must not post pictures of or comments made by employees or clients on a website without obtaining permission.** Employees should be aware that pictures posted on a web site are often available for viewing by third parties and could be considered detrimental to the Company and its character and reputation and that of its employees. Therefore, employees are cautioned to review their privacy settings on the various social



media sites they use.

12) **Never be false and misleading in your online credentials.** Maintain complete accuracy in all online bios and ensure there is no embellishment. For example – a employee attends a conference at Harvard for a weekend and states in his/her bio - “Harvard trained” - this is inaccurate and noncompliant. Use the words “expert” or “specialized” very sparingly and only when such claims can be substantiated and are approved for usage by the appropriate association.

13) Follow the terms and conditions of use that have been established by each site or application used for your social networking activities.

14) **If a member of the news media contacts you about an Internet posting that concerns the Company’s or a client’s business, treat it as any other media inquiry, and do not respond to them directly.** Please refer that person to your supervisor.

15) **If a negative post or comment is found online about the Company, a client or you in a business context, do not counter with another negative post.** You should seek assistance from the marketing department before forming a response, if one is warranted. If you are uncertain about any post on a social media site, contact the marketing department for additional guidance.

16) Violation of this policy **may result in disciplinary action** up to and including termination.

Personal Blogs

Employees should feel free to create and maintain their own personal blogs, keeping in mind the rules and guidelines contained in this policy. However, while a blog itself is not subject to state or federal regulations governing advertising for a product or service, the content of a blog can be. For any business-related blog, the content must be informative only, and nothing in the content should propose a commercial transaction or be for the purpose of directly gaining a commercial transaction. The threshold question to ask is – does the content articulate commercial speech (i.e., attempting to sell services) in any way? If so, it’s likely that it will be subject to state rules.

If you have a personal blog that mentions your employment or have a blog that discusses industry issues, your personal blog must contain a disclaimer that all content is solely the personal opinion of the author and is not endorsed by the Company with the following language: *The information and opinions expressed herein are solely the work and opinion of the author, and do not represent the position of HRC Hotels.*

Company Social Media Accounts

The Company is currently expanding the use of social media for marketing purposes. These current and future accounts and profiles may include, but are not limited to blogs, LinkedIn, Twitter and Facebook. No employee may create a social media account on behalf of the Company, nor can they act on behalf of the Company through any online channels, including social media and social networking, without the express consent of the Company.

Company Blogs

Company blogs, as with all Company publications, are overseen or approved through the marketing department and/or the Vice President of the Company. Employees are not permitted to make comments on Company blogs that disagree with the blog author’s position or make posts that could be considered inappropriate or detrimental to the Company and its reputation. Comments are monitored, and the Company reserves the right to not publish any comment for any reason.



LinkedIn

Employees may and are encouraged to be active in their own personal LinkedIn accounts for personal and professional development reasons. However, only the marketing department may alter the Company's overall LinkedIn profile. If you have questions or concerns about HRC Hotels LinkedIn profile, please contact your supervisor.

If you are connected on LinkedIn to a HRC Company employee who then leaves the Company for a competitor, it is wise to disconnect from that person after his or her departure so he or she no longer has LinkedIn access to your current clients, prospects and other connected contacts.

Twitter

The Company has reserved an overall Company Twitter account. Marketing is in control of tweets coming from this account, which is used for disseminating the company and industry news, as well as for interacting with the media. If you have suggestions for tweets, we encourage you to contact your supervisor to discuss potential content. We welcome thoughts on industry happenings that our clients, potential clients, the media and other parties might be interested in. If you have found an interesting article or see a new workplace legal trend, please contact her to discuss how the Company might share this via Twitter. You are encouraged to re-tweet tweets from the Company's Twitter account *so long as your personal Twitter account and its content conforms to the rules and guidelines in this document.*

Facebook

The Company has also established a Company Facebook page for sharing news on Company events and happenings and interacting with clients and other interested parties. Personal Editorial comments are not currently allowed. Please feel free to "share" events and posts from the Company's official Facebook page to your own personal Facebook page and network, if you would like, *so long as your personal profile follows the rules and guidelines in this document.* We encourage staff to "suggest" the Company Facebook page to clients who are already in your social media networks to alert them of our new page, and you are encouraged to "like" posts on the Company's Facebook page as well.

Any employee found to be in violation of any portion of this Social Networking and Blogging Policy will be subject to immediate disciplinary action, up to and including termination of employment.

Obtain Pre-Approval Before Setting Up HRC-Hosted Sites. Employees must seek approval from their supervisor before setting up a HRC-hosted blog or other social media site.

Respect Copyright Laws. Employees may not post content or conduct any activity that fails to conform to any and all applicable state and federal laws. For HRC's and our employees' protection, it is critical that everyone abide by the copyright laws by ensuring that they have permission to use or reproduce any copyrighted text, photos, graphics, video or other material owned by others.

Be Respectful. Employees may not post any material that is obscene, defamatory, profane, libelous, threatening, harassing, abusive, hateful or embarrassing to another person or entity when posting to HRC-hosted sites.

Proprietary Information: Employees may not disclose any confidential or proprietary information of or about HRC, its affiliates, vendors, or suppliers, including but not limited to business and financial information, represent that they are communicating the views of HRC, or do anything that might reasonably create the impression that they are communicating on behalf of or as a representative of HRC.

HRC-Hosted Blogs: HRC-hosted blogs must focus on subjects related to the organization and must be pre-approved by the Vice President of Marketing.



Confidentiality: Employees may not use or disclose any client identifiable information of any kind on any social media without the express written permission of the client. Even if an individual is not identified by name within the information you wish to use or disclose, if there is a reasonable basis to believe that the person could still be identified from that information then its use or disclosure would be a violation of HRC policy.

Self-Hosted Sites: Employees must not say or suggest that the views and opinions they express related to HRC and hospitality topics represent the official views of HRC.

Blogging Best Practices: Blogging is becoming a more common way to communicate and tool for self-expression. These best practices will help you when participating in social media – in particular – blogs and blogging.

Use a Disclaimer. If you publish a blog, post a comment, or share an image and it has something to do with the work you do at HRC, use a disclaimer. Whether you publish a blog or participate in someone else's, make it clear that what you say is representative of your views and opinions and not necessarily the views and opinions of HRC. At a minimum in your own blog, you should include the following standard legal disclaimer language:

DISCLAIMER: This is a personal Web site, produced in my own time and solely reflecting my personal opinions. Statements on this site do not represent the views or policies of my employer, past or present, or any other organization with which I may be affiliated.

Starting Your Internal Blog: Before starting your own internal HRC blog, first get your manager's approval to do so.

Get Approval: Do not announce HRC news on your blog. Do not cite or reference clients, partners or suppliers without their approval.

When HRC wishes to communicate publicly – whether to the marketplace or to the general public – it has processes to do so. Only those officially designated by HRC have the authorization to speak on behalf of HRC. You must make sure you do not disclose or use HRC confidential or proprietary information or that of any other person or company on any blog. For example, ask permission to publish someone's picture or a conversation that was meant to be private.

Customers, partners or suppliers should not be cited or obviously referenced without their approval. On your blog or any comment you may post to another blog or message board, never identify a customer, partner or supplier by name without permission and never discuss confidential details of any of the above. It is acceptable to discuss general details about the kinds of projects and to use non-identifying pseudonyms for a client (e.g., Client 123) so long as the information provided does not violate any non-disclosure agreements that may be in place with the client or make it easy for someone to identify the person. Furthermore, your blog is not the place to conduct business with a client.

