



EMPLOYEE HANDBOOK

A decorative graphic on the right side of the cover features a grid of colored squares in shades of blue, teal, yellow, orange, red, and purple. Several of these squares contain small, square photographs of Sarnova employees. The employees are shown in various poses: some are smiling, some are clapping, and some are gesturing with their hands. The overall effect is a vibrant, human-centric design.

#whereYOUmatter

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Introduction

W E L C O M E

Welcome to Sarnova! We are excited that you have decided to join our team and that you share our commitment to providing the best service and products to our customers. You were hired because we trust that you can contribute to the success of our business, you share our commitment to achieving our goals, and you are ready to be the best.

The Employee Handbook contains the key policies, goals, benefits, and expectations of Sarnova, and other information you may need during the course of your employment. Although we intend for this handbook to provide useful information and employment guidelines to employees, it is not a contract of employment nor is it intended to create contractual obligations. Nothing in this handbook or in any other Sarnova policy or document creates or is intended to create a promise or representation of continued employment. Employment, position, and compensation are at-will and may be changed or terminated for any lawful reason, at any time. Additionally, no part of this handbook is intended to prevent or constrain an employee's exercise of rights under Section 7 of the National Labor Relations Act. Not sure we want to change.

The policies outlined in this Employee Handbook should be regarded as management guidelines only, which in a developing business will require changes from time to time. Due to ongoing changes in applicable government regulations, as well as Sarnova's growth and need for operational flexibility, the Company retains the right to modify, rescind, delete or add to any of our benefits, policies, and other working conditions, at any time as deemed appropriate, without obtaining our employees' consent or agreement. Sarnova will make every effort to notify employees when an official change in policy or procedure has been made but employees are responsible for their own up-to-date knowledge about Company policies, procedures, benefits, and working conditions.

If you have any questions regarding the Employee Handbook or any of Sarnova's policies and guidelines, feel free to ask your manager or any member of the management team for clarification. You may also contact the Human Resources department via email at HR@sarnova.com or by telephone, 614-760-5000.

Once again, welcome to the Sarnova Team! We look forward to working with you to grow your career and build a successful company together!

A NOTE FROM OUR PRESIDENT AND CEO

Hello Everyone,

I am so pleased to welcome you to Sarnova and in your first few days and weeks on the job, I'm certain that you'll be welcomed many, many more times. We take pride in surrounding ourselves with the best people in the industry, and we are very happy that you have made the decision to join our family.

As I look at the most admired companies in the world, they have a few things in common: 1) a drive for continuous improvement is in their DNA; and, 2) execution is a requirement. Being average is never an option, and neither is being stagnant. Here at Sarnova, the mission is to be the best partner for those who save and improve patients' lives. And our vision is simple; to be the best company in specialty medical sales and distribution. All of us work together to make that vision a reality by focusing on four simple concepts:

- Being the best advocate for our vendor partners
- Being the best support partner for our customers
- Achieving the best financial and operating performance
- Providing the best opportunities for our employees

You could have chosen to join any number of great companies, but you chose us, and we're pleased to have you on our team. I have come to believe that our people are our only sustainable competitive advantage, and we are a great company because of people like you.

We are also a great company because of what we do. The work we do helps to save lives, and our products help to improve the lives of the patients every day. Our customers depend on us, and in turn, I am depending on you. As you move forward in your career with Sarnova, always remember that your work matters, and your work really makes a difference in the world.

As you work through the rest of this handbook, you will find most of the policies and procedures that will help you throughout your career here at Sarnova. However, another important part is the values and guiding principles that make up the foundation of the Sarnova culture and the relationships you build with everyone else on our team. I encourage you to connect with as many coworkers as you can, because when we all work together, with a common set of goals that we understand and strive for, we really can be **The Best**.

Thank you again for joining our team, and please remember that my door is always open if needed.

Sincerely,

Jeff Prestel
CEO, Sarnova

Sarnova was formed in 2008 through a combination of the nation's leading specialty distributors of health care products to the emergency preparedness industry and respiratory markets. Today, Sarnova distributes more than 30,000 healthcare products to thousands of emergency medical services, hospitals and other healthcare providers from distribution centers located across the United States.

Sarnova's culture is built upon our Values and Guiding Principles, and these guiding philosophies have been the foundation that has helped us become the nation's largest provider of specialty sales and distribution solutions for healthcare. We focus on opportunities to reduce the overall costs in patient care and increase patient outcomes through new technologies and innovative products. Our specialty sales and marketing solutions supply healthcare providers with innovative products and services that produce leading-edge clinical solutions.

Sarnova is uniquely positioned to influence outcomes by providing focus on education, prevention, diagnosis and treatment along the entire the continuum of care – from “pre-hospital” through acute care. The Company is comprised of four leading brands: Bound Tree Medical, Cardio Partners Emergency Medical Products, and Tri-anim Health Services.

Bound Tree Medical

Bound Tree Medical was founded in 1978 in Henniker, New Hampshire. Through a series of acquisitions and internal growth initiatives, Bound Tree has become the nation's leading supplier of emergency preparedness supplies and equipment to EMT's, Paramedics and Firefighters.

Many of Bound Tree's Sales and Support Representatives are formally trained EMT's, Paramedics, Firefighters and other public safety professionals. With over 100 Sales Professionals located throughout the United States, customers have local access to highly trained individuals that enjoy demonstrating products and answering questions. We are eager to help customers identify products that match their needs.

Bound Tree's network of strategically located distribution centers facilitates quick shipments to customers. It is our goal to ensure that customers receive accurate shipments in a timely fashion.

Cardio Partners

Cardio Partners, formerly DXE Medical, was established in 1999 in Franklin, Tennessee. Originally started in a two-bedroom apartment, the business has grown substantially and now occupies a 27,000 square foot building that includes office space, shipping warehouse, and a biomedical facility. Beginning as a company that focused solely on selling recertified defibrillators, the business quickly transformed into an authorized stocking distributor for all AED brands and, service and repair offerings for medical equipment. In March of 2017, (still doing business as DXE Medical) the Company acquired Cardio Partner Resources, a national CPR training center for the American Heart Association and the American Red Cross. Later that year, the Company was re-branded to Cardio Partners.

Cardio Partners is a national leader in emergency prevention and ardent advocate in the fight against Sudden Cardiac Arrest. Cardio Partners is a full service cardiac solution company offering consultation,

equipment, and end-to-end training. AED.com is the online store where an average of 1,500 people per day visit the site in search of AEDs, and AED accessories.

Emergency Medical Products

Emergency Medical Products (EMP) is dedicated to helping those who save and improve patient lives. For nearly 50 years, we've provided medical supplies and equipment to healthcare professionals and first responders. We are continually expanding our product offering to better meet the needs of fire and EMS, law enforcement, K-12 schools, colleges and universities, hospitals, physician offices, businesses, parks and more.

To best serve our customers, EMP offers thousands of medical products at competitive every day prices. Our industry-leading website makes it easy to order at any time of day. Our customer service and account management teams work diligently to ensure customers are taken care of and well prepared so they can better serve their patients and communities.

Tri-anim Health Services

For more than 40 years, Tri-anim has introduced leading edge technologies that have exceeded the expectations of hospitals, long-term care facilities, and other clinical settings throughout the healthcare continuum. Tri-anim is committed to identify, support and coordinate new technologies and multiple product offerings into cohesive clinical solutions for healthcare professionals. We provide products which are simple and add efficiency and effectiveness to the continuum of care.

Tri-anim has over 100 highly trained sales and marketing professionals located across the country. These individuals are clinically trained and share a deep passion for serving our customers. Our relationships provide access to clinical thought leaders that help drive new innovative solutions for all of our customers.

Tri-anim is continuously searching for new technologies and products within our core competencies in respiratory, anesthesia, NICU, ICU and the ED. We are committed to broadening our solution-based product offerings to our customers, their patients and the needs of the healthcare marketplace.

MISSION, VISION, VALUES AND GUIDING PRINCIPLES

Our mission is to be the best partner for those who save and improve patients' lives. Our vision is to be the best company in specialty medical sales and distribution.



Our values:

- **Service** – providing value to our customers in everything we do.
- **Integrity** – displaying strong character through honor, honesty, and doing the right thing.
- **Accountability** – taking ownership of our results and putting in the hard work it takes to be the best.
- **Respect** – appreciating individual diversity and treating each other with compassionate professionalism.
- **Stewardship** – controlling cost and maximizing benefit at every single stage of the value chain.
- **Teamwork** – depending on each other for help and working together toward our common goals.
- **Leadership** – empowering our teams to succeed and demonstrating professional courage at all times.
- **Excellence** – dedicating ourselves to continuous improvement and getting better every day.

Our guiding principles:

- **Do the right thing.** We will always choose to do the right thing, even when shortcuts may seem easier.
- **Put others first.** We reach our goals by helping those around us reach theirs.
- **Manage the business.** We understand the necessity of healthy profits and we are relentless about maximizing the sustainable, long-term growth of our company.
- **Work with passion.** We take pride in aggressively pursuing excellence, and we wholeheartedly believe in what we do.
- **Always do your best.** We are never satisfied with being good and we will always strive to *be the best*.
- **Enjoy your work.** We surround ourselves with great people and we find joy in helping each other become personally and professionally fulfilled.

As an employee of Sarnova, you agree to be committed to this mission and vision, and to demonstrate the key elements of our values and guiding principles in your daily work.

General Employment Policies

AT-WILL EMPLOYMENT

All Sarnova employees are employed at-will. This means that employees are free to resign their employment, just as Sarnova is free to terminate employment relationships, for any lawful reason, at any time, with or without cause or notice. An employee's "at-will" status may not be changed except in writing, signed by the Chief Executive Officer (CEO) of Sarnova. No other agreements, policies or practices can alter the basic "at-will" status.

EQUAL EMPLOYMENT OPPORTUNITY AND DISCRIMINATION

As an equal employment opportunity employer, it is the policy of Sarnova, and any affiliated companies, not to discriminate against any employee or applicant for employment because of race, color, religion, sex, gender identity or sexual orientation, national origin, age, marital status, genetic information, disability, or because he or she is a protected veteran. It is also the policy of Sarnova to take affirmative action to employ and to advance in employment, all persons regardless of race, color, religion, sex, gender identity or sexual orientation, national origin, age, marital status, genetic information, disability, or protected veteran status, and to base all employment decisions only on valid job requirements. This policy shall apply to all employment actions, including but not limited to recruitment, hiring, upgrading, promotion, transfer, demotion, layoff, recall, termination, rates of pay or other forms of compensation and selection for training, including apprenticeship, at all levels of employment.

Sarnova has a zero tolerance policy regarding discrimination and harassment. Employees and applicants of Sarnova will not be subject to harassment on the basis of the protected classes stated above. Additionally, retaliation, including intimidation, threats, or coercion, because an employee or applicant has objected to discrimination, engaged or may engage in filing a complaint, assisted in a review, investigation, or hearing or have otherwise sought to obtain their legal rights under any Federal, State, or local EEO law is prohibited.

In furtherance of the Company's policy regarding Affirmative Action and Equal Employment Opportunity, Sarnova has developed a written Affirmative Action Program which sets forth the policies, practices and procedures that the Company is committed to in order to ensure that its policy of nondiscrimination and affirmative action is accomplished. This Affirmative Action Program is available in the Human Resources office for inspection by any employee or applicant for employment upon request, during normal business hours. Interested persons should contact the Vice President of Human Resources for assistance.

If you are a disabled individual or covered veteran and would like to be considered under these programs, please let your immediate supervisor or department head know. Although giving this information is voluntary, such a disclosure by you will enable the Company to further assist you in an appropriate manner concerning your employment. Be assured that your willingness to provide such information will in no way result in adverse treatment. Information obtained concerning employees will be kept confidential, except that one (1), supervisors and department managers may be informed regarding restrictions on the work or duties of disabled employees and disabled veterans and regarding necessary accommodations; two (2), first aid personnel may be informed, when and to the extent appropriate, if a disability might require emergency treatment; and three (3), government representatives investigating compliance with federal and state laws shall be informed, as necessary.

