

Contoso

Employee Handbook

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Section 1

Introduction

1.1 Employee Handbook

This Employee Handbook ("Handbook") is designed to summarize certain personnel policies and benefits of Contoso ("Company"), of 123 Anystreet, Anytown, Michigan 48111, and to acquaint employees with many of the rules concerning employment with the Company. This Handbook applies to all employees, and compliance with the Company's policies is a condition of employment. This Handbook supersedes all previous employment policies, written and oral, express and implied. The Company reserves the right to modify, rescind, delete, or add to the provisions of this Handbook from time to time in its sole and absolute discretion. This Handbook is not a binding contract between the Company and its employees, nor is it intended to alter the at-will employment relationship between the Company and its employees. The Company reserves the right to interpret the policies in this Handbook and to deviate from them when, in its discretion, it determines it is appropriate.

1.2 Changes in Policy

Since our business is constantly changing, the Company expressly reserves the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this Handbook or in any other document, except for the policy of at-will employment as described below. No oral statements or representations can in any way alter the provisions of this Handbook. Nothing in this Handbook or in any other document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee. Any changes to your at-will employment status, described below, must be in writing and must be signed by the Company.

If you are uncertain about any policy or procedure, please check with your manager or human resources.

1.3 Employment-At-Will

Employment with the Company is on an at-will basis, unless otherwise specified in a written employment agreement. You are free to resign at any time, for any reason, with or without notice. Similarly, the Company is free to conclude the employment relationship at any time for any lawful reason, with or without cause, and with or without notice.

Nothing in this Handbook will limit the right of either party to terminate an at-will employment. No section of this Handbook is meant to be construed, nor should be construed, as establishing anything other than an employment-at-will relationship. This Handbook does not limit management's discretion to make personnel decisions such as reassignment, change of wages and benefits, demotion, etc. No person other than the CEO, President, or CFO has the authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than at-will terms. Only the CEO, President, or CFO of the Company has the authority to make any such agreement, which is only binding if it is in writing and signed by the President of the Company.

Section 2

Employment Policies

2.1 Employee Classifications

The following terms are used to describe employees and their employment status:

- (a) Exempt Employees - Employees whose positions meet specific tests established by the Federal Labor Standards Act ("FLSA") and Michigan state law. In general, exempt employees are those engaged in executive, managerial, high-level administrative and professional jobs who are paid a fixed salary

and perform certain duties. In addition, certain commissioned sales employees and highly paid computer professionals are exempt. Exempt employees are not subject to the minimum wage and overtime laws.

- (b) **Nonexempt Employees** - Employees whose positions do not meet specific tests established by the FLSA and Michigan state law. All employees who are covered by the federal or state minimum wage and overtime laws are considered nonexempt. Employees working in nonexempt jobs are entitled to be paid at least the minimum wage per hour and a premium for overtime.
- (c) **Full-Time Employees** - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work a schedule of 40 hours per work week.
- (d) **Part-Time Employees** - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work less than 40 hours per work week.
- (e) **Temporary Employees** - Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project. Employment assignments in this category are of limited duration and the temporary employee can be let go before the end of the defined period. Short-term assignments generally are periods of three months or less, however, such assignments may be extended. All temporary employees are at-will regardless of the anticipated duration of the assignment (see Employment-at-Will Policy). Temporary employees retain that status unless and until notified in writing of a change.
- (f) **Independent Contractor or Consultant** - These individuals are not employees of the Company and are self-employed. An independent contractor or consultant is engaged to perform a task according to their own methods and is subject to control and direction only as to the results to be accomplished. Independent contractors or consultants are not entitled to benefits.

Each employee will be advised of their status at the time of hire and any change in status. Regardless of the employee's status, the employee is employed at-will and the employment relationship can be terminated by the Company or the employee at any time, with or without cause and with or without notice.

2.2 Equal Employment Opportunity & Americans with Disabilities Act

It is the policy of the Company to provide equal employment opportunities to all employees and employment applicants without regard to unlawful considerations of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status, or any other classification protected by applicable local, state, or federal laws. This policy 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. This policy applies to all aspects of employment, including, but not limited to, hiring, job assignment, working conditions, compensation, promotion, benefits, scheduling, training, discipline, and termination.

The Company expects all employees to support our equal employment opportunity policy, to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment and to accommodate others in line with this policy to the fullest extent required by law. For example, the Company will make reasonable accommodations for employees' observance of religious holidays and practices unless the accommodation would cause an undue hardship on the Company's operations. If you desire a religious accommodation, you are required to make the request in writing to your manager as far in advance as possible. You are expected to strive to find co-workers who can assist in the accommodation (e.g., trade shifts) and cooperate with the Company in seeking and evaluating alternatives.

Moreover, in compliance with the Americans with Disabilities Act (ADA), the Company provides reasonable accommodations to qualified individuals with disabilities to the fullest extent required by law. The Company may require medical certification of both the disability and the need for accommodation. Keep in mind that the Company can only seek to accommodate the known physical or mental limitations of an otherwise qualified individual. Therefore, it is your responsibility to come forward if you are in need of accommodation. The Company will engage in an interactive process with the employee to identify possible accommodations if any will help the applicant or employee perform the job.