Identify Yourself: Use your name and, when relevant, your role at HRC - when you blog about HRC or HRC-related matters. Write in the first person. You must make it clear that you are speaking for yourself and not on behalf of HRC. When posting comments on internal HRC blogs use your company e-mail and do not use pseudonyms or post anonymously.

Take Responsibility: You are personally responsible for your posts. Blogs, wikis and other forms of online discourse are individual interactions, not corporate communications. HRC employees are personally responsible for their posts. Be mindful



Chapter 5

Dress and Grooming Standards

It is important for our employees to maintain a professional image which our customers/clients expect. The appearance and manner of our employees is very important to how we are perceived by those who visit our offices. Consequently, it is necessary to establish certain guidelines for enhancing our business image.

In general, employees should be clean, neat and wear clothing suitable to a business office. A neat, businesslike appearance should be presented at all times. Remember that our image is that of the “professional”. Employees are expected to use their common good sense judgment in deciding what is acceptable attire. The Employee may be directed to return home to change into more appropriate attire and will receive no pay for the period of time he or she is absent.

The Company will accommodate employee’s religious beliefs and practices unless doing so would impose an undue hardship. Religious dress practices include the wearing of religious clothing, head or face coverings, jewelry, artifacts and any other item that is part of the observances by an individual of his or her religious creed. Religious grooming practices includes all forms of head, facial and body hair that are part of the observances by an individual of his or her religious creed.

To assist you in projecting the best image that is consistent, we have established grooming and attire standards to be maintained by all members of our staff. Management reserves the right to determine and enforce the attire that constitutes acceptable business appearance.

General Grooming Standards

Glasses:

- Sunglasses block personal communication. Glasses that prevent others from seeing your eyes are not permitted.

Personal Hygiene:

- Bathing, shaving, tooth brushing, and using deodorant or antiperspirant are required daily.
- Light perfume, cologne or after-shave is permitted, but not recommended.
- Appropriate undergarments are required at all times.

Makeup:

For women, makeup used for the purpose of enhancing natural features to create a fresh, businesslike appearance is permitted. Makeup should not be applied heavily, and must be well blended. All makeup must be of natural or conservative shades.

The following makeup is not permitted:

- Extreme colors (metallic and glittery).

Fingernails:

- Fingernails must be kept clean, neatly trimmed and moderate in length. Extreme metallic and fluorescent colors are not permitted



Not Permitted:

- Body piercing that is visible.

Shoes:

- All Shoes should be polished/clean and in good repair.

Dress Code:

Our goal is to provide a workplace environment that is comfortable and inclusive for all employees. We expect that your business attire, although casual, will exhibit common sense and professionalism while in the office or visiting clients.

The following clothing is not permitted:

- Tank and halter-tops, tight-fitting t-shirts or any top revealing cleavage, ripped jeans, see thru leggings, soft silk pants or skirt, casual knits, shorts.

Casual Attire:

- Employees may wear “casual” attire on Fridays of each week.
- “Casual” attire does not mean that employees may look sloppy or unprofessional. All employees shall always look professional .
- Examples of acceptable casual attire include, but are not limited to:
- Jeans without holes, frays, etc.;
- T-shirts;
- Casual footwear, which may include athletic shoes depending on the department. Examples of unacceptable casual attire include but are not limited to:
 - Shirts with inappropriate depictions;
 - Tank tops, muscle shirts, and crop tops;
 - Shorts above the knee;
 - Flip-flops and thong sandals (flat, backless, made of rubber or leather, plain or embellished with beads, etc., consisting of a flat sole held loosely on the foot by a Y-shaped strap, like a thin thong, that passes between the first (big) and second toes and around either side of the foot).

Exceptions

Any medical or religious exceptions to the Dress and Grooming Standards must be presented to the Human Resources Department for approval.

The Company will accommodate employee’s religious beliefs and practices unless doing so would impose an undue hardship. Religious dress practices include the wearing of religious clothing, head or face coverings, jewelry, artifacts and any other item that is part of the observances by an individual of his or her religious creed. Religious grooming practices includes all forms of head, facial and body hair that are part of the observances by an individual of his or her religious creed.



Chapter 6

Standards of Conduct

Prohibited Conduct

The following conduct is prohibited and will not be tolerated by the Company. This list of prohibited conduct is illustrative only; other types of conduct that threaten security, personal safety, employee welfare and Company operations is also prohibited. Employees engaging in any prohibited conduct are subject to appropriate disciplinary action up to and including termination of employment.

- Falsifying employment records, employment information, or other Company records;
- Recording the work time of another employee or allowing any other employee to record your work time, or falsifying any time card, either your own or another employee's;
- Theft or deliberate or careless damage or destruction of any Company property, or the property of an employee or customer;
- Provoking a fight or fighting during working hours or on Company property;
- Use of abusive or threatening language;
- Harassment, sexual misconduct, racial remarks, slurs;
- Carrying firearms or any other dangerous weapons on Company property at any time;
- Sleeping or malingering on the job;
- Removing or borrowing Company property without prior authorization;
- Unauthorized use of Company equipment, time, materials, or facilities;
- Participating in horseplay or practical jokes on Company time or on Company property;
- Engaging in criminal conduct whether or not related to job performance;
- Causing, creating, or participating in a disruption of any kind during working hours on Company property;
- Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a supervisor or member of management, or the use of abusive or threatening language toward a supervisor or member of management;
- Using abusive language or profanity at any time on Company premises;
- Failing to notify a supervisor when unable to report to work;
- Unreported absence of any consecutive scheduled workdays;
- Unreported absence of subordinates;
- Failing to obtain permission to leave work for any reason during normal working hours;
- Failing to observe working schedules, including meal and rest periods;



- Failing to provide a physician's certificate when requested or required to do so;
- Making or accepting non-urgent personal telephone calls or text messages during working hours, except in the case of emergencies;
- Non-Exempt Employees working overtime without authorization or refusing to work assigned overtime;
- Wearing disturbing, unprofessional or inappropriate styles of dress or hair while working;
- Violating any safety, health, security or Company policy, rule, or procedure;
- Committing a fraudulent act or a breach of trust under any circumstances;
- Committing of or involvement in any act of unlawful harassment of another individual;
- Discourtesy towards guests, clients or fellow employees; and
- Drug and/or alcohol abuse.

This statement of prohibited conduct does not alter the Company's policy of at-will employment. Either you or the Company remains free to terminate the employment relationship at any time, with or without reason or advance notice.

Off-Duty Conduct

While the Company does not seek to interfere with the off-duty and personal conduct of its employees, certain types of off-duty conduct may interfere with the Company's legitimate business interests. For this reason, employees are expected to conduct their personal affairs in a manner that does not adversely affect the Company's or their own integrity, reputation or credibility. Illegal or immoral off-duty conduct by an employee that adversely affects the Company's legitimate business interests or the employee's ability to perform his or her job will not be tolerated.

Outside employment will not be considered an excuse for poor job performance, tardiness, absenteeism or refusal to work overtime.

