

WELCOME TO TRENDS INTERNATIONAL PUBLISHING CORPORATION.....	1
OVERVIEW and GENERAL	3
EQUAL EMPLOYMENT OPPORTUNITY and NON-HARASSMENT POLICY.....	4
OPEN DOOR POLICY	5
EMPLOYEE PRIVACY AND CONFIDENTIALITY POLICY	6
SAFETY & SECURITY POLICIES	6
Alcohol and Drug-Free Workplace Policy	6
Workplace Violence Prevention Policy.....	7
On-the-Job Injury Policy	8
Company and Employee Property Protection	8
Company Sponsored Activities	10
MISCELLANEOUS POLICIES.....	11
Media Inquiries	11
Sale of Goods.....	11
BUSINESS INTERRUPTION POLICY.....	11
SOLICITATION AND DISTRIBUTION OF LITERATURE POLICY	12
Solicitation/Distribution by Employees	12
Solicitation/Distribution by Non- Employees	12
SMOKING POLICY	12
DRESS CODE	12
INFORMATION SYSTEMS (I.S.) POLICIES	13
Proprietary Information.....	13
Computers, Communications, and Internet Access	13
Employee Passwords	14
Electronic Distribution of Confidential Information	15
Electronic Mail, Voicemail Communication Protocol.....	15
The World Wide Web	16
Use of Company Property for Illegal Purposes	17
Usenet News Group	17
File Transfer Protocol	18
Reporting Violations of I.S. Policies	18
GIFTS AND GRATUITIES POLICY	18
JOB CLASSIFICATIONS	20
PAYCHECKS	20
PAYROLL DEDUCTIONS.....	21
WAGE GARNISHMENT.....	21
WORKING HOURS.....	22
TIME KEEPING.....	22
FLEXTIME WORK SCHEDULE POLICY	22
OVERTIME	23
CHARITABLE CONTRIBUTIONS THROUGH PAYROLL DEDUCTION	23
TRAVEL AND EXPENSE POLICIES.....	24
Airfare	25
Hotel Accommodations	25
Transportation	26
Meals	26
Charges Incurred While Traveling in Foreign Countries	27
Expense Report Procedures	27
SALARY INCREASES and BONUSES	28
Merit-Based Salary Increases	28
Bonuses.....	28
Annual Profit Sharing Bonus Plan.....	28
PERSONNEL FILES.....	31
PROBLEM RESOLUTION GUIDELINES	31
UNACCEPTABLE JOB PERFORMANCE AND DISCIPLINARY ACTION	32
EMPLOYEE PERFORMANCE APPRAISALS.....	32

PROMOTIONS/JOB OPENINGS	32
Eligibility for Promotion and/or Job Openings	33
ABSENTEEISM AND TARDINESS	33
NEPOTISM	33
OUTSIDE EMPLOYMENT	33
TERMINATION OF EMPLOYMENT	33
EMPLOYMENT REFERENCES	34
HOLIDAYS	36
VACATION POLICY	36
Accrual of Vacation	36
LENGTH OF SERVICE AWARDS POLICY/RETIREMENT POLICY	
37	
FAMILY and MEDICAL LEAVE OF ABSENCE	38
INTERNATIONAL TEMPORARY MEDICAL SERVICES	38
GROUP INSURANCE	39
Health and Dental Coverage	39
WORKERS' COMPENSATION	39
REGISTERED RETIREMENT SAVINGS PLAN	39
RECEIPT AND ACKNOWLEDGMENT OF THE TRENDS INTERNATIONAL PUBLISHING	
CORPORATION EMPLOYEE HANDBOOK	40
TRENDS INTERNATIONAL PUBLISHING CORPORATION CONFIDENTIAL INFORMATION	
AGREEMENT	41

WELCOME TO TRENDS INTERNATIONAL PUBLISHING CORPORATION

An outstanding workforce is the key to our success. Through the efforts of our employees, we have become an industry leader in the production and distribution of posters and other consumer products. To ensure continued success, we feel it is important that all employees understand our company, our history, and our policies and procedures.

This Employee Handbook will familiarize you with the various aspects of working with Trends International Publishing Corporation ("Trends"). We encourage you to use it as a valuable resource for understanding Trends. We feel it will also be a useful reference document for all employees. If you have any questions, please do not hesitate to direct them to your supervisor or any member of the management team.

Our best wishes to you as you begin your career with us. Thank you for taking this first step in knowing Trends.

Phil St. Jean, President

POLICIES

OVERVIEW

The guidelines and policies contained in the Trends International Publishing Corporation ("Trends" or the "Company") Employee Handbook ("Handbook") are intended to protect the rights of all Trends employees and ensure maximum understanding and cooperation within the Company. In addition to adhering to the policies set forth in this Handbook, all employees are expected to respect the following guidelines:

- Employees are to be careful and conscientious in the performance of their duties and accept responsibility for their work, actions, personal safety, and well-being.
- Employees are expected to use good judgment in all work situations.
- Employees are expected to be thoughtful and considerate of other people.
- Employees should be courteous and helpful when dealing with customers, suppliers, and co-workers.

GENERAL

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

This Handbook is not intended to be an all-inclusive list of the policies and practices of the Company. Trends reserves the right to revise, modify, delete or add to any and all policies, procedures, work rules or benefits stated in the Handbook or in any other document at its sole discretion with or without notice.

An individual's employment relationship with Trends is terminable in accordance with the termination policies set out in this Handbook and/or in an employee's individual written contract of employment.

EQUAL EMPLOYMENT OPPORTUNITY and NON-HARASSMENT POLICY

Trends is an equal opportunity employer and it is the Company's policy to provide equal opportunity for employment and advancement to all employees regardless of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, family status or handicap. This policy applies to all employment related actions including, but not limited to promotion, demotion, transfer, recruitment, layoff, recall from layoff, benefits, training and terminations. Additionally, Trends will not tolerate discriminatory employment practices or procedures by anyone, including co-workers, supervisors, managers, customers, vendors, and visitors. This policy will be carried out by the Company in a manner consistent with good business practices and procedures and in compliance with applicable provincial Human Rights legislation.

In carrying out its commitment to equal employment opportunity, the Company will make reasonable accommodations for applicants and employees with qualified disabilities who can perform the essential functions of the job with reasonable accommodations, as long as those accommodations do not impose an undue hardship on the Company.

Trends believes that all of its employees have the right to work in an environment free of unlawful harassment, discrimination, and intimidation. As such, it is Trends' policy to strictly prohibit harassment on the basis of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, family status or handicap. The Company will not tolerate harassment of its employees by anyone, including co-workers, supervisors, managers, customers, vendors, and visitors.

Included within this policy is the company's prohibition of any form of sexual harassment. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal, visual or physical conduct of a sexual nature, or any other action which has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment. While it is impossible to list all types of sexual harassment, prohibited conduct includes, but is not limited to:

- Explicit sexual propositions;
- Sexually oriented kidding or teasing;
- Uninvited touching;
- Offensive sexual remarks;
- Offensive sexual flirtations;

- Display of sexually suggestive objects or pictures;
- Verbal comments about an individual's body; and
- Sexually suggestive or offensive dress.

An employee who believes that he or she has been subject to any form of harassment should immediately report the behavior to his or her supervisor or the Manager of Human Resources. Allegations of harassment will be promptly and thoroughly investigated with the intent to reach an appropriate resolution as quickly as possible. If the allegations are confirmed, the harasser will be disciplined up to and including termination. A customer or supplier who violates this policy may be asked to leave and not return to the Company's premises.