Sarnova is committed to meeting its obligations under U.S. immigration laws. Accordingly, the Company neither hires nor continues to employ an individual who is not legally authorized to work in the United States.

H A R A S S M E N T A N D I N T I M I D A T I O N

Sarnova provides and maintains a work environment free of harassment or intimidation of its employees by coworkers, managers, customers, suppliers, or vendors. The Company insists that all employees are treated with dignity, respect and courtesy, and forbids any conduct which harasses, disrupts, or interferes with an employee's work performance or which creates an intimidating, offensive or hostile work environment. All employees are responsible for creating and maintaining a workplace environment that is free of harassment and intimidation. Employees who engage in any form of harassment or intimidation are subject to disciplinary action up to and including termination of employment.

Any form of harassment, sexual or otherwise, which violates federal, state, or local law is a violation of the Company's policy and will not be tolerated. This includes, but is not limited to, harassment related to an individual's race, color, religion, sex, gender identity or sexual orientation, national origin, age, marital status, genetic information, disability, protected veteran status, or any other status protected under law. The term "harassment" includes:

- Verbal conduct such as epithets, derogatory comments, slurs, or unwanted sexual advances, invitations or comments;
- Visual conduct such as derogatory posters, photography, cartoons, drawings, or gestures;
- Physical conduct such as unwanted touching, blocking normal movement, or interfering with work directed at you because of your sex or any other protected basis;
- Threats and demands to submit to sexual requests in order to keep your job or avoid some other loss, and offers of job benefits in return for sexual favors;
- Retaliation for opposing, reporting or threatening to report harassment, or for participating in an investigation, proceeding, or hearing conducted by an investigating agency.

An employee who feels they have been subjected to unwelcome, intimidating, or harassing behavior, or is aware of the harassment of others, should discuss the matter with Human Resources or any member of management immediately. Matters may also be reported via EthicsPoint, Sarnova's external third-party reporting system, at 866-593-6050 or online at <http://sarnova.ethicspoint.com>. The Company will promptly

investigate any issue and take steps to maintain confidentiality when possible. It is the obligation of all employees to cooperate fully in the investigation process. If harassment is found to have occurred, appropriate disciplinary action, up to and including termination will be taken.

While we hope to prevent or resolve all concerns internally, however, employees should also be aware that the federal Equal Employment Opportunity Commission (EEOC) and equivalent state agencies investigate complaints of harassment in employment. Employees who wish to file a claim with federal or state agencies must do so within a certain timeframe of when the harassment occurred. This deadline is either 180 or 300 days, depending on the laws of the state in which you work.

No employee will ever be penalized for reporting a harassment problem; however, malicious, intentionally or knowingly false, or knowingly fraudulent allegations will be dealt with appropriately. Employees who attempt to discourage or prevent any victim from reporting harassment will also receive corrective action, up to and including termination. Retaliation against any employee who makes a claim of harassment will not be tolerated.

SAFETY POLICY

Sarnova provides and maintains a work environment conducive to the health and safety of its employees, as required by the Occupational Safety and Health Act of 1970 (as amended) and other related state and local laws. If an employee observes anything he or she perceives to be a safety or health hazard, the employee is required to immediately report it to a member of management. Additionally, Sarnova expects that employees will make every effort to prevent work place accidents.

Please refer to the Employee Health and Safety Handbook for specific guidelines and policies.

THREATS AND VIOLENCE

Sarnova maintains a zero tolerance policy for threats or acts of workplace violence. In order for the Company to maintain a safe and healthful workplace, any threat must be immediately investigated and addressed. Any employee who experiences and/or observes any type of threat or acts of violence has the responsibility to report the incident as soon as possible to a member of management. Any employee who engages in an act of workplace violence or threatens to commit an act of violence may be subject to disciplinary action up to and including termination and may be referred to the appropriate law enforcement agency.

Employees are prohibited from bringing the following items to the workplace:

- Weapons of any kind
- Illegal drugs
- Alcoholic beverages with intent of consumption during work time or on company property except as explicitly sanctioned by the Company.
- Explosive materials of any kind

The workplace includes any company property, parking lots, company vehicles, company sponsored events, or where otherwise performing or engaging in Sarnova job duties.

S U B S T A N C E A B U S E

Sarnova has a responsibility to its employees and the public to deliver services in a safe and conscientious manner. Accordingly, Sarnova is a drug-free workplace and requires all employees to report to work without any alcohol, or illegal, mind altering, or unauthorized controlled substances in their systems. All employees are prohibited from manufacturing, cultivating, distributing, dispensing, possessing, or using illegal drugs or other unauthorized, mind-altering, or intoxicating substances while on company property (including parking areas and grounds), or while otherwise performing or engaging in Sarnova job duties. Further, outside conduct that affects an employee's work or an employee's relationship with other employees or the public, or which reflects badly on Sarnova, including the use, possession or sale of illegal or unauthorized controlled substances, is prohibited. Included within these prohibitions are lawfully controlled substances that have been illegally or improperly obtained.

The proper use of medication prescribed by an employee's health care provider is not prohibited; however, Sarnova does prohibit the misuse of prescribed medication. Because an employee's medication use may affect his or her job performance, employees must report to their managers the use of prescription or nonprescription drugs, which may affect their job duties. Employees are responsible for determining from their health care provider if a prescribed drug may impair job performance.

As a condition of employment, where permitted by law, employees will be required to undergo drug and/or alcohol screening post offer/pre-employment, including urinalysis, blood, breath, or other legally permissible screenings or tests to determine the presence of prohibited substances. Current employees may be asked to participate in reasonable suspicion, random, post-accident or industrial injury, or follow-up testing, in accordance with all applicable federal and state laws, as well as any guidelines established by the facility in which they work. Employees who refuse to submit to drug and/or alcohol testing or who test positive for drugs or alcohol are subject to disciplinary action, up to and including termination of employment. Inconclusive samples will be re-tested. In accordance with applicable state laws, employees who violate this policy also may forfeit all Workers' Compensation benefits, medical and indemnity benefits, and/or eligibility for unemployment compensation benefits.

Sarnova employees are responsible for seeking and accepting assistance before drug and alcohol problems lead to disciplinary action, including termination of employment. Employees seeking rehabilitative assistance can contact the Employee Assistance Program. Employees who seek and accept treatment and who subsequently are permitted to return to work will be required to provide medical certification that they are able to safely return to work. Entrance into a treatment program does not relieve an employee of his or her obligation to satisfy Sarnova's job performance standards and expectations. Participation in a treatment program will not prevent Sarnova from administering discipline for violation of its policies or relieve an employee of his or her responsibility to perform his or her job in a satisfactory, safe, and efficient manner.

INTRODUCTORY PERIOD

Newly hired employees and current employees who transfer internally to a different position within the organization will serve an introductory period which becomes effective the date of hire or the date the transfer occurs. The introductory period will generally last at least ninety (90) days but may be extended at the Company's discretion. During this time, the Company will give careful consideration to employee performance, attendance, attitude, abilities, and future value to the Company. Likewise, this period provides employees the opportunity to consider whether or not Sarnova is the right company for them and if the position fits with their expectations and career desires. Employee progress during the introductory period will be reviewed to ensure the employment relationship is cohesive. Completion of this introductory period, however, should not be construed and does not create any contract of employment. During the introductory period and throughout continued employment, employees may be terminated without first receiving lesser forms of discipline.

PERFORMANCE REVIEWS

Sarnova is committed to providing an environment in which employees can excel and perform at their best. In that spirit, employees will receive a performance review on an annual basis. During the performance review the employee's manager will discuss performance, strengths, growth areas, and opportunities for increased responsibility. Although the formal review process takes place on an annual basis, all employees should receive feedback (both positive and constructive) from their manager on a regular basis. If at any time an employee has any questions or concerns regarding their performance, their success within Sarnova, or have any other job related questions, they are strongly encouraged to talk with their manager.

Although salary increases may occur following the time of an employee's annual performance review, there is no guarantee that an increase will be granted.

CORRECTIVE OR DISCIPLINARY ACTION

Sarnova has established reasonable policies and rules of conduct for its business. When these rules or policies are violated, or when employees are unable to perform their job duties in a satisfactory manner, or when an employee behaves in conduct the Company deems unacceptable, the Company may administer corrective or disciplinary action, up to and including termination of employment. The Company's response to unacceptable conduct, performance or behavior may take many forms, including but not limited to, informal discussions or counseling, verbal warnings, written warnings, final warnings, and terminations.

The type of corrective or disciplinary action imposed depends on the particular facts of the situation, including but not limited to, the employee's work record and length of employment, the existence of prior warnings, action taken by the Company for similar offenses by similarly situated employees, and the severity and nature of the employee's offense. The Company's intent is to use corrective or disciplinary action as appropriate to address each specific situation. Therefore, decisions regarding corrective and disciplinary action will be made on a case-by-case basis.

PROMOTIONS AND JOB TRANSFERS

Sarnova believes that career advancement is rewarding for both the employee and the Company and is excited to promote qualified employees to new or vacated positions whenever possible.

Available positions will be posted both internally and externally in most cases. Employees will be eligible to apply if they have completed twelve (12) months of service in their current position and have demonstrated good performance and value to the Company. Sarnova reserves the right to grant individual exceptions when mutually advantageous. If an eligible employee is interested in applying for a posted position, or knows of someone who is qualified, they should notify a member of the Human Resources department. Temporary workers may also apply for posted positions and will be given the same opportunity as would be afforded any other external candidate.

An employee who transfers internally to a different position within the organization will enter an introductory period which becomes effective the date the transfer occurs. In the event that either the employee or the Company finds the new assignment unsuitable, consideration will be given to allowing the employee to return to a former or comparable position for which the employee possesses demonstrated skills, knowledge, ability, and interest. If such position is not available, the employee may be subject to termination with the opportunity to be rehired at a later time.

SEPARATION OF EMPLOYMENT

The Company understands that varying circumstances may cause employees to voluntarily resign employment. Employees are 'at-will' and are free to resign their employment at any time; however, the Company requests that employees provide at least two weeks' notice in writing.

If an employee provides more notice than requested, the Company will evaluate whether the additional notice is necessary for effective business operations and will notify the employee of any changes for the final date of employment. If an employee provides less notice than requested, the employer may deem the individual to be ineligible for rehire depending upon the circumstances regarding the notice given. Management reserves the right to provide an employee with pay in lieu of notice in situations where job or business needs warrant such action. Such a decision should not be perceived as reflecting negatively on the employee since it may be due to a variety of reasons not known to the individual or other employees.

Employees who resign in good standing under this policy and whose documented performance meets expectations under the organization's performance management system will be eligible for reemployment with benefits tied to seniority reinstated in full for a period of up to six months from the last date of employment. Former employees who apply for reemployment after six months will be treated as new employees for purposes of seniority-related benefits. Former employees will be considered for open positions along with all other external candidates.

Resigning employees will work with management and/or Human Resources to ensure that all company property and equipment are returned. Employees who fail to return any company property including keys, credit cards, computers, sample merchandise, office supplies, confidential information, cellular phones, and

other equipment will be deemed ineligible for rehire and may be subject to legal proceedings on behalf of the Company. The Company also reserves the right to deduct the value of any items that are not returned from an employee's final paycheck subject to applicable state and federal laws.

Departing employees will be asked to confirm their forwarding address to ensure that benefit and tax information are received in a timely manner. Final paychecks will be issued by the next payday in the same manner as previous checks have been issued unless state law or other procedures dictate otherwise.

EMPLOYEE RECORDS

Sarnova, in accordance with applicable federal and state laws, collects and retains information directly relating to each employee's employment and work history such as employment applications, disciplinary and counseling reports, performance appraisals and benefits documents. Personnel files and benefit records are the property of the Company and are maintained on a confidential basis to protect employee and company privacy. Active employees may make arrangements to review their own personnel files or request a copy of items within their personnel file; however, access will not be granted to inactive employees unless otherwise required by law.