While employed by the Company, employees are expected to devote their energies to their jobs with the Company. The following types of employment elsewhere are strictly prohibited:

- Additional employment that conflicts with an employee's work schedule, duties, or responsibilities at the Company;
- Additional employment that creates a conflict of interest or is incompatible with the employee's position with the Company;
- Additional employment that impairs or has a detrimental effect on the employee's work performance with the Company;
- Additional employment that requires the employee to conduct work or related activities on Company property, during the employee's working hours, or using Company facilities and/or equipment; and
- Additional employment that directly or indirectly competes with the business or the interests of the Company.

Employees who wish to engage in additional employment that may create a real or apparent conflict of interest must submit a written request to the Company explaining the details of the additional employment. If the additional



employment is authorized, the Company assumes no responsibility for it. The Company shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of additional employment. Authorization to engage in additional employment can be revoked at any time.

Drug and Alcohol Policy

The Company recognizes the employee's right to privacy; however, the Company is committed to providing a safe, efficient and productive work environment for all employees. In keeping with this commitment, employees and job applicants may be asked to undergo a drug/alcohol screening to determine the use of such substances. To further promote this goal, the Company will not tolerate the possession of or use of alcohol or drugs while on the Company's premises or time. Employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on the Company's premises and while conducting Company related business activities which may occur off the Company's premises, no employee shall use, possess, distribute, sell or be under the influence of alcohol or drugs (except for the use of physician prescribed medication when the employee's supervisor has been advised of such prescribed use). The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

Drug and alcohol tests may be conducted in any of the following situations:

POST OFFER: As a pre qualification to assuming any position, prospective employees may be required to submit to a drug/alcohol test.

POST ACCIDENT: Any current employee who is involved in an incident or accident while on duty, whether on or off the Company's premises, may be required to undergo a drug/alcohol test.

FITNESS FOR DUTY: This test may be required if significant and observable changes in an employee's performance, appearance, behavior, speech, etc. provides reasonable suspicion and probable cause to believe that the employee is under the influence of drugs or alcohol while on the Company's time or premises which could result in injury to the employee or fellow employees, or subject the Company to legal exposure, or public embarrassment, the Company may require the employee to submit to a drug test.

"Probable cause" shall exist when an employee's ability to perform their job duties is impaired. "Impaired" means that the employee's motor senses or judgment are or may be affected. Probable cause shall also exist if an employee is involved in either a job related accident or violation of a safety rule or standard, which did or could have resulted in serious injury or property damage.

Positive results will result in discipline, including discharge. The employee may be offered the opportunity to participate in a rehabilitation program.

Customer Relations

Employees are expected to be polite, courteous, prompt, and attentive to every customer. When an employee encounters an uncomfortable situation that he or she does not feel capable of handling, the immediate supervisor or General Manager should be called immediately.

Ours is a service business and all of us must remember that the customer always comes first. Our customers ultimately pay all of our wages. Remember, while the customer is not always right, the customer is never wrong.

Customers are to be treated courteously and given proper attention at all times. Never regard a customer's question or concern as an interruption or an annoyance. You must respond to inquiries from customers, whether in person



or by telephone, promptly and professionally.

Never place a telephone caller on hold for an extended period. Extend your apology should this happen for longer than 30 seconds. Direct incoming calls to the appropriate person and make sure the call is received.

Through your conduct, show your desire to assist the customer in obtaining the help he or she needs. If you are unable to help a customer, find someone who can.

All correspondence and documents, whether to customers or others, must be neatly prepared on Company stationery only and be error-free. Attention to accuracy and detail in all paperwork demonstrates your commitment to those with whom we do business.

Never argue with a customer. If a problem develops or if a customer remains dissatisfied, ask your immediate supervisor or the General Manager to intervene.



Chapter 7 Benefits

Eligibility

Upon successful completion of the Introductory Period with the Company, Full-Time Employees will be eligible for the following employee benefits:

Holidays

The Company observes the following paid holidays:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

It is our policy to accommodate the religious beliefs of all employees. Please contact the Human Resources Department regarding any religious holidays you may observe. All such requests will be reviewed on an individual basis. If such request creates a hardship and financial burden for the Company or inconvenience to our guests, the request may not be granted.

Special note: Approval should be secured before travel arrangements are made.

Requesting Time Off

All requests for personal time off must be submitted in writing to Human Resources Department at least 15 days in advance, unless time is used for an emergency.

Unpaid time off may be requested after 6 months of employment. When requesting time off, a Personnel Action Form (PAF) must be completed and submitted to the Human Resources Department for approval.

The Human Resources Department will respond to each request within five (5) working days. If two (2) requests are received on exactly the same day for the same dates, the request will be granted based on length of service with the Company. Managers must immediately date each request when received.

Employees who are absent because of their own disability may be eligible for State Disability Insurance (SDI) benefits. SDI payments do not begin until after you have been absent from work for seven (7) calendar days. If you have accrued sick leave, sick leave will be used for the first seven (7) days before SDI payments begin.

SDI benefits do not replace all of your usual wages. Your SDI benefits will be supplemented with any accrued and unused sick leave.



HEALTHY WORKPLACES/HEALTHY FAMILIES ACT OF 2014 PAID SICK LEAVE

Entitlement:

- An employee who, on or after July 1, 2015, works in California for 30 or more days within a year from the beginning of employment is entitled to paid sick leave.
- Paid sick leave accrues at the rate of one hour per every 30 hours worked, paid at the employee's regular wage rate. Accrual shall begin on the first day of employment or July 1, 2015, whichever is later.
- Accrued paid sick leave shall carry over to the following year of employment and may be capped at 48 hours or 6 days. However, subject to specified conditions, if an employer has a paid sick leave, paid leave or paid time off policy (PTO) that provides no less than 24 hours or three days of paid leave or paid time off, no accrual or carry over is required if the full amount of leave is received at the beginning of each year in accordance with the policy. Usage:
- An employee may use accrued paid sick days beginning on the 90th day of employment.
- An employer shall provide paid sick days upon the oral or written request of an employee for themselves or a family member for the diagnosis, care or treatment of an existing health condition or preventive care, or specified purposes for an employee who is a victim of domestic violence, sexual assault, or stalking.
- An employer may limit the use of paid sick days to 24 hours or three days in each year of employment. Retaliation or discrimination against an employee who requests paid sick days or uses paid sick days, or both is prohibited. An employee can file a complaint with the Labor Commissioner against an employer who retaliates or discriminates against the employee.

Educational Training

The Company is committed to the development and growth of its employees. Training programs are developed to enhance the knowledge and promote growth. Some training is mandatory and employees will be compensated while attending during their time off.

Tuition

The Company encourages employees to continue with their professional education goals that will provide additional skills for the position currently held or to be considered for another position. In an effort to assist with their goals, the Company will reimburse up to \$300.00 per calendar year and \$25.00 per semester or quarter for books. The courses must be Payroll & Human Resources industry related in order to qualify. Approval from the Human Resources Department must be obtained prior to enrolling. This benefit is provided to Regular, full time employees after one year of continuous service. Reimbursement will be done upon successful completion of the course. Original receipts and grades must be presented when applying for reimbursement.



Chapter 8

Reimbursable Expenses

Objective

- To provide standardized Travel and Entertainment (“T&E”) policy for all employees (“Associates”).
- To be equitable. Associates should neither gain nor lose personally as long as business expenses incurred are reasonable.
- To be responsible and prudent in spending Company money. A reasonable approach is to spend Company funds carefully as if they were your own.
- To establish equitable standards that are consistent and fair treatment of all employees who travel and/or entertain on Company business.