2.3 Confidentiality

In the course of employment with the Company, employees may have access to "Confidential Information" regarding the Company, which may include its business strategy, future plans, financial information, contracts, suppliers, customers, personnel information, or other information that the Company considers proprietary and confidential. Maintaining the confidentiality of this information is vital to the Company's competitive position in the industry and, ultimately, to its ability to achieve financial success and stability. Employees must protect this information by safeguarding it when in use, using it only for the business of the Company, and disclosing it only when authorized to do so and to those who have a legitimate business need to know about it. This duty of confidentiality applies whether the employee is on or off the Company's premises, and during and even after the end of the employee's employment with the Company. This duty of confidentiality also applies to communications transmitted by the Company's electronic communications. See also Internet, Email, and Computer Use policy, herein.

2.4 Employment of Minors

The FLSA's child labor provisions, which the Company strictly adheres to, are designed to protect the educational opportunities of youth and prohibit their employment in jobs that are detrimental to their health and safety. Generally speaking, the FLSA sets the minimum age for employment (14 years for non-agricultural jobs), restricts the hours youth under the age of 16 may work, and prohibits youth under the age of 18 from being employed in hazardous occupations. In addition, the FLSA establishes subminimum wage standards for certain employees who are less than 20 years of age, full-time students, student learners, apprentices, and workers with disabilities. Employers generally must have authorization from the U.S. Department of Labor's Wage and Hour Division (WHD) in order to pay sub-minimum wage rates.

2.5 Employment of Relatives

The Company recognizes that the employment of relatives in certain circumstances, such as when they will work in the same department, supervise or manage the other, or have access to confidential or sensitive information regarding the other, can cause problems related to supervision, safety, security, or morale, or create conflicts of interest that materially and substantially disrupt the Company's operations. When the Company determines any of these problems will be present, it will decline to hire an individual to work in the same department as a relative. Relatives subject to this policy include: father, mother, sister, brother, current spouse or domestic partner, child (natural, foster, or adopted), current mother-in-law, current father-in-law, grandparent, or grandchild.

If present employees become relatives during employment, the Company should be notified so that we may determine whether a problem involving supervision, safety, security, morale, or a conflict of interest that would materially and substantially disrupt the Company's operations exists. If the Company determines that such a problem exists, the Company will take appropriate steps to resolve the problem, which may include reassignment of one relative (if feasible) or asking for the resignation of one of the relatives.

2.6 Personnel Records and Employee References

The Company maintains a personnel file and payroll records for each employee as required by law. Personnel files and payroll records are the property of the Company and may not be removed from Company premises without written authorization. Because personnel files and payroll records are confidential, access to the records is restricted. Generally, only those who have a legitimate reason to review information in an employee's file are allowed to do so. 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.

Employees may contact a human resources representative to request a time to review their payroll records and/or personnel file. With reasonable advance notice, an employee may review their own records in the Company's offices during regular business hours and in the presence of an individual appointed by the Company to maintain the records. You also have the right to obtain a copy of your personnel files, but you may be required to pay for any such copies. You may add your comments to any disputed item in the file.

By policy, the Company will provide only the former or present employee's dates of employment and position(s) held with the Company. Compensation information may also be verified if written authorization is provided by the employee.

2.7 Privacy

The Company is respectful of employee privacy. All employee demographic and personal information will be shared only as required in the normal course of business. Healthcare enrollment information is kept in a separate folder from other human resources forms. Workers' Compensation information is not considered private healthcare information; however, this information will be released only on a need-to-know basis.

The Company does not make or receive any private healthcare information through the course of normal work. If any employee voluntarily shares private healthcare information with a member of management, this information will be kept confidential. If applicable, the Company will set up guidelines for employees and management to follow to ensure that Company employees conform to the requirements of the Health Insurance Portability and Accountability Act (HIPAA).

2.8 Immigration Law Compliance

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 on the date of hire and present documentation establishing identity and employment eligibility within three business days of date of hire. Former employees who are rehired must also complete an I-9 form if they have not completed an I-9 form with the Company within the past three years, or if their previous I-9 form is no longer retained or valid. You may raise questions or complaints about immigration law compliance without fear of reprisal.

2.9 Political Neutrality

Maintenance of individual freedom and our political institutions necessitates broad-scale participation by citizens concerning the selection, nomination, and election of our public office holders. The Company will not discriminate against any employee because of identification with and support of any lawful political activity. Company employees are entitled to their own personal political position. The Company will not discriminate against employees based on their lawful political activity engaged in outside of work. If you are engaging in political activity, however, you should always make it clear that your actions and opinions are your own and not necessarily those of the Company, and that you are not representing the Company.

2.10 Additional Protections for Pregnant Employees

If you are pregnant, recovering from childbirth, or have a pregnancy-related medical condition, you have the right to breastfeeding accommodations in the workplace.

Under the Providing Urgent Maternal Protections for Nursing Mothers ("PUMP") Act, employers are required to provide:

- (a) Reasonable break time for you to express breast milk for your nursing child as needed; and,
- (b) A lactation space, other than a bathroom, that is shielded from view and free from intrusion from

coworkers and the public.

These accommodations must be provided for one year after the child's birth and be available each time an employee needs them. Additionally, under the Pregnant Workers Fairness Act ("PWFA"), covered employers are required to provide reasonable accommodations to a worker's known limitations related to pregnancy, childbirth, or related medical conditions. Under the PWFA, your employer cannot:

- (a) Require you to accept an accommodation without a discussion about the accommodation between you and your employer;
- (b) Deny a job or other employment opportunities to you based on your need for a reasonable accommodation;
- (c) Require you to take leave if another reasonable accommodation can be provided that would let you keep working;
- (d) Retaliate against you for reporting or opposing unlawful discrimination under the PWFA or participating in a PWFA proceeding (such as an investigation); or
- (e) Interfere with your rights under the PWFA.