All requests for information on current or former employees must be referred to the Human Resources department. Information given by phone will be limited to verification of employment dates and job title. Requests for information other than job title and employment dates will require written authorization by the current or former employee.

Representatives of government or law enforcement agencies, in the course of their business, may be allowed access to file information.

EMPLOYMENT OF RELATIVES

Sarnova is committed to employing the best! Employment of family members and significant others can at times pose challenges in the workplace. While it is Sarnova's general policy not to employ relatives, an executive member of Sarnova may approve employment of an employee's relative or domestic partner provided the applicant possesses all the qualifications required for employment. A relative or domestic partner may not be hired, however, if the employment would (a) create a direct or indirect supervisor/subordinate relationship either currently or at any time within the foreseeable future, (b) provide an employee with access to confidential documentation, (c) create an actual conflict of interest or the appearance of a conflict of interest, or (d) result in both employees being employed within the same department. Additionally, employment of a relative or domestic partner would be prohibited if the current employee is, or the applicant would be, employed at a director level or higher position. If two employees become subject to the restrictions of this policy after they are hired, one or both of the employees may be asked to seek a transfer or resign to eliminate the actual or potential conflict of interest. It is the responsibility of the employee(s) to disclose this information to their manager immediately if such a relationship exists.

The Company reserves the right to determine if other relationships not specifically covered by this policy represent actual or potential conflicts of interest as well. In this event, the Company may take appropriate action, such as transfers, reassignments, or termination.

ETHICS AND CONDUCT

Sarnova is committed to supporting an ethical and professional work environment. Related policies and information are located in UltiPro and/or Sarnova's business portal. All employees are required to read, understand and abide by Sarnova's policies on ethical conduct.

CONFLICTS OF INTEREST / OUTSIDE EMPLOYMENT

Full-time employees are expected to consider their position with Sarnova as their primary employment responsibility. Although outside employment is permitted, that which constitutes a conflict of interest is not. This includes work in any capacity for a competing business, customer, vendor or supplier. Employees must report any outside employment to managers either at the time of hire, or when it occurs. Employees must never use their positions with the Company or any of its customers, vendors or suppliers for private gain, to advance personal interests, or obtain favors or benefits for themselves, members of their families or any other individuals, corporations or business entities. Outside employment or other obligations will not be considered an excuse for poor performance, absenteeism, tardiness, or refusal to work overtime. No personal business, which involves an activity undertaken for profit or gain of any kind, is permitted during work time or through use of company equipment. If an employee is also employed elsewhere, he or she is required to disclose such to their manager.

Workplace Policies

OPEN DOOR / CONFLICT RESOLUTION

Sarnova is committed to providing the best possible working conditions and an environment where communication is open and honest. This Policy is intended to provide an effective method for employees to present issues or concerns so that they may be discussed and resolved in a mutually respectful atmosphere. The Company is also committed to resolving problems and concerns quickly and fairly, without fear of retaliation. No employee will be penalized, formally or informally, for voicing a complaint in a reasonable, business-like manner or for using the conflict resolution procedure.

Employees should schedule time with a member of management to discuss any issue or concern as soon as possible, preferably within ten (10) days of the event. Employees should provide as much detail as possible, including the date the problem occurred, names of witnesses if applicable, steps already taken for resolution of the issue, and the outcome. Management should respond to the complaint within five (5) business days. If the issue is not resolved to the mutual satisfaction of the employee and the manager, or if the manager does not respond to the complaint, the employee should contact a member of Human Resources. In the event that the employee believes it would be inappropriate to speak to a member of management, they may contact a member of Human Resources or report their concerns through the EthicsPoint hotline at any time via phone at 866-593-6050 or online at <http://sarnova.ethicspoint.com>.

Upon receipt of the complaint, Human Resources will investigate the matter and assist in facilitating a resolution in a timely manner. In order to maintain the integrity of the investigation, employees are requested not to openly discuss the situation or their participation in the investigation. If, during the course of an investigation, an employee is found to have made a malicious or fraudulent claim, or has violated Company policy, the employee may be subject to disciplinary action, up to and including termination.

The Company believes that through its Open Door and Conflict Resolution Policy, all employees will be treated with respect and open lines of communication will be maintained.

ATTENDANCE, TARDINESS AND NOTIFICATION

This policy applies to hourly positions for which attendance and punctuality are operationally necessary, such as Warehouse, and Customer Service, or others as determined by management. Unscheduled time away from work affects the productivity and quality of work as well as the Company's ability to meet its customer's needs. In order to provide the best service possible for our customers, it is critical for all employees to maintain consistent attendance and to arrive to work on time. Employees are expected to be clocked in, at their workstation, and ready to perform their duties at the beginning of their scheduled work shift.

While the Attendance, Tardiness, and Notification policy applies to specific hourly positions, all employees have an expectation of maintaining regular attendance. Time away from work should be managed in a way that does not impede on the employees ability to perform their job. Additionally, managers have the discretion to set and revise work schedules as necessary.

Notification

If an employee will be absent or late to work, for whatever reason, they must notify their manager no later than 30 minutes before the start of the scheduled work shift. If the manager is not available, then the employee must leave a message and continue to contact a member of management until they are able to speak to a representative of the Company directly. If notification is not made within two (2) hours of the start of the scheduled shift, the absence is considered a "No Call/No Show". The Company will consider the employee voluntarily terminated after (2) consecutive days of "No Call/No Show". Failure to follow the notification procedure may result in additional corrective action, up to and including termination.

Tardiness & Attendance

In the rare instances when employees cannot avoid being late or cannot work as scheduled, they are required to call their supervisor, or designated contact as soon as possible in advance of the anticipated tardiness or absence. Employees must inform the facility of an absence at least thirty (30) minutes prior to the start of their scheduled shift.

No-Fault Policy

Managers are responsible for tracking tardiness and absenteeism of their employees. Any instance of unscheduled absenteeism, tardiness, or early out may count against an employee as an occurrence, excluding the exceptions listed in this policy.

Employees will be deemed tardy when clocking in more than four (4) minutes after their scheduled shift. Employees should note that habitual or excessive use of the four (4) minute grace period may result in corrective action, up to and including termination and/or the forfeit of this benefit.

Definitions

Early Out -	Leaving the facility up to two hours before the scheduled end of a shift.
Tardiness -	Arriving for work more than four minutes after the scheduled start time, but within two hours.
Absence -	Not arriving to work when scheduled or leaving from work for more than two hours during the work day.
Unscheduled Tardiness, Early Out or Absenteeism -	A tardiness, early out, or absence that is not scheduled and approved by management in advance.
Occurrence -	A method of tracking unscheduled absences, tardiness, or early out's.

Guidelines:

Sarnova's Attendance and Punctuality Policy is based on a *point system*, which governs the attendance at all Warehouse Locations and the Customer Service department. Employees of other departments should discuss attendance expectations with their manager. The maximum number of points allowed to any regular employee during a rolling twelve (12) month period of employment is seven and a half (7.5) as explained below. Employment will be terminated for employees who accumulate eight (8) points. Employees within their first 90 days of employment will be expected to meet the standards as defined under the Introductory Period.

Attendance Occurrence Tracking

<u>Categories</u>	<u>Time Allowance</u>	<u>Points Assigned</u>
Tardiness/Early Out	Up to and including 2 hours	.5
Absent	More than 2 hours	1
No Call/No Show	Failure to call in within 2 hours of scheduled start time	2

Occurrences of unscheduled absenteeism and tardiness will be tracked over a rolling twelve (12) month calendar. Disciplinary action may be taken as follows:

Four (4) occurrences:	Verbal Warning
Five (5) occurrences:	Written Warning
Seven (7) occurrences:	Final Written Warning
Eight (8) occurrences:	Termination

Absences of up to three (3) consecutive days for the same illness would accumulate one (1) point, but still requires daily call off, consistent with facility requirements. Following three (3) consecutive days of absence for the same illness, each successive day absent for the same illness will result in the employee accumulating one (1) point for each day absent. Example: employee is out sick on Tuesday, Wednesday, & Thursday and accumulates one (1) point. Employee is still sick and absent that Friday and the next Monday. Employee accumulates two (2) additional points – one for Friday and one for Monday.

Employees will be counseled each time they reach a point total outlined above with the third and final counseling session at seven (7) points and termination of employment at eight (8) points. The facility manager has discretion to vary the counseling steps above in unusual situations involving mitigating circumstances.

The following absences are exclusions to the No Fault policy and should not be counted as occurrences, provided documentation is presented to management and the request & reporting protocol is followed by the employee:

1. Scheduled and approved time off (PTO, Vacation, California Sick Time, Personal Holidays or Floating Holidays)
2. Approved Leave of Absence
3. Bereavement Leave
4. Jury Duty
5. Time off for a work related accident or injury
6. Time off due to inclement weather (see inclement weather policy)
7. Military Leave
8. Other time off provided under Federal/State laws

Introductory Employees

The point system differs during an employee's first 90-day period with the Company, known as the introductory period.

- First written notification issued to introductory employee at one (1) point.
- Final written notification issued to introductory employee at two (2) points.
- Termination of employment at three (3) points.

Any points accrued during the introductory period will remain part of the employee's record throughout the 12 month rolling period.

INCLEMENT WEATHER

Sarnova understands that from time to time, severe weather conditions may arise making it difficult to commute to and from the work location. An employee who is scheduled to work should make every reasonable attempt to arrive to work as scheduled.

Employees who, at their own discretion, are absent from work due to inclement weather are required to use paid time off options, when available. Employees who are legally restricted from driving during a declared

weather emergency or who are instructed by management that they may work from home will receive their regular pay when absent, limited to three days maximum per event. Any paid time beyond three days may be approved at the discretion of management. Department managers may allow employees to make up missed time because of inclement weather; however, the time should be made up in the same work week in which the absence was incurred and without additional overtime costs. Absences related to weather emergencies in which employees are legally restricted from driving, will not count as an occurrence for the purposes of the No Fault Attendance policy.

B R E A K S

Employees may take one paid ten-minute break per four hours worked. Paid breaks should be taken in a consecutive ten minute block of time. Hourly employees who choose to leave Company property for non-business purposes during a paid break must clock out and will forfeit paid time while they remain off property.

Meal breaks will be offered in accordance with individual state regulations. At a minimum, hourly, non-exempt employees are required to take one half hour, non-paid meal break per five hours worked. Meal breaks may be taken at any point in the workday, with approval from the employee's manager. Meal breaks may not be used to arrive to work late or to leave early. Paid break time may not be used to extend meal periods.

S M O K I N G O R T O B A C C O

Sarnova believes in providing the safest environment possible for all employees, customers, clients and other patrons and therefore, is a smoke-free and tobacco-free workplace. Employees who wish to smoke or use tobacco products, including e-cigarettes or other smoke-free products, may do so only outside of the building in designated areas. Employees may never smoke in or around the main entrance of the building.

G O O D H O U S E K E E P I N G

Good work habits and a neat work space are essential for job safety and efficiency. Employees are expected to keep their work space and shared communal areas clean and organized, and work equipment in good order at all times. Items that need repaired or replaced should be reported to a member of management.

C O M P A N Y P R O P E R T Y

All employees are expected to exercise care in the use of company property. Negligence in the care and use of company property or unauthorized removal of company property is strictly prohibited by Sarnova. Company property issued to employees, including equipment, software, manuals and proprietary information, must be returned when the employee leaves Sarnova, unless other arrangements have been approved by an executive member of the Company.

CONFIDENTIALITY

Employees should not discuss internal business affairs with anyone outside the organization except as required in the normal course of business. Employees whose job duties may require them to discuss confidential information with customers or individuals not employed by Sarnova are required to obtain permission from their manager before making such disclosures. Confidential information must never be used for the personal benefit of any employee or for the benefit of a third person outside the normal course of business.

