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# CSSI Employee Handbook

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Effective 1/1/24



**Capriotti's**  
SANDWICH SHOP

# Corporate Employee Handbook

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January 2024

## About this Handbook / Disclaimer

This manual brings together in a convenient form employment guideline having general application throughout Capriotti's Sandwich Shop, Inc. ("CSSI," "Capriotti's," or the "Company") and is designed for ready reference to aid our team members in the performance of their daily administrative responsibilities. We prepared this handbook (the "Handbook") to assist you in finding the answers to many questions that you may have regarding your employment with CSSI. Please take the necessary time to read it.

We do not expect the Handbook to answer all your questions. Your supervisor and Human Resources will also be a major source of information.

Neither this Handbook nor any other verbal or written communication by a management representative, is, nor should it be considered to be, an agreement, contract of employment, express or implied, or a promise of treatment in any particular manner in any given situation. Capriotti's adheres to the policy of employment at will, which permits the Company or the employee to terminate the employment relationship at any time, for any reason, with or without cause or notice.

No one is authorized to provide any employee with an employment contract or special arrangement concerning terms or conditions of employment unless the contract or agreement is in writing and signed by the CEO or President.

Many matters covered by this Handbook, such as benefit plan descriptions and/or summaries, are also described in separate Company documents and/or the summary plan description ("SPD"). These Company documents are always controlling over any statement made in this Handbook or by any member of Management.

This Handbook states only general Company guidelines. The Company may, at any time, in its sole discretion, modify or vary from anything stated in this Handbook, with or without notice, except for the rights of the parties to terminate employment at will, which may only be modified by an express written agreement signed by the employee and the CEO or President.

**This Handbook supersedes all prior handbooks.**

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## Section 1 - Governing Principles of Employment

### 1-1 / Welcome to Capriotti's!

We are delighted that you have chosen our team. Let me tell you a little about the company you have joined.

Lois Margolet grew up in Wilmington, Delaware, in a neighborhood known as Little Italy. Lois had a dream to open her own sandwich shop, but she knew she needed to have something unique because there was plenty of strong competition out there. Little Italy had at least seven sandwich shops within a three-block radius. In 1976, Lois quit her full-time job, borrowed money and purchased a boarded-up building on North Union Street in Wilmington, where the original Capriotti's Sandwich Shop still stands. Lois, along with her brother Alan Margolet, decided to open a sandwich shop on the first floor, while she lived on the second floor. She and Alan would name the sandwich shop after their grandfather, Philip Capriotti, who loved to cook for them.

Their concept was to capture the hearts of "real turkey lovers," an idea that would separate Capriotti's Sandwich Shop from almost all of its competition. They wanted to roast whole fresh turkeys overnight, a concept that no other sandwich shop in the area offered. They began by cooking one turkey per night, but the demand grew to the point where they were cooking 10 to 12 turkeys per night. They served sandwiches made-to-order with fresh roasted pulled turkey, the best quality meats and cheeses, and fresh rolls and produce delivered daily.

Success in the sandwich world wasn't easily gobbled up. It took a lot of years and a whole lot of turkeys before Capriotti's Sandwich Shop became a household name. Within time, their business boomed and many more Capriotti's Sandwich Shops were born. The success is attributed to exceptional quality, extraordinary service and the loyal, repeat customers who could be heard saying, "Capriotti's makes the best sandwich I've ever eaten!"

In 1987, Lois and Alan added a partner, their cousin Diane Rizzo, and together they opened their second and third stores in New Castle and Newark, Delaware. Thereafter, the signature sandwiches, such as the "Bobbie®" and other specialty sandwiches were introduced.

The formula was so successful that franchising was offered to family members. Later, due to such great demand, franchising was offered to others outside of the family. Today, Capriotti's Sandwich Shops that are located around the country are carrying on the tradition that began in Delaware over 30 years ago.

Always looking to the past for inspiration, we continue to grow and expand our family through franchising and CSSI operations. As a part of our family, you add to our development and growth as well as help drive our vision. And for that, we thank you. We've all had a first day on the job, so we know how you feel. Please ask lots of questions and let us know how we can help you succeed. Your success is our success! Again, welcome, and good luck to you.

*Ashley A. Morris - CEO*

## 1-2 / Equal Employment Opportunity

CSSI is an Equal Opportunity Employer that prohibits discrimination, harassment, and retaliation in employment on the basis of actual or perceived race, creed, color, religion, alienage or national origin, ancestry, citizenship status, age, disability or handicap, genetic information, sex, pregnancy, marital status, veteran status, sexual orientation, or any other characteristic protected by applicable federal, state or local laws. Our management team is dedicated to this policy with respect to all aspects of employment, including but not limited to recruitment, hiring, placement, promotion and demotion, transfer, training, compensation, benefits, discipline, and termination.

We are committed to complying fully with the Americans with Disabilities Act ("ADA") and applicable state and local law to ensure equal opportunity for persons with disabilities. The Company will make reasonable efforts to accommodate individuals with disabilities, as defined under applicable laws, unless the accommodation would impose an undue hardship on the operation of our business. If you need assistance to perform your job duties because of a physical or mental condition, please let the HR Director know.

The Company will make reasonable efforts to accommodate the sincere religious beliefs of its employees to the extent such accommodation does not pose an undue hardship on the Company's operations. If you wish to request such accommodation, please speak to the HR Department.

Employees and applicants with needs related to pregnancy, childbirth or related medical conditions may request a reasonable accommodation to enable them to perform their job. We will make reasonable efforts to accommodate individuals as defined under applicable laws. If you believe that you are limited in your ability to perform your job functions due to pregnancy, childbirth, or a related medical condition, please let the HR Director know.

Any employees with questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to your supervisor or the attention of the HR Director. The Company strongly urges the reporting of all incidents of discrimination, harassment, or retaliation regardless of the offender's identity or position. The Company will not allow any form of retaliation against individuals who raise issues of equal employment opportunity. To ensure our workplace is free of artificial barriers, violation of this policy will lead to discipline, up to and including immediate termination.

## **1-3 / Non-Harassment**

It is Capriotti's policy to prohibit intentional and unintentional harassment of any individual by another person on the basis of any characteristic protected by law, including, but not limited to, race, creed, color, religion, alienage or national origin, ancestry, citizenship status, age, disability or handicap, genetic information, sex, pregnancy, marital status, veteran status, or sexual orientation. The purpose of this policy is not to regulate our employees' personal morality, but to ensure that in the workplace, no one engages in unlawful harassment.

If you feel that you have been subjected to conduct which violates this policy, you should immediately report the matter to the HR Director. If you are unable for any reason to contact this person, or if you have not received a satisfactory response within five (5) business days after reporting any incident of what you perceive to be harassment, please contact Human Resources or your direct Supervisor.

Every report of perceived harassment will be fully investigated, and prompt corrective action will be taken where appropriate.

Violation of this policy will result in disciplinary action, up to and including immediate termination. All complaints will be kept confidential to the extent possible and as permitted by law, but confidentiality cannot be guaranteed. In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to Management or who cooperate in the investigations of such reports in accordance with this policy. Employees who make complaints in bad faith may be subject to disciplinary action, up to and including immediate termination.

## **1-4 / Sexual Harassment**

It is Capriotti's policy to prohibit harassment of any employee by any supervisor, employee, customer, or vendor on the basis of sex or gender. The purpose of this policy is not to regulate personal morality within the Company. It is to ensure that at the Company all employees are free from sexual harassment.

Example of Capriotti's prohibited behavior includes unwelcome sexual advances, requests for sexual favors, obscene gestures, displaying sexually graphic magazines, calendars, or posters, sending sexually explicit emails, text messages and other verbal or physical conduct of a sexual nature, such as uninvited touching of a sexual nature or sexually related comments. Depending upon the circumstances, improper conduct also can include sexual joking, vulgar or offensive conversation or jokes, commenting about an employee's physical appearance, conversation about your own or someone else's sex life, or teasing or other conduct directed toward a person because of his or her gender which is sufficiently severe or pervasive to create an unprofessional and hostile working environment.

If you feel that you have been subjected to conduct which violates this policy, you should immediately report the matter to the HR Director. If you are unable for any reason to contact this person, or if you have not received a satisfactory response within five (5) business days after reporting any incident of what you perceive to be harassment, please contact Human Resources or your Direct Supervisor. Every report of perceived harassment will be fully investigated, and prompt corrective action will be taken where appropriate. Violation of this policy will result in disciplinary action, up to and including immediate termination. All complaints will be kept confidential to the extent possible and as permitted by law, but confidentiality cannot be guaranteed. In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to Management or who cooperate in the investigations of such reports in accordance with this policy. Employees who make complaints in bad faith may be subject to disciplinary action, up to and including immediate termination.

## **1-5 / Drug and Alcohol-Free Workplace**

To help ensure a safe, healthy and productive work environment for our employees and others, to protect Company property, and to ensure efficient operations, the Company has adopted a policy of maintaining a workplace free of drugs and alcohol. This policy applies to all employees and other individuals who perform work for the Company.

The unlawful or unauthorized use, abuse, solicitation, theft, possession, manufacture, transfer, purchase, sale or distribution of controlled substances, drug paraphernalia or alcohol by an individual anywhere on

Company premises, while on Company business (whether or not on Company premises) or while representing the Company, is strictly prohibited.

Employees and other individuals who work for the Company also are prohibited from reporting to work or working while they are using or under the influence of alcohol or any controlled substances, except when the use is pursuant to a licensed medical practitioner's instructions and the licensed medical practitioner authorized the employee or individual to report to work. This restriction does not apply to responsible drinking of alcohol at approved business meetings and related social outings.

While the use of marijuana has been legalized under Nevada law for medical and recreational uses, it remains an illegal drug under federal law and its use as it impacts the workplace is prohibited by this policy.