For more information regarding your rights under the PUMP Act, review the U.S. Department of Labor Field Assistance Bulletin No. 2023-022. PUMP Act rights are not provided to you if you are a crewmember employed by an air carrier, or if there are less than 50 employees in your organization and such requirements would pose an undue hardship on your employer.

For more information regarding your rights under the PWFA, review the U.S. Equal Employment Opportunity Commission guide at <https://www.eeoc.gov/wysk/what-you-should-know-about-pregnant-workers-fairness-act>. PWFA rights are provided to you if you work for a covered employer, including private and public sector employers with at least 15 employees, Congress, Federal agencies, employment agencies, and labor organizations. These rights are not provided to you if such requirements would pose an undue hardship on your employer.

Section 3

Hours of Work and Payroll Practices

3.1 Pay Periods and Paydays

Employees are paid on a bi-weekly basis. All employees will be paid on the 1st and 15th of the month. All employees are paid by check or direct deposit on the above-mentioned payday. If the regular payday falls on a weekend or Company holiday, employees will be paid on the last business day before the holiday and/or weekend.

3.2 Overtime

Nonexempt employees will be paid in accordance with federal and Michigan state law.

In Michigan, with some exceptions, the standard work week for employees should not exceed 40 hours per week. Should the Company find it necessary to employ an employee in excess of this standard, overtime hours shall be compensated at the rate of one and one-half times the regular rate of pay.

All overtime work by nonexempt employees must be authorized in advance by their manager. Only hours actually worked will be used to calculate overtime pay.

3.3 Rest and Meal Periods

All rest and meal periods will be in accordance with Michigan state law.

To the extent Michigan state law does not require rest and meal breaks, nonexempt employees will be provided a 10-minute rest break for every four-hour period of work. This time is counted and paid as time worked. Nonexempt employees scheduled to work more than a five-hour period will be provided a 30-minute unpaid meal period.

3.4 Time Cards

Nonexempt employees are required to keep an accurate and complete record of their attendance and hours worked. Time cards are official business records and may not be altered without the employee's supervisor's approval and may not be falsified in any way.

3.5 Payroll Deductions

Various payroll deductions are made each payday to comply with federal and state laws pertaining to taxes and insurance. Deductions will be made for the following: Federal and State Income Tax Withholding, Social Security, Medicare, State Disability Insurance and Family Temporary Disability Insurance, and other items designated by you or required by law (including a valid court order). You can adjust your federal and state income tax withholding by completing the proper federal or state form and submitting it to accounting or human resources. At the start of each calendar year, you will be supplied with your Wage and Tax Statement (W-2) form for the prior year. This statement summarizes your income and deductions for the year.

3.6 Wage Garnishment

A garnishment is a court order requiring an employer to remit part of an employee's wages to a third party to satisfy a just debt. Once the Company receives the legal papers ordering a garnishment, we are required by law to continue making deductions from your check until we have withheld the full amount or until we receive legal papers from the court to stop the garnishment. Even if you have already paid the debt, we still need the legal papers to stop the garnishment.

3.7 Direct Deposit

All employees are encouraged, but not required, to use direct deposit and have their paychecks deposited into a bank account of an accredited participating bank or credit union.

Section 4

Standards of Conduct and Employee Performance

4.1 Anti-Harassment/Discrimination

Diversity & Inclusion Policy

The Company is dedicated to creating and maintaining an atmosphere of diversity and inclusion for all.

Company values are important and are only made better by gathering the experiences, knowledge, and perspectives of people from all walks of life. We celebrate differences in age, race, ethnicity, national origin, religion, physical and mental ability, sexual orientation, gender identity or expression, family and marital status, and all the various backgrounds that help shape us all.

The Company's commitment to diversity applies to hiring practices, promotions, pay and benefits, terminations, training, team building, and more. Prospective employees and current employees alike are expected to treat each other and be treated with respect and dignity. We seek to foster an environment that promotes:

- (a) A healthy, collaborative, and courteous atmosphere.
- (b) Engagement from all employees that allows for more varied insights.
- (c) Adjustability, where appropriate, to allow for an individual's personal needs.
- (d) Initiatives from the Company and the employees that encourage growth in the community.

The Company is committed to providing a work environment free of sexual or any form of unlawful harassment or discrimination. Harassment or unlawful discrimination against individuals on the basis of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity or expression, age, ancestry, physical or mental disability, genetic information, marital status, or any other classification protected by local, state, or federal laws is illegal and prohibited by Company policy. Such conduct by or towards any employee, contract worker, customer, vendor, or anyone else who does business with the Company will not be tolerated. Any employee or contract worker who violates this policy will be subject to disciplinary action, up to and including termination of their employment or engagement. To the extent a customer, vendor or other person with whom the Company does business engages in unlawful harassment or discrimination, the Company will take appropriate corrective action.

Names/Pronouns:

Employees have the right to be addressed by the name and pronoun that correspond to the employee's gender identity, upon request. A court-ordered name or gender change is not required. The intentional or persistent refusal to respect an employee's gender identity (for example, intentionally referring to the employee by a name or pronoun that does not correspond to the employee's gender identity) can constitute harassment and is a violation of this policy. If you are unsure what pronoun a transitioning coworker might prefer, you can politely ask your coworker how they would like to be addressed.