General Principle

- Associates are required to review this policy and understand the scope of their personal responsibilities in controlling and reporting T&E expenses.
- This memorandum is a general statement of principles defining Company policies on T&E expenses for Associates who travel and managers who approve such expenses. Any exception must carry advance written approval from the Chairman or Executive Vice President.
- Each Associate is a representative of Company and therefore must present themselves in a professional manner in appearance and business conduct.
- Interactions with clients must be conducted with the highest level of integrity and business ethics.
- In situations not specifically addressed, Associates should exercise good business judgment or seek counsel from their supervisor.

General Policies

- Reimbursement for travel is limited to actual expenses incurred and such must be pre-approved.
- Any personal gain from travel is strictly prohibited. The Company will only reimburse an Associate for actual approved expenses incurred on Company business.
- The abuses of travel and entertainment policies are grounds for disciplinary action, up to and including termination.
- Original receipts must be obtained and attached to an Expense Report to substantiate any expenditure, either cash or credit card charge, greater than US\$3.00 (excluding cash tips)
- When expenses are incurred by a group of Associates, and it is impractical to allocate a share of the expenses to each Associate, the most senior Associate should pay and report the expenses.
- Personal T&E expenditures such as side trips, or additional destinations, room nights or car rental expenses will not be reimbursed and should not be charged to the Expense Report.

Expense Reports

- Expense reports will be reviewed to ensure compliance with IRS regulations and prudence in incurring expenses on behalf of the Company. The first review will be an “accounting review” for compliance with this policy and documentation requirements. The second review will be a “management review” to confirm business necessity for incurring the expense.
- To expedite Expense Report processing by Accounting, Associates are required to submit their Expense Reports within two (2) weeks or ten (10) working days following completion of a trip or expense transaction.



- Expense Reports submitted more than 30 days from the actual date incurred, may not be reimbursed unless written approval is secured by the Human Resources Department.
- Mid-size cars are to be reserved. Larger cars may be utilized with prior Manager's approval for three or more passengers or when additional space is needed for business materials or equipment.
- Appropriate taxi charges incurred during the business trip must be attached to the Expense Report. Credit cards should be used when possible.
- Taxi tips should not be more than 10%, unless there is extra baggage. \$1.00 per piece is recommended as additional tip.

Personal Car Usage

- Associates using personal cars on Company business (such as travel from various business locations or the corporate office other than the individual's assigned office location) will be reimbursed for mileage at the IRS prescribed rate in excess of normal commuting. This applies only to an Associate with no monthly car allowance.
- It is the Associate's personal responsibility to carry adequate insurance coverage for their protection and for the protection of any passengers. Associates using their personal car on Company business are encouraged to carry auto insurance of at least \$100,000 to \$300,000 for personal injury and \$50,000 for property damage. Also, individuals using personal cars on Company business are advised to declare that business use to their insurance carrier.
- Mileage to and from the airport will be reimbursed, unless the Associate has a monthly car allowance.
- Mileage reimbursement excludes commuting to and from work.
- When commuting to various business appointments, Associates will be reimbursed for tolls and parking.
- Associates must provide the following information on their Expense Report: Purpose of trip, date and location, mileage.
- Car allowances are subject to review and adjustment without notice.

If you have any questions about the Company's expense reimbursement policy, contact the Human Resources Department.

ALL EXCEPTIONS MUST BE APPROVED BY CHAIRMAN OR EXECUTIVE VICE PRESIDENT.



Chapter 9

Health & Safety

Health and Safety

The Company goal is to provide a safe and healthy working environment and to provide training to teach all employees safe working habits. All employees are responsible for following the safety rules, providing for their own safety, as well as that of others in the workplace. To help us maintain a safe workplace, everyone must be safety-conscious at all times.

All injuries sustained at work, regardless of the nature or severity must be reported to your supervisor or the Human Resources Department immediately.

An employee who fails to report an injury will be subject to disciplinary action.

Worker's Compensation Insurance

If an employee is injured on the job, the related medical, surgical and hospital expenses may be covered by insurance that is entirely paid for by the Company. If the injury causes loss of work this insurance may pay a percentage of the employee's average weekly earnings. Therefore, if an employee is injured on the job, even slightly, the employee is required to report the injury immediately, no matter how minor. Employees will be provided with the Workers' Compensation claim form within twenty-four (24) hours of reporting the injury. Employees must disclose if they have other job(s) at the time of injury.

Recreational Activities and Programs

The Company or its insurer will not be liable for payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

Security/Workplace Violence

The Company has developed guidelines to help maintain a secure workplace. Be aware of persons loitering for no apparent reason in parking areas, walkways, entrances and exits, and service areas. If you notice any suspicious persons or activities report them immediately to your immediate supervisor. Secure your desk or office. Do not leave valuable and/or personal articles in or around your workstation that may be accessible. The security of facilities as well as the welfare of our employees depends upon the alertness and sensitivity of every individual to potential security risks. You should immediately notify your supervisor when unknown persons are acting in a suspicious manner in or around the facilities, or when keys, security passes, or identification badges are missing.

First Aid

Contact the Human Resources Department for assistance.

Hazardous Chemicals

The Company has Material Safety Data Sheets information to inform all employees about the chemicals in their work place. Training is provided to employees who work with chemicals for proper usage. Contact your supervisor if you would like to review the Material Safety Data Sheets.

Emergencies



In the event of an emergency you will need to give the following information:

- WHO you are – Provide your name and position
- WHAT the emergency is
- WHERE the emergency is located

Smoking is not allowed except in designated areas of the facility.



Chapter 10

State and Federal Laws Regarding Leave of Absence

Pregnancy Disability Leave

Any employee who is disabled because of pregnancy or a pregnancy-related condition is entitled to up to four (4) months disability leave per pregnancy. The four (4) month leave is defined as one-third of a year or 17 1/3 weeks. A full time employee working 40 hours a week is entitled 693 hours of leave. A part-time employee working 20 hours per week is entitled to 346.6 hours of leave. This leave may be taken intermittently or all at once when medically advisable. During the disability leave, the employee is entitled to use whatever accrued sick benefits are available, but such benefits cannot be used to extend the four (4) month leave.

Such leave of absence is without pay, and no benefits shall accrue during the period of the leave. Health insurance coverage will be maintained during the Pregnancy Disability Leave, not to exceed four (4) months in a 12-month period.

Upon the completion of the disability leave, the employee shall be entitled to return to the same job previously held, unless the job has been eliminated for business reasons. Under such circumstances, the employee shall be entitled to a comparable position, if any exist at the time reinstatement is requested.

Employees must provide at least thirty (30) days' advance notice of the need for pregnancy leave if it is foreseeable. If thirty (30) days is not practicable, as much notice as is practicable should be given. Employees desiring a pregnancy leave must fill out a request form and provide a doctor's certification stating, (i) the commencement date; (ii) duration of such leave; and (iii) an explanatory statement that due to the disability, the employee is unable to work at all or is unable to perform one or more of the essential functions of her position without undue risk to herself, the successful completion of her pregnancy or to other persons. Forms are available at the office and should be completed and submitted to your supervisor.

Employees who are eligible for our family and medical leave policy may be provided with up to twelve (12) weeks of coverage under our medical plan subject to the requirements and conditions of the "medical insurance coverage" section of our family and medical leave policy. The first twelve (12) weeks of leave for such employee is counted toward the employee's FMLA leave entitlement under federal law, but not to leave under the California Family Rights Act (CFRA). CFRA leave is a separate and distinct entitlement from a pregnancy disability leave under this section. Employees may, under certain conditions, be eligible for twelve (12) additional weeks of CFRA leave at the end of the employee's pregnancy disability or at the end of four (4) months pregnancy disability leave under this section, whichever occurs first.