Sarnova considers confidential all information related to vendors, customers and buyers; employees of Sarnova (e.g., disciplinary actions, performance evaluations, personal information such as home address and telephone number, marital status, sexual orientation, number of dependents, information in personnel or medical files, etc.); technology; proprietary, private and/or personal data; the contents of mail; company records (e.g., company policies and procedures; internal memos and communications not intended for public consumption); financial and statistical information and records; business plans; marketing plans; any information covered under the HIPAA regulations; or other information that is proprietary to Sarnova or any of its customers/buyers.

Employees must not disclose any confidential information, purposefully or inadvertently through casual conversation, to any unauthorized person inside or outside the Company. Employees who are unsure about the confidential nature of specific information must ask their manager for clarification. Violation of this policy is a serious offense and will result in appropriate disciplinary action, up to and including termination.

Any material or information that is labeled or addressed "company private" or otherwise marked confidential must be handled with special care. Employees responsible for the control of such material must ensure that no one sees it except those people to whom it is addressed.

All inquiries regarding a current or former employee's position, compensation, or references with our company must be forwarded to the Human Resource department.

DRESS CODE, PERSONAL HYGIENE & APPEARANCE

Sarnova promotes a casual environment; however, employees should refer to local management for guidance. Good business judgment should always be used in determining the appropriate dress code for the occasion. For instance, when meeting with current or future customers or vendors, or attending other business related appointments, business or business casual attire is appropriate, unless agreed to otherwise prior to the meeting. If employees have questions about this policy, or are unsure about a particular item of clothing, they should ask their manager.

Maintaining a professional appearance is very important to the success of our company. Part of the impression you make on others depends on your choice of dress, personal hygiene and courteous behavior. A daily regimen of good grooming and hygiene is expected of everyone. While at work, employees are required to be clean, dressed appropriately, and well groomed. The following examples are provided to assist employees in making appropriate choices for work:

Examples of Inappropriate Attire / Appearance

- Any article of clothing that is ragged, frayed, has holes, etc.
- Clothing with offensive slogans or logos
- Pants with a waistline that fits below the hips (undergarments should not show)
- Work-out apparel such as sweat suits, track suits, yoga pants, tank tops or muscle shirts, etc.
- Extreme hairstyle trends such as Mohawks, long-spiked hair, unnatural tones, or excessive facial hair
- Tattoos of an inappropriate and/or offensive nature
- Flip-flops, casual and/or beach sandals

This policy is not intended to cover every acceptable or unacceptable example. Sarnova reserves the right to add, delete or modify any policy deemed necessary to support the Company's mission, vision, values, and guiding principles. Employees dressed inappropriately may be sent home at the manager's discretion.

Please Note: Due to safety and related issues, warehouse employees are permitted to wear jeans, shorts, T-shirts and athletic shoes; however, the clothing must be neat, clean and appropriate to a business environment. Open-toe shoes are not permitted.

TECHNOLOGY USE POLICY

Sarnova Internet and email principles and policies are designed to address issues that are emerging in the workplace along with the increased use of technology and to ensure proper use of the network. This service is provided to assist employees in conducting business by facilitating communication with clients, vendors and coworkers. Sarnova secures its network and computing systems in a reasonable and economically feasible manner against misuse and unauthorized use. The intention of this policy is to inform employees of expected standards of conduct when using network and computing systems, to establish privacy rights, and to protect online distribution of company information. In some cases, law dictates these policies. These policies and principles exist to help protect all Sarnova employees.

The Company will not tolerate the use of email, voicemail, and instant messaging or Internet access for sending, receiving or viewing any messages or information which, in its sole discretion, is determined to be inappropriate and/or contains obscene or discriminatory material. The Company's harassment and intimidation policy strictly prohibits the sending or receiving of any messages which contain sexual implications, racial slurs, gender-specific comments, or any other comment that offensively addresses someone's race, color, religion, sex, gender identity or sexual orientation, national origin, age, marital status, genetic information, disability, or protected veteran status, or any other status protected under federal, state, or local laws. Anyone who feels that he or she has been harassed or discriminated against in any way should follow the reporting procedures outlined in the harassment and intimidation policy.

The use of the Internet is a privilege, not a right, and as such may be revoked for inappropriate use.

Access and Usage of Company Property

The Company's email, voicemail and Internet access, including instant messaging products, should be used primarily for business purposes. Employees cannot and should not expect privacy when using company technology, as these items and any items created, sent or received through them, are and remain at all times the property of the Company. The Company reserves the right to retrieve and review any message or material composed, sent, or received. Notwithstanding, such messages should be treated as confidential by other employees and accessed only by the intended recipient. Employees are not authorized to retrieve or read any email messages that are not sent to them. Any exception to this policy must receive prior approval from an executive member of Sarnova.

Please note that even when a message is deleted, it may still be possible to recreate and retrieve the message. Further, the use of passwords for security does not guarantee confidentiality.

Unauthorized Use of Computer Resources

Employees shall not use a security code, access a file, or retrieve any stored information unless authorized to do so by company management. Employees should not attempt to gain access to another employee's messages without permission.

The computer resources at Sarnova are intended for business purposes. Employees are not permitted to load or use personal software on company computers, network drives, hard drives, etc. Additionally, employees should not use company equipment to play, stream, or store computerized games, video and/or files.

Executive management has the final judgment over the abuse of services and reserves the right to limit, restrict or terminate the use of Internet services if they are being used in violation of these procedures and processes.

Email/Voicemail

Email and voicemail can be efficient devices for communicating with others; however, they must be used with care. Employees should use proper discretion when sending information to ensure that message content is professional and appropriate for the workplace. The Sarnova email and/or voicemail system should not be used to instigate or circulate inappropriate or otherwise offensive materials of any kind.

Sarnova realizes that employees cannot control the content of the email messages and attachments that they receive; however, employees are expected to use proper judgment when any questionable message content is received.

- An attachment or email that is received from an unknown/unfamiliar entity should not be opened. In the event an employee does open an email from an unknown/unfamiliar entity, he/she should contact the IT department immediately and take all precautions to eliminate possible viruses and related damage.
- Any messages that contain inappropriate material should be deleted immediately.

- At no time is an employee to print or forward a message that contains obscene, discriminatory or offensive material.

The electronic mail system shall not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information or similar materials without prior authorization.

Internet Principles

Employees have an obligation to use their access to the Internet in a responsible and professional manner. Although intended primarily for business purposes, employees may access the Internet for personal use during non-work hours, such as lunch and break periods. The IT department will assign each employee a unique username and access rights to the network and subsequent technologies. Each employee is solely responsible for all activities that occur when using their assigned username and network connection.

Inappropriate use of the Internet includes, but is not limited to:

- Giving Internet accounts, network ID's, and/or passwords to others;
- Using another employee's accounts and/or passwords to gain access to systems;
- Using the Company Internet account as a staging ground to hack into other computer systems;
- Creating and/or spreading computer viruses;
- Running a private business on the Company's network;
- Using the Company Internet account for illegal or criminal purposes; and
- Using company equipment or Internet services to view inappropriate websites. Accessing sexually explicit, racist or discriminatory sites will not be tolerated.

Monitoring the Internet

In order to monitor the effectiveness of the Internet, to limit excessive personal use, to ensure compliance with company policies, and/or to investigate conduct that may be illegal or adversely affect the Company or the welfare of its employees, Sarnova may periodically monitor or review employees' Internet use.

Use of the Internet is consent to monitoring and is acknowledgment of Sarnova's right to conduct such reviews.

Personal Technology Devices

Sarnova believes that when used responsibly, technology such as smart phones, tablets, laptops, etc., are business tools that can enable optimized communications, enhance the flow of information and improve personal and corporate performance. On occasion, business necessity may require an employee to address work related issues outside of normal office hours using their personal devices. Employees must receive prior approval from their manager to be authorized to link their personal devices to company email or other work resources. Typically, only exempt employees who are not responsible for recording hours worked will be allowed to use this access. In the event that an exception is made for an hourly nonexempt employee, it is imperative that all hours worked be recorded for timekeeping and payroll purposes. Using personal devices to link to company resources without approval from management is prohibited and may result in corrective action, up to and including termination of employment. This policy does not apply to accessing self-service

websites or mobile apps provided by third-party vendors, such as health insurance, 401k, etc., for the purposes of non-work related personal activity. The Company reserves the right to deactivate the Company's applications and access on the employee's personal device at any time.

Video or Audio Recording Devices

The use of any audio or video recording-capable devices within the Company may constitute an invasion of employees' personal privacy and may breach the confidentiality of Sarnova trade secrets or other protected information. Therefore, audio or video recordings are prohibited without management authorization.

S O C I A L M E D I A / P U B L I C R E L A T I O N S

Sarnova recognizes the growing importance of online social media networks as a communication tool. This policy addresses employee's use of such networks including personal websites, web logs (blogs), wikis, social networks, online forums, virtual worlds, and any other social media, whether or not associated or affiliated with Sarnova, as well as any other form of electronic communication. Any conduct that adversely affects personal job performance, the performance of fellow employees or otherwise adversely affects customers, suppliers, vendors or other business relationships may result in disciplinary action up to and including termination of employment. Inappropriate comments or postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated.

Employees are encouraged to utilize Sarnova's Open Door Policy to communicate work-related issues, questions or concerns; however, if an employee decides to post complaints or criticism, they should avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage co-workers, customers, suppliers or vendors, or that might constitute harassment or bullying. Information or rumors that are known to be false about Sarnova, its employees, customers, suppliers or vendors should never be posted. In addition, postings should maintain the guidelines set forth in the Company's confidentiality policy and all other policies within the Employee Handbook.

Employees should never represent themselves as a spokesperson for Sarnova. If an employee does publish a blog or online post related to the work they do or subjects associated with Sarnova, it should be made clear that the employee is not speaking on behalf of Sarnova by including disclaimers such as "The postings on this site are my own and do not necessarily reflect the views of Sarnova". Employees should not speak to the media on Sarnova's behalf without approval from Senior Leadership. All requests from the media should be directed to the Head of Marketing Communications.

No part of this policy is intended to prevent or constrain an employee's exercise of rights under Section 7 of the National Labor Relations Act.

T E L E P H O N E / C E L L P H O N E U S E

Sarnova recognizes that it may be necessary to make or accept a limited number of personal phone calls while at work. While personal phone calls, including personal cell phone use, are not prohibited, the frequency, duration, and volume of such should not interfere with an employee's work nor distract fellow employees.

Personal calls and texting should be completed during non-work hours such as lunch and break periods. Cellphone policies may vary by department and location due to safety and other concerns. Employees should refer to their direct supervisor for guidance.

To ensure high-quality customer service and for training purposes, Sarnova does monitor and/or record incoming and outgoing telephone calls within in certain departments, such as Customer Service or other customer facing roles. As a condition of employment, all employees must consent to this monitoring by signing a Telephone Monitoring Consent form, which is kept on file in the Human Resource department.

D I S T R A C T E D D R I V I N G

At Sarnova, we deeply value the safety and well-being of our employees. Sarnova discourages employees from driving while using hand-held electronics, such as cell phones, GPS or similar devices. Employees should be aware that in some local or state locations, text messaging and/or all use of cell phones or similar devices while driving are against the law. Any monetary penalties received from violation of these laws shall be the sole responsibility of the employee.

P R O T E C T I V E S E A R C H E S

In order to protect the safety and security of Sarnova employees and property, the Company reserves the right to inspect vehicles, lockers, cabinets, offices, work areas, desks, purses, briefcases, tool boxes, computerized files, hard drives and other storage media, and any other locations or employee belongings without prior notice. There is no individual expectation of privacy in the workplace and all employees should act accordingly.

Locked containers, lockers, or areas do not prevent a search by the Company, and employees should understand that they have no expectation of privacy while on company property or while driving a company vehicle. If an employee is not present or refuses to remove a lock, the Company may do so for the employee, regardless of whether the lock is provided by the Company or is a personal lock placed by the employee.