Prohibited Conduct:

Prohibited harassment or discrimination includes any verbal, physical, or visual conduct based on sex, race, age, national origin, disability, or any other legally protected basis if:

- (a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or engagement;
- (b) submission to or rejection of such conduct by an individual is used as a basis for decisions concerning that individual's employment or engagement; or
- (c) it creates a hostile or offensive work environment.

Prohibited harassment includes (but is not limited to) unwelcome sexual advances, requests for sexual favors and lewd, vulgar, or obscene remarks, jokes, posters, or cartoons, and any unwelcome touching, pinching, or other physical contact. Other forms of unlawful harassment or discrimination may include racial epithets, slurs and derogatory remarks, stereotypes, jokes, posters, or cartoons based on race, national origin, age, disability, marital status, or other legally protected categories. Prohibited harassment might also be transmitted using the Company's electronic communications system, or through other online conduct.

Complaint Procedure:

Employees or contract workers who feel that they have been harassed or discriminated against, or who witness any harassment or discrimination by an employee, contract worker, customer, vendor, or anyone else who does business with the Company, should immediately report such conduct to their supervisor or any other member of management.

Do not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the situation. No employee, contract worker, customer, vendor, or other person who does business with this organization is exempt from the prohibitions in this policy. In response to every complaint, the Company will conduct an investigation which may involve interviewing witnesses if warranted and, if improper conduct is found, take appropriate corrective action.

To the extent that an employee or contract worker is not satisfied with the Company's handling of a harassment or discrimination complaint, they may also contact the appropriate state or federal enforcement agency for legal relief.

4.2 Attendance

Punctuality and regular attendance are essential to the successful operation of the Company's business. If an employee is unable to report to work (or to report to work on time) for any reason, the employee must notify their supervisor before their starting time. If an employee desires to leave work for any reason during the workday, the employee must obtain the approval of their supervisor prior to leaving. Excessive absenteeism or tardiness may subject the employee to disciplinary action, up to and including termination.

4.3 Discipline and Standards of Conduct

As an at-will employer, the Company may impose discipline whenever it determines it is necessary or appropriate. Discipline may take various forms, including verbal counseling, written warnings, suspension, demotion, transfer, reassignment, or termination. The discipline imposed will depend on the circumstances of each case; therefore, discipline will not necessarily be imposed in any particular sequence. Moreover, at any time the Company determines it is appropriate, an employee may be terminated immediately.

Every organization must have certain standards of conduct to guide the behavior of employees. Although there is no possible way to identify every rule of conduct, the following is an illustrative list (not intended to be comprehensive or to limit the Company's right to impose discipline for any other conduct it deems inappropriate). Keep in mind that these standards of conduct apply to all employees whenever they are on Company property and/or conducting Company business (on or off Company property). Engaging in any conduct the Company deems inappropriate may result in disciplinary action, up to and including termination.

- (a) Dishonesty;
- (b) Falsification of the Company's records;
- (c) Unauthorized use or possession of property that belongs to the Company, a coworker, or of the public;
- (d) Possession or control of illegal drugs, weapons, explosives, or other dangerous or unauthorized materials;
- (e) Fighting, engaging in threats of violence or violence, use of vulgar or abusive language, horseplay, practical jokes or other disorderly conduct that may endanger others or damage property;
- (f) Insubordination, failure to perform assigned duties or failure to comply with the Company's health, safety or other rules;
- (g) Unauthorized or careless use of the Company's materials, equipment, or property;

- (h) Unauthorized and/or excessive absenteeism or tardiness;
- (i) Lack of teamwork, poor communication, unsatisfactory performance, unprofessional conduct, or conduct improper for the workplace;
- (j) Sexual or other illegal harassment or discrimination;
- (k) Unauthorized use or disclosure of the Company's confidential information;
- (l) Violation of any Company policy.

4.4 Dress Code

What we wear to work is a reflection of the pride we have in the Company, in what we do, and in ourselves. Although dress code requirements will vary according to job responsibilities, we ask that your appearance at all times show discretion, good taste, and appropriateness for the safe performance of your job.

4.5 Safety

The Company is committed to providing a safe workplace. Accordingly, the Company emphasizes "safety first." It is the employee's responsibility to take steps to promote safety in the workplace and work in a safe manner. By remaining safety-conscious, employees can protect themselves and their coworkers. Employees are expected to promptly report all unsafe working conditions, accidents, and injuries, regardless of how minor so that any potential hazards can be corrected.

4.6 Substance and Abuse

The Company is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase, or transfer illegal drugs at any time while on the Company's premises or while using the Company vehicles or equipment, or at any location during work time.

No employee may report to work with illegal drugs (or their metabolites) or alcohol in his or her bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed amounts. It also includes any substance a person holds out to another as an illegal drug.

Any violation of this policy will result in disciplinary action, up to and including termination.

Any employee who feels they have developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered.

4.7 Workplace Searches

All offices, desks, file drawers, cabinets, lockers, Company vehicles, and other Company equipment (including but not limited to computers, email and voice mail) and facilities or any area on Company premises are the property of the Company ("Company Property") and are intended for business use. Employees should have no expectation of privacy with respect to Company Property and/or items stored

within Company Property or on the Company's premises. Inspection may be conducted at any time, without notice, at the discretion of the Company.