Individuals reporting harassment will be treated courteously and the complaint will be handled promptly and in as confidential a manner as feasible in light of the need to take appropriate action. The registering of a complaint in good faith will in no way have an adverse impact on an individual's employment status. The Company will not tolerate any retaliation against an employee who makes a good faith report of discrimination or harassment, or who provides information regarding discrimination or harassment, or who acts as a witness in an investigation of discrimination or harassment. If for any reason an employee perceives retaliation, they should report the matter to Human Resources immediately. However, it is also important to understand that accusing an employee of discriminatory conduct and/or harassment is a serious matter. Consequently, the Company reserves the right to discipline any employee who intentionally makes a false report of discriminatory conduct. False reports have the potential to cause harm to innocent parties and waste the Company's time and resources.

No manager or other employee shall threaten or insinuate, either explicitly or implicitly, that another employee's or applicant's refusal to submit to sexual advances will adversely affect that person's employment, work status, evaluation, wages, advancement, assigned duties or any other condition of employment or career development. Similarly, no employee shall promise, imply or grant any preferential treatment in connection with another employee or applicant engaging in sexual conduct.

OPEN DOOR POLICY

Employees are encouraged to share their concerns, seek information, provide input, and resolve problems/issues through their immediate supervisor, and, as appropriate, consult with any member of management up to and including the President. Likewise, managers and supervisors are expected to listen to employee concerns, encourage employee input, and seek appropriate resolution of employee problems/issues.

EMPLOYEE PRIVACY AND CONFIDENTIALITY POLICY

Trends holds employee privacy in highest regard and will comply with the rules governing the collection, use and disclosure of personal employee information as set out in Canada's *Personal Information Protection and Electronic Documents Act*, or any substantially similar provincial legislation as may be enacted. Employee personnel files should not be removed from the Company office, and only authorized management personnel may access these files. Medical information will be kept in a separate medical file. When an employee wants to review their personnel file, the following procedures need to be followed:

- Written request sent to Human Resource Manager
- HR Manager will schedule date, time and place for review.

Just as Trends holds employee privacy in the highest regard, it is expected that employees also keep information regarding their employment private. Consequently, breaches of confidentiality are terminable offenses. Such breaches of confidentiality include, but are not limited to discussions of compensation, commission structures, and potential and/or earned bonus payments.

SAFETY & SECURITY POLICIES

Trends is committed to providing a safe and secure workplace for our employees. Our employees' active participation is necessary to achieve and maintain this goal of a safe and secure workplace. Trends requires that all employees use good judgment and common sense in matters of safety. All employees must conduct themselves in a safe manner, observe any safety rules posted on Company premises, and follow all applicable provincial occupational health and safety regulations. Any employee operating forklift equipment in the Distribution Center must be licensed and certified before they can operate the equipment.

It is the employee's right to voice concerns where they believe, in good faith, that a task or condition of employment threatens their personal safety. Any unsafe working conditions or hazards should be reported immediately to a member of the management team.

Alcohol and Drug-Free Workplace Policy

It is the policy of Trends to maintain a safe work environment conducive to effective business operations. Trends requires that operating practices are consistent with the highest standards of health and safety.

Selling, purchasing, using, possessing, or being under the influence of any illegal substance or alcohol without medical authorization, during the work day, on Trends premises or while conducting Company business, is inconsistent with Trends' business interest and will be grounds for disciplinary actions up to and including termination.

When an employee is traveling and has an alcoholic beverage with his/her meal, the alcohol is not reimbursable. This doesn't mean they can't have alcohol with their evening meal, it just means the employee is responsible for the cost. All receipts that are submitted for reimbursement on an expense report and Trends Visa Cards must have the detail of what was purchased. No longer will we accept the summary with just the total costs. The cost of the alcohol can not be on the itemized receipt, so please request a separate receipt for the alcohol.

All employees may be subject to mandatory drug testing upon reasonable suspicion that he/she is under the influence of drugs or alcohol during the workday. Such testing will be done at Company's designated fully accredited testing facility. Refusal to take a test under these circumstances will be treated as insubordination and will be grounds for disciplinary action up to and including termination of employment.

Workplace Violence Prevention Policy

It is the policy of Trends to prohibit, and have no/zero tolerance for any form of workplace violence. Anyone displaying or threatening violence of any type in the workplace against an employee, an employee's family, a non-employee, an employee's personal property, or company property is subject to discipline up to and including termination.

"Violence" includes, but is not limited to, threats, jokes or talk of violence, use of obscene, abusive, or threatening language or gestures, physically harming another, shoving, pushing, harassment, intimidation, and/or coercion. Additionally, the possession of unauthorized firearms (concealed or otherwise), knives, dangerous chemicals, explosives, or other weapons in the building or on Company property is prohibited.

Everyone at Trends is responsible for preventing workplace violence. Employees must report to Human Resources any incident that may involve or have the potential to involve a violation of the Company's workplace violence policy. All reports will be investigated and treated in as confidential a manner as feasible in light of the need to take appropriate action. Employees shall inform Human Resources of any restraining orders or incidents of stalking or domestic violence involving themselves or other employees.

To ensure a safe workplace, access to our property is limited to those individuals with a legitimate business purpose. All visitors must sign in and out at the reception area.

A violation of this policy by an employee may subject the employee to disciplinary action up to and including termination. Violations of this policy by both employees and non-employees may also result in legal action against the violator. Such action may include notifying the police or other law enforcement personnel and prosecuting violators of this policy to the maximum extent of the law.

On-the-Job Injury Policy

Unfortunately, despite everyone's best efforts, employees are, from time to time, injured at work. The following procedures must be followed if an employee is injured:

- CALL 911 IF THE ACCIDENT IS LIFE THREATENING OR OTHERWISE VERY SERIOUS.
- Emergency care is usually within minutes of your workplace. Before paramedics arrive on the scene, only trained staff, at their discretion, should administer medical assistance.
- Report all accidents to your immediate supervisor, no matter how minor the injury.

If an employee has questions regarding an on-the-job accident, he or she should contact his or her immediate supervisor or the Human Resources department. Please refer to the Workers' Compensation section of this Employee Handbook for more information on injuries at work.

Company and Employee Property Protection

Respect and protection of Company property and employee personal property is everyone's concern. Damaged or missing company property should be immediately reported to a supervisor. The Company does not assume responsibility for missing or damaged personal property.

Any employee found to be responsible for the theft or damage of Company property or another employee's personal property may be subject to legal action including notification of the proper authorities, and/or disciplinary action up to and including termination of employment.

Removal of Company Property: The removal of any equipment, supplies, or property of Trends without prior management approval is prohibited and will be treated as either a breach of security or theft. No product shall leave the facility without a properly issued Trends packing slip with the exception of laptop computers.

Inspection of Employee Lockers, Packages, Bags, and/or Containers: Company lockers as well as any packages, shopping bags, suitcases, and other containers brought into or taken out of the facility are subject to inspection by a member of the Management Team or the Human Resources Department.

Unauthorized Use of Recording Devices: The use of recording and/or photographic devices such as cameras, tape recorders, and radios are not allowed in the facility without the express permission of the Human Resources Department.

