



# **EMPLOYEE HANDBOOK**

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# WELCOME TO OUR TEAM!

On behalf of all of us at Ardan Studios, Inc., We welcome you.

We believe that you can make a difference by contributing directly to our growth and success, and we hope that you will take pride in being a member of our team.

Our goal is to create a high performance environment that is simultaneously:

- **Fast** - to seize new opportunities or respond instantaneously to unpredictable and dynamic changes in our competitive landscape;
- **Focused** - to operate with excellence and to gain the loyalty of our customers by exceeding their expectations;
- **Flexible** - to adapt to a constantly changing environment without experiencing costly organizational trauma;
- **Free** - of fear and repression and that fosters communications and teamwork.
- **Fun** - to be part of; and
- **Financially Successful** - this is the end game.

In order to achieve our goal, we have identified specific competencies critical to our long-term success. These competencies, divided into “Skills” and “Behaviors”, are the basis upon which your performance will be measured.

Skills	Behaviors
Knowing the business Focusing on the customer Driving for and achieving results Operating with excellence Using good judgment	Acting safely Trusting your fellow workers Having confidence in your abilities Acting as a team Acting with integrity

## Skills:

### Knowing the business, knowing your job

This can be summed up in three words: attention to detail.

You must know how the business runs and demonstrate awareness of how your area of responsibility adds value to the organization. You are expected to support the organization’s vision and goals, to adhere to quality standards, to stay within budget guidelines and to achieve the requirements/expectations of your job.

By knowing the business...and what lies behind it...we can spot trends and prevent problems before they become reality. By knowing the business, we can understand the movements of our customers and competitors, and we can take proactive measures as needed.

Attention to detail also requires each ASC employee to analyze sub-par performance – asking, “What happened?” and “Why did it happen?” – so that we can improve the process(es) to prevent a recurrence.

## Focusing on the internal and external customer

I am convinced that the company's success hinges on our ability to exceed customers' expectations so they become loyal to ASC. Notice that I did not say satisfied. That's because satisfied customers come and go.

If we want loyal customers, we need to find ways to differentiate ourselves. At this time, our value proposition is unique but if we are to remain "unique", we must continuously innovate our processes by incorporating the needs of our customers. Their feedback is important. We must keep our commitment to stay competitive and to grow and prosper in a constantly changing environment.

In the past, companies only had to worry about quality, service and cost. The relationship between these elements was additive:

$$\text{Quality} + \text{Service} + \text{Cost} = \text{Success}$$

And lower performance in one area could be compensated by higher performance in other areas. In today's world, however, most customers take quality, service and cost for granted. That is the price of admission. Anyone delivering those three attributes has a satisfied customer. But to gain loyalty you must give your customers an enhanced value proposition...a competitive advantage.

Today – and in the future – customer loyalty is built on speed and innovation. And in this new value proposition, the impact of each element becomes multiplied:

$$[\text{Quality} + \text{Service} + \text{Cost}] \times \text{Speed} \times \text{Innovation} = \text{Success}$$

Speed is absolutely essential. We have no time to lose. Time is of the essence in everything we do. And our processes must be executed with a high sense of urgency. We need to respond with greater speed than our competitors. We need to stay one step ahead of our customers, anticipating their needs and forging partnerships that will enhance the value proposition for them as well as us!

Innovation also is a crucial factor for our success. Innovation in technology, products, processes, customer service, and in everything else we do. A zero in any category can destroy value...and customer loyalty.

Of course, while focusing on SPEED and INNOVATION, we cannot lose sight of QUALITY, SERVICE and COST. We encourage your involvement to identify ways to improve our quality, service, cost, speed and innovation.

I need every employee to ask themselves: "How can I – as an individual and as part of a team – adopt new concepts to improve quality and customer service, reduce cost and expenditures, and find innovative and faster ways to do things?"

And, let us not forget that by customer I mean your "internal and external" customers. You all have internal customers within the company that expect from you the highest level of quality, service, cost, speed and innovation.

## Driving for and achieving results

We must be relentless in terms of execution. Our ability to execute will be a key driver for our success. I expect that you continuously strive for measurable results. You must ensure the direct link of your activities with the achievement of our financial, operational and commercial goals.

High performance environments require that all problems be addressed head-on and that they be resolved without delay. Streamline at all times and eliminate non value added work. You need to understand where company dollars go so that we can remain lean and competitive.

## **Operating with excellence**

ASC is committed to excellence and this will not be compromised. The statement “commitment to excellence” has been frequently and extensively abused by large and small businesses all over the world. And frankly, it has lost the powerful connotation it once had. Our success will only be achieved by passionately adopting a culture that has no tolerance for mediocrity. Perfection is not an accident. We must aim high! Our people, processes and everything ASC stands for must be best in class.

ASC will only be successful if our products and services exceed the expectations of our customers. They will be the final judge. They will be the ones validating ASC’s new value proposition of inclusion, empowerment and choice that allow those involved in the selling and buying of residential property to execute cheaper, easier and faster.

## **Using good judgment**

There is no substitute for sound judgment. And sound judgment is absolutely required for making decisions that result in loyal customers. Judgment is about the capacity to form an opinion by distinguishing different options and evaluating their impact to the organization. This means the impact not only to you and your department but elsewhere in the organization.

Our people’s decisions must be guided by prudence and common sense. This does not guarantee that you will always do things right but you must always do what is right. You must have the intellectual honesty to acknowledge that some decisions perhaps were not as good as initially thought so. If that is the case, admit it frankly and try again. But above all, try something. A bias for action is expected from all ASC people.

## **Behaviors:**

### **Acting safely**

At ASC, nothing is more important than safety and the health of our employees, both on and off the job. We value safety at the highest level and firmly believe that “zero injuries” is the only acceptable goal.

Our commitment to safety starts with a simple idea: all injuries are preventable regardless of the operating environment. And in partnership with all our people our goal is to establish safety practices that enrich the lives of those that work for us while increasing productivity, decreasing costs, creating value for all our stakeholders and improving efficiency.

For us, there is nothing more important than you going back home every day to those that love you. After all, the value of us going back home at night cannot be measured. There is simply no substitute for each of us.

You are the only one that can make “zero injuries” a reality by following safety guidelines and acting with common sense on and off the job.

## **Trusting your fellow workers**

Trust is the mutual respect for and confidence in the people you work with. Trust recognizes the importance of individuals and appreciates their diverse opinions. Trust compels us to share information and new ideas. It requires an open, honest and forthright manner. Trusting others is essential for operating in a teamwork environment.

The success of our company depends on trust. When trust and trustworthiness exist in our company, we expand our horizons, try new approaches and surpass our expectations. As a result, we become more innovative and creative in our pursuit of excellence.

## **Having confidence in your abilities**

It is difficult to trust others if you do not have confidence in your own abilities. Self-confident people take initiative, handle the unexpected, stand behind their convictions and support the efforts of others. They take bold, innovative, creative actions; capitalize on opportunities; make sound decisions quickly; and mobilize the best resources for rapid action.

Confidence allows people to work well in teams. It builds esteem and brings simplicity to the work environment.

## **Acting as a high performance team**

Our strength as a company is the individual and collective talents of our people. And “teamwork” is absolutely essential for ASC to become the leader of our industry.

Teamwork is personal involvement and collaboration in a team environment. It includes setting common goals in support of business objectives, making an individual commitment to the team’s success and recognizing the success of the team.

We emphasize teamwork, recognizing within that framework the contributions of the individual. Providing an environment that effectively balances and stimulates the individual and the team is our goal.