In addition, when the Company deems appropriate, employees may be required to submit to searches of their personal vehicles, parcels, purses, handbags, backpacks, briefcases, lunch boxes, or any other possessions or articles brought onto the Company's premises.

Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy may not be permitted to enter the premises. All employees must cooperate in an inspection; failure to do so is insubordination and will result in disciplinary action, up to and including termination.

4.8 Internet, Email, and Computer Use Policy

The Company uses various forms of electronic communication including, but not limited to: computers, email, telephones, voicemail, instant message, text message, Internet, cell phones, and smart phones ("electronic communications"). The 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 personal use.

The following rules apply to all forms of electronic communications and media that are: (1) accessed on or from the Company's premises; (2) accessed using the Company's computer or telecommunications equipment, or via Company-paid access methods; and/or (3) used in a manner which identifies the Company. The following list is not exhaustive and the Company may implement additional rules from time to time.

- (a) 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 interest 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, up to and including termination. Employees may not install personal software on the Company's computer systems.
- (b) Employee's own electronic media may only be used during breaks. All other company policies, including the Company's no-tolerance for discrimination, harassment, or retaliation in the workplace apply.
- (c) All electronic information created by any employee on the Company's premises or transmitted to Company Property using any means of electronic communication is the Company Property and remains Company Property. You should not assume that any electronic communications are private or confidential and should transmit personal sensitive information in other ways. 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.
- (d) The Company reserves the right to access and review electronic files, messages, internet use, blogs, "tweets", instant messages, text messages, email, voicemail, and other digital archives, and to monitor the use of electronic communications as necessary to ensure that no misuse or violation of Company policy or any law occurs. All such information may be used and/or disclosed to others, in accordance with business needs and the law. 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.
- (e) Employees are not permitted to access the electronic communications of other employees or third parties unless directed to do so by the Company's management. No employee may install or use anonymous email transmission programs or encryption of email communications.

- (f) 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 voicemail communications are required to use these methods in strict compliance with the Confidentiality section of this Handbook. These communications tools should not be used for communicating confidential or sensitive information or any trade secrets.
- (g) 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 Contoso, its products or services, or other types of information that will appear in the electronic media about the Company must be approved before the information is placed on any electronic information resource that is accessible to others.

4.9 Social Media Policy

Contoso is committed to utilizing social media to enhance its profile and reputation, to listen, and respond to customer opinions and feedback, and to drive revenue, loyalty, and advocacy. We encourage employees to support our activities through their personal social networking channels while adhering to the guidelines outlined in this section.

For the purpose of this section, social media and networking refers to the use of web-based and mobile applications for social interaction and the exchange of user-generated content. Social media channels can include but are not limited to: Facebook, Twitter, LinkedIn, YouTube, blogs, review sites, forums, online communities, and any similar online platforms.

Employees are expected to conduct themselves in a professional manner and to respect the views and opinions of others. The Company and its employees are committed to conducting themselves in accordance with best industry practices in social networking, to being responsible citizens and community members, to listening and responding to feedback, and to communicating in a courteous and professional manner. Behavior and content that may be deemed disrespectful, dishonest, offensive, harassing, or damaging to the Company's interests or reputation are not permitted. The use of social media channels on Company time for personal purposes is not allowed.

Any social media contacts, including "followers" or "friends," that are acquired through accounts (including but not limited to email addresses, blogs, Twitter, Facebook, YouTube, LinkedIn, or other social media networks) created on behalf of the Company will be Company Property.

Employees must not disclose private or confidential information about the Company, its employees, clients, suppliers, or customers on social networks. Employees must respect trademarks, copyrights, intellectual property, and proprietary information. No third-party content should be published without prior permission from the owner.

The Company maintains the right to monitor Company-related employee activity on social networks. Violation of policy guidelines is grounds for discipline, up to and including termination.

4.10 Cell Phone Policy

The use of personal cell phones at work is discouraged because it can interfere with work and be disruptive to others. Therefore, employees who bring personal cell phones to work are required to keep the ringer shut off or placed on vibrate mode when they are in the office, and to keep cell phone use confined to breaks and meal periods. Conversations should be had away from areas where other employees are working. When cell phone use interferes with the satisfactory performance of an employee's duties or disturbs others, the privilege of using a personal cell phone at work may be taken away, and other disciplinary action, up to and including termination, may be imposed.

The Company may provide cell phone allowances to employees in certain positions in an effort to improve efficiency and effectiveness. When cell phones are used for Company business, employees must comply with all Company policies governing conduct, including our policies prohibiting discrimination, harassment, and violence in the workplace. When using the cell phone in a public place, please remember to maintain the confidentiality of any private or confidential business information. As a courtesy to others, please shut cell phones off or place them on vibrate mode during meetings.

Section 5

Employee Benefits and Services

5.1 General

Aside from those benefits required by state and federal regulations, Contoso also offers additional benefits for its employees. From time to time, benefits may be added or deleted. The Company reserves the right to make such changes.

This Handbook does not contain the complete terms and/or conditions of any of the Company's current benefit plans. It is intended only to provide general explanations. For information regarding employee benefits and services, employees should contact Human Resources.

5.2 Group Health Insurance

Contoso offers a group health plan for eligible employees. The Company's group health insurance plan is offered through Woodgrove Health. For more information, refer to the Company's benefits booklet for complete details and benefits.