Employees must notify the Company within five (5) calendar days if they are convicted of a criminal drug violation in the workplace. Such employees will be subject to discipline up to and including immediate termination.

Violation of this policy will result in disciplinary action, up to and including immediate termination.

The Company maintains a policy of non-discrimination and will endeavor to make reasonable accommodations to assist individuals recovering from substance and alcohol dependencies, and those who have a medical history which reflects treatment for substance abuse conditions. We encourage employees to seek assistance before their substance abuse or alcohol misuse renders them unable to perform the essential functions of their jobs or jeopardizes the health and safety of any Company employee, including themselves.

## **1-6 / Workplace Violence**

Capriotti's is strongly committed to providing a safe workplace. The Company maintains a "zero tolerance" policy toward workplace violence and will not tolerate any violent acts or even threats of violence. The purpose of this policy is to minimize the risk of personal injury to employees and damage to Company and personal property.

We do not expect you to become an expert in psychology or to physically subdue a threatening or violent individual. Indeed, we specifically discourage you from engaging in any physical confrontation with a violent or potentially violent individual. However, we do expect and encourage you to exercise reasonable judgment in identifying potentially dangerous situations.

### **◊ Prohibited Conduct**

Threats, threatening language or any other acts of aggression or violence made toward or by any Company employee WILL NOT BE TOLERATED. For purposes of this policy, a threat includes any verbal or physical harassment or abuse, any attempt at intimidating or instilling fear in others, menacing gestures, flashing of weapons, stalking or any other hostile, aggressive, injurious or destructive action undertaken for the purpose of domination or intimidation. To the extent permitted by applicable state law, employees and visitors are prohibited from carrying firearms, explosives or any other weapons on Company premises, which includes our roadways and parking lots. If you have a question about whether a particular item could be considered a "weapon," you should consult with Human Resources immediately.

### ◆ **Procedures for Reporting a Threat**

All potentially dangerous situations, including threats by co-workers, should be reported immediately to your supervisor or any member of Management. Reports of threats may be maintained confidential to the extent maintaining confidentiality does not impede our ability to investigate and respond to the complaints. All threats will be promptly investigated. No employee will be subjected to retaliation, intimidation, or disciplinary action as a result of reporting a threat in good faith under this policy.

If the Company determines, after an appropriate good faith investigation, that someone has violated this policy, the Company will take prompt and appropriate corrective action.

If you are the recipient of a threat made by an outside party, please follow the steps detailed in this section. It is important for us to be aware of any potential danger in our offices. Indeed, we want to take effective measures to protect everyone from the threat of a violent act by an employee or by anyone else.



## Section 2 - Operational Policies

### 2-1 / Employee Classifications

For purposes of this Handbook, all employees fall within one of the classifications below.

Full-Time Employees -	Employees who regularly work at least 30 hours per week who were not hired on a short-term basis.
Part-Time Employees -	Employees who regularly work fewer than 30 hours per week who were not hired on a short-term basis.
Seasonal/Intern / Temp Employees -	Employees who were hired for a specific short-term project, or on a short-term freelance, per diem or temporary basis. Short-Term Employees will not work more than 120 days and generally are not eligible for Company benefits but are eligible to receive statutory benefits.

In addition to the above classifications, employees are categorized as either “**exempt**” or “**non-exempt**” for purposes of federal and state wage and hour laws. Exempt employees do not receive overtime pay; they generally receive the same weekly salary regardless of hours worked.

Such salary may be paid less frequently than weekly. You will be informed of your classifications upon hire and informed of any subsequent changes to your classifications.

For the purposes of family and medical leave, insurance, and certain other benefits, eligibility requirements may be different. If so, insurance plan documents or applicable law will control eligibility.

If you have any questions concerning your status or the benefits for which you qualify, please contact Human Resources.

## **2-2 / Probationary Period**

The first three (3) months of employment for all newly-hired employees constitutes a probationary period. This is an opportunity for the Company to evaluate your performance. It also is an opportunity for you to decide whether you are happy being employed by the Company. The Company may extend the probationary period if it desires. Completion of the probationary period does not alter an employee's at-will status.

Capriotti's believes in performance reviews as a way to monitor employee performance and provide regular feedback. We endeavor to conduct a performance review within the probationary period and once a year thereafter.

## **2-3 / Employee Anniversary Date**

"Length of service" refers to the length of time that our employees spend as active full-time or part-time employees with Capriotti's. Service begins on the day you become a full-time or part-time Employee.

Length of service may be used in determining certain employee benefits such as time-off benefits (Vacation and PTO), and the annual Performance Review. Rehired employees will not lose credit for service with the Company provided their last day of service was within 60 days of again becoming an active employee. Human Resources will discuss this issue with any rehired employee upon rehire.

## **2-4 / Your Employment Records**

In order to obtain your position, you provided us with personal information, such as your address and telephone number. This information is contained in your personnel file. Employment records are the property of the Company. You may review your personnel file, excluding references from former employers or other documents excluded by state law by contacting the HR Director.

Please keep your personnel file up to date through the Employee Online portal. Please inform the HR Director of any specialized training or skills you may acquire in the future, as well as any changes to any required visas. Unreported changes of address, marital status, etc. can affect your withholding tax and benefit coverage. Further, an "out of date" emergency contact or an inability to reach you in a crisis could cause a severe health or safety risk or other significant problem.

## **2-5 / Working Hours and Schedule**

Capriotti's is normally open for business from 8:00 am to 5:00 pm, Monday through Friday. You will be assigned a work schedule and will be expected to begin and end work according to the schedule. To accommodate the needs of our business, at some point we may need to change individual work schedules on either a short-term or long-term basis. Please see your supervisor for details regarding your schedule in particular.

Employees will be provided meal and rest periods as required by law. Please reference the state-specific policies at the end of this Handbook for more information. Contact your supervisor with any questions you may have.

## **2-6 / Timekeeping Procedures**

Non-exempt employees must record the time work begins and ends, as well as the beginning and ending time of any departure from work for any non-work-related reason, **on the time sheet** as prescribed by Management. Non-exempt employees may not start work until their scheduled starting time and may not work past their scheduled end time without prior approval from Management. Additionally, working "off the clock" is strictly prohibited. This includes checking email remotely without express written consent from management.

Exempt employees are required to record their absence from work for reasons such as leave of absence, sick leave, or personal business. Depending on business needs, more detailed documented history may be required. Please see your supervisor for details related to your specific position.

Any errors in your time record should be reported immediately to your supervisor, who will attempt to correct legitimate errors.

Altering, falsifying, or tampering with time records is prohibited and subjects the employee to discipline, up to and including immediate termination.

Accurate recording of time worked is a material duty of your position with Capriotti's. Therefore, failure to correctly record your time worked (i.e., missed punches, fraudulent entries, etc.) will be considered misconduct and will result in discipline up to and including immediate termination.

## 2-7 / Overtime

Like most successful companies, we experience periods of extremely high activity. During these busy periods, additional work is required from all of us. Your supervisor is responsible for monitoring business activity and approving/requesting overtime work if it is necessary. An effort will be made to provide you with adequate advance notice in such situations.

Overtime is paid out in accordance with state and federal law. No compensatory time off ("comp time") will be provided in place of overtime pay.

All non-exempt employees must receive authorization from their supervisor (or next level Management if your supervisor is not available) prior to performing overtime work or they may be subject to disciplinary action up to and including immediate termination.

For purposes of calculating overtime for non-exempt employees, the workweek begins at 12 a.m. on Thursday and ends 168 hours later at 11:59 p.m. on the following Wednesday.

## 2-8 / (a) Travel Time for Non-Exempt Employees

### ❖ Overnight, Out-of-Town Trips

Non-exempt employees will be compensated for time spent traveling (except for meal periods) during their normal working hours, on days they are scheduled to work and on unscheduled workdays (such as weekends). Non-exempt employees also will be paid for any time spent performing job duties during otherwise non-compensable travel time; however, such work should be limited absent advance authorization by your supervisor.

### ❖ Out-of-Town Trips for One Day

Non-exempt employees who travel out of town for a one-day assignment will be paid for all travel time, except for, among other things: (i) time spent traveling between the employee's home and the local railroad, bus, or plane terminal; and (ii) meal periods.

### ❖ **Commuting Time**

Under the Portal to Portal Act, travel from home to work and from work to home is generally non-compensable. However, if a non-exempt employee regularly reports to a worksite near his/her home but is required to report to a worksite farther away than the regular worksite, the additional time spent traveling is compensable.

If compensable travel time results in more than 40 hours worked by a non-exempt employee, the employee will be compensated at an overtime rate of one and one-half (1.5) times the regular rate.

## **2-8 / (b) Travel Time for Exempt Employees**

The following is a comprehensive guide to the CSSI expense policy and procedures for the reporting and reimbursement of expenses for all exempt employees. Any manager who approves expense reports and any person submitting expense reports should be familiar with this policy. The submission of an expense report indicates to CSSI that the expenses reported are legitimate, reasonable, and comply with this policy.

### ❖ **Travel and Reimbursement**

Travel is defined by CSSI as an individual or group going from place to place as a representative of the business for a length of time exceeding twenty-four hours or a distance of one hundred miles or more from the corporate office in Las Vegas, NV. A critical balance must be sought when requesting travel. All expenses must be ordinary, reasonable, necessary, and have a valid business purpose.

This policy covers items normally encountered as business or travel expenses. The company expects its employees to use good judgment. The company recognizes there will be times when you must exceed "normal" expenses. Such occasions should be the exception and not the rule and should be adequately explained in the expense report. Ideally the employee should attempt to get advance approval in writing from the department manager for an expense that exceeds "normal." The employee should always keep track of his/her exact expenditures. All travel should be via the lowest cost alternative and consistent with good business practices. Neither luxury, nor sub-standard modes of transportation and accommodation should be used.