S O L I C I T A T I O N , D I S T R I B U T I O N A N D V E N D I N G

To avoid unnecessary annoyances and work interruptions, solicitation by an employee of another employee is prohibited while either person is on working time. Solicitation, distribution and vending are prohibited at all times by non-employees and likewise prohibited by employees in work areas, during work hours. Work hours do not include breaks, lunch periods, or time before and after an employee is scheduled to work. Further, the use of company technology, such as email, may not be used for these purposes. Sarnova reserves the right to permit solicitation, distribution and vending during and in support of company-sponsored events.

Solicitation refers to the act of approaching a person for a non-work related cause or purpose. Generally, distribution refers to the act of passing out or disseminating material or something tangible and vending refers to the selling or attempting to sell goods, services or materials.

Compensation

EMPLOYMENT STATUS

Full-Time Employee: An individual normally scheduled to work 30 or more hours per week. Full-time employees are eligible for all benefits.

Part-Time Employee: An individual who is normally scheduled to work less than 30 hours per week. Part-time employees are eligible for some benefits.

Temporary Employee: An individual employed for a specific, limited period of time, generally not to exceed one year, either on a full-time or part-time basis. Temporary employees are not eligible for benefits.

Exempt Employee: The term "exempt" means employees who are classified as not subject to the minimum wage and overtime-pay provisions of the Fair Labor Standards Act (FLSA). Generally speaking, these employees are referred to as "salaried".

Non-Exempt Employee: The term "non-exempt" means any employee, regardless of title or function, who is subject to the minimum wage and overtime-pay provisions of the Fair Labor Standards Act (FLSA). Generally speaking, these employees are referred to as "hourly".

PAY PERIOD

Sarnova defines the "work week" as seven (7) consecutive days starting at 12:00 a.m. Sunday until 11:59 p.m. the following Saturday. Normal office hours vary between locations due to the nature of the services offered and the varying needs of Sarnova's geographically diverse customers. Therefore, operating hours and the corresponding scheduled work hours are determined at the discretion of each location's management team. Sarnova will schedule employees as needed and may require a reasonable amount of overtime when necessary to operate the business.

Payroll is processed on a bi-weekly basis. Salaried/exempt employees are generally paid "on-time" or current, and hourly/non-exempt employees are paid one week in arrears.

RECORDING HOURS WORKED

To maintain an accurate record of all hours worked, it is essential that each hourly-paid employee clock in and out at the beginning and end of their workday, during unpaid meal breaks, and anytime the employee is off company property for non-business related reasons. Time spent reviewing, sending and responding to e-mails or text messages, logging into various work related websites for the purposes of serving a customer or completing assigned work, and/or making and receiving work related calls while off property or during non-work hours may be considered time worked and must be recorded as such. Non-exempt employees who fail to accurately report hours worked may be subject to disciplinary action, up to and including termination.

It is a violation of company policy for anyone other than the employee or their manager to record their own time and employees are only permitted to clock in and out from their workstation. Clocking in or out from any device other than the assigned workstation without prior approval is strictly prohibited. Any questions about time records or errors should be directed to the appropriate manager. Payroll errors should be reported to management immediately and will be corrected in a timely manner.

OVERTIME

There may be times when an employee will have the opportunity to work overtime so that the Company may meet its customer's needs. Sarnova will schedule employees as needed and may require a reasonable amount of overtime when necessary to operate the business.

Overtime will be calculated at a rate of one and a half times the employee's hourly wage for any hours exceeding 40 hours per workweek, unless state law provides otherwise. Paid time options, such as PTO, Vacation, Sick, Holidays or Personal Holidays, will not be calculated towards overtime.

Non-exempt employees will be paid for overtime work according to the Fair Labor Standards Act and applicable state laws. Overtime work for non-exempt employees must be authorized. Voluntary, unauthorized overtime on the part of non-exempt employees is not permitted. Disciplinary action will be taken against an employee that works unauthorized overtime.

DEDUCTIONS

Deductions are made from an employee's earnings only to the extent permitted or required by law. Deductions from pay which are required by law include:

- Federal Withholding Tax;
- State and Local Taxes (if applicable);
- Federal Social Security Tax; and/or
- Federal Medicare Tax.

Sarnova, in accordance with federal, state and local laws, may also make other deductions from an employee's pay for other reasons, including but not limited to:

- Employee contribution for elected benefits;
- Employee contribution to retirement savings plan; and/or
- Any court-ordered garnishments for child support, family support, bankruptcies or other judgments rendered against an employee.

It is employees' responsibility to check their pay stubs for accuracy each pay period. While the Company strives to pay employees correctly, sometimes mistakes can occur. If a mistake has been made, errors should be reported to management immediately so that prompt corrections can be made. Questions or concerns about deductions from salary can be directed to your supervisor, Human Resources, Payroll, or any member of management.

CHANGE IN PERSONAL INFORMATION

To aid employees and their families in matters of personal emergency, and ensure the proper information for payroll, tax and insurance purposes, the Company needs to maintain up-to-date information. Employees who have changes in name, address, telephone number, marital status, or changes in beneficiaries should notify a member of Human Resources promptly, either by completing the appropriate forms or utilizing other methods provided by the Company.

Expenses

OVERVIEW

Sarnova will reimburse employees for reasonable and necessary expenses incurred while performing their duties and conducting authorized company business. It is impossible to anticipate every situation that may be encountered while traveling on business or to list every possible reimbursable and non-reimbursable expense. Thus, we expect each employee to exercise good judgment in incurring travel and business expenses.

This travel policy was designed to assist those employees traveling for business purposes by providing guidelines for business travel and entertainment. It provides guidance to travelers, describes the types of expenditures that are and are not reimbursable and informs employees of their responsibilities to control and report travel and entertainment expenditures. Reimbursable expenses while on approved business travel include transportation (air and car), lodging, meals, parking and tolls, and reasonable telephone expenses.

This policy also establishes guidelines and requirements for documentation and approval of all travel and business expenses. Employees requesting reimbursement for expenses incurred while conducting company business must account for all expenses and provide acceptable supporting documentation for the charges. In the event expenses are considered to be either (1) unauthorized or (2) not justified with appropriate

documentation, no reimbursement will be granted and the expense report(s) will be returned to the employee for further review and justification.

PROCEDURE

Employees may use the travel site of their preference when booking travel for business purposes. Discretion should be used as if the expenses were that of the employee's and not the Company's. Expenses will be audited on a regular basis to ensure frugal spending.

Any travel that requires air travel and/or an overnight stay must be preapproved by the employee's Vice President/Director and then forwarded to their respective President, Vice President of Operations or Chief Financial Officer for final approval. No approvals are required for auto travel as long as an overnight stay is not necessary and it is within the approved/budgeted mileage for the employee. For any internal meetings, the use of audio and web conferencing are highly encouraged versus onsite travel.

TRANSPORTATION

Air Transportation: Air travelers should use coach (economy) class of service and should choose the lowest logical airfare. No domestic first class or business class travel will be approved or paid for by the Company. The traveler may use their own airline mileage awards if they wish to upgrade. The lowest logical airfare is the lowest available fare that meets the traveler's scheduling and business needs. To ensure the lowest logical airfare is achieved, travelers should:

- Use connecting versus non-stop flights if savings warrant.
- Use alternative airports if significant savings are available without an unreasonable increase in driving time.
- Book flights at least two weeks in advance of departure.
- Use advance purchase or penalty fare tickets when significant savings can be achieved.

The traveler may retain frequent flyer awards provided the lowest logical costs are utilized when making arrangements. Long-term parking lots should be used for airline business trips. Request for reimbursement should include the detailed itinerary.

Individual airline tickets in excess of \$750 (domestic round trip only, excludes international) will require Senior Leadership Team approval prior to booking the trip. It is up to the employee to request/obtain approval from their respective Senior Leadership Team Member prior to booking a trip. All tickets in excess of \$750 will be routed to your respective Senior Leadership Team Member for an additional level of approval within Concur at the time of expense reimbursement.

Following are some examples of non-reimbursable expenses. This list is not exhaustive, but is simply intended to provide general guidelines. Employees will not be reimbursed for:

- Fees for airline clubs;

- Fees or expenses related to flight changes (Exceptions will only be made if the reason for the change is (1) necessitated by business or (2) due to extenuating circumstances that are beyond the employee's control);
- Fees for upgrades to business or first class seating;
- Alcohol charges;
- Cost of in-flight movies; and/or
- Additional flight insurance.

Rental Cars: A rental automobile is to be used only when other means of transportation are unavailable, costly or impractical. Employees should rent compact or midsize cars unless there will be four or more persons in the car, at which point a full-size car may be rented.

- Travelers will be reimbursed for fuel expenses as well as tolls and parking.
- Employees should always refuel rental cars before returning them. Although rental companies provide the option to refuel the automobile, they usually do so at a substantially higher per gallon rate.
- Requests for reimbursement for car rentals should include the rental car agreement receipt.
- Insurance should be declined, as rental car insurance is covered under the Company's business policy.
- If an employee is involved in an accident involving a rental car, always contact the police and rental car agency right away. Fines for traffic violations, including parking tickets, are not eligible for reimbursement.

In the event travel plans are changed, employees are responsible for canceling their own reservations. Sarnova will not reimburse employees for any fees related to "no shows" unless the reason is due to extenuating circumstances that are beyond the employee's control.

Personal Auto Use: Employees who use their personal car for company business will be reimbursed at the current cents-per-mile rate, plus parking or toll fees. Employees will be capped at 6,000 miles per quarter, unless approved by their respective Senior Leadership Team Member. For example, in order for an Account Manager to be reimbursed for mileage in excess of 6,000 miles for a quarter, written approval will be required from the Senior Vice President of Sales.

The mileage rate is determined annually by the Accounting department. A mileage log is required and each employee must complete the Mileage Calculator Tool within Concur when submitting an expense report.

- Employees who must travel from home to a site other than their assigned work location will be reimbursed for any mileage greater than their regular commute.
- Employees using their personal vehicles for company business must have a current driver's license and vehicle liability insurance in the minimum amounts required by state law.
- All liability for the personal vehicle used for company purposes is assumed by the employee.

- Employees are responsible for the maintenance of their personal vehicle. Sarnova will not reimburse employees for items such as oil changes, repairs, car washes, etc.
- Employees who must leave their car at the airport during a business trip will be reimbursed for Airport Parking Fees. Employees are encouraged to use the most economical, long-term parking lot.

Ride Sharing: The cost of taxis or ride shares to and from places of business, hotels or airports is reimbursable only when more economical services (hotel vans, shuttles, subway) are not available. Limousine service is not a preferred method of transportation and is only reimbursable when cost-effective versus other forms of ground transportation.

LODGING, MEALS AND ENTERTAINMENT

Lodging: Accommodations are to be used that are safe, convenient, meet business needs and offer good value. Employees are expected to use standard room accommodations at hotels and motels. Travelers are encouraged to ask if lower rates are available upon checking in as rates are subject to change.

Following are some examples of non-reimbursable expenses. This list is not exhaustive, but is simply intended to provide general guidelines. Employees will not be reimbursed for:

- Long distance hotel phone charges;
- Hotel no show charges;
- Special room service other than meals;
- Laundry expenses;
- Valet pressing;
- In room services (movies);
- Health club fees; and/or
- Alcohol charges.

Whenever there is a change in travel plans, employees are responsible for canceling their own hotel/motel reservations. Sarnova will not reimburse employees for any fees related to “no shows” unless the reason is due to circumstances that are beyond the employee’s control.

Meals: Sarnova reimburses employees for reasonable meal costs associated with overnight, out-of-town business trips. Employees are reimbursed for reasonable tips, not to exceed 20% of the bill. The following table provides guidelines for individual meal expenses.

Meal Expense Guidelines

Breakfast	\$5.00 - \$10.00
Lunch	\$7.00 - \$15.00

Dinner

\$15.00 - \$30.00

Meal reimbursements will be capped at the high end of the range noted within this policy, plus a 20% gratuity. Meals that exceed the cap will be routed to the employee's Senior Leadership Team Member for a second level of approval.