Access to Company Facilities: Visitors are always welcome at Trends. However, in order to maintain a safe and secure workplace and to minimize the potential for theft of Company and/or employee personal property, it is necessary for Trends to monitor access to its facilities. Consequently, Trends has established the following procedures regarding access to Company property:

- **Inactive Employees** - Employees who are currently on Leave of Absence (including Worker's Compensation or Disability leave), layoff, or suspension are not permitted to return to the workplace without prior permission from the Human Resources Department. Prior to entering the work area, inactive employees must go to the reception area and request the active employee the inactive employee wishes to see. The active employee may then escort the inactive employee to the work area.
- **Temporary Employees** - If a department is using temporary employees or consultants, the hiring manager must ensure that the temporary employee/consultant follows one of two procedures. The procedure for Administration or salary based temporary employees is the use of a timesheet to be authorized by the immediate supervisor. The procedure for Operations is the use of a timecard like regular employees that must clock in at the beginning of a shift and out at the end of a shift.
- **Visitors** - All visitors are required to sign in and out at the main entrance. Visitors are not allowed, without express permission, to move about the building without a company escort.
- **Suppliers** - Suppliers are required to sign in at the reception area. Suppliers are not allowed, without express permission, to move about the building without a company escort.

Company Sponsored Activities

Trends occasionally sponsors picnics and parties for employees and guests. Trends does not take any responsibility for any activity that an employee or guest participates in that is coordinated by Trends and is off Company property. Employees and guests participate in these activities at their own risk. Trends' liability for any injuries or accidents is limited to its corporate liability insurance.

All employee-coordinated activities must first receive the approval of the organizing employee's Department Head. The approval must then be forwarded to Human Resources for final approval. Trends will not take responsibility for any activity, or any employee who participates in an activity, that has not been pre-approved in accordance with this policy.

MISCELLANEOUS POLICIES

Media Inquiries

Employees are not authorized to release any information to the news media. All media inquiries shall be directed to the Company President.

Sale of Goods

The sale of tangible goods for personal profit is not permitted in the facility without prior approval from the Manager of Human Resources.

BUSINESS INTERRUPTION POLICY

Trends has a responsibility to its customers and employees to remain open during stated business hours (DC – 8:00 a.m. to 4:30 p.m. and Administration 8:30 a.m. to 5:00 p.m.) whenever it is reasonable to do so. However, occasionally, because of weather and/or other unpredictable occurrences, conditions exist that require Trends to close its facilities, or prevent large numbers of employees from coming to or remaining at work.

If such conditions arise, the Company President is responsible for making the decision to close the facility or alter the hours of operation. In the President's absence, the Vice President of Finance and Administration or Manager of Human Resources will make these decisions. Announcements regarding a facility closing will be posted on our Employee Voice Mailbox (ext. 6666).

Generally, loss of work, pay or benefits due to emergency conditions* are not compensated. However, absences resulting from a shutdown announcement may be covered by use of vacation days in 1 day blocks of time. Employees who wish to use vacation to cover an absence necessitated by an emergency condition must have this request approved by their Supervisor.

If employees wish to leave early, or if they arrive late due to travel conditions and no official shutdown or travel ban is imposed, then all normal absenteeism policies remain in effect. All employees are expected to communicate with their Supervisor regarding their desire/need to leave early or arrive late unless the entire facility is closed.

* NOTE: Emergency conditions are defined as temporary or permanent suspension of operations at Trends or any of its departments because of conditions beyond the employer's direct control. These include but are not limited to blizzard, flood, explosion, fire, and power failure.

SOLICITATION AND DISTRIBUTION OF LITERATURE POLICY

Solicitation/Distribution by Employees

Employees may not solicit any person for any purpose during Working Time, which also includes soliciting by email. "Working Time" includes the working time of both the soliciting employee and the employee being solicited. Working Time does not include authorized rest periods.

Employees may not distribute or post literature of any kind except as provided for in the policy on Bulletin Boards. Employees may submit business-related items to the Human Resources Department for consideration for display on Trends' bulletin boards. Lost and found notices, and items for sale or rent, and other items of general interest may be submitted to Human Resources for posting on Company bulletin boards.

Solicitation/Distribution by Non- Employees

Persons not employed by Trends are prohibited from engaging in solicitation or distribution activities on Company premises.

SMOKING POLICY

Trends is a tobacco-free company. Smoking is not permitted inside the building or at front building entrances/exits. Trends will designate an appropriate smoking area for use by its employees. All discarded cigarettes must be extinguished in the designated receptacle.

The use of chewing tobacco, snuff or other tobacco products is prohibited while on Trends premises.

DRESS CODE

Trends maintains a business casual dress environment. Examples of appropriate attire include slacks, collared shirts and sweaters for men; dresses, skirts, slacks, and pants for women. Employees are expected to maintain an appropriate appearance that is business-like, neat and clean as determined by the requirements of the area in which the employee works. Except for Fridays, ONLY Distribution Center employees will be allowed to wear jeans, tennis shoes, and other casual clothing.

Clothing must not constitute a safety hazard. No employee or visitor is permitted to wear sandals in the Distribution Center.

Fridays are designated casual dress days, unless a business reason determines otherwise. On Fridays, jeans, tennis shoes and other casual clothing are permitted.

During the warmer months, employees may wear sandals and dressy shorts are permitted on Fridays. On casual day, or any other work day, apparel that is considered by management to be provocative, distasteful or otherwise inappropriate for a business environment is not permitted. The following will not be permitted:

- Spaghetti Straps;
- Tube Tops;
- Halter Tops;
- Clothing baring the mid-riff;
- Muscle T-Shirts; and
- Work-Out Clothes (e.g., sweats, t-shirts).

Employees dressed inappropriately may be asked by their supervisor to return home to change into appropriate clothing and may also be subject to other disciplinary action. Employees will not be compensated for time away from work to change into appropriate clothing.

INFORMATION SYSTEMS (I.S.) POLICIES

Proprietary Information

Information is an important Company asset, and Trends has developed certain proprietary products and processes that are unique to the Company. Keeping such information from competitors is vital to the Company's success. To ensure that the proprietary information is properly protected, Trends has established Information Systems (I.S.) policies regarding the access, use, and processing of Company information. Moreover, Trends restricts access to designated company areas and documents to only those individuals who have business reasons for such access. Violation of Trends' policies regarding access to proprietary information may result in disciplinary action up to and including termination of employment.

Upon termination of employment, all company materials shall be returned to the employee's immediate supervisor. Upon termination, the employee's supervisor will be provided with a list of equipment the employee has been issued from the I.S. Department. It will be the supervisor's responsibility to have all equipment returned within 72 hours.

Computers, Communications, and Internet Access

Trends provides its employees with computer equipment, voicemail, e-mail and other communications systems capabilities, and access to networks including the global Internet. This access is designed to help Trends effectively communicate with its clients, vendors and colleagues, and publicize the Company's products and services to the world.

All such resources and all information gathered from or stored on such resources are the property of Trends. Policies regarding the use of Trends' computer equipment, voicemail, e-mail, Internet access and other communications systems capabilities are detailed below. Violation of these policies may result in disciplinary action up to and including termination.

General Conditions of Use: Trends recognizes that employees use its computer equipment, voicemail and Internet access for personal purposes. Trends is authorized to determine, at its sole discretion, the kind and level of personal use that exceeds an acceptable limit. Subject to the foregoing, Trends will not object to the personal use of these resources during lunch hour and regular break periods provided it is kept to a minimum and does not interfere with the conduct of Trends' business. Use of the Company's equipment, voicemail, and internet access for an employee's private business enterprise is prohibited. Violation of this policy will result in disciplinary action up to and including termination.