Team member travel and the expenses associated with it will be authorized only in circumstances which are clearly consistent with the values of CSSI. It will be the responsibility of the department manager to ensure that all team members' travel meets the objective, and that reimbursement

should be made only for actual, necessary, and reasonable expenditures. Any expenses that do not comply with the guidelines of this procedure will not be reimbursed.

All expense reports must be submitted within 30 days of return from travel. All receipts must support the expense reports and these expenditures will be reviewed to determine if they are reasonable and necessary. A statement may be necessary describing the circumstances around the expenditure if found to be unreasonable or unnecessary. An example where a statement would be necessary could be Business Meals and Entertainment, where one employee is entertaining a Franchise Partner at the company's expense. The following information would be sufficient for the submitted statements:

1. Date, name, and location of restaurant
2. Cost, including tip and taxes.
3. Names, titles, and business affiliations of those entertained.
4. Business reasons
5. Authorization of manager or supervisor and Coded Appropriately

## ◊ **Reimbursement and Per Diem**

### ***Per Diem***

Per Diem is specifically granted to the *Training Department only*. All other departments must submit expense reports. A specific daily amount decided by the company based on Federal Standards will be updated by internal notice as frequently as necessary.

The time determination for which Per Diem is to be awarded is based upon the departure date from the office or home and ending at the office or home as the case may be. All requests for Per Diem must be coded correctly and approved by the department head. Unless approved otherwise, all Per Diem check requests should be coded to Training. All requests for Per Diem are to be submitted to accounting for processing the Wednesday prior to the travel, by 12:00pm PST pending approval.

Any Per Diem that is approved and paid to employees for travel, is to be used at the employee's discretion. However, if the length of the trip decreases, any access funds must be paid back to CSSI within 30 days in the form of check or money order; Per Diem refunds cannot be deducted from payroll due to tax requirements. Employees receiving Per Diem are not eligible to submit expense reports for meals and entertainment.

***Personal Meals:***

Personal meals will be reimbursed by CSSI. They are defined as reasonable meal expenses incurred by the traveler when dining alone on a business trip.

***Weekend and Late-Night Meals:***

If a manager approves working late and into the evening or on weekends, team members can be reimbursed for meal receipts, dinner up to \$15.00 and lunch \$10.00. Team members must submit actual receipts for reimbursement on the expense report.

***Entertainment:***

Entertainment expenses are reimbursable only with Department Head approval, and must meet the following conditions:

The employee's specific assignment requires the entertainment of the company's Franchise Partner, potential Franchise Partner, or other as appropriate.

- The entertainment expense is fully received (original receipts required).
- Expenses are authorized by the employee's Department Head when for confidentiality reasons, business must be conducted off company premises.
- The people entertained, the place and purpose of the entertainment must be clearly specified.
- Gratuities should normally be in the range of 15-18% of the cost of the service provided. If the quality of the service is exceptional, a gratuity up to a maximum of 20% may be considered.
- Non-reimbursable expenses include, but are not limited to air club dues, rental car club membership fees, airline additional amenities, in-room movies, traffic violations, insurance on life or personal property while traveling, purchase of clothing and/or other personal items, expenses for family, child, pet, home, and property care while on a trip.

***Laundry:***

Reasonable laundry expenses will be reimbursed. All receipts must be provided. This applies only after the team member has been away from home for five (5) consecutive days or more, and the trip has been unexpectedly extended.

### ***Expense Reporting:***

The following conditions apply when submitting expense reports:

- Reasonable expenses are reimbursed in accordance with the provisions of this policy and procedure.
  
- Employees must submit expense reports during the week after incurring the expense, or upon returning to the office, whichever is sooner. Failure to submit expense reports within thirty (30) days will disqualify the employee from receiving reimbursement for expenses incurred while traveling on company business.

Include the following in the expense report when submitting it for payment:

- Copy of travel request (email with Department Head approval), this is not applicable to executives.
  
- Original copies of receipts for meals, lodging, air or auto transportation, tolls, gasoline, and any other business expense.
  
- Explanation of any deviations from policy, unauthorized vendors, lodging or transportation, and/or charges submitted "in lieu of" normal expenses.

### **◆ Implementation and Responsibilities of Travel**

#### ***Manager's Responsibility:***

- Managers should know the current travel policy and inform their staff of company policy and procedures.
  
- Determine if travel is business critical to achieve an established goal.
  
- Approve expenses in accordance with policy.

#### ***Staff's Responsibility:***

- Employees must obtain travel approval from their Department Head. Employees are responsible for forwarding their approval to the travel Manager and/or including their Department Head on the travel request email.

- Notify the Travel Manager as early as possible of travel arrangements. Travel plans that are made ten (10) days or more in advance, in most cases cost considerably less.
  
- Only incur expenses that are consistent business needs, and exercise care in determining appropriate expenditures.
  
- Submit expense reports as outlined in the expense section of this policy, on a timely basis not to exceed 30 days

#### ◊ **Travel Authorization and Approval:**

All travel requests are to be submitted in electronic form via email to the Travel Manager once the travel has been approved by the Department Head. Once travel is submitted, the Travel Manager will complete and return all travel arrangements including airfare, rental car, lodging and planned meetings to the requesting employee. All completed travel arrangements are shared with requesting employees via email. Any changes to travel arrangements that are deemed business critical must also be submitted in electronic form via email to the Travel Manager once the updated travel is approved by the Department Head.

#### ◊ **Air Travel:**

Air travel will be booked based on the most direct and economical means, considering the comfort, needs and preference of the employee doing the travel. The Travel manager will select the flights based on the information provided in the request email. All reasonable efforts will be made to book according to the travel request, but there is no guarantee. Deviations from the lowest fare must have department head approval.

#### ◊ **Auto Rental:**

Employees are able to rent a compact or intermediate size vehicle on business trips when economy, convenience and the specific situation require their use. Employees are only authorized to use a rental car paid for by CSSI, if they have a valid driver's license and current comprehensive auto insurance, including liability. All requests for rental cars are to be submitted in electronic form via email to the Travel Manager once the rental (and or travel) has been approved by the Department Head.

- If car rental is necessary, to reduce cost, employees should share rental cars, use compacts, or intermediate size vehicles. Do not take collision insurance or personal injury insurance options, as that would alter our contracted rates.
- Employees must refill gasoline prior to returning the rental car for drop off. Gas charges while operating the rental car are reimbursable at the exact amount with a receipt.
- 
- If the employee traveling would prefer to use another method of transportation like taxi, or Uber, all receipts must be saved and submitted on the expense report.

#### ❖ **Personal Auto Reimbursement:**

Employees are only authorized to use his/her vehicle if they have both a valid driver's license and current comprehensive auto insurance, including liability. If not, the employee is not authorized to drive for the company. Employees choosing to use personal vehicles as mode of travel between cities serviced by regularly scheduled airlines and/or rental cars will not be reimbursed. All travel must be done through the company purchased modes of transportation. See Travel Manager for details, exceptions, and exclusions regarding personal modes of transportation.

When a non-exempt employee uses his/her personal vehicle on approved company business, the company will pay the current, federal mileage rates for the use of a car for business miles driven. The company will also reimburse all actual auto tolls and parking fees with a receipt as long as it has been submitted to the Accounting Department within 30 days. Mileage reimbursement is meant to cover only those miles incurred above and beyond the employee's normal commute to his/hers place of business.

Mileage from the employee's home to the regular assigned work location is not a reimbursable expense. However, if a team member goes directly from home to another work assignment other than the regular work location, the employee can expense the miles driven, with manager approval.

In order to receive reimbursement for mileage, the employee must complete an expense report specifying the purpose of the trip, point of origin, and destination.

Employees assume responsibility for all parking and traffic fines. Employees using personal vehicles on approved company business must always maintain adequate liability insurance for their

protection and for the protection of any passengers. In addition, the employee should comply with all traffic laws and use good judgment.

An employee involved in an accident while driving for company business must report the accident immediately to the local police department and to their department head immediately. CSSI prohibits employees from operating a motor vehicle under the influence of drugs or alcohol.

◆ **Lodging:**

Lodging reservations will be placed through the Travel Manager. All requests must be submitted in electronic form via email to the Travel Manager once the travel has been approved by the Department Head. All lodging requests should take into consideration the lowest cost alternative, including rates that have been negotiated at corporate rate and, convenience of travel destination/purpose, and consistent with good business practices.

Neither luxury, nor sub-standard modes of transportation and accommodation should be used. If traveling for training purposes, the Training Director can approve shared suites with kitchens for new shop openings. All hotel reservations will be purchased using the company credit card. The Travel Manager will ensure that Credit Card Authorization forms are completed for each guest and submitted to the hotel in a timely manner, so that no-employee must use their personal credit card for deposits or incidentals. It is the employee's responsibility to notify the Travel Manager to cancel the reservation within the hotel's cancellation policy time frame if necessary. Failure to cancel the reservation in the required time frame will result in you being charged the full cancellation fee, unless approved by a manager.

## **2-9 / Safe Harbor Policy for Exempt Employees**

It is our policy and practice to accurately compensate employees and to do so in compliance with all applicable state and federal laws. To ensure that you are paid properly and that no improper deductions are made, you must review your pay stubs promptly to identify and report all errors.

Pay stubs are available for retrieval in ADP.

If you are classified as an exempt salaried employee, you will receive a salary which is intended to compensate you for all hours you may work for the Company. This salary will be established at the time of hire or when you become classified as an exempt employee.

While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform.

Under federal and state law, your salary is subject to certain deductions. For example, unless federal or state law requires otherwise, your salary can be reduced for the following reasons:

- Full-day absences for personal reasons.
- Full-day absences for sickness or disability.
- Full-day disciplinary suspensions for infractions of our written policies and procedures for discipline unrelated to performance or attendance.
- Family and Medical Leave absences (either full- or partial-day absences).
- To offset amounts received as payment for jury and witness fees or military pay.
- The first or last week of employment in the event you work less than a full week.
- Any full work week in which you do not perform any work.