When teamwork “lives” in the workplace, people develop and work together to achieve growth, operate with excellence and exceed customer expectations.

## **Being accountable for your actions**

We must be passionate about quality in everything we do. We must do the right things and do them right the first time. A culture of “zero defects” and “zero waste” should be an integral part of our jobs.

Being accountable means every employee assumes responsibility for his or her work. When ASC employees are accountable for their jobs, they take ownership and develop a greater sense of pride in how the work gets done and in the quality of their work.

Our success as a company depends on your contributions as an individual and as a team member. How do we measure success? Success is all about results. Success means exceeding the needs of our customers and earning their loyalty. Success is achieving our quarterly and annual financial, operational and commercial goals.



We will enforce “accountability for deliverables” and you must be “willing to accept” the consequences of not performing. Trying hard is not enough.

## **Acting with integrity**

We must conduct our business in an open and forthright manner in strict compliance with applicable laws, rules and regulations. Our philosophy is very simple: Act on what is right and not on who is right.

Our reputation and integrity will not be compromised. We must be correctly recognized by all dealing with us as an ethical organization of dedicated and competent individuals of high integrity and credibility delivering high quality services that create value for our different constituencies.

Someone once said, “Our character is what we do when we think no one is looking”. Think before you act and simply ask: Am I doing the right thing? Will my actions taint my own and ASC’s reputation? How will I react if tomorrow’s paper headlines describe my actions?

We trust you will always act with the highest level of integrity and honesty and treat people with dignity and respect.

## **Conclusion:**

In summary, as explained in previous paragraphs, we have identified specific competencies critical to our mutual long-term success. These competencies, divided into “Skills” and “Behaviors”, are the basis upon which your performance will be measured at least once a year.

Please note that – at the very least – we expect you to “meet the requirements for normal progression” in each of the competencies defined in previous sections of this letter.

Our system strives for “no surprises”. And you will know your standing at all times. This should allow you to jointly develop with your supervisor the required “performance and behavioral programs” to bring your overall rating to ASC’s desired levels.

As illustrated below, the matrix shows nine quadrants where your performance can reside depending on how you rate in each category.

<b>Skills</b>	Outstanding		B	A
	Meets Expectations		C	B
	Needs Improvement			
		Needs Improvement	Meets Expectations	Outstanding
<b>Behaviors</b>				

Your goals are to position yourself in the ASC Team section and to continuously improve your performance until “outstanding” is reached in both “skills” and “behaviors”.

Note we said “continuously improve”. The “expectations bar” will continue to be raised and this requires your performance to rise accordingly. Average performance today will be below average tomorrow unless a mindset of “continuous improvement” is adopted.

## About This Handbook

This handbook was developed to outline the policies, programs and benefits available to eligible employees. You should familiarize yourself with the contents of the handbook as soon as possible, for it will answer many questions about your employment with Ardan Studios, Inc.

We hope that your experience here will be challenging, enjoyable and rewarding.

Sincerely,

Ardan Studios

# INTRODUCTION

This handbook is designed to acquaint you with Ardan Studios, Inc. and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. You are expected to read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by Ardan Studios, Inc. to benefit all employees.

No employee handbook can anticipate every circumstance or question about policy. As Ardan Studios, Inc. continues to grow, the need may arise to change policies described in this handbook.

Ardan Studios, Inc. therefore reserves the right to revise, supplement, or rescind any policies or portion of the handbook from time to time, as it deems appropriate, in its sole and absolute discretion.

Employees will, of course, be notified of such changes in writing as they occur.

# EMPLOYEE ACKNOWLEDGMENT FORM

The employee handbook describes important information about Ardan Studios, Inc. and I understand that I should consult my Supervisor or the Finance and Administration Department regarding any questions not answered in the handbook.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions to the handbook may occur. All such changes will be communicated through official notices, and I understand that revised policies may supersede, modify, or eliminate existing policies.

Furthermore, I understand and acknowledge that this handbook is neither a contract of employment nor a legal document. I also understand that my employment is at-will for an indefinite period and can be terminated at any time by me or Ardan Studios, Inc. I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained herein and any revisions made hereto.

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EMPLOYEE'S SIGNATURE

DATE

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EMPLOYEE'S NAME (TYPED OR PRINTED)

# **EMPLOYMENT**

## **EQUAL EMPLOYMENT OPPORTUNITY**

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Ardan Studios, Inc. will be based on merit, qualifications, and abilities. Except where required or permitted by law, employment practices will not be influenced or affected by an applicant's or employee's race, color, religion, sex, national origin, age, disability, marital status, or any other characteristic protected by law.

Ardan Studios, Inc. will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor or the Finance and Administration Department. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

## **IMMIGRATION LAW COMPLIANCE**

Ardan Studios, Inc. is committed to employing only United States citizens and aliens who are permitted to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with Ardan Studios, Inc.

Employees with questions or seeking more information regarding immigration law issues are encouraged to contact their Supervisor. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

## **CONFIDENTIALITY AND NON-DISCLOSURE**

The materials, products, designs, plans, ideas, trade secrets, business and technical information and data of Ardan Studios, Inc. and any other material directly or indirectly used/developed by Ardan Studios, Inc. are solely the property of Ardan Studios, Inc., and should never be given to an outside firm or individual except through normal channels for legitimate business purposes and with appropriate authorization. Confidential information pertaining to Ardan Studios, Inc., its customers, suppliers, shareholders and employees is to be used solely for corporate purposes and not as a basis for personal gain by the directors, officers and employees of Ardan Studios, Inc. In no case shall confidential information be transmitted, disclosed, disseminated, transferred or released to any other entity or persons outside of Ardan Studios, Inc. or to other employees of Ardan Studios, Inc. who do not need to know such information in order to perform their duties. Improper or unapproved disclosure of proprietary or confidential information is grounds for immediate dismissal.

Due to the sensitive nature of Ardan Studios, Inc.'s competitive position in the marketplace all employees are required to execute and agree to abide by the Employee Handbook and Ardan Studios, Inc.'s CONFIDENTIALITY and NON-DISCLOSURE POLICY.

## **CONFLICTS OF INTEREST**

Ardan Studios, Inc. employees have the obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a friend or relative as a result of Ardan Studios, Inc.'s business dealing. If an employee (including officers, directors or consultants) has any influence on transactions involving purchases, contracts or leases, it is imperative that he or she disclose to their supervisor or an officer the potential conflict of interest so that safeguards can be established to protect all parties.

## **APPROPRIATION OF BUSINESS OPPORTUNITY**

No director, officer, employee or consultant shall take for him or herself an opportunity that belongs to Ardan Studios, Inc. Whenever Ardan Studios, Inc. has been seeking a particular business opportunity, or when a business opportunity has been offered to it, or when Ardan Studios, Inc.'s funds, facilities or personnel have been used in developing a business opportunity, or when the business opportunity is the kind for which Ardan Studios, Inc. in the normal business course generally competes, the opportunity rightfully belongs to Ardan Studios, Inc. and must not be taken by a director, officer, employee or consultant.

## **GIFTS**

Employees and their immediate family are not to accept gifts except those of nominal value (under \$25.00), or any special discounts or loans from any person or organization doing, or seeking to do business with Ardan Studios, Inc. The meaning of gifts for purposes of this policy includes, the acceptance of entertainment, free long distance, travel and lodging. Employees are not to give, offer, or promise, directly or indirectly, anything of value to any representative of a customer, of a potential customer, or of a financial institution in connection with any transaction or business that Ardan Studios, Inc. may have with such customer, potential customer or financial institution.