Monitoring of Employee Communications: Trends has the right to monitor all computers, voicemail, internet use and other communication at any time and without notice to ensure that appropriate business purposes are being pursued and personal use is kept to a minimum.

Trends will occasionally perform spot audits of its communication systems. In addition to these audits, the IS Department, with prior authorization from the President, may monitor an employee's email, voicemail, Internet use, or other communication. Management may monitor employee communications for the following reasons:

- Review and evaluation of employee work performance;
- Retrieval of business-related files and messages in the absence of an employee;
- Investigation of possible employee theft or other wrongdoing;
- Evaluation of work flow; and
- Ensuring that all electronic communication devices are used for business purposes.

Trends reserves the right to contact recipients of communications, including e-mail, as part of its monitoring efforts.

Employee Passwords

Passwords provided to employees for access to e-mail, voicemail, and Internet access or any other system shall only be used for authorized purposes. Employees are expected to inform their supervisors immediately if the employee suspects that another person, including another employee, has unauthorized access to a password.

Accounts and passwords are assigned to a specific person. They are not to be shared with other employees. All employees need to have their own account and password for each system they access assigned to them by I.S.

No direct third party physical or electronic access to Trends facilities, information, computers or systems may be established without the express permission of the most senior site or divisional manager in charge of information systems. Access that is initiated or instituted by Trends (for example, third party access to certain Trends information as a result of interaction with the Trends website) does not require additional management authorization.

Electronic Distribution of Confidential Information

Because on-line communications may be subject to interception, no confidential information may be sent electronically unless you have discussed with your immediate supervisor the purpose of transmitting such information.

Electronic Mail, Voicemail Communication Protocol

Trends provides its employees with voicemail, e-mail and other communication resources as business tools. When using these tools, employees are expected to adhere to the following guidelines:

- Address electronic mail and voicemail to the proper recipients and check that the correct address is being used. This will reduce the possibility of communications being misdirected. Messages designated as “confidential” or “private” may not be forwarded without consent of the author.
- Refrain from forwarding “chain” e-mail. Forwarding long series of e-mail or forwarding e-mail indiscriminately clogs Trends’ systems and makes it difficult to limit distribution to the appropriate recipients.
- Refrain from posting, displaying or making easily available any access information, including but not limited to e-mail or voicemail passwords. Similarly, the unauthorized use of such passwords is not permitted.
- Provide no Trends or personal information in response to unsolicited e-mail.
- Report to their supervisor receipt of e-mails containing hate or pornographic materials, requests for confidential business information, or purporting to sell confidential information of third parties or other e-mail of a suspicious nature.

Telephone Use: Telephones are a vital part of Trends’ business. Therefore, personal use of the telephone should be limited. Personal long distance calls are not to be billed to Trends. Moreover, Company 800 numbers are for business use only and should not be used for personal phone calls.

E-mail Use: Trends offers an electronic mail (“e-mail”) system for ease in business communications. Employees should be mindful that management and other employees with legitimate business purposes may have the need to view various e-mail messages, and that it may be possible for others to view e-mail messages inadvertently. Consequently, employees should always maintain a business-like manner when using e-mail, and refrain from using their Trends e-mail account for non-business related purposes.

The World Wide Web

Trends provides Internet access to assist employees in doing their jobs. The following is a list of the general rules that apply to employee use of the Company’s Internet access:

- All internet use shall be conducted in a manner that is professional, responsible courteous, and in accordance with applicable laws.
- Employees must verify that any information taken from the Internet is from an authorized, reliable source, prior to using the information for business-related purposes. If employees are unsure as to the authority of the source of the information, they must check with their supervisor.
- Employees should use the Internet for business purposes only. Employees should refrain from “surfing” the Internet for non-business purposes. Other unauthorized uses of the Internet include, but are not limited to, posting or downloading pornographic material; engaging in computer “hacking” of Trends’ systems or the computer systems of other parties; and attempting to disable or compromise the security of information contained on the Company’s computers.
- When creating a Trends website, employees may not include any material (such as photographs, sound clips, videos, etc.) in the site without verifying that all necessary rights to use the material have been obtained. Similarly, no Trends site should cross-reference (via a “hotlink”) another website without first obtaining the written permission of the owner of the site to be referenced and Trends’ Senior Management.
- Trends specifically prohibits the use of the Internet, or other electronic communications services or equipment to access or transmit sexually-explicit materials; materials that advocate illegal activity; materials that advocate intolerance for others; and materials with derogatory or inflammatory remarks about a person’s race, colour, sex, age, disability, religion, national origin, and physical attributes.

Violation of this policy may result in discipline up to and including the termination of employment.

Use of Company Property for Illegal Purposes

Trends specifically prohibits the use of its computers, communication equipment, and Internet access for any illegal purpose or for any purpose that violates Trends policy. Such prohibited purposes include, but are not limited to:

- Gaining unauthorized access to passwords or codes which have not been assigned to the particular employee;
- Intentionally damaging Trends' computer systems or networks, or other computer systems or networks, or the information contained within them;
- Committing criminal acts of any kind;
- Distributing or obtaining illegally copied software, graphics, sounds, etc.;
- Utilizing Internet Relay Chat or any real-time chat capabilities for personal "conversations," particularly of an indecent nature;
- Displaying or transmitting any sexually explicit or obscene messages or images, communications containing libelous or defamatory material, ethnic or racial slurs, or anything that may be construed as disparaging or harassing of others based on race, national origin, gender, sexual orientation, age, disability, religious or political beliefs or any other basis prohibited by law; and
- Gambling.

Trends will cooperate with the authorities in prosecuting offenders.

Usenet News Group

Use of Usenet News Group or other topical discussion groups is subject to the same restrictions that apply to general Internet access. Subscriptions to news groups and mailing lists are only permitted when the subscription is work-related. Employees must always state that any opinions expressed in a discussion group posting are not those of Trends unless the employee is posting an official Trends posting. Under no circumstances may an employee post a message to a discussion group that is critical of Trends' vendors, clients, employees, competitor's or services or that reveals confidential information.

Additionally, discussion groups like Usenet have rules of on-line etiquette, or "netiquette," and extreme violations can generate uninvited responses. Employees are expected to observe the rules of "netiquette" and to post opinions and statements appropriate to the particular topic of the news group. Employees may not "spam" (cause the same posting to appear in many different, unrelated news groups).

File Transfer Protocol

File Transfer Protocol, often integrated into Web use, is a quick and easy means of transferring files such as documents, programs and images to and from remote computers. To protect Trends from infringement actions and other damage, employees may not download and/or save any material from any on-line service unless the material comes from an authorized site (i.e. the site owns the copyright in such materials); the material is legally permitted to be downloaded without violation of copyright or trademark law, and the downloaded material is checked immediately for computer viruses and other damaging elements. Trends I.S. staff will be available to check for viruses. To save on resources and speed up access, any permitted large downloads should be scheduled after business hours.

Reporting Violations of I.S. Policies

Employees are expected to report any suspected, accidental or intentional breach by themselves or others of Trends I.S. policies. Employees who violate I.S. policies may be subject to disciplinary action up to and including termination of employment. However, self-reporting may be a mitigating factor.