Whenever there are two or more individuals attending the meal, the following guidelines apply:

- Meal expenses to discuss routine business matters and casual meals between employees are not reimbursable (unless expense is incurred during approved business travel).
- In moderation, alcohol charges are allowed as part of meals and entertainment during approved business travel, but excessive charges will not be reimbursed (refer to above table for meal expense guidelines).
- Meals may be provided to customers and are reimbursable if the meal is directly related to a legitimate business meeting or educational event, and only to those in attendance who have a bona fide interest in the event.
- Inclusion of a health care professional's spouse or other guest in a meal accompanying an information presentation is not appropriate.
- Names and company name for those present at the meal should be clearly noted on the expense report.
- All meal expenses should be paid by the highest senior level employee present.

Entertainment: Any employee can seek reimbursement for entertainment expenses if the entertainment is for a valid business purpose and does not violate the Gifts and Gratuity Policy or Code of Conduct. Sarnova supports entertainment expenses defined as charges incurred for meals and/or beverages and social activities in which representatives of the Company and vendors or clients meet to discuss actual or potential business opportunities.

- Employees are expected to behave professionally and use good business judgment at all times when entertaining on behalf of the Company.
- Entertainment expenses must be paid and reported by the most senior employee at the function.
- Entertainment expenses should be listed on the expense report, including name and title of all attendees, place where the meal/entertainment took place, the nature of the entertainment, and the business purpose of the meeting.
- Receipts should be provided for all expenses. Employees are required to supply an itemized receipt for all expenses incurred.
- Employees will not be reimbursed for excessive entertainment charges. Examples include, but are not limited to, tickets to "special" or "limited" engagements, playoff tickets, bottles of wine and/or alcohol, and multiple shots of alcohol, cigars, and sizeable tips (greater than 20%).

In addition, it is critical that Sarnova employees keep in mind and conform to our customer's entertainment policies and practices. For instance, some vendors/clients may not permit their employees to receive any gifts, gratuities or meals from those they conduct business with. Therefore, if a Sarnova employee is unsure

what a customer's policy is regarding entertainment it is imperative that they ask prior to paying for a meal or offering any type of gift, gratuity, entertainment, reward, etc.

OTHER EXPENSES

Insurance Considerations: Sarnova does not carry insurance for damage to, or theft of, the personal property of its employees while traveling. Any insurance purchased by the employee will be considered a personal expense and is not reimbursable by the Company. Any medical expenses incurred while traveling should be submitted to the employee's health insurance plan unless the medical expense is a result of a work related injury. Work related injuries are to be reported the employee's immediate supervisor by the end of the work day in which the injury occurred.

Incidental expenses: Employees are not reimbursed for personal expenses. This list of expenses, while not inclusive, provides examples of expenses that are not reimbursable: movie rentals, sightseeing tours, laundry and dry cleaning charges, personal supplies (toiletries, reading materials, etc), snacks, mini-bar tabs, lost luggage, or traffic/parking fines. In the case where an employee is involved in travel over an extended period of time, management may approve the reimbursement of select incidental expenses.

EXPENSE REPORTING

To comply with IRS reporting requirements and to ensure proper accounting and reimbursement of expenses incurred during daily business and while traveling on company business, the following guidelines have been established:

All sales employees, managers and non-managers who submit more than three expense reports per year should submit expenses using the Concur Expense Reporting System. Those individuals who rarely submit expense reports for reimbursement should use the Sarnova Expense Report (Excel worksheet). Employees may contact the Accounts Payable department for assistance and access to the online reporting system.

- All employees should submit their expense report to their direct manager. All expenses must be identified and detailed on the report. The employee's direct manager must review/approve the report, verifying policy compliance, business purpose, and proper supporting documentation and receipts.
- Employees must complete and submit an expense report within the month the expense is incurred if possible. Failure to submit expense reports timely will result in the expense being denied; expenses older than 90 days will not be reimbursed.
- Employees are not authorized to approve their own, a peer's, or a manager's expense report.
- Receipts and invoices for all expenses should accompany expense reports. All expenses over \$20.00 require a receipt. All receipts must be itemized and include vendor name, date of transaction, dollar amount, and items purchased.
- Shipping expenses should only be handled through the approved company processes and should not be expensed via other methods unless absolutely necessary.

- Hotel and restaurant check “stubs” are not acceptable receipt documents. Receipts should detail all charges, and restaurant receipts should indicate specifically what was ordered.
- Credit card statements are not acceptable receipt documents.

Although each employee’s immediate supervisor is responsible for reviewing and approving the accuracy and legitimacy of expense reports, Accounts Payable will routinely audit employee expenses to ensure to insure that the policy is being strictly followed at all levels. In the event an error, a questionable expense, an inappropriate expense pattern, or an undocumented expense is found, Accounts Payable will return the entire expense report/packet of information to the immediate supervisor for further review and/or corrective action. Under no circumstances will partial payments be made.

COMPANY CREDIT CARDS

Company credit cards should be used solely for approved and related business expenses. Employees who hold company credit cards should not use the card for personal expenditures. Company credit cards must be paid off, in full, each month. Sarnova reserves the right to cancel the credit card if any violation of this policy occurs.

Upon termination, the employee should submit a final expense report for authorized expenses and pay the remaining balance on the card. Any unpaid credit card balance, whether for business or personal expense, may be deducted from the employee’s final pay in accordance with applicable state law. The Company credit card must be surrendered to management upon termination of employment.

Benefits

ELIGIBILITY

All full-time employees are eligible for benefits, with some benefits also offered to part-time employees, as specifically indicated. Benefits offered to employees with spouses are offered equally to employees with domestic partners. Domestic partners include both opposite-sex and same-sex partnerships and must meet certain requirements as required by insurance providers.

PAID TIME OFF (EXCLUDING OUTSIDE SALES AND CA EMPLOYEES)

In order to provide eligible employees with time away from their daily job responsibilities, employees are provided Paid Time Off (PTO). PTO can be used for reasons such as but not limited to:

- Vacation;
- When an employee is ill or injured and unable to report to work;
- When an employee has a scheduled physician's appointment;
- When an employee must care for an immediate family member who is ill or injured. An immediate family member is defined as: spouse, domestic partner, child, stepchild, child for whom the employee has parenting responsibilities, mother, father, sister, brother, grandmother, grandfather, grandchildren, and in-laws (to include: spouse or domestic partner's mother, father, sister, brother, grandmother, and grandfather);
- When accompanying an eligible family member to a scheduled physician's appointment, or attending to an eligible family member who is hospitalized; OR
- Personal reasons or emergencies.

PTO is provided to all employees, excluding employees in the state of California and outside sales persons.

When possible, PTO requests should be scheduled in advance and is subject to management approval. In the event that an employee is not able to provide at least twenty-four (24) hours' notice, the employee should notify their manager as soon as they know they will not be able to report to work. If the manager is not available, then the employee must leave a message with their manager. Additionally, the employee is required to keep their manager informed of their status and provide an expected return to work date. Employees should contact a member of Human Resources if their absence exceeds three (3) days and is due to a personal illness or that of a family member. The Company reserves the right to require documentation from the physician authorizing the employee to return to work.

Non-Exempt Employees – Accrued PTO

Eligible full-time regular hourly employees who work thirty (30) hours or more per week will accrue PTO on a per pay basis according to the following schedule:

<u>Years of Employment</u>	<u>Hours Earned Per Pay</u>	<u>Maximum PTO Amount</u>
Up to 5 years	4.62	15 days (3 weeks)
5-10 years	6.16	20 days (4 weeks)
10+ years	7.69	25 days (5 weeks)

Part-time employees are eligible for prorated PTO based at half the accrual rate of a full time employee. Eligible employees begin accruing PTO on their first day of employment; however, employees must complete ninety (90) days of service before using accrued PTO.

Unused PTO at the conclusion of each calendar year will not be rolled over and will be forfeited. PTO will not be cashed out in lieu of use at any point during employment or upon separation. Employees should monitor their accumulated time to ensure maximum use of the benefit.

PTO is calculated at the employee's base rate of pay at the time PTO is taken and is not considered when calculating overtime. PTO can be used in any increment needed: minutes, hours or days. Generally, unearned PTO pay advances and/or payroll advances or loans against accrued PTO are not permitted; however, the Company may allow employees who have completed at least ninety (90) days of service to borrow PTO and carry a negative balance. The negative balance for a full-time employee may never exceed forty (40) hours per year, and for a part-time employee may never exceed twenty (20) hours per year. Employees must obtain prior written approval from their manager to borrow PTO time. If an employee exhausts their available PTO balance, management may grant an employee additional time off without pay based on the circumstances of the situation.

During January of each year, employees may request PTO for the remainder of the year. In the event that two or more employees request the same days, employees with the most seniority may be given preferential consideration. Beginning in February, PTO time may be approved on a first come, first serve basis.

Employees on authorized FMLA or Sarnova Medical Leave will continue to accrue PTO while on leave (up to 12 weeks.) Prior to receiving leave without pay, employees will be required to use all available PTO (in accordance with payroll procedures.)

When an employee leaves the Company with a negative balance, the appropriate time will be deducted from the employee's final pay in accordance with state law.

Exempt Employees – Flexible PTO

Exempt employees do not accrue PTO or have an established bank of PTO. Instead, exempt employees are able to request paid time off when they need it. We believe in recognizing individuals for their tenure with our company and as such, have established general guidelines for PTO use based on years of service with Sarnova. However, managers have discretion to grant additional PTO within reason, to associates meeting or exceeding expectations.

All full-time, permanent exempt employees are considered eligible under this policy.

Exempt-level employees are expected to:

- Recognize that at Sarnova, we value all employees' contributions and understand that being away from work can impact other team members, management and our customers. Associates agree to communicate with managers in advance when scheduling time off. This also includes notifying the appropriate management team member before the start of the workday when an unscheduled absence occurs.
- Request all time off through the UltiPro system which is subject to management approval.
- Understand that due to staffing needs, sometimes, not all PTO leave requests can be honored.
- Meet all established goals and expectations for their positions.

If abuse of this policy is observed, disciplinary action may be taken.

Use of PTO relating to qualifying FMLA, Sarnova Leave, or ADA Leave will be limited to the PTO guidelines for the associate's specific tenure noted below minus any PTO used year to date.

<u>Years of Employment</u>	<u>PTO Amount</u>
Up to 5 years	15 days (3 weeks)
5-10 years	20 days (4 weeks)
10+ years	25 days (5 weeks)

This flexible PTO policy is not to take the place of qualified disability leave. If an employee is eligible and approved for Short or Long Term Disability benefits, PTO would only apply to the waiting period or period in excess of the approval.

Leaves of other types (jury duty, holiday, military leave, etc.) are addressed elsewhere in the employee handbook and are not considered PTO.

Since there is no accrual of PTO hours or formal PTO bank, this is not considered an earned benefit. There is no payout of PTO upon termination of employment, nor is there any rollover of hours from year to year.

Resignations or retirements may not be extended using PTO.

It is Sarnova's intent to comply with both federal and state leave requirements. If associates operate in a state in which there are different laws pertaining to paid leave, Sarnova will ensure legal compliance.

VACATION (CALIFORNIA EMPLOYEES, EXCLUDING OUTSIDE SALES)

In order to provide eligible employees with vacation time for rest and relaxation away from their daily job responsibilities, California employees, excluding outside sales persons, are eligible for paid vacation. Eligible full-time regular employees who work thirty (30) hours or more per week will accrue vacation on a per pay basis according to the following schedule:

<u>Years of Employment</u>	<u>Hours Earned Per Pay</u>	<u>Annual Vacation Amount</u>
Up to 5 years	3.08	10 days (2 weeks)
5-10 years	4.62	15 days (3 weeks)
10+ years	6.16	20 days (4 weeks)

Part-time employees are eligible for prorated paid vacation based on their average number of hours worked in the preceding twelve (12) months of employment. Eligible employees begin accruing vacation on their first day of employment; however, employees must complete ninety (90) days of service before using accrued vacation time.