## **OWNERSHIP OF DEVELOPMENTS**

All U.S. and international copyrights, patents, patentable inventions, trade secrets, or other intellectual property rights associated with any ideas, concepts, techniques, inventions, documentation, technology, programming, processes, works of authorship, or other work products developed or created by Employee during the course of performing "Work" for Ardan Studios, Inc. or its customers (collectively, the "Work Product") shall belong exclusively to Ardan Studios, Inc. and shall, to the extent possible, be considered a work made by Employee for hire for Ardan Studios, Inc.

For purposes of this Section, "Work" shall mean (1) any direct assignments and required performance by or for Ardan Studios, Inc. and (2) any other productive output that relates to the business of Ardan Studios, Inc. and is produced during the course of Employee's employment or engagement with Ardan

Studios, Inc. For this purpose, Work may be considered present even after normal working hours, away from Ardan Studios, Inc.'s premises, on an unsupervised basis, alone or with others.

To the extent the Work Product may not, by operation of law or agreement, be considered work made by Employee for hire for Ardan Studios, Inc., (or if ownership of all rights therein do not otherwise vest exclusively in Ardan Studios, Inc.), Employee agrees to assign, and automatically assigns at the time of creation of the Work Product, without any requirement of further consideration, any right, title, or interest Employee may have in such Work Product. Ardan Studios, Inc. shall have the right to obtain and hold, in whatever name or capacity it selects, copyrights, registrations, and any other protection available in the Work Product.

In order to give full and proper effect to Ardan Studios, Inc.'s ownership rights in the Work Product, employees are required to execute Ardan Studios, Inc.'s standard Acknowledgment of Ardan Studios, Inc.'s ownership rights in the Work Product. Employees agree to take such further actions, including, without limitation, executing and delivering instruments of assignment and conveyance, during or after their employment with Ardan Studios, Inc. and upon the request of Ardan Studios, Inc. as may be necessary and appropriate to transfer, perfect and defend Ardan Studios, Inc., 's ownership of the Work Product. Ardan Studios, Inc. will reimburse employees for all reasonable out-of-pocket expenses incurred by the employee at Ardan Studios, Inc.'s request in connection with the foregoing, unless the employee is otherwise being compensated at the time.

## **EMPLOYMENT CATEGORIES**

It is the intent of Ardan Studios, Inc. to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility.

Consistent with the Fair Labor Standards Act and applicable state laws, each position is designated as either NONEXEMPT OR EXEMPT. Employees working in nonexempt positions are entitled to overtime pay under the specific provisions of federal and state laws. Employees working in exempt positions are excluded from specific provisions of federal and state wage and hour laws and are not granted overtime compensation. Your supervisor will inform you whether the position you are hired for is exempt or nonexempt.

In addition to the above categories, each employee will belong to one other employment category:

**REGULAR FULL-TIME** employees are those who are not temporary or on probationary status and who are regularly scheduled to work Ardan Studios, Inc.'s full-time schedule (40 hours per week). Generally, they are eligible for Ardan Studios, Inc.'s benefit package, subject to the terms, conditions, and limitation of each benefit program.

**PROBATIONARY** employees are those whose performance is being evaluated to determine whether further employment in a specific position with Ardan Studios, Inc. is appropriate. The first 90 days of employment for all new employees is considered a probationary period.

## **ACCESS TO PERSONNEL FILES**

Ardan Studios, Inc. maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, attendance and other employment records and documents.

Personnel files are the property of Ardan Studios, Inc. and access to the information they contain is restricted. Generally, only supervisors of Ardan Studios, Inc. who have legitimate reasons to review information in the files are allowed to do so.

Employees who wish to review their own file should contact their supervisor. With reasonable advance written notice, employees may review their own personnel files in Ardan Studios, Inc.'s offices during regular business hours and in the presence of an individual appointed by Ardan Studios, Inc. to maintain the files.

## **EMPLOYMENT REFERENCE CHECKS**

To ensure that individuals who join Ardan Studios, Inc. are well qualified and have a strong potential to be productive and successful, it is the policy of Ardan Studios, Inc. to check the employment references of all applicants.

The Finance and Administration Department will respond to all reference check inquiries from other employers. Responses to such inquiries will confirm only dates of employment, wage rates, and position(s) held.

## **PERSONNEL DATA CHANGES**

It is the responsibility of each employee to promptly notify Ardan Studios, Inc. of any changes in personnel data. Personal mailing address, telephone numbers, numbers and names of dependents, are to be accurate and current at all times. Any such changes should be reported, preferably in writing, to the Finance and Administration Department as soon as possible.

## **EMPLOYMENT APPLICATIONS**

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

## **PROBATIONARY PERIOD**

The Probationary Period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. Ardan Studios, Inc., uses this period to evaluate employee capabilities, work habits, and overall performance.

All new and rehired employees will serve a Probationary Period of ninety (90) calendar days from their date of hire. Any significant absence will automatically extend a Probationary Period by the length of the absence. If Ardan Studios, Inc., determines that the initial Probationary Period does not allow sufficient time to thoroughly evaluate the employee's performance, the Probationary Period may be extended for a specific period.

At the completion of the probationary period, each employee will have a performance evaluation on an anniversary basis. A supervisor may perform an informal evaluation at any time for varying reasons.



Successful completion of the probationary period does not constitute a guaranty of employment for any length of time. Completing the probationary period does not change the employee's status as an employee-at-will.

## **BEHAVIOR AND PERFORMANCE IMPROVEMENT PROCESS**

It is the policy of Ardan Studios, Inc., that all employees are expected to comply with Ardan Studios, Inc.'s standards of behavior and performance and that any noncompliance with these standards must be remedied. Ardan Studios, Inc., identifies this process as a positive and constructive method designed to assist an employee in attaining a satisfactory level of job performance and in living the behaviors conducive for a high performance environment. Disciplinary actions as outlined below may be utilized in this process. It is recognized, however, that at times corrective action may be unwarranted and in Management's sole discretion, immediate termination may be the only appropriate action.

Under normal circumstance, Ardan Studios, Inc., endorses a policy of progressive discipline in which it attempts to provide employees with notice of deficiencies and an opportunity to improve. This policy does not modify the status of employees as employees-at-will or in any way restrict Ardan Studios, Inc.'s right to bypass the disciplinary procedures suggested.

The normal application of progressive discipline should be:

**1. If an employee is not meeting the organization standards of behavior or performance, the employee's supervisor should take the following action:**

Meet with the employee to discuss the matter;

Inform the employee of the nature of the problem, the action necessary to correct it and the time frame in which the correction is expected;

Issue a written notice of deficiency to the employee (provide Finance and Administration Department with a copy); and

Warn the employee that another incident or continued failure to improve performance may result in more severe disciplinary action or termination.

**2. If there is another occurrence or the performance does not improve, the supervisor should contact the department Vice President and Vice President of Finance to review the situation and recommend further action. Depending on the severity of the situation, the following may be recommended:**

a) Suspend the employee without pay for up to thirty working days; or

b) Recommend termination.

After taking action under section 2 above, the supervisor should prepare and forward to the Department Vice President and the Vice President of Finance a written report describing the occurrence, indicating the timing between the employee's continuing behavioral deficiency or lack of performance and summarizing the action taken by Ardan Studios.

The progressive disciplinary procedures described above, may also be applied to an employee who is experiencing a series of unrelated problems involving job performance and/or behavior.