Pregnancy Accommodation. In lieu of a pregnancy leave of absence, a pregnant employee may request a transfer to a less strenuous or less hazardous position. If such a transfer can be reasonably accommodated, a pregnant employee will be transferred for the duration of her pregnancy, provided that she submits a written request for such transfer, and, in addition, furnishes a doctor's written certificate attesting that the transfer request is upon doctor's advice. However, the company will not undertake to create additional employment within the company that would not otherwise be created to meet its own business needs, nor will the company be required to discharge any employee, transfer any employee with more seniority than the pregnant employee, or to promote an employee who is not qualified to perform the job. Upon transfer, an employee will receive the salary and benefits which are regularly provided to employees in the position to which the employee has been transferred.

Consequences of Failure to Return From the Leave of Absence. Employees should be advised that failure to return after a leave of absence on the scheduled date of return can result in termination.



Family and Medical Leave Act

1. Family Care or Medical Leave Defined. The Company will provide an unpaid family care or medical Leave of Absence for any employee who has at least twelve (12) months service and has worked one thousand two hundred and fifty (1,250) hours during the previous twelve (12) month period. If the employee has worked the required time for the Company, the reasons for requesting a family care or medical leave will determine whether the employee will receive such a leave. The following are reasons that will entitle an employee to a family care or medical leave:

- (i) Leave for reason of the birth of a child of the employee;
- (ii) Leave for reason of the placement of a child with the employee in connection with the adoption or foster care of a child;
- (iii) Leave for a serious health condition of a dependent child of the employee;
- (iv) Leave to care for a parent or spouse who has a serious health condition; and
- (v) Leave because of a serious health condition of the employee which prevents the employee from performing the essential functions of their position.

2. Maximum Amount of Family Care or Medical Leave. The maximum amount of time for family care or medical leave is three (3) months (12 work weeks) during a twelve (12) month period. This twelve-month period is a rolling period and dates back from the date the leave is first used. Leaves for the birth of a child or the placement of a child must be completed within twelve (12) months following the birth or placement of the child. When both spouses work for the Company, the maximum combined amount of leave for the birth or placement of a child or to care for a parent is twelve (12) weeks in a twelve (12) month period. Intermittent leaves or leaves on a reduced work schedule are not permitted after the birth or placement of a child, unless the Company approves intermittent leaves in advance. This does not apply where the employee's child or the employee has a serious health condition requiring treatment. Leaves for the other reasons specified in the section above can be intermittent or on a reduced work schedule when medically necessary.

3. Position will be Held Open. At the termination of the leave, the employee will be returned to their former position or an equivalent one unless the employee's position has been eliminated. No break in service or loss of seniority occurs during the family care or medical leave. Employees on leave because they have a serious health condition must provide a release to return to work, signed by a health care provider.

4. Serious Health Condition Defined. A serious health condition requires inpatient care, subsequent treatment in connection with inpatient care, or continuing treatment by a health care provider. It includes absences which are on a recurring basis for treatment or recovery. Minor illness of brief durations (3 days or less) are not serious health conditions. Examples of serious health conditions are heart conditions, stroke, cancer, back injuries, pneumonia, emphysema, severe morning sickness, prenatal care, childbirth and recovery from childbirth. Serious health conditions do not include absence for substance abuse (except where treatment by a health care provider is sought), or routine physical exams.

5. Health Care Providers' Certificate Required for Family Care Leave. Employees are required to provide the Company with a certificate from a health care provider which certifies that the leave is required. Employees requesting a leave to care for other family members or covered service member are required to provide a health care providers' certificate which states that the employee is needed to care for the individual or service member requiring care. In the case of an employee's illness, a health care provider certification is also required. The certificate must state that the employee is unable to perform the essential functions of the job. In the case of a serious health condition of the employee, the Company may require the employee to be examined by a different

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physician at the Company's cost. The exact information required is set forth on a form which will be provided to you.

6. Notice Required. Employees are required to give the Company thirty (30) days' advance notice of the date that their family care or medical leave will commence, unless the event that gives rise to the need for the leave was unforeseeable, in which case the employee shall give as much notice as practicable of the date when leave will be required. When planning medical treatment, employees are requested to consult with your supervisor in order to make a reasonable schedule, so as to not disrupt our operations, subject to the approval of your doctor.

7. Interpretations of this Family Care or Medical Leave policy shall be governed by state and federal law.

8. Medical Insurance Coverage. Employees on family care or medical leave who are covered by a Company-sponsored group health plan will continue to be covered during the time they would have been working for the Company, absent the family care or medical leave. If the employee was paying a co-payment prior to the family care or medical leave for coverage on the Company-sponsored group health plan, the employee is required to continue to make the co-payment to maintain coverage while on family care or medical leave. The Company is not required to cover employees who do not make the requisite co-payment for insurance. Employees who do not return to the Company's employ after a family or medical leave shall reimburse the Company for all medical premiums paid on their behalf during the family care or medical leave.

9. Family care or medical leave is unpaid, and no benefits shall accrue during the period of the leave. However, employees may use any accrued sick time during such leave. Employees wishing to take a family or medical leave must fill out a request form and provide the required medical certification. These forms are available at the office and should be completed and submitted to your supervisor.

10. Military Exigency Leave and Military Care Leave under the FMLA: In 2013, the United States Department of Labor's Wage and Hour Division published its Final Rule to implement statutory amendments that were made to the Family and Medical Leave Act of 1993 (FMLA). The final rule expands the military family leave provisions that are covered below. The provisions above of the Company's FMLA Policy apply to all FMLA leaves of absences taken by employees, including the military family leave provisions, unless expressly set forth below. If you have any questions relating to your right to take FMLA, please see the Human Resources Department.

A. Types of Leave:

(1) Military Exigency Leave: When an employee's spouse, parent, son or daughter (of any age) experiences a Qualifying Exigency resulting from military service (applies to active service members deployed to a foreign country, National Guard and Reservists), an employee is entitled up to a combined total of twelve (12) weeks of unpaid FMLA leave per Leave Year; and

(2) Military Care Leave: To care for a an employee's spouse, parent, son, daughter (of any age) or next of kin who requires care due to an Injury or Illness incurred while on active duty or was exacerbated while on active duty. NOTE: A leave of up to 26 weeks of leave per twelve-month period may be taken to care for the injured/ill service member.

B. Key Definitions Relating to Military Leave under the FMLA:

(1) A "Son or Daughter" for the purposes of Parental or Family Leave is defined as a biological, adopted, foster child, step-child legal ward or a child for whom the employee stood in loco parentis to, who is (1) under eighteen years of age or, (2) eighteen years of age or older and unable to care for him/herself because of physical or mental disability. A "Son or Daughter" for the purposes of Military Exigency or Military Care leave can be of any age.



(2) “Next of Kin” for the purposes of Military Care leave is a blood relative other than a spouse, parent or child in the following order: brothers and sisters, grandparents, aunts and uncles, and first cousins. If a military service member designates in writing another blood relative as his/her caregiver, that individual shall be the only next of kin. In appropriate circumstances, employees may be required to provide documentation of next of kin status.