Employees may not accumulate accrued vacation in excess of their eligible vacation amount as stated above. Once employees reach their maximum accrued vacation, no more time will accrue until the vacation balance drops below the maximum accrual level. Employees should monitor their accumulated time to ensure maximum use of the benefit.

Vacation pay is calculated at the employee's base rate of pay at the time vacation is taken and is not considered when calculating overtime. Vacation time can be used in any increment needed: minutes, hours or days. Generally, unearned vacation pay advances and/or payroll advances or loans against accrued vacation are not permitted; however, the Company may allow employees who have completed at least ninety (90) days of service to borrow vacation days and carry a negative balance. The negative balance for a full-time employee may never exceed forty (40) hours per year, and for a part-time employee may never exceed twenty (20) hours per year. Employees must obtain prior approval from their manager to borrow vacation time.

A Request for Time Off should be completed for each vacation request and should be scheduled at least twenty-four (24) hours in advance. During January of each year, employees may request vacation for the remainder of the year. In the event that two or more employees request the same days, employees with the most seniority may be given preferential consideration. Beginning in February, vacation time may be approved on a first come, first serve basis.

Employees on authorized FMLA or Sarnova Leave will continue to accrue vacation time while on leave (up to 12 weeks.) Employees on unpaid leave status will be required to use available vacation time. Employees who separate from the Company will be paid their accrued and unused vacation.

SICK TIME (CALIFORNIA EMPLOYEES)

Sarnova recognizes that California employees, including outside sales persons, will need occasional time off in order to address their medical needs or the medical needs of a family member. For this purpose, non-outside sales full-time employees will be provided five (5) paid sick days per calendar year. Part-time employees and outside sales persons will be provided three (3) paid sick days per calendar year. The only exception is the first year of employment, when the number of paid sick days is prorated based on date of hire; however, new employees will receive no less than three (3) paid sick days per calendar year. Eligible employees must complete ninety (90) days of service before using available sick time.

Employees may take sick time for themselves and their eligible family members: (a) for diagnosis, care or treatment of an existing medical condition; (b) for preventative care; (c) to attend a medical or dental appointment; (d) to attend to or provide care for a family member with a mental or physical illness; and/or to recover or recuperate from an injury or health condition. In addition, employees may take safe time if the employee is a victim of domestic violence, sexual assault or stalking and time off is needed to attend to safety planning or other actions to assist the employee, such as judicial assistance, medical attention, counseling, etc.

An eligible family member as defined under this policy is the employee's current spouse, child or individual for which the employee stands in *loco parentis*, legal guardian or ward, parent, parent-in-law, person who stood in *loco parentis* status when the employee was a minor child, sibling, grandparent, or grandchild. An employee's domestic partner (as defined by law), as well as the child and parent of a registered domestic partner, are also considered an employee's family member. These familial relationships include not only biological relationships, but also relationships resulting from adoption, step-relationships, and foster care relationships. The definition of child applies irrespective of a child's age or dependency status.

If the need for sick time use is foreseeable, an employee is requested to provide at least twenty-four (24) hours' notice – either orally or in writing – to his/her manager of an absence from work. In the event that an employee is not able to provide at least twenty-four (24) hours' notice, an employee must provide notice – either orally or in writing – to his/her manager of the need to use sick leave as soon as practicable. In all circumstances, an employee is responsible for specifying that the time off is for sick time reasons, so that the absence may be designated as a sick time absence. Additionally, employees are required to keep their manager informed of their status and provide an expected return to work date. The Company reserves the right to request documentation of the qualifying use of sick time as permitted under applicable local or state law. For an extended illness, the Company reserves the right to require documentation from a treating health care provider authorizing the employee to return to work. Employees should contact a member of Human Resources if their absence exceeds three (3) days due to a personal illness or that of a family member.

If an employee exhausts their allotted sick time in a calendar year, then the employee must use other available paid time options before taking unpaid time off. Management may grant an employee additional time off without pay based on the circumstances of the situation.

For non-exempt employees, sick time benefits will be based on a non-exempt employee's regular rate of pay for the workweek in which the sick time was taken. For exempt employees, sick time benefits will be calculated in the same manner as the Company calculates wages for when an exempt employee takes other paid time off.

Sick time can be used in any increment needed: minutes, hours, or days. Employees using sick leave are not required to search for or find a replacement employee to cover the periods of time in which they are absent from work using sick time. Unscheduled absences that are covered by sick leave will not be counted as occurrences for the purposes of the attendance policy.

Unused sick time cannot be carried over into the next calendar year and will not be paid out at the end of the calendar year. Employees who separate from the Company will not be paid for unused sick time. If an employee is rehired within the same calendar year as he/she separated from employment, the employee will receive back the unused portion of his/her annual sick time allotment and will be eligible to use that time as of the date of rehire. If the employee is hired back within twelve (12) months of his/her separation from employment, but the reemployment occurs in a new calendar year, the employee will receive three (3) paid sick days for the new calendar year and will be eligible to use it upon rehire.

TIME AWAY FROM WORK (OUTSIDE SALES ONLY)

Outside sales persons may take time away from work as needed and are not required to designate their time off as vacation; therefore, these employees do not accrue paid time off and are not eligible for pay out upon separation of employment. Sales persons are required to notify their manager when they will not be actively working and should request time away from work in advance when possible.

As commissioned employees, excessive time away from work may have a direct impact on sales performance goals and earning ability. Time away from work should be managed appropriately and is at the discretion of management approval.

Outside sales persons in the state of California will be provided with three (3) paid sick days annually, in accordance with state law. Please refer to the sick time policy for additional information.

Employees should contact a member of Human Resources if their time away from work exceeds three (3) days and is due to a personal illness or that of a family member.

MAKE-UP TIME

As per the needs of the business, managers may allow their employees the option to make up the time they are absent from the job in lieu of using Paid Time Off (PTO), vacation, or other time off options, if the time that is made up is within the Company's standard workweek and does not incur additional overtime expenses. Except in unexpected emergencies, the employee must have prior approval from his/her manager to use the make-up time option. Time may be made up by working before or after the standard workday hours. Working through a non-paid meal break is not permitted for make-up time.

HOLIDAYS

Sarnova recognizes several Holidays throughout each calendar year. Full-time employees receive eight (8) hours of pay for each recognized Holiday. Part-time employees will be paid for the Holiday only if the Holiday falls on their regularly scheduled workday and will be paid for the number of hours that the employee is normally scheduled to work that day. The Company recognized Holidays are as follows:

- New Year's Day
- Memorial Day
- Independence Day (July 4th)
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve
- Christmas Day

In order to be paid for the Holiday, non-exempt employees must work the last scheduled day before and the first scheduled day after the observed Holiday. If an employee is required to work on an observed Holiday, the employee will receive one paid day off to be taken within thirty (30) days. Holiday pay is calculated at the employee's base rate of pay and is not considered when calculating overtime.

If a recognized Holiday falls on a Saturday or Sunday, the Holiday may be observed on the Friday before or the Monday after; however, the Company may also allow the Holiday to be converted to a Floating Holiday. In such cases, full-time employees will receive eight (8) hours of paid time off and part-time employees will receive four (4) hours of paid time off to be used at their discretion, within the calendar year. Outside salespersons are not eligible to receive Floating Holidays. Holidays that are converted to Floating Holidays will only be awarded to newly hired employees if they are hired prior to the recognized Holiday. Employees should refer to the Holiday Schedule that is provided each year.

In addition, the Company also provides each employee, excluding outside salespersons, with a Personal Holiday to be used at their discretion within the calendar year. Full-time employees receive eight (8) hours for their Personal Holiday and part-time employees receive four (4) hours. Personal Holidays are pro-rated based on the date of hire. New employees hired after October 1 will receive their Personal Holiday beginning in January of the next calendar year.

Floating Holidays and Personal Holidays must be used during the calendar year in which they are provided; they cannot be carried forward into the next calendar year. Unused Floating Holidays and Personal Holidays will not be cashed out upon termination of employment, unless required by state law.

Employees must follow proper procedures when requesting time off. All time off is subject to the manager's approval.

WORKER'S COMPENSATION

Sarnova provides benefits under the Workers' Compensation Laws of each state in which it operates. These laws provide compensation for lost wages and payment of related medical expenses due to injury or occupational disease arising in the course of employment. To assure proper protection for employees, any accident that occurs on the job must be reported to a member of management immediately, even if there are no injuries apparent at the time. Employees will be paid regular earnings for lost time on the day of the injury; however, employees must use available paid time options for lost work time or doctor's appointments thereafter. Employees are not required to use their available paid time options during times in which Workers' Compensation disability benefits are provided.

EMPLOYEE DISCOUNT PROGRAM

Full-time employees who have completed at least six (6) months of service are eligible to participate in the Employee Discount Program. The intent of this program is to provide employees a savings benefit when making purchases for individual use from the Company. Eligible employees may purchase products from any Sarnova company at standard cost plus applicable taxes, freight, or other incidental charges. Orders must be placed with a supervisor or manager in Customer Service and payment must be made by credit card at the time of purchase.

Restrictions

- Items purchased must be for individual use and not for resale or profit.
- Certain products are excluded from this program, such as pharmaceuticals, regulated medical devices, special order items, or any products that require certain licenses for purchase or use. The Company reserves the right to exclude any product from this program at any time.
- Items purchased and intended as gifts must not violate the Gifts and Gratuities Policy or the Code of Conduct.

Employee purchases may be reviewed periodically to ensure the program is being used appropriately. Abuse of the program will result in corrective action, up to and including termination.

TUITION REIMBURSEMENT

Sarnova encourages all employees to expand their knowledge and skills through participation in outside educational programs. Sarnova will reimburse full-time employees for tuition, upon successful completion of a pre-approved, business related course, which the employee voluntarily undertakes in a recognized educational institution. Any coursework that is not specifically business related but is required to obtain a business related degree will be eligible for reimbursement.

Full-time employees who have completed at least six (6) months of service are eligible to participate in Sarnova's Tuition Reimbursement Program. Part-time employees are not eligible for reimbursement. Employees on a leave of absence are not eligible for tuition reimbursement during their leave of absence.

Employees must complete a Tuition Reimbursement Permission Form prior to enrollment in a course and have their manager sign the form. Approval must be obtained prior to the start of the course.

Upon successful completion of an approved course, employees must submit a Tuition Reimbursement Request Form with receipts for registration and confirming grade slips to their manager for signature. To be eligible for reimbursement, an employee must complete the course with a grade of "C" (or the numerical equivalent) or better. Employees will be reimbursed according to the following schedule:

<u>Grade</u>	<u>Percent of Reimbursement</u>
A	100%
B	85%
C	70%
D	None

In the case of ungraded courses, a certificate or statement of successful completion will be required and the course will be reimbursed at the rate of 85%. Employees are responsible for the purchase of their own textbooks, supplies, etc. Tuition reimbursement only covers the cost of the course; lab fees, parking, and other miscellaneous charges are not reimbursable. Reimbursement Requests must be submitted within 60 days of the class ending to be eligible.

Note: Sarnova will reimburse employees for no more than \$3,000 per calendar year. Tuition reimbursement may be considered as income for tax purposes and counts against the calendar year allotment in which the reimbursement check is issued, not when the class was taken or ended. If an employee takes a leave of absence during the time he or she is taking a course for which prior approval was received, the employee will be compensated on a prorated basis for that portion of the course taken while he or she was actively working, unless otherwise required by state or federal law. If an employee terminates during the time he or she is taking a course for which he or she received prior approval, no tuition will be reimbursed. If an employee terminates employment within one (1) year of his or her last reimbursement, Sarnova requires the employee to repay the reimbursement amount.