GIFTS AND GRATUITIES POLICY

Trends employees, regardless of capacity, are not to request, encourage or accept for their personal benefit, gifts, gratuities, trips, cash, samples etc., from anyone buying from , selling to, or in any way serving Trends. This includes, but is not limited to, the solicitation of gifts for Trends employee's personal charitable causes. Gifts and gratuities include, but are not limited to, "free goods", tickets to sporting events or entertainment events, kickbacks in the form of money or merchandise, trips, liquor, food or personal services.

When practical, an employee must return any such item to the sender with a letter explaining Trends' policy. A copy of this letter should be forwarded to the employee's immediate supervisor. Any item not returned shall be considered the property of Trends and your supervisor should be consulted for disposition. Any request from a Trends employee for a gift or gratuity of any kind should be reported to the President of Trends immediately. Vendor violation of this policy may result in the vendor being barred from doing business with Trends and/or legal investigation. Employee violation can result in termination of employment and/or legal investigation.

COMPENSATION

JOB CLASSIFICATIONS

Trends identifies employees as one of the following:

- Regular Full Time: Employees working at least 37.5 hours per week on a regular basis. Employees who work less than 37.5 hours per week on a regular basis will have certain benefits affected.
- Regular Part Time: Employees working less than 37.5 hours per week on a regular basis. Generally, these employees work 30 hours or less per week.
- Seasonal or Temporary: Employees hired for a specified period of time.

Employees with questions regarding job classification should contact Human Resources.

PAYCHECKS

There are 24 pay periods in a year. All employees are paid semi-monthly, on the 15th and last day of each month. If the payday falls on a weekend or holiday, checks will be distributed the prior working day.

Employees will have their paychecks deposited directly to a bank or credit union by completing authorization forms available in Human Resources. All direct deposits will be credited on the actual payroll date.

PAYROLL DEDUCTIONS

An employee's earnings and payroll deductions are shown on the check stub attached to the employee's paycheck. The following items may be deducted from an employee's paycheck:

- Deductions Required by Federal or provincial laws, including:
 - Federal Income Tax
 - Provincial Income Tax
 - Employment Insurance and Canada Pension Plan Premiums
 - Garnishments/Wage Attachments
 - Other taxes and/or deductions required by provincial and/or Federal law
- Deductions Authorized by Employee:
 - Health Benefits and Insurance Premiums
 - RRSP Contributions
 - Charitable Donations to Pegasus Community Project

All questions about payroll deductions should be directed to Human Resources.

WAGE GARNISHMENT

Garnishment of wages results when an unpaid creditor has taken the matter to court or child support payments are court ordered. A garnishment is legal permission for creditors or the court to collect part of an employee's pay directly from Trends. Although Trends does not wish to become involved in an employee's private matters, we are compelled by law to administer a court's wage garnishment orders.

In doing so, Human Resources will contact the employee to explain the details of garnishment and how it affects the employee's wages. Employees are encouraged to resolve these matters privately to avoid Trends' involvement in this mutually unpleasant situation.

WORKING HOURS

The standard workweek is five (5) days. The standard workday is eight (8) hours plus a one 30-minute unpaid meal break and two 15-minute meal breaks (7.5 hour workday is reduced by one 15-minute meal break). The workweek commences on Sundays and ends on Saturdays.

Some departments may require alternative work schedules based upon the needs of the department. This may include weekends and/or holiday work schedules. Please see your supervisor to find out if this is applicable in your department.

TIME KEEPING

All employees are required to utilize Trends' time clock. Employees are expected to keep accurate record of their work time and leave time. Unless overtime work has been approved ***in advance***, employees should not begin work more than seven minutes before the scheduled starting time or end more than seven minutes after the end of the scheduled shift. A supervisor must approve all timecards. Timecards must be submitted to Human Resources by 10:00 a.m. each Monday of every week.

Timesheets and timecards are considered Company property and are not to be taken from the assigned area. No employee is allowed to clock in or out or record any other employee's time under any circumstance. Any notations on a timecard must be made with the approval of, and initialed by, the employee's supervisor. Violation of these rules may result in disciplinary action up to and including termination of employment.

FLEXTIME WORK SCHEDULE POLICY

The Flextime work schedule policy allows the Manager and/or Department Head latitude to approve certain adjustments of the work hours of an employee to meet that employee's personal needs. The implementation, continuance, discontinuance or modification of flextime is at the discretion of Trends. Authority to modify is given to the Department Manager, Director and President. Adequate staff coverage, as determined by the Department Head, must be sufficient to meet the operating requirements of Trends at all times.

Human Resources is responsible for ensuring that all flextime schedules conform to appropriate provincial laws and Company policies, and that flextime is administered

consistently and equitably throughout Trends. Consequently, Human Resources must be notified of all flextime schedules.

The Department Head is responsible for ensuring that flextime is administered consistently and equitably within the department; that all flextime schedules within his or her department conform to Company policy; and that staffing is available at all times to meet the needs of the customers and Company. The Department Head must notify the Human Resources Department of his or her intent to approve the use of flextime by forwarding a copy of the proposed schedule to Human Resources. Approval of the schedule by the appropriate Director is required.

Once a weekly flextime schedule is established, it is expected that the employee will maintain the schedule until approval is received from the Department Director regarding changing the schedule.

Flextime is provided to employees on the basis of customer and job requirements and, therefore, its use will vary among employees and departments. Some departments and positions are not suitable for flextime and other departments may find flextime suitable only for certain periods during the year. Any indications that the use of flextime is resulting in a lack of productivity, abuse of time, or is causing disharmony within the department will result in the schedule being altered or terminated.

OVERTIME

Employees will be paid overtime in accordance with applicable provincial Employment Standards legislation, subject to the exemptions and exceptions set out in those statutes. Employees must receive advance authorization from their supervisor or manager to work beyond the standard workday and/or workweek. Only time actually worked is counted in determining eligibility for overtime compensation. Unpaid meal breaks are not counted as hours worked, nor are hours paid for vacation or holidays, and the like.

CHARITABLE CONTRIBUTIONS THROUGH PAYROLL DEDUCTIONS

Trends Cares' (Trends Charities) primary purpose is to assist worthwhile organizations that provide support and services to members of our local communities. We're proud to be working with Pegasus Community Project, Harmony Place Support Services, Ontario Track 3 Ski Association, Ontario Special Olympics, and ErinoakKids. These organizations help integrate persons with special needs (kids, young adults, and adults) by providing opportunities for recreation, socialization, and education.

After you calculate how much to contribute, a payroll deduction form should be completed and submitted to the HR Department. This is a convenient method of donating since the total amount of the donation for the tax year will appear on the employee's T4. All charitable donations from payroll deduction are payable to Pegasus Community Project.

Trends will match each dollar that you donate.

You should consult with a tax advisor to determine the extent to which your contribution is deductible.

General Provisions

- A. A contribution may be implemented or canceled at any time taking into consideration payroll deadlines.
- B. Changes to the amount being contributed may be made at any time by contacting the HR Department and completing a change form.
- C. It is the employee's responsibility to ensure that there will be sufficient wages to support the deduction. No partial deductions will be made.

Payroll Deduction Enrollment/Change Form – Please contact Human Resources.

TRAVEL AND EXPENSE POLICIES

It is Trends' policy to reimburse employees for ordinary, necessary, and reasonable travel expenses when directly connected with or pertaining to the transaction of Company business. Employees are expected to exercise prudent business judgment regarding travel expenses.