Your salary may also be reduced for certain types of deductions such as your portion of health, dental or life insurance premiums; state, federal or local taxes; social security; Medicare; or voluntary contributions to a 401(k) or pension plan.

In any work week in which you performed any work, your salary will not be reduced for any of the following reasons:

- Partial day absences for personal reasons, sickness, or disability.
- Your absence on a day because your employer has decided to close a facility on a scheduled workday.
- Absences for jury duty, attendance as a witness, or military leave in any week in which you have performed any work.
- Any other deductions prohibited by state or federal law.

However, unless federal or state law provides otherwise, deductions may be made to your accumulated leave for full or partial-day absences for personal reasons, sickness, or disability.

If you believe you have been subject to any improper deductions, you should immediately report the matter to your supervisor. If the supervisor is unavailable or if you believe it would be inappropriate to contact that person (or if you have not received a prompt and fully acceptable reply), you should immediately contact the President or any other supervisor in the Company with whom you feel comfortable.

## **2-10 / Your Paycheck**

You will be paid bi-weekly for all the time you have worked during the past pay period.

Your pay stub itemizes deductions made from your gross earnings. By law, the Company is required to make deductions for Social Security, Medicare, federal income tax and any other appropriate taxes. These required deductions also may include any court-ordered garnishments. Your pay stub will also differentiate between regular pay received and overtime pay received.

If you believe there is an error in your pay, bring the matter to the attention of the Payroll/HR Department immediately so the Company can investigate your pay and deductions. We will not penalize an employee for reporting a suspected error and will reimburse an employee for any improper deduction. Capriotti's practices paperless payroll processing. As such, your pay stub is available through the ADP Employee Portal.

## **2-11 / Direct Deposit**

Capriotti's strongly encourages employees to use direct deposit or pay cards. Employees should request direct deposit enrollment and changes through the Employee Online portal. Any paper check that is issued will be distributed at the corporate office or mailed to the employee's home.

## **2-12 / Performance Reviews**

Depending on your position and classification, Capriotti's endeavors to review your performance after your probationary period as well as annually, within the 3<sup>rd</sup> quarter of the year. However, please understand that a positive performance evaluation does not guarantee an increase in salary.

a promotion, or continued employment. Compensation increases and the terms and conditions of employment, including job assignments, transfers, promotions, and demotions, are determined by and at the discretion of Management.

In addition to these formal performance evaluations, Management also conducts quarterly conversations with each of their staff. The Company encourages you and your supervisor to discuss your job performance on a frequent and ongoing basis.

## **2-13 / Record Retention**

The Company acknowledges its responsibility to preserve information relating to litigation, audits, and investigations. Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the Company and its employees and possible disciplinary action against responsible individuals (up to and including termination of employment). Each employee has an obligation to contact the CEO or President to inform them of potential or actual litigation, external audit, investigation, or similar proceeding involving the Company that may have an impact on record retention protocols.

## **2-14 / Inclement Weather**

Capriotti's recognizes that inclement weather may impact our business and makes every effort to assure the safety of our employees during such periods of time. For purposes of this policy, inclement weather may include wintery conditions as well as tornadoes, hurricanes, and other acts of nature. In the event that Capriotti's believes that working presents a danger to the safety of our employees, we will close our offices. Office closures determined prior to the start of a workday will be announced via email by 7:30am. In the event we close the office during the workday, local Management will make an announcement to affected personnel.

When an office is closed due to inclement weather, employees will have the option to take PTO or have time off unpaid. Employees of the Emergency Weather Task Force will be compensated for their time worked.

Employees who work remotely will not have an occasion to close due to inclement weather due to their lack of commute. Therefore, any time off needed for acts of nature would require usage of PTO. In other words, there would not be an option for unpaid time off.

Regardless of Company closure decisions, each employee should make a personal judgment regarding other emergency situations such as a fire, power failure, or other circumstances that affect the hours of operation and will be handled on an individual basis.

## **2-15 / Telecommuting**

Capriotti's considers telecommuting to be a viable alternative work arrangement in cases where individual, job and supervisor characteristics are best suited to such an arrangement. Telecommuting allows employees to work at home, on the road or in a satellite location for all or part of their regular workweek. Telecommuting is a voluntary work alternative that may be appropriate for some employees and some jobs. It is not an entitlement, it is not a company-wide benefit, and it in no way changes the terms and conditions of employment with Capriotti's.

All telecommuting arrangements are made on a case-by-case basis, focusing first on the business needs of the organization. All telecommuting arrangements must have the approval of Human Resources. Any telecommuting arrangement made will be on a trial basis for the first three months, and may be discontinued, at will, at any time at the request of either the telecommuter or the organization.

Capriotti's will determine, with information supplied by the employee and the supervisor, the appropriate equipment needs for each telecommuting arrangement on a case-by-case basis. The Human Resource and IT Departments will serve as resources in this matter. Equipment supplied by the organization will be maintained by the organization. Equipment supplied by the employee, if deemed appropriate by the organization, will be maintained by the employee. Capriotti's accepts no responsibility for damage or repairs to employee-owned equipment. Capriotti's reserves the right to make determinations as to appropriate equipment, subject to change at any time. Equipment supplied by the organization is to be used for business purposes only. The telecommuter agrees to take appropriate action to protect the items from damage or theft and agrees to specifically not leave equipment in vehicles or other vulnerable locations. Upon termination of employment, all Company property will be returned to the company.

Consistent with the organization's expectations of information security for employees working at the office, telecommuting employees will be expected to ensure the protection of proprietary company and customer information accessible from their home office. Steps include use of locked file cabinets and desks, regular password maintenance, document destruction, and any other steps appropriate for the job and the environment.

All telecommuting employees must have a high-speed internet connection to access any of Capriotti's services or resources.

The employee will establish an appropriate work environment within his or her home for work purposes and will maintain regular business hours. Capriotti's will not be responsible for costs associated with initial setup of the employee's home office such as remodeling, furniture, or lighting, nor for repairs or modifications to the home office space. Telecommuting employees are not permitted to work from locations outside of their approved home office without prior approval from Human Resources.

Injuries sustained by the employee while at his or her homework location and in conjunction with his or her regular work duties are normally covered by the company's workers' compensation policy.

Telecommuting employees are responsible for notifying the employer of such injuries in accordance with company workers' compensation procedures. The employee is liable for any injuries sustained by visitors to his or her worksite.

Capriotti's will supply the employee with appropriate office supplies (pens, paper, etc.) for successful completion of job responsibilities. Capriotti's will also reimburse the employee for all other business-related expenses such as shipping costs that are reasonably incurred in accordance with job responsibilities.

The employee and manager will agree on the number of days of telecommuting allowed each week, the work schedule the employee will customarily maintain, and the manner and frequency of communication. The employee agrees to be accessible by phone or email within a reasonable time during the agreed-on work schedule.

Telecommuting employees who are not exempt from the overtime requirements of the Fair Labor Standards Act will be required to record all hours worked in a manner designated by the organization. See Section 2-6 of this Handbook for more information. Telecommuting employees will be held to a higher standard of compliance than office-based employees due to the nature of the work arrangement. Hours worked in excess of those specified per day and per workweek, in accordance with state and federal requirements, will require the advance approval of the supervisor. Failure to comply with this requirement can result in the immediate cessation of the telecommuting agreement.

Telecommuting is *not* designed to be a replacement for appropriate child or pet care. Although an individual employee's schedule may be modified to accommodate childcare needs, the focus of the arrangement must remain on job performance and meeting business demands. Prospective telecommuters are encouraged to discuss expectations of telecommuting with family members prior to entering into such an arrangement.

The availability of telecommuting as a flexible work arrangement for employees of Capriotti's can be discontinued at any time at the discretion of the employer. Every effort will be made to provide 30 days' notice of such a change to accommodate commuting, childcare and other problems that may arise from such a change. There may be instances, however, when notice is not possible.

## **2-16 / Relocation**

This policy applies to current and newly hired CSSI employees who will be relocated to a new office or location. The Department Head must formally approve all moves.

CSSI will pay reasonable costs of transportation and lodging in connection with the transfer of the employee and the employee's dependents from the old location to the new location. Travel to the new location will be the most direct route, and lodging arrangements should be made by or approved by the Department Head. This covers the period from when the employee leaves the old location and travels directly to the new location.

## Section 3 – Benefits

### 3-1 / Benefits Overview

In addition to good working conditions and competitive pay, it is Capriotti's policy to provide a combination of supplemental benefits to all eligible employees. In keeping with this goal, each benefit program has been carefully devised. These benefits include time-off benefits, such as vacation, PTO, and holidays, insurance, and other plan benefits. We are constantly studying and evaluating our benefits programs and policies to better meet your present and future needs. These policies have been developed over the years and continue to be refined to keep up with changing times and needs.

The next few pages contain a brief outline of the benefits programs Capriotti's provides for you and your family. Of course, the information presented here is intended to serve only as a guideline.

The descriptions of the insurance and other plan benefits merely highlight certain aspects of the applicable plans for your general information only. The details of those plans are spelled out in the official plan documents, which are available for review upon request from the HR Director. Additionally, the provisions of the plans, including eligibility and benefits provisions, are summarized in the summary plan descriptions ("SPDs") for the plans (which may be revised from time to time). In the determination of benefits and all other matters under each plan, the terms of the official plan documents shall govern over the language of any descriptions of the plans, including the SPDs and this Handbook.

Further, Capriotti's (including the Officers and Administrators who are responsible for administering the plans) retains full discretionary authority to interpret the terms of the plans, as well as full discretionary authority about administrative matters arising in connection with the plans and all issues concerning benefit terms, eligibility, and entitlement.

While the Company intends to maintain these employee benefits, it reserves the absolute right to modify, amend or terminate these benefits at any time and for any reason.

If you have any questions regarding your benefits, please contact Human Resources.