In cases of serious misconduct, or any time the supervisor, department Vice President or President determines it necessary, such as a major breach of policy or violation of law, the normal application of progressive discipline may be disregarded. The supervisor, after consulting the department Vice President and the Vice President of Finance, should suspend the employee immediately and, if appropriate, recommend termination of the employee or terminate the employee immediately. An investigation of the incidents leading up to the suspension should be conducted to determine what further action, if any should be taken. Employees suspended from work will not receive or accrue any employee benefits during the suspension.

Under normal circumstances, the department Vice President and the Vice President of Finance should review and approve all recommendations for termination before any final action is taken.

The progressive disciplinary procedures outlined above are only a generalized expression of Ardan Studios, Inc.'s scheme for resolving disciplinary issues. Ardan Studios, Inc., however, is in no way bound by the foregoing disciplinary procedures and reserves the right to modify or dispense with any of the foregoing procedures as Ardan Studios, Inc., sees fit.

## **ATTENDANCE AND PUNCTUALITY**

To maintain a safe and productive work environment, Ardan Studios, Inc. expects employees to be reliable and punctual in reporting for scheduled work. Our official working hours for EXEMPT – REGULAR FULL-TIME employees are from 9:00AM to 6:00PM with a one hour lunch break, Monday through Friday. Absenteeism and tardiness place a burden on employees and on Ardan Studios, Inc. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor as soon as possible in advance of the anticipated tardiness or absence.

Excessive absences and tardiness are disruptive and may lead to disciplinary action, up to and including termination of employment.

## **TIMEKEEPING**

Accurately recording time worked is the responsibility of every nonexempt employee. Federal and state laws require Ardan Studios, Inc. to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Nonexempt employees should accurately record the time they begin and end their work. Any time for which the employee should be paid that is not shown on the timesheet should be noted and explained on the back of the timesheet. Overtime work must always be approved before it is performed.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

Nonexempt employees should not report to work more than 7 minutes prior to their scheduled starting time nor stay more than 7 minutes after their scheduled stop time without the expressed, prior written authorization from their supervisor.

## **OVERTIME**

When operating requirements or other needs cannot be met during a regular 40 hour work week, nonexempt employees may be scheduled to work overtime hours. Whenever possible, advance notification of these mandatory assignments will be provided. All overtime work requires supervisor's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

Overtime compensation is paid to all nonexempt employees in accordance with federal and state laws at the following rate(s):

One and one-half times the straight time rate for all hours over 40 in a workweek. Sick leave, vacation leave, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations.

## **TERMINATION OF EMPLOYMENT**

Termination of employment is an inevitable circumstance of personnel activity within any organization, and many reasons for dismissal are routine.

## **TERMINATION**

Ardan Studios, Inc. will generally schedule exit interviews at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits and return of Ardan Studios, Inc. property. Suggestions, complaints, and questions can also be voiced at that time.

## **RESIGNATION (Voluntary Termination)**

Resignation is a voluntary act initiated by the employee and the employee has the right, at will, to terminate employment with Ardan Studios, Inc. Although advance notice is not required, Ardan Studios, Inc. requests at least two weeks written notice of resignation from nonexempt employees and four weeks' notice from exempt employees to assure a smooth transition of duties and responsibilities.

Prior to an employee's departure, an exit interview may be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits.

## **JOB ABANDONMENT**

An employee not reporting to work for three consecutive days without notice, will be treated as having abandoned his/her employment at Ardan Studios, Inc. thus a voluntary termination.

## **TERMINATION PAY**

Final checks for all terminated employees will be paid at the next payday following termination.

## **SEVERANCE PAY**

As a matter of policy, no severance pay will be due to employees who resign or are discharged (involuntary termination initiated by the company).

## **PAYROLL**

All employees are paid bimonthly on the 1<sup>st</sup> and 16<sup>th</sup> of every month. Each paycheck will include earnings for all work performed through the previous payroll cycle.

## **PAY DEDUCTIONS AND SETOFFS**

The law requires that Ardan Studios, Inc. make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. Ardan Studios, Inc., must also deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base". Ardan Studios, Inc. matches the amount of Social Security taxes paid by each employee.

Ardan Studios, Inc. may offer programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs.

Pay setoffs are pay deductions taken by Ardan Studios, Inc. usually to help pay off a debt or obligation to Ardan Studios, Inc. or others.

If you have questions concerning why deductions were made from your paycheck or how they were calculated, the Finance and Administration Department can assist in having your questions answered.

## **ADMINISTRATIVE PAY CORRECTIONS**

Ardan Studios, Inc. takes all reasonable steps to assure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Finance and Administration Department so that corrections can be made as quickly as possible.

Once underpayments or overpayments are identified, they will be corrected in the next regular paycheck.

# EMPLOYEE CONDUCT AND WORK RULES

To assure orderly operations and provide the best possible work environment, Ardan Studios, Inc. expects all employees to follow rules of conduct that will protect the interests and safety of all employees and the organization. To help prevent misunderstanding, Ardan Studios, Inc. has established policies and procedures to guide employees in accomplishing their duties. The intent is to insure safe operations, dependability, appropriate behavior and efficiency. If these policies are violated, Ardan Studios, Inc. in its sole discretion may apply disciplinary action up to and including termination.

It is not possible to list all the rules of conduct that are considered unacceptable in the workplace. Ardan Studios, Inc. reserves the right to modify work rules at any time. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including immediate termination of employment, even upon the first occurrence:

- Theft or inappropriate removal or possession of employer-owned, customer owned or other employee-owned property.
- Falsification of any documents or records (yours or another employee's), such as medical records, payroll records, timesheets, employment applications, or other employment or company records.
- Working under the influence of any controlled substance, intoxicants, alcohol, illegal or nonprescription drugs, or hallucinatory agents.
- Possession, distribution, sale, transfer, or use of alcohol or drugs on Ardan Studios, Inc.'s property or customer property, or while operating employer-owned vehicles or equipment.
- Fighting or threatening violence in the workplace or on Ardan Studios, Inc. property or customer or vendor property.
- Negligence or violation of operating rules and procedures which leads to or could result in bodily injury to customers, other employees, or damage of employer-owned, customer-owned or other employee-owned property.
- Insubordination or other disrespectful conduct.
- Smoking in prohibited areas.
- Sexual or other unlawful harassment.
- Possession of dangerous or unauthorized materials, such as explosives or firearms in the workplace or on Ardan Studios, Inc. property.
- Excessive absenteeism or any absence without notice or failure to return to work from a leave or vacation.
- Unauthorized or improper use of telephones, mail system, or other employer-owned equipment or vehicles.

- Unauthorized disclosure of business “secrets” or confidential information.
- Gambling on Ardan Studios, Inc. or customer property.
- Violation of any company policy.
- Insulting, arguing, being discourteous, or using profane language in the presence of our customers. Our customers may not always be right, but they are our customers and the people responsible for our paycheck; treat them with respect at all times.
- Conviction of or a plea of guilty or “nolo contendere” to or acceptance of pre-trial diversion for any morals charge, felony or misdemeanor other than minor traffic offenses.
- Unsatisfactory completion of the Probationary Period.
- Dishonesty or unsatisfactory performance or conduct detrimental to the Company.
- Dissemination of any information regarding compensation.

# COMPUTER ACCESS, USE, E-MAIL, VOICEMAIL, AND INTERNET USE

**Purpose:** To define the proper use of computer systems, electronic mail (E-mail), voice-mail and Internet services at Ardan Studios, Inc.

**General Policy:** Ardan Studios, Inc. is committed to providing an environment that encourages the use of computers and electronic information as essential tools to support the business of Ardan Studios, Inc. It is the responsibility of each employee to ensure that this technology is used for proper business purposes and in a manner that does not compromise the confidentiality of proprietary or other sensitive information.