(3) “Qualifying Exigencies” for Military Exigency leave include: Short-notice call-ups/deployments of seven days or less (NOTE: leave for this exigency is available for up to seven days beginning the date of call-up notice);

- Attending official ceremonies, programs or military events;
- Special childcare needs created by a military call-up including making alternative child-care arrangements, handling urgent and non-routine childcare situations, arranging for school transfers or attending school or daycare meetings;
- Making financial and legal arrangements;
- Attending counseling sessions for the military service member, the employee, or the military service members son or daughter who is under 18 years of age or 18 or older but is incapable of self care because a mental or physical disability;
- Rest and Recuperation (NOTE: fifteen (15) days of leave is available for this exigency per R&R event);
- Post-deployment activities such as arrival ceremonies, reintegration briefings and other official ceremonies sponsored by the military (Note: leave for these events is available during a period of 90-days following the termination of active duty status). This type of leave may also be taken to address circumstances arising from the death of a covered military member while on active duty;
- Parental care when the military family member is needed to care for a parent who is incapable of self-care (e.g. arranging for alternative care or transfer to a care facility); and,
- Other exigencies that arise that are agreed to by both the Company and employee.

(4) A “Serious Injury/Illness” incurred by a service member in the line of active duty or that is exacerbated by active duty is any injury or illness that renders the service member unfit to perform the duties of his/her office, grade, rank or rating.

C. Family Care, Personal Medical Leave, Military Exigency and Military Care Leave: Leave taken for these reason may be taken in a block or blocks of time. In addition, if a Health Care Provider deems it necessary or if the nature of a Qualifying Exigency requires, leave for these reasons can be taken on an intermittent or reduced schedule basis.

D. Certification and Fitness For Duty Requirements: Employees are typically required to comply with the certification requirements set forth in Section 5 above. In addition, employees requesting a Military



Exigency leave may also be required to provide appropriate active duty orders and subsequent information concerning particular Qualifying Exigencies involved.

E. **Spouse Aggregation of Leave:** A husband and wife employed by the Company will be limited to a combined total of 26-weeks of leave to care for a military service member. This 26-week leave period will be reduced, however by the amount of leave taken for other qualifying FMLA events. This type of leave aggregation does not apply to leave needed because of an employee's own serious health condition, to care for a spouse or child with a serious health condition or because of a Qualifying Exigency.

Paid Family Leave

Employees may be eligible for Paid Family Leave (PFL) wage replacement benefits, which are funded through payroll deductions and coordinated through the Employment Development Department. PFL provides limited compensation for up to six (6) weeks after an unpaid, seven-day waiting period when an employee needs to take leave from work to care for a parent, child, spouse or registered domestic partner who is seriously ill, or for a working parent who wants time to bond with his or her newborn, foster child or newly adopted child. The PFL program does not provide employees with a right to a leave of absence; it is limited to a state-mandated wage replacement benefit.

State Disability Insurance (S.D.I.)

This state-operated plan pays the employee directly if he or she is out of work due to a non-occupational illness or injury and is not receiving a salary or sick leave benefit. The protection is provided through employee contributions (the S.D.I. on your payroll check stub). Applications for S.D.I. benefits are available from the Personnel Department or the California Employment Development Department.

State and Federal Unemployment Insurance

This program provides income to employees who are out of work through no fault of their own. The premiums are paid for entirely by the Company. Eligibility for benefits is determined by state statutes and regulations.

Social Security Benefits

This long-established federal program provides payments to eligible employees when they retire or become totally disabled or to their survivors in the event of the death of the employee. This program is financed by deductions from each employee's wages (the F.I.C.A. deduction on your payroll check stub) and matching payments made by the Company. Since eligibility and benefit amounts are determined by each employee's individual Social Security account number, the Human Resources Department must have your correct number.

California Paid Family Leave of Absence

Employees are entitled to up to six (6) weeks of leave benefits over a 12-month period when an employee cannot work due to the serious health condition of a family member or the birth, adoption, or foster placement of a child with the employee or the employee's domestic partner. Employees may be eligible to collect Family Temporary Disability Insurance ("FTDI") benefits provided through the California State Disability Insurance ("SDI") system during such a leave. As the program will be administered by the California Employment Development Department ("EDD"), please contact your local EDD office for additional information.

Employees are eligible for family care benefits if they provide a certification to the EDD establishing that either: (1) a "serious health condition" of a child, parent, spouse, or domestic partner "warrants the participation of the employee to provide care," or (2) the employee is taking leave for reason of the birth, adoption or foster care placement of a minor child with the employee or the employee's domestic partner, and the leave is taken within one year of the birth or placement. "Serious health condition" is given the same definition as contained in the



California Family Rights Act (“CFRA”). Situations that “warrant the participation of the employee to provide care” include providing psychological comfort and arranging third party care for the family member, as well as directly providing or participating in medical care. However, an employee is not eligible for family care benefits for any day that another family member is able and available to provide the required care.

The first seven (7) consecutive days of leave taken for family care are deemed a “waiting period,” during which no benefits are payable.

Employees who are entitled to leave under the Family and Medical Leave Act (“FMLA”) or the CFRA must take FTDI leave concurrent with their FMLA and/or CFRA leave. An employee may not receive FTDI benefits if he or she is also eligible, or already receiving, State Disability Insurance, Unemployment Compensation Insurance, or Workers’ Compensation.

Jury Duty

All Regular Employees will be granted a temporary paid leave of absence of up to five (5) working days for jury duty. Employees who receive a jury summons must notify their supervisor and the Human Resources Department immediately of the receipt of the summons and must inform the Company if you are required to appear for jury duty. Please contact the Human Resources Department if you have any questions.

Witness Duty

All employees who are required by law to appear in any judicial proceeding as a witness may take leave for such purpose provided that the employee provides the Company with reasonable advance notice of the employee’s intent to take such time off. Unless otherwise required by law, such leave is unpaid.

Military Leave

Employees who wish to serve in the military and take military leave should contact the Human Resources Department for information about their rights before and after such leave. You are entitled to reinstatement upon completion of military service, provided you return or apply for reinstatement within the time allowed by law.

Volunteer Firefighter / Reserve Peace Officer / Emergency Rescue Personnel Leave

Employees will be granted unpaid time off to perform emergency duty as a volunteer firefighter, a reserve peace officer, or emergency rescue personnel, provided he/she provides the Company with reasonable advance notice.

Volunteer Firefighter Leave

An employee who is a volunteer firefighter shall be permitted to take a temporary leave of absence, not to exceed an aggregate of fourteen (14) days per calendar year, for the purpose of engaging in fire or law enforcement training.

Time Off for Voting

If an employee does not have sufficient time outside of working hours to vote in an official state-sanctioned election, the employee may take off enough working time to vote. Such time off shall be taken at the beginning or the end of the regular working shift, whichever allows for more free time, and the time taken off shall be combined with the voting time available outside of working hours to a maximum of two (2) hours combined. Under these circumstances, an employee will be allowed a maximum of two hours of time off during an election day without loss of pay. When possible, an employee requesting time off to vote shall give his or her supervisor at least two (2) days notice.



School Activities

If an employee who is the parent or guardian of a child facing suspension from school is summoned to the school to discuss the matter, the employee should alert his or her supervisor as soon as possible before leaving work. In agreement with California law, no discriminatory action will be taken against an employee who takes time off for this purpose.