### 3-2 / Holidays

Full-time employees will receive eight (8) hours of straight time pay for the following holidays:

<input type="radio"/> New Year's Day	<input type="radio"/> Martin Luther King
<input type="radio"/> Memorial Day	<input type="radio"/> Independence Day
<input type="radio"/> Labor Day	<input type="radio"/> Thanksgiving Day
<input type="radio"/> Day after Thanksgiving	<input type="radio"/> Christmas Day
<input type="radio"/> Juneteenth	

To be eligible for holiday pay, non-exempt employees must have worked their last scheduled day before the holiday and the first scheduled day after the holiday. Time missed from work due to approved leave (i.e. personal time, vacation time, jury duty, etc.) does not qualify as a "scheduled day" for purposes of this policy. Therefore, employees who have approved PTO immediately before or after a holiday will receive holiday pay. On the contrary, employees who do not have pre-approved leave but are absent immediately before or after a holiday will not receive holiday pay.

### 3-3 / Lactation Breaks

The Company will provide a reasonable amount of uninterrupted break time for an employee who wishes to express breast milk for her infant child (up to one year of age). If possible, the break time must run concurrently with rest and meal periods already provided to the employee. If break time cannot run concurrently with rest and meal periods, it will be unpaid. Employees that are required to record time under Capriotti's Timekeeping Procedures in 2-6 must accurately record the start and end of lactation breaks on their time sheets in accordance with Capriotti's Timekeeping Procedures in 2-6.

The Company will make reasonable efforts to provide the use of a room or location other than a bathroom stall for the employee to express milk in private. This location may be the employee's private office, if applicable.

The Company may not be able to provide additional break time if doing so would seriously disrupt operations. Please consult Human Resources if you have questions regarding this policy.

## 3-4 / Vacation Time

Capriotti's recognizes how hard you work and knows the importance of providing you with time for rest and relaxation. As a result, regular full-time employees are eligible for vacation time. Vacation time will begin to accrue upon the date of hire and will be eligible for use after ninety (90) days of employment.

Employees will accumulate a prorated amount of time each pay period. The rate of accumulation is determined by the length of regular full-time service which is detailed in the following schedule:

Employees with less than five (5) years of service will accumulate 3.08 hours of vacation time per pay period, up to 80 hours (10 days) per anniversary year. You can accrue up to 120 hours (1.5x the accrual rate), but only 80 hours roll over on the anniversary date.

Employees with five (5) or more years of service will accumulate 4.62 hours of vacation per pay period, up to 120 hours (15 days) per anniversary year. You can accrue up to 180 hours (1.5x the accrual rate), but only 120 hours roll over on the anniversary date.

Employees on a Leave of Absence or who are otherwise inactive do not accrue vacation time.

Employees should submit vacation time requests at least two (2) weeks in advance, directly to their manager, or within the online portal. Employees should request time off in increments of no less than two (2) hours. All vacation time requests must be approved by a supervisor.

Approval will be granted based on operational needs and timing of the requests. If a scheduling conflict occurs, priority will be given to the request that was received first.

Non-exempt employees will be allowed to use vacation time when unable to work due to inclement weather. Those who do not wish to use vacation time will not be compensated for such time.

The Company encourages team members to use their vacation time. To support this, pay in lieu of vacation is not permitted. If there is a break in your employment for any reason, resignation, termination or interruption in service, payment for unused vacation will be forfeited.

Employees will not be allowed to use vacation time once their notice of resignation has been submitted or allowed to extend their employment by use of vacation time. Vacation time will not be paid out in any form at the date of termination.

### **3-5 / Personal Time Off (PTO)**

When issues of a personal nature may arise during the year necessitating time away from work, you may use personal time off to help cover your absences. Personal time off is available to regular full-time employees immediately upon hire. Employees have twenty-four (24) hours, a maximum of 3 days, each year. Personal time does not carry over into the following anniversary year but will replenish on the anniversary date in the set amount of twenty-four (24) hours.

Please submit all requests for personal time through the Attendance Portal system. Requests must be at least 2 hours to be approved.

### **3-6 / Insurance Programs**

Full-time employees may participate in the Company's insurance programs. Under these plans, eligible employees will receive comprehensive health and other insurance coverage for themselves and their families, as well as other benefits.

Upon becoming eligible to participate in these plans, you will receive plan summaries describing the benefits in greater detail. These documents are available through the Employee Benefits portal. Please refer to the plan summaries for detailed plan information. Of course, feel free to speak to the HR Department if you have any further questions.

### **3-7 / Workers' Compensation**

On-the-job injuries are covered by our Workers' Compensation Insurance Policy, which is provided at no cost to you. If you are injured on the job, no matter how slightly, report the incident immediately to your supervisor. Failure to follow Company procedures may affect your ability to receive Workers Compensation benefits.

This is solely a monetary benefit and not a leave of absence entitlement. Employees who need to miss work due to a workplace injury must also request a formal leave of absence.

If a team member cannot work due to a work-related injury or illness, Workers' Compensation insurance pays his or her medical bills and provides a portion of his or her income until he or she can return to work. See the Leave of Absence sections of this Handbook for more information.

### **3-8 / Jury Duty and Court Appearance Leave**

Capriotti's realizes that it is the obligation of all U.S. citizens to serve on a jury when summoned to do so. All employees will be allowed time off to perform such civic service as required by law. You are expected, however, to provide the Company with proper notice of your request to perform jury duty and with your verification of service. You also are expected to keep the HR Department and your supervisor informed of the expected length of your jury duty service and to report to work if you are excused by the court prior to the end of your scheduled workday. If the required absence presents a serious conflict for the Company, you may be asked to try to postpone your jury duty.

Employees on jury duty leave will be paid eight (8) hours of straight time for up to three (3) days of missed work. Proof of jury duty paperwork must be submitted to Human Resources.

The Company also realizes that employees may be called to appear in court as witnesses in judicial hearings upon occasion. As such, we will allow employees to take unpaid leave in these situations. Whenever possible, employees must provide advance notice of their need for leave. Employees will not be penalized for taking court attendance or witness duty leave.

The Company will also allow employees who are victims of certain crimes, including domestic violence, sexual assault, and stalking, to take leave to appear in court to be heard in proceedings in which their rights as a victim are at issue. Court proceedings include post-arrest release decisions, pleas, sentencing, post-conviction release decisions or any other court proceedings in which victims' rights are at issue. Victims are persons or the spouse, parent, child, sibling, or guardian of persons who suffer direct or threatened physical, psychological, or financial harm because of the commission of a crime or delinquent act.

Employees are required to provide reasonable notice of the need for leave.

### **3-9 / Bereavement Leave**

We know the death of a family member is a time when you wish to be with the rest of your family. After ninety (90) days of being employed full-time and you lose a close relative, you will be allowed paid time off of up to three (3) days to assist in attending to your obligations and commitments. For the purposes of this policy, a close relative includes a spouse, child, parent, sibling, grandparent, grandchild, or the child, parent, or sibling of your spouse. Step, half, and in-law relationships are included in this policy.

Paid leave days only may be taken on regularly scheduled workdays following the day of death. You must inform your supervisor prior to commencing bereavement leave. In administering this policy, the Company may require verification of death. For any other loss, the employee may request vacation time.

Capriotti understands the deep impact that death can have on an individual or a family, therefore additional non-paid time off may be granted. The team member may make arrangements with his or her supervisor for an additional four unpaid days off in the instance of the death of an immediate family member. Additional unpaid time off may be granted depending on the circumstances such as distance and the individual's responsibility for funeral arrangements.

### **3-10 / Voting Leave**

In the event an employee does not have sufficient time outside of working hours to vote in a statewide election, if required by state law, the employee may take off enough working time to vote. Such time will be paid if required by state law. This time should be taken at the beginning or end of the regular work schedule. Where possible, your supervisor should be notified at least two (2) days prior to the voting day.

### **3-11 / Long-Term Disability**

Full-time employees are eligible to participate in the voluntary Long-Term Disability plan, subject to all terms and conditions of the agreement between the Company and the insurance carrier.

This is solely a monetary benefit and not a leave of absence. Employees who will be out of work must also request a formal leave of absence. See the Leave of Absence sections of this Handbook for more information.

Employees may be required to submit medical certification as requested by the Carrier. Required medical certification under this policy may differ from the medical certification required for any leave of absence requested.

### **3-12 / Short-Term Disability**

Capriotti's offers voluntary short-term disability benefits to full-time employees. This is intended to supplement the employee's income should they experience a short-term injury or illness that prevents them from working. This is not a leave of absence provision. Employees who will be out of work must request a leave of absence. See the Leave of Absence sections of this Handbook for more information.

Employees will be required to submit medical certification as requested by the Carrier. Required medical certification under this policy may differ from the medical certification required for any leave of absence requested.

### **3-13 / Retirement Plan**

Eligible employees are able to participate in the Company's retirement plan. Plan participants may make pre-tax contributions to a retirement account. Upon becoming eligible to participate in this plan, you will receive plan documents describing the benefit in greater detail. Please refer to the documents provided for detailed plan information. Of course, feel free to speak to the HR Director if you have any further questions.

## Section 4 - Leaves of Absence

### 4-1 / Personal Leave

If you are ineligible for any other Company leave of absence, Capriotti's, under certain circumstances, may grant you a personal leave of absence without pay.

A written request for personal leave should be presented to the HR Director at least two (2) weeks before the anticipated start of the leave. If the leave is requested for medical reasons and you are not eligible for leave under the federal Family and Medical Leave Act (FMLA), Americans with Disabilities Act ("ADA") or any state or federal leave law, medical certification also must be submitted. Your request will be considered on the basis of staffing requirements and the reasons for the requested leave, as well as your performance and attendance records as permitted by applicable federal and state law. Normally, a leave of absence will be granted for a period of no more than four (4) weeks. Under unusual circumstances a personal leave may be extended if, prior to the end of your leave, you submit a written request for an extension to the HR Director and the request is granted. Personal leave may also be extended in response to a request for reasonable accommodation to the extent required by law.