Full-time employees who have completed at least six (6) months of service and who have presented documentation that they have completed an annual preventative physical exam are eligible to participate in the Sarnova Wellness Program. Each eligible employee shall be entitled to reimbursement for his/her documented Wellness Expenses incurred during the calendar year in an annual amount not to exceed \$250. For an expense to qualify for the Wellness Program, the expense should help support and encourage employees in maintaining and/or attaining a healthy lifestyle both mentally and physically. Examples of covered expenses may include, but are not limited to, the following:

- Health club memberships or fitness class fees;
- Smoking cessation programs and non-prescription cessation products;
- Nutritional counseling and weight loss program fees (such as Weight Watchers);
- Personal trainer fees;
- Home exercise equipment; and/or
- Shoes specifically designed for exercise activities (such as running, hiking, or aerobic shoes). Limit of one pair per employee every six (6) months. The six (6) month period will be measured forward from the date of the last reimbursed receipt.

Non-eligible expenses include, but are not limited to, the following:

- Weight loss drugs;
- Metabolism supplements;
- Vitamins;
- Sporting apparel (such as uniforms, gym shorts, athletic pants/tops, socks, or football jerseys);
- Expenses classified as deductibles, co-payments or other out-of-pocket costs related to a health insurance plan;
- Items considered an accessory (such as backpacks, head/wrist bands, sunglasses, or certain electronics); and/or
- Items purchased for anyone other than the Company Employee.

Each eligible employee must submit the completed Wellness Program Reimbursement Form along with itemized receipts detailing the expenses to the Plan Administrator. Documentation showing that an annual preventative physical exam was completed within the last twelve (12) months of the date of the receipt must be submitted before reimbursements will be processed. Personal health records should not be submitted; simply a statement that a physical or annual check-up was performed on a specific date is necessary. Eligible expenses will be reimbursed to active employees only; terminated employees are not eligible for reimbursement regardless of when the expense was incurred. All claims will be considered and processed on a case-by-case basis at the discretion of the Plan Administrator. The Plan Administrator reserves the right to request further documentation supporting any claim.

ADOPTION ASSISTANCE

Full-time employees who have completed at least six (6) months of service are eligible to receive reimbursement for adoption related expenses up to \$2000 per adoption. Examples of covered expenses include public and private agency fees, court costs, legal fees, home study fees, foreign adoption fees, and any other reasonable and customary cost associated with adoption. Employees must be employed with Sarnova at the time of reimbursement.

OTHER BENEFITS

Sarnova offers a variety of other benefits to employees including:

- Health care insurance
- Dental insurance
- Vision care insurance
- Life insurance (basic and supplemental)
- Accidental Death and Dismemberment insurance (basic and supplemental)
- Disability insurance (short term and long term)
- Retirement savings program (401k plan)
- Flexible Spending Accounts (health care and dependent care)
- Employee Assistance Program (EA)

Eligibility for insurance will vary by program.

A Note about the Health Insurance Portability and Accountability Act of 1996 (HIPAA)

While the HR team is available to assist with questions regarding insurance coverage, Explanation of Benefits concerns and/or payment of claims, please note that in accordance with HIPAA regulations, any assistance provided by an authorized agent of Sarnova regarding personal health information will require an Authorization for Release of Health Information form to be completed by the employee.

Leaves of Absence

Sarnova offers a variety of leaves of absence to accommodate employees who require three (3) or more days away from work for various reasons. It is important for employees to contact the Human Resources department when considering the possibility of taking any type of leave, as eligibility and required documentation will vary. An employee's total leave (including all time taken for medical or family care reasons) may not exceed 12 weeks within a 12-month period. However, additional leave may be extended in order to provide a reasonable accommodation if required by law. The 12-month period during which leave may be taken is measured backward from each date leave is taken. Except in cases where employees are eligible for disability benefits, employees are required to use all available paid time off options, including PTO, vacation, sick, personal holidays and floating holiday time, before taking unpaid time during their approved leave. Approved leave time will run concurrently with paid time options.

FAMILY MEDICAL LEAVE ACT (FMLA)

For employees that have completed at least 12 months of employment, have worked at least 1,250 hours in the 12 months prior to the start of leave, and work at a worksite where there are 50 or more employees within 75 miles, up to 12 weeks of family or medical leave may be considered leave under the FMLA for the following reasons:

- For incapacity due to pregnancy, prenatal medical care or child birth;
- To care for the employee's child after birth, or placement for adoption or foster care;
- To care for the employee's spouse, son, daughter or parent, who has a serious health condition;
- For a serious health condition that makes the employee unable to perform the employee's job;
- To address certain qualifying exigencies for the employee's spouse, son, daughter or parent, who is on covered active duty or call to covered active duty status

An employee's total FMLA leave (including all time taken for medical or family care reasons) may not exceed 12 weeks within a 12-month period. The 12-month period during which FMLA leave may be taken is measured backward from each date FMLA leave is taken.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period.

For the purposes of FMLA leave, an employee's spouse, children (son or daughter), and parents are immediate family. The term "parent" does not include a parent "in-law". The terms son or daughter do not include individuals age 18 or over unless they are "incapable of self-care" because of mental or physical disability that limits one or more of the "major life activities" as those terms are defined in regulations issued by the Equal Employment Opportunity Commission under the Americans with Disabilities Act.

Employees are required to provide at least 30 days' notice of the need for leave, or as much advance notice as possible. Leaves of absence will begin on the date requested or date of need, and may include paid time off as required by policy. While on a leave of absence, employees may be required to furnish periodic reports

of their status and intent to return to work. This may include a re-certification or second opinion from a healthcare provider. Failure to do so may result in termination.

Under certain circumstances, employees may be eligible to take FML on an intermittent or reduced work schedule. During an intermittent or reduced work schedule, employees may be required to transfer to an available alternative position for which they are qualified.

If an employee is on leave due to a serious health condition, the Company will make every attempt to provide light duty and accommodate any restrictions as directed by a certified physician to allow the employee to return to work as soon as possible. If the employee is able to return work earlier than expected, the employee must notify their direct supervisor and/or a Human Resources representative at least two (2) business days prior to returning. In addition, prior to returning to work, the employee must submit a release to work slip from their healthcare provider specifying a return to work date and any restrictions that may be needed.

During a leave of absence, health insurance benefits will be maintained under the same conditions as if the employee continued to work. The employee is responsible for paying their portion of the premium while on leave. Failure to remit premium payments may result in the loss of maintenance of insurance coverage by Sarnova.

While on a leave of absence, employees are considered to be in an “in-active” status. Therefore, employees are not eligible to receive holiday pay or receive an increase of pay while on leave. Employees who are scheduled to receive a salary increase while on leave will be awarded the increase upon their return to work.

Employees may not use their personal devices for work purposes during periods of approved unpaid leave without authorization from management. The Company reserves the right to deactivate the Company’s applications and access on the employee’s personal device at any time.

Employees are restricted from gaining other employment while on a leave of absence from Sarnova. Employees who begin employment elsewhere while on a leave of absence, except military reserve duty, are considered to have quit voluntarily. Other employment that existed prior to the leave of absence is not prohibited. If an employee satisfies all of the conditions of the FMLA and returns to work before exhausting the available 12 weeks, they will be restored to their former position (or an equivalent position), with the same pay, benefits, and conditions of employment, provided the job would still be available had the leave not been taken. Additional information regarding FMLA is provided in the Appendix of the Employee Handbook.

Employees in the state of California may also be eligible for leave under the California Family Rights Act.

S A R N O V A L E A V E

Employees that have completed at least 12 months of employment, have worked at least 1,250 hours in the 12 months prior to the start of leave, and do not work at a location with at least 50 employees in a 75 mile radius will be eligible for Sarnova Leave. The employee requirements and guidelines associated with Sarnova Leave are the same as indicated above, that apply to the FMLA leave.

P A R E N T A L L E A V E

To provide bonding time for the mother or father of a newborn or adopted child, an employee may request up to two (2) weeks of paid Parental Leave. Employees who have completed 90 days with the Company are eligible for Parental Leave. Requests are to be made through Human Resources in advance, noting the date of birth or placement and the requested dates of leave. Leave will run concurrently with FMLA or Sarnova Leave and is separate from Short Term Disability Leave. Parental Leave is to be used consecutively, immediately following the birth or placement of the child; however the mother may opt to use one or both weeks at the conclusion of her disability period.

B E R E A V E M E N T

Employees are permitted a reasonable amount of time off work with pay in the event of the death of an immediate family member. Such time off is not counted as an 'occurrence' under the attendance policy. Full-time employees may receive pay for up to three (3) working days. Part-time employees are eligible for paid time off on a prorated basis consistent with their normal schedule, not to exceed three (3) working days. In the case of out-of-state travel or other circumstances requiring more than three (3) days, the employee may use their paid time off options such as PTO or vacation time. Bereavement pay is calculated at the employee's base rate of pay at the time bereavement is taken and is not considered when calculating overtime. Employees may be required to provide documentation to validate the need for bereavement leave.

For consideration for bereavement leave, an immediate family member is defined as: spouse, domestic partner, child, stepchild, child for whom the employee has parenting responsibilities, mother, father, sister, brother, grandmother, grandfather, grandchildren, and in-laws (to include: spouse or domestic partner's mother, father, sister, brother, grandmother, and grandfather).

Civic Duties

J U R Y D U T Y

The Company encourages employees to fulfill their civic responsibilities by serving on jury duty when required. Employees will be permitted to take as much time as necessary to complete their jury service, and further, will be eligible for up to a maximum of twenty (20) days of paid time off for jury service, per event. Jury duty pay is calculated at the employee's base rate of pay at the time jury duty is served and is not considered when calculating overtime. Employees will be required to provide documentation of jury duty service in order to receive payment by the Company for jury service.

Employees must submit a request for time off along with the jury duty summons to their direct supervisor and/or Human Resources representative. Employees should notify management as soon as possible so that arrangements can be made to accommodate the employee's absence. Employees must submit release from jury duty documentation provided by the court upon returning to work. Additionally, employees are expected to return to work if they are excused from jury duty during normal working hours.

MILITARY LEAVE

Sarnova supports the efforts of its employees who participate in military activities and makes all decisions regarding military leave in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and other applicable federal and state laws.

Employees who enter military service will be granted a military leave by notifying their direct supervisor and/or a Human Resources representative. Employees are requested to provide at least two weeks' notice or as much notice as possible, preferably in writing. When possible, employees should request a leave of absence and submit documentation provided by the government agency.

While on military leave, employees will receive their regular salary less the amount of the military pay for up to a maximum of twenty (20) days. Employees must submit a receipt or certification of military pay to Payroll for calculation of wages. Employees may choose to use available paid time off options while on military leave; however, they are not required to do so.

Health insurance benefits will be maintained under the same conditions as if the employee continued to work if the employee requires 30 days or less of military leave. Employees are responsible for making regular insurance premium payments during leave and failure to remit premium payments may result in the loss of maintenance of insurance coverage by Sarnova. If an employee requires more than 30 days of leave, the employee and their dependents will be offered COBRA coverage in accordance with federal and state laws. When the employee is released from active duty and has returned to work, they must apply immediately to have benefit coverage reinstated. Coverage will be effective on the day the employee returns to work.

Following release from military service, an employee will have the right to return to work if the following conditions are met:

- The employee ensures that the employer receives advance written or verbal notice of service;
- The employee has five years or less of cumulative service in the uniformed services while with the current employer;
- The employee returns to work or applies for reemployment in a timely manner after conclusion of service; and
- The employee has not been separated from service with a disqualifying discharge or under less than honorable conditions.

The following is the guideline for returning to work in a timely manner:

- For service of one (1) to 30 days: the employee must report to his or her employer by the beginning of the first regularly scheduled work day that would fall eight (8) hours after the person returns home.
- For service of 31 to 180 days: the application for reemployment must be submitted no later than 14 days after completion of a person's service.
- For service of 181 or more days: the application for reemployment must be submitted no later than 90 days after completion of a person's service.

If an employee is eligible to be reinstated or reemployed, the employee will be restored to the job and benefits they would have attained had they not been absent due to military service or, in some cases, a comparable job, provided the job would still be available had the leave not been taken.