Under the policy, the company reserves the right to access, review, copy or delete any message or document on its systems including matters stored on individual computers, voicemail, and related media. One of the purposes of the policy is to advise employees that they do not have a valid privacy expectation in using these systems.

The company's exercise of this right is not unlimited however, for many reasons, including legal and employee relation's issues, as well as others. Thus, the policy goes on to delineate certain examples of situations where the Company might choose to exercise that right, e.g. potential crimes, security breaches, ensuring the appropriate use of the systems etc.

**Coverage:** All users of Ardan Studios, Inc.'s computer and telephone systems.

**Contents:** These policies and procedures consist of three parts:

- I. Computer hardware and software
- II. E-mail and Voice-mail
- III. Internet access

## COMPUTER HARDWARE AND SOFTWARE

1. **Ownership:** All computer system networks, computer equipment and other electronic communications systems, and all communications and stored information transmitted, received or contained in Ardan Studios, Inc.'s information systems are Ardan Studios, Inc.'s property and are to be used solely for business related purposes.
2. **Avoiding Viruses:** To limit Ardan Studios, Inc.'s exposure to computer viruses, avoid software conflicts and software license violations, and to properly manage our information systems, only the Systems Administrator may load any software onto any Ardan Studios, Inc. computer. Further, no independent "boot" disk may be used to circumvent Ardan Studios, Inc.'s menu or document management programs. Any data that must be loaded onto Ardan Studios, Inc.'s computer system must go through virus scanning by the Systems Administrator (this includes diskettes used at home and brought into the office). Unauthorized software loaded onto any Ardan Studios, Inc. computer will be immediately removed. Unauthorized software includes personal programs such as "Quicken", screen savers, games, etc.
3. **Acquisitions:** All hardware and software acquisitions or purchases must be approved in writing by the department Vice President. Depending on the cost of any acquisition and Ardan Studios, Inc.'s current approval authorities, the acquisition may also require written approval by the President. For current approval authorities, contact the Finance and Administrative Department. This includes specialized software for specific projects.



4. **Troubleshooting:** Computer software or hardware problems and questions should be directed to the Systems Administrator. Do not attempt to correct hardware problems before contacting the Systems Administrator.

## E-MAIL POLICIES AND PROCEDURES

1. **Business Purpose Only:** The E-mail system is to be used only for business purposes. Messages of a personal nature are prohibited. Among the types of non-business messages that are prohibited are the following (non-exclusive):
  - Jokes.
  - Commercial use, such as offering to sell or buy items.
  - Charitable solicitations, unless prior clearance is obtained from the department Vice President.
  - Prohibited messages such as: chain letters, gossip, or “water cooler” talk.
2. **No Expectation of Privacy:** NOTHING that is transmitted via E-mail is confidential or private to individual attorneys or staff despite any such designation either by the sender or the recipient. Security passwords that are issued to employees are for the purpose of protecting the security of Ardan Studios, Inc. and its customers and not for any individual’s interests in privacy. Ardan Studios, Inc. reserves the right to monitor its E-mail system — including an employee’s mailbox — at its sole discretion in the ordinary course of business. Please note that in certain situations, Ardan Studios, Inc. may be compelled to access and disclose messages sent over its E-mail system.

A few notes on how “public” E-mail can be:

- **“Delete” Button:** You should be aware that this only “deletes” the item from your screen. First, Ardan Studios, Inc. backs-up the system each night onto storage tapes. Thus, unless you “delete” an item on the same day it is received, it will appear on the back-up tape. Second, the “deleted” message can generally be retrieved with commonly available software.
  - **“Forward” Button:** Although you may think that a personal message to a friend within the office may seem “private”, with just a few key strokes, e.g., the “forward” button, it can be re-transmitted, and re-re-transmitted, around the globe within minutes.
  - **Discovery Compliance:** In certain instances, such as Ardan Studios, Inc.’s (or its customer’s) involvement in litigation, an investigation, or any other proceeding that may necessitate the review or production of Ardan Studios, Inc.’s records, such as a subpoena or document request, Ardan Studios, Inc. may be compelled to access and disclose messages sent over its E-mail system.
3. **Certain Messages Prohibited:** Employees are strictly prohibited from sending, saving or printing E-mail messages that may be viewed as inappropriate or offensive to a reasonable person, including but not limited to messages containing obscene or vulgar language and/or photographs, messages that may be harassing to other employees, including racial or sexual harassment, messages that may hold persons up to ridicule or disparagement, false statements or name-calling.
  4. **Limited Distribution:** E-mail messages should be distributed only to those individuals who have a business need to receive them. Messages should be sent to “all employees” only when absolutely necessary.
  5. **Limited Access:** Each employee has been issued a password work code to access E-mail. Your password is personal and should not be shared with other employees or third parties. Employees are

prohibited from providing E-mail access to an unauthorized user or access another user's E-mail mailbox without prior authorization from department manager.

6. **Deleting Messages:** Always delete messages after reading them so that your “in box” does not become full. Also, you should, on a weekly basis, empty your “trash” and “out box” as these items take up needed storage space. If you may need to save an item, print it and file it rather than allowing it to reside in the system. Ardan Studios, Inc. reserves the right to periodically delete all E-mail messages from the system.
7. **Printing and Saving Messages:** An E-mail message that directly relates to work that is being performed for a customer should be printed and saved for the file (e.g., a message reporting on the contents of a telephone conversation with a customer or opposing counsel). In most instances if it is worth sending, it is worth printing and saving.
8. **Be Careful What You Say:** Although E-mail may give the appearance of being informal, impersonal and private; it is none of these things. All E-mail messages must be drafted with the same care as a formal memorandum and must not contain any information that might potentially be harmful or embarrassing to Ardan Studios, Inc., its personnel or its customers or anyone dealing with us.
9. **Voice-Mail:** The same policies and procedures that apply to E-mail also apply to Voice-mail.
10. **Misuse:** Violations of these policies and procedures may subject the employee to disciplinary measures, including dismissal.

# INTERNET ACCESS POLICIES AND PROCEDURES

1. **Application of Internal E-mail Policies and Procedures:** Ardan Studios, Inc.'s policies and procedures concerning internal E-mail also apply to Internet E-mail.
2. **Business Purpose Only:** Ardan Studios, Inc.'s connection to the Internet is to be used for business related purposes only and not for personal use. Any unauthorized use of the Internet is strictly prohibited. Unauthorized use includes, but is not limited to: connecting, posting, or downloading pornographic material; engaging in computer "hacking" and other related activities; attempting to disable or compromise the security of information contained on Ardan Studios, Inc.'s computers (or otherwise using Ardan Studios, Inc.'s computers for personal use).
3. **Confidentiality:** Internet messages should be treated as non-confidential. Anything sent through the Internet passes through a number of different computer systems, all with different levels of security. The confidentiality of messages may be compromised at any point along the way, unless the messages are encrypted. Under no circumstances shall information of a confidential, sensitive or otherwise proprietary nature be placed on the Internet. Because postings placed on the Internet may display Ardan Studios, Inc.'s address, make certain before posting information on the Internet that the information reflects the standards and policies of Ardan Studios, Inc.
4. **Downloading from the Internet:**
  - a. **Viruses:** Currently E-mail messages without attachments are not known to carry viruses. Attachments, however, can carry viruses. You must consult with the Systems Administrator concerning Ardan Studios, Inc.'s current procedures on avoiding viruses before opening any attachment. Do not download games from the Internet — they are the most common source of viruses. If you would like to obtain a copy of any software, which is located on the Internet, please first submit a request to the Systems Administrator.
  - b. **Copyrighted Materials:** Many of the materials available on the Internet, such as articles and software, are protected by copyright. Do not be misled by the ease with which you can acquire or download these materials — you may only have a limited license to view. You are not authorized to download software or any executable files (e.g. games, applications).
6. **Unauthorized Connections:** Users may not establish Internet or other external network connections that could allow unauthorized persons to gain access to Ardan Studios, Inc.'s systems and information without prior approval from the Systems Administrator and department Vice President. These connections include the establishment of hosts with public modem dial-ins, World Wide Web home pages and File Transfer Protocol (FTP).
7. **Subscriptions:** Users may not subscribe to a discussion group, electronic mailing list or news service without prior approval from the Systems Administrator. This is primarily to ensure that Ardan Studios, Inc.'s hardware and software can cope with the often-voluminous amounts of information, which are sent on a daily basis.