During your leave, you will not earn PTO and you cannot use unaccumulated time off. We will continue your health insurance coverage during your leave if you submit 100% of the monthly premium payments to the Company in a timely manner, subject to the terms of your leave agreement.

When you anticipate your return to work, please notify the HR Director of your expected return date. This notification should be made at least one (1) week before the end of your leave.

Upon completion of your personal leave of absence, the Company will attempt to return you to your original job, or to a similar position, subject to prevailing business considerations. Reinstatement, however, is not guaranteed.

Failure to advise the Capriotti's Internal HR Department of your availability to return to work, failure to return to work when notified, or your continued absence from work beyond the time approved, will be considered a voluntary resignation of your employment. If you do not return to work following an approved personal leave, you may be required to repay the Company-paid portion of any benefits received during your absence.

Personal leave runs concurrently with any Short-Term Disability benefit.

Unpaid leave may also be available to an employee who is a qualified individual with a disability under the Americans with Disabilities Act ("ADA") if such leave would not impose an undue hardship on the operation of the Company's business. The eligibility for and length of any leave taken as an accommodation under the ADA will be determined on a case-by-case basis. You will be required to use any available PTO time as part of this leave.

## **4-2 / Military Leave**

If you are called into active military service or you enlist in the uniformed services, you will be eligible to receive an unpaid military leave of absence. To be eligible for military leave, you must provide the HR Director with advance notice of your service obligations unless you are prevented from providing such notice by military necessity or it is otherwise impossible or unreasonable for you to provide such notice. Provided your absence does not exceed applicable statutory limitations, you will retain reemployment rights and accumulate seniority and benefits in accordance with applicable federal and state laws. Please ask the HR Director for further information about your eligibility for Military Leave.

If you are required to attend yearly Reserves or National Guard duty, you can apply for an unpaid temporary military leave of absence not to exceed the number of days allowed by law (including travel). You should give the HR Director as much advance notice of your need for military leave as soon as possible so that we can maintain proper coverage while you are away.

## **4-3 / Benefits Overview**

### **◊ The Leave Policy**

Employees may be entitled to a leave of absence under the Family and Medical Leave Act (FMLA). This policy provides employees information concerning FMLA entitlements and obligations employees may have during such leaves. If employees have any questions concerning FMLA leave, they should contact the HR Director.

#### **I. Eligibility**

FMLA leave is available to "eligible employees." To be an "eligible employee," an employee must:

- 1) have been employed by the Company for at least 12 months (which need not be consecutive);

- 2) have been employed by the Company for at least 1,250 hours of service during the 12-month period immediately preceding the commencement of the leave; and
- 3) be employed at a worksite where 50 or more employees are located within 75 miles of the worksite.

## **II. Entitlements**

The FMLA provides eligible employees with a right to leave, health insurance benefits and, with some limited exceptions, job restoration. The FMLA also entitles employees to certain written notices concerning their potential eligibility for and designation of FMLA leave.

### **A. Basic FMLA Leave Entitlement:**

The FMLA provides eligible employees up to 12 workweeks of unpaid leave for certain family and medical reasons during a 12-month period. The 12-month period is determined based on a 12-month period measured forward from the start date of the employee's first FMLA leave. Leave may be taken for any one, or for a combination, of the following reasons:

- To care for the employee's child after birth or placement for adoption or foster care;
- To care for the employee's spouse (including partner in a civil union or a domestic partner if required by state), son, daughter, or parent (but not in-law) who has a **serious health condition**.
- For the employee's own serious health condition (including any period of incapacity due to pregnancy, prenatal medical care, or childbirth) that makes the employee unable to perform one or more of the essential functions of the employee's job; and/or
- Because of any **qualifying exigency** arising out of the fact that an employee's spouse, son, daughter or parent is a covered military member on covered active duty or called to covered active-duty status (or has been notified of an impending call or order to active duty) in the Reserves component of the Armed Forces in support of contingency operation or Regular Armed Forces for deployment to a foreign country. This leave also is available for family members of active-duty service members.

A **serious health condition** is an illness, injury, impairment or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a

period of incapacity of more than three (3) consecutive calendar days combined with at least two (2) visits to a health care provider or one (1) visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

**Qualifying exigencies** may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, caring for parents of the military member of covered active duty, and attending post-deployment reintegration briefings.

#### **B. Additional Military Family Leave Entitlement (Injured Service Member Leave)**

In addition to the basic FMLA leave entitlement discussed above, an eligible employee who is the spouse, son, daughter, parent or next of kin of a **covered servicemember** is entitled to take up 26 weeks of leave during a single 12-month period to care for the servicemember with a serious injury or illness. Leave to care for a service member shall only be available during a single 12-month period and, when combined with other FMLA-qualifying leave, may not exceed 26 weeks during the single 12- month period. The single 12-month period begins on the first day an eligible employee takes leave to care for the injured service member.

A “**covered servicemember**” means a member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status or is on the temporary retired list, for a serious injury or illness. These individuals are referred to in this policy as “current members of the Armed Forces.”

**Covered Servicemember** also includes a veteran who is discharged or released from military services under condition other than dishonorable at any time during the five years preceding the date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation or therapy for a serious injury or illness These individuals are referred to in the policy as “covered veterans.”

The FMLA definitions of a “serious injury or illness” for current Armed Forces members and covered veterans are distinct from the FMLA definition of “serious health condition” applicable to FMLA leave to care for a covered family member.

### **C. Intermittent Leave and Reduced Leave Schedules**

FMLA leave usually will be taken for a period of consecutive days, weeks, or months. However, employees also are entitled to take FMLA leave intermittently or on a reduced leave schedule when medically necessary due to a serious health condition of the employee or covered family member or the serious injury or illness of a covered servicemember.

### **D. No Work While on Leave**

The taking of another job while on family/medical leave or any other authorized leave of absence is grounds for immediate termination, to the extent permitted by law.

### **E. Protection of Group Health Insurance Benefits**

During FMLA leave, eligible employees are entitled to receive group health plan coverage on the same terms and conditions as if they had continued to work.

### **F. Restoration of Employment and Benefits**

At the end of FMLA leave, subject to some exceptions including situations where job restoration of "key employees" will cause the Company substantial and grievous economic injury, employees generally have a right to return to the same or equivalent positions with equivalent pay, benefits, and other employment terms. The Company will notify employees if they qualify as "key employees," if it intends to deny reinstatement, and of their rights in such instances. Use of FMLA leave will not result in the loss of any employment benefit that accumulated prior to the start of an eligible employee's FMLA leave.

### **G. Notice of Eligibility for, and Designation of, FMLA Leave**

Employees requesting FMLA leave are entitled to receive written notice from the Company telling them whether they are eligible for FMLA leave and, if not eligible, the reasons why they are not eligible. When eligible for FMLA leave, employees are entitled to receive written notice of 1) their rights and responsibilities in connection with such leave; 2) the Company's designation of leave as FMLA-qualifying or non-qualifying, and if not FMLA-qualifying, the reasons why; and 3) the amount of leave, if known, that will be counted against the employee's leave entitlement.

The Company may retroactively designate leave as FMLA leave with appropriate written notice to employees provided the Company's failure to designate leave as FMLA-qualifying at an earlier date did not cause harm or injury to the employee. In all cases where leaves qualify for FMLA protection,

The Company and employee can mutually agree that leave be retroactively designated as FMLA leave.

### **III. Eligibility**

#### **A. Provide Notice of the Need for Leave**

Employees who take FMLA leave must timely notify the Company of their need for FMLA leave. The following describes the content and timing of such employee notices.

##### **1. Content of Employee Notice**

To trigger FMLA leave protections, employees must inform the HR Director of the need for FMLA- qualifying leave and the anticipated timing and duration of the leave, if known.

Employees may do this by either requesting FMLA leave specifically, or explaining the reasons for leave so as to allow the Company to determine that the leave is FMLA-qualifying. For example, employees might explain that:

- A medical condition renders them unable to perform the functions of their job.
- They are pregnant or have been hospitalized overnight.
- They or a covered family member are under the continuing care of a healthcare provider;
- The leave is due to a qualifying exigency cause by a covered military member being on active duty or called to active-duty status; or
- If the leave is for a family member, that the condition renders the family member unable to perform daily activities or that the family member is a covered service member with a serious injury or illness.

Calling in “sick,” without providing the reasons for the needed leave, will not be considered sufficient notice for FMLA leave under this policy. Employees must respond to the Company’s questions to determine if absences are potentially FMLA-qualifying.

If employees fail to explain the reasons for FMLA leave, the leave may be denied. When employees seek leave due to FMLA-qualifying reasons for which the Company has previously provided FMLA-protected leave, they must specifically reference the qualifying reason for the leave or the need for FMLA leave.

## **2. Timing of Employee Notice**

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days’ notice is not possible, or the approximate timing of the need for leave is not foreseeable, employees must provide the Company notice of the need for leave as soon as practicable under the facts and circumstances of the particular case, and generally must comply with Capriotti’s normal call-in procedures. Employees who fail to give 30 days’ notice for foreseeable leave without a reasonable excuse for the delay, or otherwise fail to satisfy FMLA notice obligations, may have FMLA leave delayed or denied.

## **B. Cooperate in the Scheduling of Planned Medical Treatment (Including Accepting Transfers to Alternative Positions) and Intermittent Leave or Reduced Leave Schedules**

When planning medical treatment, employees must consult with the Company and make a reasonable effort to schedule treatment so as not to unduly disrupt the Company’s operations, subject to the approval of an employee’s health care provider. Employees must consult with the Company prior to the scheduling of treatment to work out a treatment schedule that best suits the needs of both the Company and the employees, subject to the approval of an employee’s health care provider. If employees providing notice of the need to take FMLA leave on an intermittent basis for planned medical treatment neglect to fulfill this obligation, the Company may require employees to attempt to make such arrangements, subject to the approval of the employee’s health care provider.