5.3 Group Life Insurance

Contoso offers a group life insurance plan for eligible employees, including accidental death and dismemberment coverage. The Company's group life insurance plan is offered through Great Life. For more information, refer to the Company's benefits booklet for complete details and benefits.

5.4 Flexible Spending Account (FSA)

Under Section 125 of the IRS Code, the Company has set up a flexible spending account for employees who wish to take advantage of this provision. This plan allows employees to withhold a portion of their salary on a pre-tax basis to cover the cost of qualifying insurance premiums, out of pocket medical expenses, and dependent care expenses (child and/or elder care) such as day care expenses, and in-home dependent care. An amount selected by the employee is deducted on a pre-tax basis to cover these expenses. Any unused amounts in the medical and dependent care account will be forfeited after the end of the plan year.

5.5 401(k) Plan

Contoso's 401(k) Plan is a convenient payroll deductible method to help supplement employees' retirement benefits and provide a long-term vehicle to accumulate savings. For information regarding employee benefits and services, employees should contact Human Resources.

5.6 COBRA

Under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986, if you are covered under the Company's group health insurance plan(s) you are entitled to continue your coverage in the event that your employment with the Company ends. Under COBRA, the Company must offer each qualified beneficiary (the employee and any covered dependents) who would otherwise lose coverage under the plan as a result of a qualifying event an opportunity to continue their insurance coverage. A qualifying event is defined as termination of employment, a reduction in the number of hours of employment, death of covered employee, divorce or legal separation, a dependent child ceases to be dependent, eligibility of the covered employee for Medicare, or an employer's bankruptcy.

5.7 Workers' Compensation

All states have Workers' Compensation laws whose purpose is to promote the general welfare of people by providing compensation for accidental injuries or death suffered in the course of employment. These laws are designed to provide protection to workers suffering occupational disabilities through accidents arising out of, and in the course of employment. Contoso carries Workers' Compensation Insurance for all employees and pays the entire cost of the insurance program. An employee who suffers an injury or illness in connection with the job is usually eligible to receive payment through the insurance company for lost wages. In addition to disability payments, necessary hospital, medical, and surgical expenses are covered under Workers' Compensation, with payments being made directly to the hospital or physician. Workers' Compensation benefits to injured workers also include assistance to help qualified injured employees return to suitable employment.

5.8 Social Security Benefits (FICA)

During your employment, you and the Company both contribute funds to the federal government to support the Social Security Program. This program is intended to provide you with retirement benefit payments and medical coverage once you reach retirement age.

5.9 Unemployment Insurance

The Company pays a state and federal tax to provide employees with unemployment insurance coverage in the event they become unemployed through no fault of their own or due to circumstances described by law. This insurance is administered by applicable state agencies, who determine eligibility for benefits, the amount of benefits (if any), and duration of benefits.

Section 6

Employee Leaves of Absence and Time Off

6.1 General

While regular attendance is crucial to maintain business operations, the Company recognizes that, for a variety of reasons, employees may need time off from work. The Company has available a number of types of leaves of absence. Some are governed by law, and others are discretionary. For all planned leaves, however, employees must submit a request at least 3 days in advance; in case of emergencies, employees should submit the request as soon as they become aware of the need for leave. All leaves must have the approval of the Company's management. If, during a leave, an employee accepts another job, engages in other employment or consulting outside of the Company, or applies for unemployment insurance benefits, the employee may be considered to have voluntarily resigned from employment with the Company.

All requests for a leave of absence will be considered in light of their effect on the Company and its work requirements, as determined by the Company's management, which reserves the right to approve or deny such requests in its sole discretion, unless otherwise required by law. For disability-related leave requests, the Company will engage in an interactive process with the employee to determine if leave is the most appropriate accommodation. The employee must provide a certification from their healthcare provider to the Company to support leave for medical reasons. Failure to provide the required certification to the Company in a timely manner will result in delay or denial of leave. If an employee requires an extension of leave, the employee must request such extension and have it approved before the expiration of the currently approved leave.

While the Company will make a reasonable effort to return the employee to their former position or a comparable position following an approved leave of absence, there is no guarantee that the employee will be reinstated to their position, or any position, except as required by law.

6.2 Paid Time Off Days

Eligible employees are entitled to twenty paid time off ("PTO") days per year. A PTO days' pay for regular full-time employees will be calculated based on the employee's base pay rate times the number of hours the employee would otherwise have worked on that day. Regular part-time employees will be paid on a pro rata basis. Employees may not accrue more than 160 hours of time off. Once an employee's time off balance reaches this limit, an employee may accrue more time off only by taking some time off to bring the balance back below the limit. When employees eligible for paid time off days do not take the full amount of vacation time they could have taken in a year, that amount automatically carries over to the next year. Upon termination, employees will be paid all accrued but unused time off as wages.

6.3 Holidays

Contoso observes the following paid holidays:

- New Year's Day
- Martin Luther King Jr. Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Eve
- Christmas Day
- New Year's Eve
- Floating Holiday

The Company will provide a floating holiday each year. This day will be designated by the Company at the beginning of each year.

The Company will grant paid holiday time off to all eligible employees. Holiday pay for regular full-time employees will be calculated based on the employee's base pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day. Regular part-time employees will be paid on a pro rata basis.