Domestic Violence Leave

Employees who are victims of domestic violence are eligible for unpaid leave. You may request leave if you are involved in a judicial action, such as obtaining restraining orders, or appearing in court to obtain relief to ensure your health, safety, or welfare, or that of your child.

You should provide notice and certification of your need to take leave under this policy. Certification may be sufficiently provided by any of the following:

- A police report indicating that the employee was a victim of domestic violence;
- A court order protecting or separating the employee from the perpetrator of an act of domestic violence, or other evidence from the court or prosecuting attorney that the employee appeared in court; or
- Documentation from a medical professional, domestic violence advocate, health-care provider, or counselor that the employee was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence.

The Company will, to the extent allowed by law, maintain the confidentiality of an employee requesting leave under this provision.

The length of unpaid leave an employee may take is limited to 12 weeks provided for eligible employees in the federal Family and Medical Leave Act of 1993.

Victims of Crime Leave

An employee who is him or herself a victim or who is the family member of a victim of a violent felony or serious felony may take time off from work under the following circumstances:

- The crime must be a violent or serious felony, as defined by law; and
- You must be the victim of a crime, or you must be 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.

An immediate family member is defined as a spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father or stepfather.

A registered domestic partner means a domestic partner who is registered in accordance with California state law.

The absence from work must be in order to attend judicial proceedings related to a crime listed above. Before you are absent for such a reason, you must provide documentation of the scheduled proceeding. Such notice is typically given to the victim of the crime by a court or government agency setting the hearing, a district attorney or prosecuting attorney's office or a victim/witness office.

If advance notice is not possible, you must provide appropriate documentation within a reasonable time after the absence. Any absence from work to attend judicial proceedings will be unpaid.

CHAPTER 11



INTERNAL DISPUTE RESOLUTION PROCESS

This “Internal Dispute Resolution Process” (the “IDR Process”) sets out the procedures to be followed by the Company and its employees in addressing and resolving work-related concerns and complaints (each, a “Work-Related Concern”).

All employees are encouraged to address their Work-Related Concerns promptly after the situation that causes the Work-Related Concern. Employees should feel free to raise their Work-Related Concerns without fear of retaliation.

MANDATORY PARTICIPATION. PARTICIPATION IN THE COMPANY’S IDR PROCESS FOR RESOLUTION OF WORK-RELATED CONCERNS IS MANDATORY FOR BOTH THE COMPANY AND ALL EMPLOYEES OF THE COMPANY, INCLUDING FORMER EMPLOYEES. WORK-RELATED CONCERNS ARISING AFTER TERMINATION OF EMPLOYMENT SHOULD BE FIRST ADDRESSED IN STEP III OF THE IDR PROCESS, NON-BINDING MEDIATION.

The Company’s IDR Process is divided into the following four (4) steps, which are designed to promote effective resolution of Work-Related Concerns:

- Step I: Open Door Policy
- Step II: Human Resources Review
- Step III: Non-Binding Mediation
- Step IV: Mandatory Binding Arbitration

1. **STEP I: OPEN DOOR POLICY.** Step I of the IDR Process is addressing Work-Related Concerns through the Company’s Open Door Policy, in the form of informal discussions between employees and their supervisors.

1.1 **Presenting Work-Related Concerns to Supervisors.**

A. Employees are encouraged to discuss their Work-Related Concerns with their immediate supervisor (or if that is not practical or possible, another supervisor or member of management with whom the employee feels comfortable), as soon as possible after the event or situation that causes the Work-Related Concern.

B. After an employee expresses a Work-Related Concern to a supervisor (or member of management), that supervisor (or member of management) will investigate the matter, attempt to resolve the Work-Related Concern and provide the employee a solution or explanation. The supervisor (or member of management) and the Company will attempt to keep confidential all confidential Work-Related Concerns. However, in the course of investigating and resolving the matter, some disclosure of confidential information to others may be necessary or appropriate.

1.2 **If the Work-Related Concern Is Not Resolved.** The majority of Work-Related Concerns can be resolved through informal and open communication among employees and supervisors. However, if a Work-Related Concern is not resolved to an employee’s satisfaction; an employee may proceed to Step II of the IDR Process by presenting the Work-Related Concern to the Human Resources Department (“HR”). The



Company encourages employees to present such Work-Related Concerns to HR promptly (within thirty (30) days if possible) after concluding Step I of the IDR Process.

2. **STEP II: HUMAN RESOURCES DEPARTMENT REVIEW AND INVESTIGATION.** Step II of the Company's IDR Process is resolution of Work-Related Concerns through review and investigation by the Human Resources Department.

2.1 If a Work-Related Concern is not resolved through the Company's Open Door Policy, an employee may present the Work-Related Concern to HR in the form of a formal written complaint ("Complaint").

2.2 *Review of Complaint and Investigation.*

A. A Complaint filed with HR must be in writing and should describe in detail the situation that caused the Work-Related Concern, any individuals involved, and if applicable, suggested solutions or the relief sought.

B. HR will send the employee an acknowledgment that the Complaint is under review. Each Complaint will be kept in a confidential file.

C. HR will investigate the Complaint, which may include meeting individually with the employee who filed the Complaint and with others who are either named in the Complaint or who may have knowledge of the situation.

D. Upon completing investigation of the Complaint, HR will meet with the employee who filed the Complaint to orally report its findings and conclusions. If the Work-Related Concern is resolved to the employee's satisfaction, the terms of the resolution will be written and signed by both the employee and a representative of HR.

E. If an employee is not satisfied with the conclusion, an employee may proceed to Step III of the IDR Process by requesting non-binding mediation to resolve the Work-Related Concern. The Company encourages employees to present such a request for mediation promptly (within thirty (30) days if possible) after finishing Step II of the IDR Process.

3. **STEP III: NON-BINDING MEDIATION.** Step III of the Company's IDR Process is resolution of Work-Related Concerns through participation by the Company and employee in neutral non-binding mediation ("Mediation"). Mediation may be initiated by the Company, former employees, and existing employees who have completed prior Steps of the IDR Process (each such party, a "Claimant").

3.1 *What is Non-Binding Mediation?* Non-Binding Mediation is a private dispute resolution process in which a neutral third party mediator assists the disputing parties in the goal to negotiate a voluntary, mutually agreeable settlement of the situation. The mediator does not have authority to impose a settlement on the parties, and the parties are not bound by any settlement unless and until they agree to it on their own.

3.2 *Request for Mediation and Mediation Proceedings.*



A. All Mediation proceedings pursuant to the Company's IDR Process will be conducted under the American Arbitration Association's ("AAA") "Employment Mediation Procedures" ("AAA Mediation Rules").

B. To start Mediation proceedings, a Claimant must deliver to HR a written request for Mediation of the Work-Related Concern ("Request for Mediation").

C. A Request for Mediation should include a brief statement of the nature of the Work-Related Concern, the relief sought, the names, regular mail addresses, email addresses (if available) and telephone numbers of all parties to the Work-Related Concern and any representatives of the parties that will be participating in the Mediation.

D. After receipt of a Request for Mediation, HR shall start a Mediation proceeding with the AAA by filing the Request for Mediation, a copy of the Company's IDR Process and any other information that may be required by the AAA. HR shall also provide a copy of the Request for Mediation and AAA filing to all parties to the Mediation.

E. The costs of the Mediation shall be paid for by the Company. Each party to the Mediation will be responsible for paying its own witness costs and experts' and/or attorneys' fees.