When employees take intermittent or reduced work schedule leave for foreseeable planned medical treatment for the employee or a family member, including during a period of recovery from a serious health condition or to care for a covered service member,

the Company may temporarily transfer employees, during the period that the intermittent or reduced leave schedules are required, to alternative positions with equivalent pay and benefits for which the employees are qualified and which better accommodate recurring periods of leave.

When employees seek intermittent leave or a reduced leave schedule for reasons unrelated to the planning of medical treatment, upon request, employees must advise the Company of the reason why such leave is medically necessary. In such instances, the Company and employee shall attempt to work out a leave schedule that meets the employee's needs without unduly disrupting the Company's operations, subject to the approval of the employee's health care provider.

### **C. Submit Medical Certifications Supporting Need for FMLA Leave (Unrelated to Requests for Military Family Leave)**

Depending on the nature of FMLA leave sought, employees may be required to submit medical certifications supporting their need for FMLA-qualifying leave. As described below, there generally are three (3) types of FMLA medical certifications: an **initial certification**, a **recertification**, and a **return to work/fitness for duty certification**.

It is the employee's responsibility to provide the Company with timely, complete, and sufficient medical certifications. Whenever the Company requests employees to provide FMLA medical certifications, employees must provide the requested certifications within 15 calendar days after the Company's request, unless it is not practicable to do so despite an employee's diligent, good faith efforts. The Company shall inform employees if submitted medical certifications are incomplete or insufficient and provide employees at least seven (7) calendar days to cure deficiencies. The Company will deny FMLA leave to employees who fail to timely cure deficiencies or otherwise fail to timely submit requested medical certifications.

With the employee's permission, the Company (through individuals other than an employee's direct supervisor) may contact the employee's health care provider to authenticate or clarify completed and sufficient medical certifications. If employees choose not to provide the Company with authorization allowing it to clarify or authenticate certifications with health care providers, the Company may deny FMLA leave if certifications are unclear.

Whenever the Company deems it appropriate to do so, it may waive its right to receive timely, complete and/or sufficient FMLA medical certifications.

## **1. Initial Medical Certifications**

Employees requesting leave because of their own, or a covered relation's, serious health condition, or to care for a covered service member, must supply medical certification supporting the need for such leave from their health care provider or, if applicable, the health care provider of their covered family or service member. If employees provide at least 30 days' notice of medical leave, they should submit the medical certification before leave begins. A new initial medical certification will be required on an annual basis for serious medical conditions lasting beyond a single leave year.

If the Company has reason to doubt initial medical certifications, it may require employees to obtain a second opinion at the Company's expense. If the opinions of the initial and second health care providers differ, the Company may, at its expense, require employees to obtain a third, final and binding certification from a health care provider designated or approved jointly by the Company and the employee.

## **2. Medical Recertification**

Depending on the circumstances and duration of FMLA leave, the Company may require employees to provide recertification of medical conditions giving rise to the need for leave. The Company will notify employees if recertification is required and will give employees at least 15 calendar days to provide medical recertification.

## **3. Return to Work/Fitness for Duty Medical Certifications**

Unless notified that providing such certifications is not necessary, employees returning to work from FMLA leaves that were taken because of their own serious health conditions that made them unable to perform their jobs must provide the Company medical certification confirming they are able to return to work and the employees' ability to perform the essential functions of the employees' position, with or without reasonable accommodation. The Company may delay and/or deny job restoration until employees provide return to work/fitness for duty certifications.

## **D. Submit Certifications Supporting Need for Military Family Leave**

Upon request, the first-time employees seek leave due to qualifying exigencies arising out of the active duty or call to active-duty status of a covered military member, the Company may require employees to provide:

- 1) a copy of the covered military member's active duty orders or other documentation issued by the military indicating the covered military member is on active duty or call to active-duty status and the dates of the covered military member's active-duty service; and

2) a certification from the employee setting forth information concerning the nature of the qualifying exigency for which leave is requested. Employees shall provide a copy of new active-duty orders or other documentation issued by the military for leaves arising out of qualifying exigencies arising out of a different active duty or call to active-duty status of the same or a different covered military member.

When leave is taken to care for a covered service member with a serious injury or illness, the Company may require employees to obtain certifications completed by an authorized health care provider of the covered service member. In addition, and in accordance with the FMLA regulations, the Company may request that the certification submitted by employees set forth additional information provided by the employee and/or the covered service member confirming entitlement to such leave.

#### **E. Substitute Paid Leave for Unpaid FMLA Leave**

Employees may use accumulated paid time while taking unpaid FMLA leave. Vacation does not accumulate while an employee is on FMLA.

The substitution of paid time for unpaid FMLA leave time does not extend the length of FMLA leave and the paid time will run concurrently with an employee's FMLA entitlement.

Leaves of absence taken in connection with a disability leave plan or workers' compensation injury/illness shall run concurrently with any FMLA leave entitlement.

Upon written request, the Company will allow employees to use accumulated paid time to supplement any paid disability benefits.

#### **E. Pay Employee's Share of Health Insurance Premiums**

During FMLA leave, employees are entitled to continued group health plan coverage under the same conditions as if they had continued to work. Unless the Company notifies employees of other arrangements, whenever employees are receiving pay from the Company during FMLA leave, the Company will deduct the employee portion of the group health plan premium from the employee's paycheck in the same manner as if the employee was actively working.

If FMLA leave is unpaid, employees must pay 100% of the employee portion of the group health premium through a prepaid method.

The Company's obligation to maintain health care coverage ceases if an employee's premium payment is more than 90 days late. If an employee's payment is more than 15 days late, the Company will send a letter notifying the employee that coverage will be dropped on a specified date unless the co-payment is received before that date. If employees do not return to work 90 calendar days at the end of the leave period (unless employees cannot return to work because of a serious health condition or other circumstances beyond their control), they will be required to reimburse the Company for the cost of the premiums the Company paid for maintaining coverage during their unpaid FMLA leave.

#### **IV. Exemption for Highly Compensated Employees**

The Company may choose not to return highly compensated employees (highest paid 10% of employees at a worksite or within 75 miles of that worksite) to their former or equivalent positions following a leave if restoration of employment will cause substantial economic injury to the Company. (This fact-specific determination will be made by the Company on a case-by-case basis.) The Company will notify you if you qualify as a "highly compensated" employee, if the Company intends to deny reinstatement, and of your rights in such instances.

#### **V. Questions and/or Complaints about FMLA Leave**

If you have questions regarding this FMLA policy, please contact the HR Director. The Company is committed to complying with the FMLA and, whenever necessary, shall interpret and apply this policy in a manner consistent with FMLA.

The FMLA makes it unlawful for employers to: 1) interfere with, restrain, or deny the exercise of any right provided under FMLA; or 2) discharge or discriminate against any person for opposing any practice made unlawful by FMLA or involvement in any proceeding under or relating to FMLA. If employees believe their FMLA rights have been violated, they should contact the Human Resources Department immediately. The Company will investigate any FMLA complaints and take prompt and appropriate remedial action to address and/or remedy any FMLA violation. Employees also may file FMLA complaints with the United States Department of Labor or may bring private lawsuits alleging FMLA violations.

#### **VI. Coordination of FMLA Leave with Other Leave Policies**

The FMLA does not affect any federal, state, or local law prohibiting discrimination, or supersede any state or local law that provides greater family or medical leave rights.

For additional information concerning leave entitlements and obligations that might arise when FMLA leave is either not available or exhausted, please consult the Company's other leave policies in this Handbook or contact Human Resources.

## **4-5 / Domestic Violence and Sexual Assault Leave**

In accordance with applicable law, we grant eligible employees who are the victims, or whose family or household member is a victim, of domestic violence or sexual assault a reasonable, intermittent or reduced schedule unpaid leave of absence to obtain medical treatment, counseling or assistance related to the domestic violence or sexual assault act, to participate in court proceedings related to the domestic violence or sexual assault act, or to establish a safety plan. Leave is not available to the alleged perpetrator of the domestic violence or sexual assault.

An eligible employee is entitled to 160 hours of leave in one 12-month period. After taking any hours of leave upon the occurrence of the domestic violence or sexual assault action, the employee must give a minimum of 48 hours advance notice of the need to use additional hours.

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

- Police report identifying the victim and identifying domestic violence or sexual assault.
- Court order protecting or separating the employee from the perpetrator of an act of domestic violence or sexual assault, or other evidence from the court or prosecuting attorney.
- Documentation from a medical professional, domestic violence or sexual assault advocate, health care provider, or counselor that the employee is undergoing treatment for physical or mental injuries or abuse or is otherwise qualified for leave.

## **4-6 / Parental Involvement Leave**

In accordance with applicable state law, employees who are the parent, guardian or custodian of a child enrolled in school are entitled to 4 hours of unpaid leave per school year for each child. The leave must be taken in at least one-hour increments to:

- Attend parent-teacher conferences;
- Attend school-related activities during regular school hours;
- Volunteer or otherwise be involved at the school in which the child is enrolled during regular school hours; and
- Attend school-sponsored events.

The leave must be taken at a time mutually agreed upon by the Company and the employee. The employee must provide a written request for the leave at least 5 school days before the leave is taken and provide documentation to his/her supervisor that the employee attended or was otherwise involved at the school or school-related activity as set forth above.



## Section 5 - General Standards of Conduct

### 5-1 / Workplace Conduct

Capriotti's endeavors to maintain a positive work environment. Each employee plays a role in fostering this environment. Accordingly, we all must abide by certain rules of conduct, based on honesty, common sense, and fair play.