Employees who incur travel and entertainment expenses are responsible for complying with Trends' policies regarding travel expenses and expense reporting. Employees submitting expenses that are not in compliance with these policies may forfeit their reimbursement. Cases of significant abuse of these policies may result in disciplinary action up to and including termination.

Department Heads are responsible for assuring that all policies detailed herein, as well as applicable business unit policies, have been adhered to prior to approving an employee's expense reports.

Expenses for a spouse are not reimbursable unless it can be shown that the spouse's presence was both essential and directly related to the effective accomplishment of company business. In these limited instances, the employee must obtain written approval IN ADVANCE from an immediate supervisor, and from the next higher level of management. When allowed, spouse travel expenses are to be included on the employee's expense report.

Airfare

All airline tickets must be booked and expensed at the lowest available airfare with an arrival and departure time after the workday is completed. One stop or connecting flights may be required if savings of \$200 or more can be achieved.

Employees may not specify a preferred carrier. However, traveling employees may retain frequent flyer benefits, although reimbursement will not be allowed when booking a higher cost airline to accrue personal frequent flyer miles or to accommodate personal requests. Moreover, all employees are expected to travel in coach class. The cost of ticket upgrades or first class accommodations are not reimbursable.

Lastly, no more than 4 employees are permitted to fly on the same aircraft.

Hotel Accommodations

The Company and its travel agency negotiate preferred rates with certain hotels. Employees are encouraged to utilize these hotels whenever feasible. In destinations where negotiated rates are not available, the Company's travel agency will recommend good quality, moderately priced hotels.

Room Type: A single room in a moderately priced business class hotel or motel is the corporate standard. If other accommodations are requested, the employee is responsible for paying the difference without showing it on the expense report, but with written explanation on the hotel billing.

Lodging costs may vary by region, thus, Trends has produced the following guideline:

- In major metropolitan downtown areas (e.g., New York, San Francisco, Los Angeles, Toronto, Montreal, Vancouver) the acceptable range is \$150-\$200 per night.
- In outlying and smaller metropolitan areas, the acceptable range is \$75-\$100 per night.

Cancellation: All rooms will be guaranteed for late arrival. Employees must cancel room reservations by 6:00 p.m. on the day of arrival to avoid a "no-show" charge. If the cancellation is made directly with the hotel, employees are advised to request and retain a "cancellation number" as documentation of the transaction. "No-show" charges are not reimbursable.

Payment and Documentation: The hotel billing and charge card receipt must be attached to the expense report. Meals, telephone, parking, and other incidental charges must be separated from the room charge, and should appear in the designated columns. Gratuities for bell service should be reasonable and reported on actual dollars; estimates based on room charges are not acceptable.

Transportation

Rental Cars: The use of a rented car must be justified as a business need and not as a matter of personal convenience. Thus, cars should be rented only when other means of transportation are unavailable, more costly, or impractical. Employees should rent only mid-size or compact cars; larger cars and/or luxury cars are not allowed unless 3 or more employees are traveling together, or if transporting customers.

Employees are covered by Company insurance while traveling on Company business; thus, insurance offered by car rental agencies should be declined. Employees must refuel rental cars prior to returning them to the vendor. This practice can save as much as 50% of the gasoline cost. The original car rental contract must be attached to the expense report in order to receive reimbursement.

Personal Cars: Employees may utilize personal cars for business travel when other transportation is unavailable or not economical. The use of personal cars for business will be reimbursed at the standard rate as determined by Trends January 1 of each year. This mileage allowance covers all auto costs (e.g., gasoline, repairs, insurance, etc.) other than parking and tolls.

Company auto insurance is not provided when using a personal car for business; therefore, it is the employee's responsibility to provide adequate insurance coverage. It is recommended that all employees carry at least \$2,000,000 per occurrence on liability on their personal car insurance. The company reserves the right to request proof of insurance prior to approving personal car use. Speeding and parking tickets are not reimbursable.

Taxis: The cost of a taxi to and from places of business, hotels, or airports in connection with business activities is reimbursable. Use of taxis is authorized only when more economical services (hotel van, shuttles, etc.) are not available.

Meals

Employee Meals: When an employee is traveling on out-of-town business, an employee's meals will be reimbursed up to \$35 per day plus 15% gratuities.

Meals are a claimable expense if your trip is overnight. You are allowed to expense the lunch and dinner for the initial day out and the breakfast and lunch the last day.

Employees must attach original detailed receipts for each meal to the expense report.

Casual meals with company employees are not reimbursable.

Entertainment Expenses: "Entertainment expenses" are defined as meals and/or outings taken with clients, customers, prospective customers or employees, or current employees during which a business discussion takes place. This may include

entertainment activities such as attending the theater, nightclub outings, golf and sporting events, when a business discussion takes place immediately before, during, or immediately after the event. Entertainment expenses must be approved IN ADVANCE by the employee's immediate supervisor.

The following information must be included on the employee's expense report as support for all business meals and entertainment expenses:

- Name, title and company of all attendees;
- Name and location of the establishment where the event took place;
- Amount and date of expense; and
- Specific business topic discussed.

Business meals attended solely by in-town employees are not reimbursable unless prior approval by Department Manager. In cases where more than one employee attends a business meal or entertainment event, the senior employee present should pay the bill.

Please see the Alcohol and Drug Free Workplace Policy for alcohol expenses.

Charges Incurred While Traveling in Foreign Countries

Employees who travel to foreign countries should figure cash expenses on that day's conversion rate, and should note on the expense report the rate used.

Expense Report Procedures

Submission Deadline: Expense reports (with current receipts attached) must be submitted within 30 days of occurrence. If submitted after 30 days, the company reserves the right to refuse reimbursement.

Expense report reimbursement will be made twice monthly at the regularly scheduled pay periods. Reports must be submitted by the deadlines that are communicated via email by the HR Department on a monthly basis, to all TRS and Corporate Sales employees. If expense reports are received after a deadline for one particular pay period, those reports will be paid on the following payday.

Authorizations: It is the employee's responsibility to ensure that all expense reports submitted for payment have proper authorization, including the employee and supervisor's signatures. The supervisor is responsible for reviewing and approving their staff's travel expenses. The accounting department will also review entries and attached receipts for accuracy and adherence to company policy before submitting the report for reimbursement.

Expense reports deemed incomplete (e.g., improper or missing documentation, incomplete sections, missing totals or signatures, or if written or signed in pencil) will be returned to the employee for correction, and will delay processing.

SALARY INCREASES and BONUSES

Merit-Based Salary Increases

In deciding whether an employee will receive a merit increase, Trends takes into consideration an employee's sustained or improved performance, the relationship of an employee's current salary to a salary range, as well as the amount of time that has elapsed since the employee's last pay increase. While salary increases may continue for employees whose performance remains consistently good over time, if an employee approaches the top pay for his/her salary range, future increases will depend primarily on the upward movement of the Trends salary structure. Pay increases will take effect on the first day of the fiscal year.

Bonuses

From time to time, bonuses may be paid to employees in recognition of an employee's exemplary performance, or when management has determined it is otherwise appropriate. All bonuses are solely at management's discretion. Payment of such bonuses is not an indication that a future bonus will be paid, even under the same circumstances. Bonuses are special recognitions and should not be considered as part of an employee's compensation package. All bonus payments are subject to Federal and provincial tax laws.