3.3 If the Work-Related Concern Is Not Resolved. If the parties to the Mediation are unable to agree to a settlement in Mediation, a party may request resolution of the Work-Related Concern through Step IV of the IDR Process, arbitration. The Company encourages parties to present their request for arbitration promptly (within thirty (30) days if possible) after finishing Step III of the IDR Process.

4. **STEP IV: ARBITRATION.** Step IV of the Company's IDR Process is resolution of Work-Related Concerns through mandatory participation in arbitration ("Arbitration").

4.1 What is Binding Arbitration? Binding Arbitration is generally defined as an out-of-court, private dispute resolution process where the parties submit their disputes to one or more neutral, impartial arbitrators for a final and binding decision on the dispute. The arbitrator may order almost any relief that a court could order.

4.2 Work-Related Concerns and Claims Subject to Mandatory Binding Arbitration. Except for certain "Special Claims" (as defined below), all Work-Related Concerns are subject to Mandatory Arbitration.

4.3 Arbitration Not Applicable to Certain "Special Claims". Arbitration under the IDR Process is not applicable to certain Work-Related Concerns that by law must be resolved solely and exclusively in a specific forum or manner ("Special Claims"). These Special Claims include, among others, workers' compensation, certain age and other status discrimination claims, unemployment insurance and state disability insurance claims.

4.4 Request for Arbitration and Arbitration Proceedings.

A. All Arbitration proceedings under the IDR Process will be conducted under the AAA's "Employment Arbitration Rules and Mediation Procedures" ("AAA Arbitration Rules").



B. To start Arbitration proceedings, a Claimant must submit to HR a written request for Arbitration of the Work-Related Concern (a "Request for Arbitration") within the time limit established by the applicable statute of limitations.

C. The Request for Arbitration should include the names, addresses, email addresses (if available) and telephone numbers of the parties involved in the Work-Related Concern, a brief statement of the Work-Related Concern, the remedy sought and any representatives of the parties that will be participating in the Arbitration.

D. After receiving a Claimant's Request for Arbitration, HR shall start the Arbitration by filing with the AAA the Request for Arbitration, a copy of the Company's IDR Process and any other information that may be required by the AAA. HR will also provide a copy of the Request for Arbitration and AAA filing to all parties to the Arbitration.

E. The cost of the Arbitration proceedings shall be paid by the parties as provided for in the AAA Arbitration Rules for "Costs of Arbitration (including AAA Administrative Fees)" for "Disputes Arising Out of Employer-Promulgated Plans". However, to facilitate the Arbitration, the Company will advance payment of the costs to the AAA. Each party to the Arbitration will be responsible for paying its own witness costs and experts' and/or attorneys' fees.

F. The arbitrator's award and conclusion of the Arbitration shall be final and binding on all parties to the Arbitration.

5. General Provisions.

5.1 Work-Related Concerns. "Work-Related Concerns" include, among others, work-related concerns and complaints involving (1) involuntary terminations, such as layoffs and discharges; (2) unlawful employment discrimination and harassment; (3) retaliation based on legally protected activity and/or whistle blowing; (4) tort claims, including negligent hiring or retention, defamation, invasion of privacy, infliction of emotional distress, tortious interference, assault and battery, and other intentional or negligence-based torts; (5) violations of public policy, (6) express or implied contracts, non-competition agreements or other restrictive covenants, (7) violations of the duties of good faith and fair dealing, fiduciary duties or similar duties, (8) trade secrets, trademarks, copyrights, patents and other intellectual property, and (9) commissions, bonuses, wages, hours, overtime or other compensation issues.

Work-Related concerns shall not be asserted in or as class or other representative actions in any arbitration or court proceeding pursuant to the IDR Process. Claimant and Company shall submit only their own, individual claims in arbitration or court proceedings pursuant to the IDR Process and will not seek to represent the interests of another person in any such proceeding.

5.2 Venue; Forum. Any action or proceeding pursuant to this IDR Process must be conducted within the City of Los Angeles, State of California, and, if applicable, any court confirmation or other court proceeding must be conducted in the Los Angeles County Superior Court as the sole and exclusive venue.

5.3 Governing Law. This IDR Process and any and all matters addressed pursuant to it shall be construed in accordance with and governed by the laws of the State of California (without regard for conflict of laws principles); provided, however, the provisions of this IDR Process relating to arbitration of Work-Related Concerns shall be governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.).



5.4 Addresses of Employees for Purposes of Notice. Any document to be delivered by the Company to a current or former employee of the Company shall be sent to the last known address recorded in the employee's personnel file by certified or registered mail.



ACKNOWLEDGEMENT OF INTERNAL DISPUTE RESOLUTION PROCESS

I acknowledge that I have read and understand the Company's "Internal Dispute Resolution Process" (the "IDR Process").

I understand and agree that I am responsible for complying with the IDR Process to resolve any work-related concerns and complaints I have in connection with my employment by the Company (together, "Work-Related Concerns").

I understand and agree that any Work-Related Concerns I have that are not resolved through the initial steps of the IDR Process will ultimately be settled through mandatory binding arbitration.

I recognize and agree that I am signing this Acknowledgment of Internal Dispute Resolution Process knowingly and voluntarily, without any pressure, duress, coercion or undue influence.

Employee Signature

Print Employee Name

Date

Department Representative



Confirmation of Receipt Including At-Will Language

I have received my copy of the Company's Employee Handbook. I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures contained in the Handbook.

I understand that except for employment at-will status, any and all policies or practices can be changed at any time by the Company. The Company reserves the right to change my hours, wages, and working conditions at any time. I understand and agree that other than the Chairman of the Company, no manager, supervisor, or representative of the Company has authority to enter into any agreement, express or implied, for employment for any specific period of time, or to make any agreement for employment other than at-will; only the Chairman has the authority to make any such agreement and then only in writing, signed by the Chairman.

I understand and agree that nothing in the Employee Handbook creates or is intended to create a promise or representation of continued employment and that employment at the Company is employment at-will; employment may be terminated at the will of either the Company or myself. My signature certifies that I understand that the foregoing agreement on at-will status is the sole and entire agreement between the Company and myself concerning the duration of my employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings, and representations concerning my employment with the Company.

I will observe strict secrecy as to the accounts of all customers and as to all the transactions of the Company of whatever description with its customers, Company employees and officers or stockholders and I will not divulge any of said matters, nor the status of any of said accounts, nor the number of shares held by any person or persons, nor the nature of any interest that any person or customer may have in the affairs of the Company and I will not divulge any of the credit information of any person, company or corporation which I may acquire as an employee or use any information of whatsoever kind or character which I may receive as an employee for any purpose other than for the advancement of the interests of the Company and I will at no time divulge any such information to any person not entitled thereto.

I further promise that I will honestly and faithfully conduct myself, and duly and diligently perform all the duties assigned to me while in the employ of the Company, and I will truly and faithfully account for and deliver to the Company all monies, securities and other property belonging to the Company which I may receive for, from or on account of the Company, and that upon termination of my employment, I will at once deliver to the Company all books, documents, money, securities or other property belonging to the Company or for which the Company is liable to others, which shall be, or which ought to be, in my charge or custody, and I will in all other respects honestly and faithfully perform all my duties as an employee of the Company.

I shall be bound by all the rules and regulations of the Company now in force, and by all such other rules and regulations as may be hereinafter called to my notice and I will faithfully observe and abide by the same.

Employee Name

Department Representative

Employee Signature

Date