## PERSONAL APPEARANCE

It is the policy of Ardan Studios, Inc. that each employee's dress, grooming and personal hygiene should be appropriate to the work situation. While traditional business attire is always appropriate at Ardan Studios, Inc.,

the company has adopted a casual business dress policy. Favorable personal appearance, like proper maintenance of work areas, is an ongoing requirement of employment with Ardan Studios, Inc. Radical departures from conventional dress or personal grooming and hygiene standards are not permitted.

The personal appearance of office workers and any employees who have regular contact with Ardan Studios, Inc.'s customers must be governed by the following standards:

Employees are expected to use good judgment and to dress in a manner that is acceptable. The wearing of suggestive attire, jeans, jogging pants, shorts, tank-tops, sandals, beach shoes and similar items are not permitted.

Hair should be clean, combed and neatly trimmed or arranged. Shaggy, unkempt hair is not permissible regardless of length.

Sideburns, mustaches and beards should be neatly trimmed.

Certain employees may be required to meet special dress, grooming and/or hygiene standards depending on the nature of the job.

The appropriateness of employee's compliance with any of the foregoing shall be in the sole discretion of Ardan Studios, Inc.

There are occasions where employees will have interactions with customers and which will dictate traditional business attire. You will be expected to dress accordingly: And in case of doubt it is always better to be "overdressed".

## **NON-COMPLIANCE**

All decisions regarding appropriateness of attire in the workplace remain in the sole discretion of Ardan Studios, Inc. Any employee who, at the discretion of management, does not meet the standards of this policy will be required to take corrective action, which may include leaving the premises. Repeated violations of this policy will be cause for disciplinary action up to and including termination.

## **SMOKING**

In keeping with Ardan Studios, Inc.'s intent to provide a safe and healthy work environment, smoking is prohibited throughout the workplace and is permitted only in designated areas outside of the building. This policy applies equally to all employees, customers, and visitors.

## **SUBSTANCE ABUSE**

It is Ardan Studios, Inc.'s desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on Ardan Studios, Inc.'s premises no employee may use, possess, distribute, sell or be under the influence of alcohol or engage in the unlawful manufacture, distribution, dispensation, possession, or use of

drugs not prescribed specifically for them. Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

The legal use of prescribed drugs is permitted on the job when it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of disciplinary action, may request approval to take unpaid time off to participate in a rehabilitation or treatment program. Leave may be granted if the employee agrees to abstain from use of the problem substance; abides by all Ardan Studios, Inc. policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause Ardan Studios, Inc. any undue hardship.

Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor or the Vice President of Finance without fear of reprisal.

# **SEXUAL AND OTHER UNLAWFUL HARASSMENT**

Ardan Studios, Inc. is committed to maintaining a work environment that is free of discrimination and unlawful harassment and to fostering positive business, professional and personal practices designed to ensure that all employees are treated with respect and dignity in an environment that is neither hostile nor discriminatory. Actions, words, jokes or comments based upon an individual's sex, sexual orientation, race, color, national origin, religion, age, disability or any other legally protected characteristic will not be tolerated. Further, Ardan Studios, Inc. believes in and supports all federal and state guidelines regarding sexual harassment. In keeping with this commitment, unlawful harassment of any employee by anyone, including any professional person, supervisor, co-worker or vendor of Ardan Studios, Inc., is unacceptable. Ardan Studios, Inc., encourages the reporting of all incidents of sexual harassment, regardless of who the offending party may be.

## **DEFINITION OF SEXUAL HARASSMENT**

For purposes of this policy, Ardan Studios, Inc., adopts the Equal Employment Opportunity Commission's (EEOC) definition of sexual harassment as any unwelcomed joke or comment, sexual advance, request for sexual favors, unwanted touching or other verbal, physical or visual conduct of a sexual nature when:

1. Submission to the conduct is an explicit or implicit term or condition of employment;
2. Submission to or rejection of the conduct is used as the basis for an employment decision; or
3. The conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment includes, but is not limited to, unwelcomed sexual propositions, sexual innuendo, sexually suggestive comments, sexually oriented "kidding" or "teasing", "practical jokes", jokes about gender specific traits, displays or obscene printed or visual material and unwelcomed physical contact such as patting, pinching or brushing up against another's body. Ardan Studios, Inc. recognizes that the issue of whether sexual harassment has occurred requires a factual determination based upon all of the evidence available. Ardan Studios, Inc. also recognizes that false accusations of sexual harassment can have a serious detrimental effect on the work, professional and personal life of an innocent man or woman.

## **REPORTING HARASSMENT**

If you believe that you or another employee is being harassed by another person in violation of this policy, you are encouraged to firmly and promptly notify the offender that his/her behavior is inappropriate and unwelcome. If this is ineffective or if you feel uncomfortable confronting the offender directly, Ardan Studios, Inc. has identified individuals who are specifically designated to accept complaints of harassment internally. You should feel comfortable contacting one of the following individuals directly: your Supervisor, and/or the Vice President of Finance.

Prompt reporting of the harassment will enable Ardan Studios, Inc., to more quickly respond to your concerns. Any complaint must be reduced to writing by the complaining party or, in cases of exigent or excusable circumstances, by the party receiving the complaint. In either event, the complaining party must sign the complaint.

## **RETALIATION**

Ardan Studios, Inc., forbids retaliation against anyone who has reported harassment. Retaliation in any form is a serious violation of this policy and will result in discipline up to and including termination. Persons filing frivolous or malicious complaints may also be subject to discipline up to and including termination.

## **INVESTIGATION**

Charges of harassment in violation of this policy will be thoroughly investigated and the employee will be informed of the results of that investigation. Ardan Studios, Inc. understands that these matters can be extremely sensitive and will make every attempt to keep employee complaints and communications confidential to the extent that confidentiality does not compromise the investigation.

## **COMPLAINT POLICY AND PROCEDURE**

Ardan Studios, Inc. is committed to providing the best possible working conditions for its employees. It is the policy of this Company that all employees have the right to voice their opinions and complaints without fear of retribution.

Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion or question receives a timely response from Ardan Studios, Inc., supervisors and management.

Claims of discrimination should be handled as outlined in the “Equal Employment Opportunity” or Anti Harassment Policy.

Ardan Studios, Inc., strives to ensure all employees are treated with dignity and respect. Ardan Studios, Inc. expects that all of its employees live up to our values and beliefs and encourages them to offer positive and constructive criticism in the way we do things.

We recognize the meaningful value and importance of full discussion in resolving misunderstandings and preserving good relations between management and our employees.