If an eligible nonexempt employee works on a recognized holiday with Company's approval, they will receive holiday pay plus wages at their straight-time rate for the hours worked on the holiday.

6.4 Pregnancy-Disability Leave

Employees who are disabled on account of pregnancy, childbirth, or a related medical condition may request a paid leave of absence. Such leave will be granted for the period of disability, up to a maximum of four months. Time off may be requested for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth.

Leave provided for pregnancy disability is treated separately from leaves required by the state family and medical leave law. However, the first 12 work weeks of a pregnancy disability leave will be treated concurrently as a leave pursuant to the federal Family and Medical Leave Act ("FMLA") for all eligible employees.

Employees who wish to take a pregnancy disability leave must notify Human Resources of the date the leave is expected to commence and the estimated duration of the leave. Notice should be given as indicated above. The employee must also provide medical certification of disability to the Company. Failure to provide the

required medical certification to the Company in a timely manner will result in delay or denial of leave. Before returning to work, the employee must provide a medical certification that she is able to resume her original job duties. Appropriate forms may be obtained from Human Resources.

Employees who return to work immediately following the expiration of an approved pregnancy disability leave will generally be reemployed in their former position or a comparable job, as required by law.

Employees who are affected by pregnancy may also be eligible to transfer to a less strenuous or hazardous position or duties, provided certain prerequisites are met. Reasonable accommodations may be requested with the advice of the employee's healthcare provider. In addition, lactation accommodation is also available, upon request. For more information on pregnancy disability leave or transfer and its effect on the terms, conditions, or benefits of employment, please contact Human Resources.

6.5 Family and Medical Leave

Eligible employees may request a family and medical leave of absence under the federal Family Medical Leave Act ("FMLA") in the circumstances described below. Eligible employees are those who have been employed by the Company for at least 12 months (not necessarily consecutive), have worked at least 1,250 hours during the 12 months immediately prior to the family and medical leave of absence, and are employed at a worksite where there are 50 or more employees of the Company within 75 miles.

Employees must request a planned family and medical leave at least 30 days before the leave begins. If the need for leave is not foreseeable, employees must request the leave as soon as they become aware of the need for leave. Failure to comply with this requirement may result in a delay in the start of the leave.

A family and medical leave may be taken for the following reasons:

- (a) the birth of an employee's child or the placement of a child with the employee for foster care or adoption, so long as the leave is completed within two months of the birth or placement of the child;
- (b) the care of the employee's spouse or registered domestic partner, child, or parent with a "serious health condition";
- (c) the "serious health condition" of the employee;
- (d) because of any qualifying exigency arising out of the fact that the employee's spouse, child, or parent is on active duty or has been notified of an impending call or order to active duty, in the Armed Forces in support of a contingency operation; or
- (e) to care for a covered service member (who is the employee's spouse, child, parent, or next of kin) with a serious illness or injury.

A "serious health condition" is one that requires inpatient care in a hospital or other medical care facility or continuing treatment or supervision by a health care provider. A "covered service member" is a member of the Armed Forces (including National Guard or Reserves) who is the employee's spouse, child, parent, or next of kin, and is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness incurred in the line of duty. A "serious illness or injury" is an injury or illness incurred in the line of duty while on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating.

Medical Certification:

When leave is requested for medical reasons, the employee must submit a medical certification from the health care provider that establishes the employee is eligible for family and medical leave. The certification must be provided as soon as is reasonably practical, and not later than the date leave begins or within 15 days of the Company's request, whichever is later. When the leave is requested because of the employee's own serious health condition, the certification must include: (1) the date the serious health condition commenced, (2) the probable duration of the serious health condition, and (3) a statement that, because of the serious health condition, the employee is unable to work or needs medical treatment.

When leave is requested to care for a family member who is ill or injured, the certification must contain: (1) verification the family member has a serious health condition or serious injury or illness, as defined above, and the date such condition began, (2) the probable duration of the condition, (3) an estimate of the amount of time the health care provider believes the employee will be needed to care for the family member or covered service member, and (4) a statement that the condition warrants the participation of the employee to provide care. The Company reserves the right to contact the health care provider to seek clarification of information in the certification, as needed, and may require recertification, as appropriate.

Before returning to work at the conclusion of a leave due to the employee's own serious health condition, the employee is required to provide a certification from their healthcare provider regarding the employee's fitness for duty. The employee must provide the required medical certification to the Company in a timely manner to avoid a delay or denial of leave.

Family and medical leave may be taken for up to 12 workweeks during the designated 12-month period for the purposes described in 1-4, above. The 12-month period will be calculated based on a calendar year. Leave for the purpose described in 5, above (to care for a covered service member), may be taken for up to 26 workweeks in a single 12-month period. During the single 12-month period, an eligible employee shall be entitled to a combined total of 26 workweeks of leave for the reasons specified in paragraphs 1-4 and 5 above. In other words, any family and medical leave taken for reasons specified in paragraphs 1-4 above (up to 12 weeks), will be counted towards the total 26-week entitlement permitted for leave to care for a covered service member with a serious illness or injury during the single 12-month period. All time off that qualifies as family and medical leave will be counted against the employee's federal and, if applicable, state family and medical leave entitlement to the fullest extent permitted by law.

During a family and medical leave, group benefits will be maintained for up to 12 workweeks (or up to 26 weeks when leave is for the purpose of caring for a covered service member), as if the employee was continuously employed.