Annual Profit Sharing Bonus Plan

Trends Annual Profit Sharing Plan is a discretionary plan designed to allow full time employees to share in the financial success of the company.

Payments

Payments will be made annually after completion of the March 31st fiscal year end financial audit. This means the payment will generally be made on or about the July 15th pay period.

Eligibility

Employees who meet the following criteria are eligible to participate in the bonus plan:

- An employee must be a full time employee with active employment during the bonus period. Full time employees who begin employment with Trends during the last quarter of the fiscal year (January 1 – March 31) will not be eligible to participate in the plan until the next fiscal year.
- To receive an allocation of the bonus pool, an employee must have regular wages for the bonus period. Eligible wages include only regular earnings, overtime pay, vacation pay, and commissions. Items not included in wages

under the plan are expense reimbursements, auto allowance payments, employer pension contributions, medical disability benefits, and quarterly or achievement/award bonus payments.

- Only employees of record on the date the bonus is paid are eligible to participate in the plan. Terminated employees, even though they were actively employed during the entire term of a bonus period are not eligible. Employees who have resigned with notice prior to the date the bonus is paid will not receive a bonus payment, even if their last day of employment falls after the date bonus payments are made.

Bonus Pool

The amount of the bonus pool will be determined at the discretion of Senior Management.

Bonus Allocations

Once the bonus pool is determined, it is allocated to all eligible employees based on the pro rata regular compensation for the fiscal year and the rank of each employee within the company. The profit sharing bonus should be viewed as a possible supplement to your base compensation package and will allow you to share in the financial success of Trends.

If you have any questions regarding profit sharing please address them to the Vice President of Finance & Administration.

EMPLOYMENT

PERSONNEL FILES

Human Resources maintains up-to-date personnel files on all employees. It is important that employees help us keep records current as this information is used for benefit administration, and notification in case of emergency. Employees are asked to contact Human Resources if there are any changes in:

- Name;
- Home address;
- Home telephone number;
- Emergency contact;
- Marital status;
- Number of dependents;
- or
- Status of dependents (i.e., when a dependent is no longer eligible for benefits).

We respect and honor an employee's right to have the information treated confidentially. Employees may, if they wish, arrange with Human Resources a time to review their personnel file.

PROBLEM RESOLUTION GUIDELINES

An employee who believes that he or she has not been treated fairly with respect to any term or condition of employment or believes a mistake has been made in the administration of a rule, plan or Company policy, is encouraged to follow the procedures outlined below:

- **STEP 1:** Discuss the problem with your supervisor. He or she has the experience and authority to resolve most problems and misunderstandings.
- **STEP 2:** If you feel the first step does not result in a satisfactory solution, bring the problem to the attention of the manager/director of your department. He or she will conduct a detailed review of the matter and, if necessary, meet with all necessary parties to bring about a mutually acceptable solution.
- **STEP 3:** If Steps 1 and 2 have not resulted in a timely resolution of the matter, address your comments to Human Resources. Human Resources will attempt to find a timely and appropriate resolution to the matter at hand. Please include in your comments the names of all informed parties, dates of meetings, and reasons given for lack of action or resolution.

UNACCEPTABLE JOB PERFORMANCE AND DISCIPLINARY ACTION

The principle objective of any disciplinary action shall be to improve the performance and efficiency of an employee. Any action by an employee that negatively impacts Trends' business, or is a direct hindrance to the effective performance of the employee's job functions, constitutes improper employee conduct and shall be considered cause for disciplinary action.

Trends upholds and maintains a progressive disciplinary system which may include all or part of the following steps:

- Verbal warnings and reprimands;
- Written reprimands;
- Written notices of performance deficiencies;
- Suspension;
- Reduction in pay;
- Demotion; and
- Termination.

Trends reserves the right to not follow, or to repeat or skip steps of the progressive disciplinary system depending upon the nature and severity of the employee's conduct. Employees may appeal certain disciplinary actions. Please direct any questions you may have regarding disciplinary action and the appeals process to the Human Resources Department.

EMPLOYEE PERFORMANCE APPRAISALS

Trends' Performance Evaluation System is designed to be an important part of an employee's career development. Employees receive performance evaluations in the 1st quarter of each year.

The Performance Evaluation System documents how well an employee is performing his/her job. This system is also intended to acknowledge individual contributions and facilitate an objective analysis of the employee's level of proficiency.

PROMOTIONS/JOB OPENINGS

Trends believes that promoting individuals from within the Company strengthens Trends as a whole. At the same time, Trends recognizes that some positions require special skills and expertise that cannot be learned with Trends. Trends is dedicated to balancing these two needs with awareness that long-term loyalty is built upon a sound foundation of employee development and promotion opportunities.

Eligibility for Promotion and/or Job Openings

Any Trends employee may apply for a posted job opening provided he or she has been continuously employed in their current position by Trends for at least six months. Full consideration is given to all interested candidates meeting the requirements of the position.

ABSENTEEISM AND TARDINESS

Each job at Trends is essential to the production and delivery of our products to our customers. Your co-workers depend upon your contribution each day. Your absence or tardiness can slow down operations, causing costly and time-consuming delays, and jeopardizing Trends' customer relations.

Trends policy is that all employees must notify their supervisor of an absence as soon as practical, or within 30 minutes before the start of the workday. Repeated absenteeism and/or tardiness, or failure to notify a supervisor of an absence may lead to disciplinary action up to and including termination of employment.

NEPOTISM

Trends has no prohibition against hiring relatives. However, to assure fair treatment of all employees, candidates will not be hired into or transferred into positions where they may, directly or indirectly, be working with, supervising, or are supervised by another family member or an individual with whom there is a significant personal relationship.

OUTSIDE EMPLOYMENT

Trends does not limit an employee's activities during non-working hours unless those activities interfere with or are in conflict with the performance of his/her job, or create a conflict of interest.

TERMINATION OF EMPLOYMENT

Trends may terminate an employee's employment at any time by providing the employee the notice and/or payment required by their written contract of employment, if any, or the minimum notice of termination, or termination or severance payments required by applicable provincial employment standards legislation, subject to the exceptions in the legislation, whichever is greater.

An employee who wishes to resign is requested to give at least two weeks notice in writing before terminating employment.

All company property (badges, keys, computers, files, and tools) must be returned to the Supervisor/Manager or the Human Resources Department by the last day of work.

For more information about terminating employment, please refer to the Vacation and Holidays policies.

EMPLOYMENT REFERENCES

All employees should forward requests for performance-related references and employment verifications on current or past employees to Human Resources. Only job titles and dates of employment will be released, unless the employee provides written consent. Violation of this policy could result in disciplinary action up to and including termination.

BENEFITS

HOLIDAYS

Employees will be entitled to Holidays with pay in accordance with applicable provincial employment standards legislation, subject to any exemptions or exceptions as set out in those statutes.

VACATION POLICY

Full time employees hired in 2004 and after will have a January 1 to December 31 vacation entitlement year. The vacation entitlement year is the 12-month period over which employees earn vacation. After each 12-month vacation entitlement year, the employee is entitled to vacation time earned, in accordance with the accrual guidelines that follow below. Vacation time will be pro-rated when an employee's vacation entitlement year is less than 12 months. Employees hired prior to 2004 will continue with a vacation entitlement year based on their date of hire being nearest to an end of month. For example, if hired on March 9th, the vacation entitlement year is March 1 to February 28. If hired on August 20th, the vacation entitlement year is September 1 to August 31.