The “open door” policy provides for a review by management personnel as a safeguard against any possible inequitable treatment. All employees may therefore be assured that every effort will be made to resolve problems to their satisfaction.

Under no circumstances will an employee be penalized for presenting a complaint to his/her supervisor or to members of management.

Accordingly, we believe that the following procedure will ensure that complaints receive full consideration. If a situation occurs when employees believe that a condition of employment or decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps.

### **STEP 1**

An employee with a complaint will initially approach his/her supervisor. It is the supervisor’s responsibility to ensure that any complaint brought before them receives prompt attention.

It is of the utmost importance that in all instances the supervisor notifies the employee of the action to be taken to correct the situation. If the supervisor believes no action is warranted or possible, the employee should

receive an explanation as to the reasoning of such decision. The supervisor shall reply to the employee within one week.

## STEP 2

In the event the employee feels the problem remains unresolved following discussions with the supervisor, the employee may submit the complaint in writing for consideration. A written complaint is to be submitted to the Department Manager and/or the Finance and Administration Department. Upon reviewing the complaint, the Department Manager and/or Vice President of Finance will render a decision in writing within two weeks after receipt of the written complaint.

In certain cases, the Department Manager, Vice President of Finance and/or the Supervisor may wish to meet personally with the employee to provide a fuller explanation of the action taken. Normally, complaints will be resolved at this step of the complaint procedure.

## STEP 3

An employee who feels his/her complaint has not received adequate attention in Step 2 may direct the complaint to the President.

Such complaints are to be made in writing within one week of receiving the answer provided in Step 2. The President will review the complaint with the manager/s or Vice President of Finance and arrange a meeting with the employee within one week of receiving the complaint.



# EMPLOYEE BENEFITS

Eligible employees at Ardan Studios, Inc. are provided a wide range of benefits. Eligibility for the benefits provided is dependent upon a variety of factors, including, without limitation, employee classification. Details of many of these programs are found in the following sections. The Finance and Administration Department will attempt to answer any questions that you may still have.

Some of the following benefit programs are available to eligible employees:

- Health Insurance
- Holidays
- Vacation Time
- Sick Time
- Personal Leave
- Maternity-Related Absences
- Jury/Witness Duty Time
- Military Duty Time
- Funeral Leave
- Workers' Compensation Insurance

Some benefit programs require contributions from employees, and some are fully paid by Ardan Studios, Inc. Please see the Finance and Administration Department for a current list of company benefits.

## HEALTH INSURANCE

Ardan Studios, Inc. understands the great importance to all our employees for assistance in maintaining a high standard of health for themselves and their families. We endeavor to maintain health insurance policies that will maximize the benefit to our employees and still be as economical as possible for the company. For a more detailed description, please see the summary plan description, which is currently available in the Finance and Administration Department.

The supervisor will give all new hires details on the current plans in effect. All employees will be notified as far in advance as possible of any changes that may occur.

For the above plan, there is a 90-day waiting period for eligibility. Coverage will be effective on the fifteenth day of the month following the 90-day waiting period.

## HOLIDAYS

Ardan Studios, Inc., observes the following eight (8) paid holidays:

- New Year's Day (January 1)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Thanksgiving (fourth Thursday in November)
- Day after Thanksgiving

- Christmas Day (December 25)
- Floating Holiday

## VACATION TIME

Vacation time with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. All full-time employees are eligible to earn and use vacation time as described in this policy.

The amount of paid vacation time employees receive each year increases with the length of their employment as shown in the following schedule.

## VACATION EARNING SCHEDULE

<u>Years of Eligible Service</u>	<u>Hours Accrued per pay period</u>	<u>Maximum Allowable Vacation Days</u>
From date of hire	1.66 hours	5 days
After 5 years	3.33 hours	10 days
After 10 years	6.66 hours	20 days

The length of eligible service is calculated on the basis of a “benefit year” which is the 12-month period that begins with the employee’s date of hire.

For the first five years of employment with Ardan Studios, Inc., credit for accrued vacation shall be accumulated on the basis of 1.66 hours for each complete pay period of service, with a maximum of five (5) vacation days per year. After five years of eligible service, 3.33 hours for each complete pay period of service, with a maximum of ten (10) vacation days per year. After ten years of eligible service, 6.66 hours for each complete pay period with a maximum of twenty (20) vacation days per year. There will be no vacation benefit for any employee whose employment is terminated for any reason within the 90 day Probationary Period.

Paid vacation time can be used in minimum increments of four (4) hours, at any time after the 90 day Probationary Period. To take vacation, employees must request advance approval in writing from their immediate supervisor to allow for proper scheduling. A Vacation Request Form must be filled out and returned to the supervisor. Requests will be reviewed based on a number of factors, including, without limitations, business needs and staffing requirements. If an employee’s earned vacation is not enough to cover the number of days that they expect to be away from work, employees need to discuss and obtain approval for unpaid leave of absence from the supervisor. There will be no carry-over of vacation days from one calendar year to the next.

Vacation time is paid at the employee’s base pay rate at the time of vacation. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last completed month of service.

## SICK LEAVE BENEFITS

Ardan Studios, Inc. does not provide paid sick leave benefits to employees.

Employees who are unable to report to work due to illness or injury should notify their direct supervisor before the scheduled start of their workday, if possible. The direct supervisor must also be contacted prior to each additional day of absence.

Ardan Studios, Inc., reserves the right to require a Physician's statement to verify a disability or illness, its beginning and expected end dates, and a confirmation of when the employee may return to work. Such verification may be requested for other sick leave absences as well.

## **PERSONAL LEAVE**

Ardan Studios, Inc. may provide a leave of absence without pay to any employee who wishes to take time off from work duties to fulfill personal obligations. Employees must request such a leave in writing to their supervisor. Requests for personal leave will be evaluated based on a number of factors, including anticipated workload requirements and staffing considerations during the proposed period of absence.

Personal leave may be granted for a period of up to 30 calendar days every three years. If this initial period of absence proves insufficient, consideration will be given to a written request for a single extension of no more than 30 calendar days. With the supervisor's approval, an employee may take any available vacation leave as part of the approved period of leave.

Subject to the terms, conditions and limitations of the applicable plans, health insurance benefits will be provided by Ardan Studios, Inc., until the end of the month in which the approved personal leave begins. At that time, employees will become responsible for the full costs of these benefits, if they wish coverage to continue. When the employee returns from personal leave, benefits will again be provided by Ardan Studios, Inc., according to the applicable plans.

The accrual of vacation benefits will be suspended during the leave and will resume upon return to active employment.

When a personal leave ends, every reasonable effort will be made to return the employee to the same position, if it is available, or to a similar available position for which the employee is qualified. However, Ardan Studios, Inc. cannot guarantee reinstatement in all cases.

If an employee fails to report to work by the first business day following the expiration of the approved leave period, Ardan Studios, Inc., will assume the employee has resigned.

## **MATERNITY-RELATED ABSENCES**

In accordance with Federal and State laws employees who request an excused absence for medical conditions associated with a pregnancy shall be treated the same as all other medical conditions.

Requests for time off associated with pregnancy and/or childbirth that are not due to medical conditions will be considered in the same manner as any other request for an unpaid personal leave.

## **JURY DUTY**

Ardan Studios, Inc. does not provide paid jury duty leave benefits to employees.

If employees are required to serve jury duty they may use any available paid time off (e.g., vacation benefits) or may request an unpaid jury duty leave of absence.

Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits.