If the employee does not return to work on the first workday following the expiration of an approved family and medical leave, the employee will be deemed to have resigned from their employment. Upon returning from such a leave the employee will normally be reinstated to their original or an equivalent position and will receive pay and benefits equivalent to those the employee received prior to the leave, as required by law. In certain circumstances, "key" employees may not be eligible for reinstatement following a family and medical leave. The Company will provide written notice to any "key" employee who is not eligible for reinstatement.

If you and your spouse both work for the Company, the two of you will be entitled to a combined total of 12 weeks of leave to care for a newborn, newly adopted child, or recently placed foster child, and to care for a parent with a serious health condition. If you both qualify for the 26-week leave permitted to care for a covered service member, you will be entitled to a combined total of 26 weeks of leave for this purpose, as well as to care for a newborn, newly adopted child, or recently placed foster child, or to care for a parent with a serious health condition.

6.6 Workers' Compensation Leave

Any employee who is unable to work due to a work-related injury or illness and who is eligible for Workers' Compensation benefits will be provided an unpaid leave for the period required. The first 12 weeks will be treated concurrently as a family and medical leave under the federal Family Medical Leave Act ("FMLA") for employees eligible for FMLA leave.

6.7 Bereavement Leave

In the event of a death in the immediate family, employees may have up to four working days, with pay, at their regular straight time rate or base salary, to handle family affairs and attend the funeral. "Immediate family" is defined as: father, mother, brother, sister, spouse, domestic partner, child, mother-in-law, father-in-law, grandparents, and grandchildren.

6.8 Jury Duty

U.S. citizens have a civic obligation to provide jury duty service when called. Employees are entitled up to seven working days, with pay, at their regular straight time or base salary for jury duty.

By state law, an employee cannot be threatened or disciplined for taking leave for jury duty. They cannot be required to work in addition to jury service, if extra hours would mean working overtime or beyond normal quitting time.

The employee must bring in the jury duty notice as soon as it is received so that appropriate arrangements can be made to cover their duties. Employees are required to call in or report for work on those days or parts of days when their presence in court is not required.

6.9 Military Leave

Military leaves are available to eligible employees who enter the Uniformed Services of the United States, including the National Guard and the Commissioned Corps of the Public Health Service, or the state military forces, or the reserve components of the same, to participate in active or inactive duty or training. Time off is also permitted for an examination to determine one's fitness for duty in any of the federal military forces. Such leave will be granted in accordance with the Michigan state and federal laws, provided all legal requirements are satisfied and the employee returns to work or applies for reemployment within the time prescribed by law. The employee must provide advance notice of the need for leave whenever possible. The employee should give the employee's supervisor as much advance notice as possible to allow the Company to make arrangements to cover their position.

Employees on federal military leave may be entitled to continue health insurance benefits, at the employee's expense, for up to 24 months from the date of military departure.

6.10 Military Family Leave

Employees with a spouse or registered domestic partner serving in the United States Armed Forces, National Guard, or Reserves, may take up to 10 days of unpaid leave when their spouse or domestic partner is on a leave from deployment during a military conflict. In order to be eligible for this leave, the employee must work an average of at least 20 hours per week and have a spouse or domestic partner who is either (1) a member of the United States Armed Forces deployed during a military conflict to a designated combat theatre or combat zone; or (2) a member of the National Guard who has been deployed during a period of military conflict; or (3) a member of the Military Reserves who has been deployed during a period of military conflict. Eligible employees are required to notify the Company of their intention to take such leave within two days of receiving official notice that the spouse or domestic partner will be on a qualified leave and provide documentation certifying that the spouse or domestic partner will be on leave from deployment during the time the leave is requested.

6.11 Summer Friday Policy

We support spending more time with your family. From June 1 through September first, all employees are eligible to work a 4 x 10 hour week to be able to spend extended weekends with their families.

At-Will Employment Agreement and Acknowledgement of Receipt of Employee Handbook

Employee: Human Resources

I acknowledge that I have been provided with a copy of the Contoso ("Company") Employee Handbook, which contains important information on the Company's policies, procedures, and benefits, including the policies on Anti-Harassment/Discrimination, Substance Use and Abuse, and Confidentiality. I understand that I am responsible for familiarizing myself with the policies in this Handbook and agree to comply with all rules applicable to me.

I understand and agree that the policies described in the Handbook are intended as a guide only and do not constitute a contract of employment. I specifically understand and agree that the employment relationship between the Company and me is at-will and can be terminated by the Company or me at any time, with or without cause or notice. Furthermore, the Company has the right to modify or alter my position, or impose any form of discipline it deems appropriate at any time. Nothing in this Handbook is intended to modify the Company's policy of at-will employment. The at-will employment relationship may not be modified except by a specific written agreement signed by me and an authorized representative of the Company. This is the entire agreement between the Company and me regarding this subject. All prior or contemporaneous inconsistent agreements are superseded.

I understand that the Company reserves the right to make changes to its policies, procedures, or benefits at any time at its discretion. However, the at-will employment agreement can be modified only in the manner specified above. I further understand that the Company reserves the right to interpret its policies or to vary its procedures as it deems necessary or appropriate.

I have received the Company Employee Handbook. I have read (or will read) and agree to abide by the policies and procedures contained in the Handbook.

The Employer:

By: _____
Pilar Acker
Director, Human Resources

Date: _____

The Employee:

By: _____
Human Resources

Date: _____