Vacation time earned may be scheduled throughout the year with the approval of an employee's direct supervisor. Vacation time requested in a block of days greater than 10 requires Director or Vice President approval. Vacation time may be utilized in blocks of 1 or more days. There will be no vacation time scheduled in hours. As a guideline, at least half of the annual vacation time should be taken in blocks of 5 days. Unanticipated vacation time, such as absences due to sudden illnesses or bereavement, must be approved by a direct supervisor after the employee returns to work, or will be considered unpaid leave.

The vacation time earned with respect to a completed vacation entitlement year must be taken within 12 months following the completion of the vacation entitlement year. Vacation time that is unused after these 12 months may be used in the following 3 months with the approval of a direct supervisor. Once the 3 month grace period is over, all unused vacation time from the previous vacation entitlement year will expire.

Vacation time may be taken at any time; however, vacation will be scheduled to avoid conflicts with other employee's vacation and with busy periods of the year. Unless there is an emergency, an employee must request vacation at least 30 days prior to the requested time off.

Accrual of Vacation

Vacation will be accrued in accordance with the following guidelines:

- 1 year, but less than 3 years: Full time employees earn 14 vacation days
- 3 years, but less than 5 years: Full time employees earn 19 vacation days
- 5 or more years: Full time employees earn 24 vacation days

When employment ends (for example, when an employee quits or is terminated), vacation pay entitlements on termination will be calculated and paid out in accordance with the minimum requirements of applicable Employment Standards legislation and/or an employee's individual written contract of employment, if any.

Once an employee has submitted a resignation of employment, vacation time may not be taken without consent from Human Resources and the Department Director.

Part time employees will be entitled to vacation in accordance with the minimum requirements of applicable provincial Employment Standards legislation only, subject to any exemptions or exceptions as set out in such legislation.

LENGTH OF SERVICE AWARDS POLICY/RETIREMENT POLICY

A. Purpose

The purpose of this policy is to provide a mechanism to officially recognize associates for their length of service and to reward associates who choose their careers with Trends International.

B. Eligibility

This policy applies to all full-time associates and associates who have at least worked 50% part-time. The length of service milestone must occur between January 1 and December 31 of the subject year, based on the employment date in the Trends payroll system.

C. Policy

1. Length of Service

A gift selected from a list provided by HR will be presented to an associate for length of service contributions to Trends. Periods of leave with pay, military leave, maternity leave, short term disability, and leave without pay due to work-incurred injury or illness are included when calculating length of service. Periods of leave for long term disability and Family Medical Leave Act (FMLA-US only) shall not be included when calculating length of service. Qualifying associates will receive a gift based on the following number of years of permanent service:

5 Years
10 Years
15 Years
20 Years
25 Years
30 years

2. Retirement

A gift selected from a list provided by HR will be presented to an associate upon his or her retirement, subject to the number of years specified above.

D. Procedures

Length of Service and Retirement Awards shall be prepared by the Department of Human Resources each year and shall be made ready for presentation at the annual Holiday Luncheon held each December for associates located in Indianapolis and Mississauga. The awards will be presented by the President of Trends International. Awards for associates not present at the Holiday Luncheon shall be forwarded directly to the associate by Human Resources.

For associates not located in Indianapolis or Mississauga, their service awards shall be presented at the annual National Sales Meeting held each January.

E. Review

This policy shall be reviewed annually by the Human Resources and Benefit Committee.

FAMILY and MEDICAL LEAVE OF ABSENCE

Leaves of absence for family or medical reasons will be granted in compliance with applicable provincial employment standards legislation.

INTERNATIONAL TEMPORARY MEDICAL SERVICES

Trends has contracted with Specialty Risk International (SRI) to provide temporary medical assistance for Trends employees while traveling to the United States on official Trends-related business. If an employee takes advantage of this benefit and enrolls while they are traveling on official business for Trends, the primary provider will be SRI and the secondary provider will be the employee's primary provider.

In order to take advantage of this program, employees must enroll at least 24 hours in advance of each trip (weekends and holidays excluded). Temporary medical insurance cannot be obtained once travel has commenced.

Enrollment process is handled by the Human Resources Department located in Indianapolis, Indiana.

GROUP INSURANCE

Health and Dental Coverage

All regular full time employees are eligible for group insurance (through a third party benefits provider), which includes health and dental coverage. Temporary and Part Time employees are not eligible for benefits under the plan. Benefits begin after 3 months of employment conditional on the employee otherwise meeting any pre-conditions imposed by the benefits plan provider.

Please contact Human Resources for details regarding health, dental, long term disability insurance or group life insurance.

Trends may in its discretion alter its benefits plan or provider from time to time.

WORKERS' COMPENSATION

Trends carries statutory workers compensation insurance coverage to protect employees who are injured on the job. The cost of this coverage is paid entirely by Trends.

Immediately report all injuries, no matter how minor, to your supervisor. If you have any questions regarding the workers' compensation insurance program, please contact the Human Resources Department.

Trends and its insurance carrier shall not be responsible for the payment of Workers' Compensation benefits for any injury which arises out of an employee's voluntary participation in any off-duty recreational, social or athletic activity which are not part of the employee's work related duties.

REGISTERED RETIREMENT SAVINGS PLAN

Please contact Human Resources for details about Trends' RRSP plan.

**RECEIPT AND ACKNOWLEDGMENT OF THE
TRENDS INTERNATIONAL PUBLISHING CORPORATION
EMPLOYEE HANDBOOK**

I understand that my signature below indicates that I have received the Trends International Publishing Corporation Employee Handbook. I also understand that it is my responsibility to read the Handbook. I also understand that the policies and/or procedures in this Handbook may be changed by the Company from time to time. Furthermore, I understand that the policies and procedures contained in this Handbook do not constitute a guarantee of employment and that my employment may be terminated with the minimum notice or payments required by the provincial statute of _____, as it may be amended from time to time and subject to the Act's exceptions, or such greater notice or payments as may be required by any written contract of employment, if any.

I have had full opportunity to consult with an advisor of my choice.

(The signed original copy of this agreement will be filed in your personnel file.)

Employee Signature

Date

Name (please print)

TRENDS INTERNATIONAL PUBLISHING CORPORATION CONFIDENTIAL INFORMATION AGREEMENT

In consideration for continued employment with TRENDS INTERNATIONAL PUBLISHING CORPORATION (Trends) and in connection with such employment, and for other good and valuable consideration received, I agree as follows:

1. I acknowledge that during the course of my employment, I may be exposed to confidential or proprietary information, which is the exclusive property of Trends. I agree that I will not disclose such information to third persons without first having obtained written permission from the President of Trends. I further agree that all proprietary or confidential information and products, inventions or discoveries that I develop or assist to develop during or as a result of my employment will become the property of Trends unless written release thereof is given by Trends.
2. This agreement supersedes all previous agreements, written or oral, relating to confidential or proprietary information, and inventions, discoveries or products and cannot be changed orally.
3. I understand that damages for violations of this agreement would be extremely difficult to compute and agree, therefore, that Trends would be entitled to obtain injunctive relief to prevent violation of this agreement.
4. This agreement shall be construed according to the laws of the province of _____.

(The signed original copy of this agreement will be filed in your personnel file.)

Employee Signature

Date

Name (please print)

11532.0002/1193435_.1