Ardan Studios, Inc., or the employee may request an excuse from jury duty if, in Ardan Studios, Inc.'s judgment, the employee's absence would create serious operational difficulties.

Ardan Studios, Inc. will continue to provide health insurance benefits for the full term of the jury duty absence.

Vacation and holiday benefits, will not continue to accrue during unpaid jury duty leave.

## **WITNESS DUTY**

Ardan Studios, Inc. encourages employees to appear in court for witness duty when subpoenaed to do so. If employees have been subpoenaed as a witness in court, they will not receive paid time off for the period of time needed during the day of witness duty.

The subpoena must be shown to the employee's supervisor immediately after it is received so that operating requirements can be adjusted, where necessary, to accommodate the employee's absence. The employee is expected to report for work whenever the court schedule permits.

## **MILITARY DUTY**

Ardan Studios, Inc. will place employees on an unpaid Leave of Absence when called into the Armed Forces (or National Guard) for annual training duty or as a result of a civil or national emergency. The employee must present a copy of the military orders to the immediate supervisor.

## **FUNERAL LEAVE**

Ardan Studios, Inc. does not provide paid benefits to employees to attend the funeral of an immediate family member or close relative (spouse, children, parents, grandparents, brothers, sisters, and in-laws). It is recommended that unused vacation time be used.

The employee must notify the department manager, at the earliest possible time, of the intent to be absent. The supervisor will be responsible for authorizing the absence, for determining the amount of time off to be granted, and for ensuring proper documentation of the time off.

## **WORKERS' COMPENSATION INSURANCE**

Ardan Studios, Inc. provides a comprehensive workers' compensation insurance program at no cost to employees. This program covers any work-related injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers'

compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses must inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. Any employee who witnesses an accident involving a visitor or another employee, no matter how slight the injury, must report the accident to their supervisor who shall complete the required accident report. This will enable an eligible employee to qualify for coverage as quickly as possible.

In no event, will Ardan Studios, Inc., or the insurance carrier be liable for the payment of worker's compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by Ardan Studios, Inc.

## **USE OF EQUIPMENT**

Equipment essential in accomplishing job duties are expensive and may be difficult to replace. When using company property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Please notify the supervisor if any equipment, machines or tools appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment used on the job.

The improper, careless, negligent, destructive, unsafe use or operation of equipment can result in disciplinary action, up to and including immediate termination of employment.

## **USE OF PHONE AND MAIL SYSTEMS**

Personal use of telephones for long-distance and toll calls is not permitted. Employees should practice discretion in using company telephones when making local personal calls and may be required to reimburse Ardan Studios, Inc., for any charges resulting from their personal use of the telephone.

The use of Ardan Studios, Inc., paid postage for personal correspondence is not permitted.

## **RETURN OF PROPERTY**

Employees are responsible for all materials, equipment, communication devices (e.g. cellular telephones and beepers), tools, manuals, documents or other written information, and any other property of Ardan Studios, Inc. (collectively, "Ardan Studios, Inc. property") issued to employee to perform their job function during the employ of Ardan Studios, Inc., or in their possession or control. Employees must return all Ardan Studios, Inc., property immediately upon request or upon termination of employment. Where permitted by applicable laws, Ardan Studios, Inc. may withhold from the employee's check or final paycheck the estimated value or cost of any Ardan Studios, Inc. property that is not returned when required or requested. Ardan Studios, Inc., also reserves the right to take any legal action it deems necessary to recover or protect its property.

# **BUSINESS TRAVEL AND OTHER EXPENSES**

## **REIMBURSEMENT**

Ardan Studios, Inc. will reimburse employees for all reasonable business and travel expenses incurred by the employee on authorized Ardan Studios, Inc. business.

Any employee using his/her own vehicle on authorized company business is eligible for a mileage allowance in accordance with Ardan Studios, Inc.'s guidelines to cover the costs of operating his/her vehicle on our behalf. This reimbursement will be per mile traveled. The Finance and Administration Department can provide you with the current rate.

When properly authorized by management, employees will be reimbursed for business meals taken with customers, prospects or associates during which a specific business discussion takes place. The Finance and Administration Department can provide you with current management approval authorities.

Employees will also be reimbursed for business-related meals taken with other employees only in the following circumstance:

- when authorized by management for testimonial, reward, recognition, or other appropriate business purpose.

Employees will be reimbursed for entertainment expenses incurred while entertaining customers if the person entertained has a potential or actual business relationship with Ardan Studios, Inc., and the expenditure directly precedes, includes or follows a business discussion that would benefit Ardan Studios, Inc. All entertainment expenses **MUST** be pre-approved according to the established management approval authorities.

Employees will be reimbursed when using their personal telephone calling cards and also when using their home telephone for business calls. Calls should be of reasonable length and must be necessary for conducting business. The original bill must be attached to the expense report.

## **NON-REIMBURSABLE EXPENSES**

Any expenses of a personal, non-business nature will not be reimbursed. Such expenses include: expenses of other family members who may be traveling with the employee, air travel insurance, purchase of personal care items, hotel and airplane movies, tobacco and hotel mini-bar.

Dry cleaning and laundry expenses will be reimbursed only for extended stays in excess of one week, or stays that are extended beyond the original planned duration.

## **EXPENSE REPORTING**

The employee's immediate supervisor, manager or the next higher authority, according to the approval levels established, must approve all expense reports. For information on current approval levels, please refer to the Finance and Administration Department. Ardan Studios, Inc.'s Finance and Administration Department will review all expense reports for:

- approval signatures
- business purpose
- correct totals
- supporting documentation and receipts
- policy compliance

An **original** receipt must be submitted with the expense report for any charge where the employee is seeking reimbursement. In addition, for business meals and entertainment expenses, the following information is required by the IRS, and must be recorded on the expense report:

- names of individuals present, their titles, company name and relationship to the employee
- name and location of where the meal or entertainment event took place
- business purpose, place, date and exact amount of the expenditure
- in the case of entertainment events, the specific time the business discussion took place (i.e., before, during or after the event)

Regardless of IRS requirements, Ardan Studios, Inc.'s policy requires original receipts for:

- all expenditures
- all meals, regardless of amount

When a receipt is not available, a full explanation of the expense and the reason for the missing receipt are required. Actual bills/receipts must be submitted whenever possible; photocopies may be acceptable only with a detailed explanation as to why the original is unavailable. Receipts must include the vendor's name and location, date and dollar amount.

Each meal (breakfast, lunch and dinner) must be recorded separately on the expense report.

All expense reports must be prepared using the approved Ardan Studios, Inc. expense report form. To obtain the approved expense report form, contact the Finance and Administration Department.



## **PARKING**

Sufficient parking is available around our building for everyone, and we request the following general rules be followed:

Do not park in spaces marked for other tenants of our building. If all of the spaces marked for Ardan Studios, Inc. are occupied, a parking space should be available in the area designated by the building owner as common area parking.

Parking is for the convenience of employees, customers and visitors. Ardan Studios, Inc. assumes no responsibility for the safety of any vehicles on or off of the property.

## **SOLICITATION**

In an effort to assure a productive and harmonious work environment, persons not employed by Ardan Studios, Inc., may not solicit or distribute literature in the workplace at any time for any purpose.

Ardan Studios, Inc. recognizes that employees may have interest in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time. (Working time does not include lunch periods, work breaks, or any other periods in which employees are not on duty.)

In addition, the posting of written solicitation on company bulletin boards is restricted. These bulletin boards display important information such as federally mandated posters, laws, company programs and announcements. If employees have a message of interest to the workplace, they may submit it to their supervisor for approval.