Because everyone may not have the same idea about proper workplace conduct, it is helpful to adopt and enforce rules all can follow. Unacceptable conduct may subject the offender to disciplinary action, up to and including immediate termination, in the Company's sole discretion. The following are examples of some, but not all, conduct which can be considered unacceptable:

1. Obtaining employment on the basis of knowingly false information.
2. Stealing, removing, or defacing Company property or a co-worker's property.
3. Completing another employee's time records.
4. Dishonesty.
5. Violation of safety rules and policies.
6. Violation of Capriotti's Drug and Alcohol-Free Workplace Policy.
7. Fighting, threatening, or other violations of Capriotti's Workplace Violence Policy.
8. Insubordination or disobedience of a lawful Management directive.
9. Violation of the Punctuality and Attendance Policy, including but not limited to irregular attendance, habitual lateness, or unexcused absences.
10. Gambling on Company property.
11. Leaving Company property during working time without Management's permission.
12. Willful or careless destruction or damage to Company assets or to the equipment or possessions of another employee.

13. Wasting work materials.
14. Performing work of a personal nature during working time. "Working time" is defined as any time when an employee is engaged in or required to be performing work tasks. "Working time" excludes times when employees are properly not engaged in performing work tasks, such as during meal or break times.
15. Violation of the Solicitation and Distribution Policy.
16. Violation of Capriotti's Harassment or Equal Employment Opportunity Policies.
17. Violation of the Communication and Computer Systems Policy.
18. Unsatisfactory job performance.
19. Any other violation of Company policy.

Obviously, not every type of misconduct can be listed. Note that all employees are employed at-will, and Capriotti's reserves the right to impose whatever discipline it chooses, or none at all, in a particular instance. The Company will deal with each situation individually and nothing in this Handbook should be construed as a promise of specific treatment in a given situation. However, Capriotti's will endeavor to utilize progressive discipline but reserves the right in its sole discretion to terminate an employee at any time for any reason.

Nothing in this handbook, including the observance of the above work rules and examples of misconduct, are intended to preclude or dissuade employees from engaging in activities protected by state or federal law, including the National Labor Relations Act, and do not prohibit employees from addressing their terms and conditions of employment. The intent behind these rules and your required observance of them is to help to ensure that our workplace remains a safe and desirable place to work.

## **5-2 / Punctuality and Attendance**

You were hired to perform an important function at Capriotti's. As with any group effort, operating effectively takes cooperation and commitment from everyone. Therefore, your attendance and punctuality are very important. Unnecessary absences and lateness are expensive, disruptive and place an unfair burden on your fellow employees and your supervisors. We expect excellent attendance from each of you. Absent a valid justification, excessive absenteeism or tardiness will result in disciplinary action up to and including immediate termination.

We do recognize, however, that there are times when absences and tardiness cannot be avoided. In such cases, you are expected to notify your supervisor as early as possible, but no later than the start of your workday provided you are physically able to do so. Asking another employee, friend or relative to give this notice is improper and constitutes grounds for disciplinary action. Please call, text, or email both your supervisor and HR, stating the nature of your absence and its expected duration, every day that you are absent. If you are absent for more than two (2) days due to an illness or injury, you will be required to provide a doctor's release before you will be permitted to return to work.

Unreported absences of three (3) consecutive workdays generally will be considered job abandonment and will be processed as a voluntary resignation of your employment with the Company.

**Absences not covered by vacation time or other paid benefits will be unpaid to the extent permissible by law.**

### **5-3 / Use of Communication and Computer Systems**

Capriotti's communication and computer systems are intended for business purposes and during working time; however limited personal usage is permitted if it does not hinder performance of job duties or violate any other Company policy. This includes voicemail, e-mail and Internet systems. Users have no legitimate expectation of privacy in regard to their use of the systems. To protect Capriotti's and its employees, it is the Company's policy to restrict the use of all IT resources and communications systems as described below. Each user is responsible for using these resources and systems in a productive, ethical and lawful manner.

Capriotti's may access the telephone, voice mail, and e-mail systems and obtain the communications within the systems, including past voice mail and e-mail messages, without notice to users of the system, in the ordinary course of business when the Company deems it appropriate to do so. The reasons for which the Company may obtain such access include, but are not limited to: maintaining the system; preventing or investigating allegations of system abuse or misuse; assuring compliance with software copyright laws; complying with legal and regulatory requests for information; ensuring that Company operations continue appropriately during an employee's absence; monitoring and reconciling customer service issues; and monitoring employee performance.

Further, Capriotti's may review Internet usage to ensure that such use with Company property, or communications sent via the Internet with Company property, are appropriate.

The reasons for which the Company may review employees' use of the Internet with Company property include, but are not limited to: maintaining the system; preventing or investigating allegations of system abuse or misuse; assuring compliance with software copyright laws; complying with legal and regulatory requests for information; ensuring that Company operations continue appropriately during an employee's absence; monitoring and reconciling customer service issues; and monitoring employee performance.

The Company may store electronic communications for a period of time after the communication is created. From time to time, copies of communications may be deleted.

The Company's policies prohibiting harassment, in their entirety, apply to the use of the Company's communication and computer systems. No one may use any communication or computer system in a manner that may be construed by others as harassing or offensive based on race, national origin, sex, sexual orientation, age, disability, religious beliefs, or any other characteristic protected by federal, state, or local law.

Since the Company's communication and computer systems are intended for business use, these systems may not be used to solicit for religious or political causes or outside organizations.

Further, since the Company's communication and computer systems are intended for business use, all employees, upon request, must inform Management of any private access codes or passwords.

Unauthorized duplication of copyrighted computer software violates the law and is strictly prohibited.

Passwords are a critical part of information and network security. Passwords serve to protect user accounts, but a poorly chosen password, if compromised, could put the entire network at risk. As a result, all employees of Capriotti's are required to take appropriate steps to ensure that they create strong, secure passwords, and keep them safeguarded at all times.

No employee may access, or attempt to obtain access to, another employee's computer systems without appropriate authorization.

Nothing in this policy prohibits or otherwise restricts employees from engaging in concerted activity for the purposes of mutual aid or protection, including the right to voluntarily discuss terms and conditions of employment with one another and/or others.

Violators of this policy may be subject to disciplinary action, up to and including immediate termination.

## 5-4 / Electronic Monitoring and Video Surveillance

At Capriotti's, it is our goal to provide a safe, productive work environment. In order to further this objective, the Company may utilize a video surveillance system to monitor work-related areas as deemed necessary.

The purpose of this policy is to provide guidelines for the use of surveillance on Company property in a way that enhances safety, security, and productivity without violating employees' and guests' expectation of reasonable privacy. The policy is intended to formalize procedures for the installation, monitoring, storage, dissemination, and destruction of surveillance records.

The existence of this policy does not imply guarantee that cameras will be monitored in real time twenty-four hours a day, seven days a week.

### ◊ Overview

The purpose of video surveillance at Capriotti's is three-fold: First, to promote a safe environment by deterring acts of harassment or assault; second, to deter theft of Company and Client resources and to assist in the identification of individuals who commit or assist with such theft; and third, to monitor employee performance for optimum productivity and effectiveness.

Video monitoring will be conducted in a professional, ethical, and legal manner. Personnel involved in active video monitoring will be appropriately trained and continuously supervised in the responsible use of technology. Violations of procedures for video monitoring referenced in this policy will result in appropriate disciplinary action.

### ◊ Monitoring

Video monitoring is limited to public areas where individuals would not have a reasonable expectation of privacy. These areas can be openly observed, such as lobbies, hallways, and conference rooms.

Employee offices may also be observed in areas where monetary transactions occur or where the use of video monitoring is needed to safeguard money or supplies from theft, destruction, or tampering. Office monitoring may also be appropriate if onsite management is not available for remote facilities.

In respect of personal privacy, areas where an individual may have an expectation of privacy will not be monitored. This includes any area in which an individual may change clothing, such as a restroom.

Monitoring of areas for security purposes will be conducted in a manner that is professional, ethical, legal, and consistent with existing Company policies including, but not limited to, those governing sexual harassment and equal employment opportunity. Camera monitors will observe based on suspicious behavior, not individual characteristics. Monitoring individuals based on a person's race, gender, national origin, disability, or other protected characteristic is strictly prohibited.

#### ◊ **Access**

Video surveillance monitors will be located in controlled-access areas and will not be viewable by unauthorized persons. No unapproved employee may monitor or view video or camera images for any reason except as necessary in the course of an investigation or adjudication. In addition, the Company will take reasonable security precautions to prevent unauthorized access to, use or disclosure of data monitored or recorded by any Company surveillance system.

Access to video surveillance monitors will be limited to Company management. They will have access to monitor all cameras at all times, regardless of location.

Audio recordings will be used as authorized by state and federal regulations and with specific approval by legal counsel or law enforcement.

#### ◊ **Storage**

Recorded media will be stored in a manner that preserves security. Further, recorded images not related to or used for an investigation will be kept confidential and destroyed on a regular basis.

Surveillance records will be stored in a secure location with access limited to authorized personnel only.

#### ◊ **Destruction**

Generally, video surveillance records will be stored for a period of not less than thirty (30) days, after which they will be promptly erased, unless retained as a part of a criminal investigation, court proceedings (criminal and civil), or other bona fide use.

Any person who tampers with or destroys a video surveillance camera or any part of the video surveillance system will be subject to appropriate disciplinary action up to and including termination, as well as possible criminal charges.

## 5-5 / Use of social media

### ◊ Computer Use

- ▲ Access to computer systems, including Internet access and email, is provided for business purposes. Limited use of computer systems for personal reasons is acceptable. Personal use may not:
  - Interfere with your productivity at work.
  - Consume system resources or storage capacity on an ongoing basis.
  - Involve large file transfers or otherwise deplete system resources available for business purposes.
- ▲ You may not install any hardware or unlicensed software that was not purchased by CSSI Technology Services. All software or hardware requests must be routed via Technology Services for IT evaluation and approval.
- ▲ Only authorized applications will be installed on company owned equipment and will only be installed by an assigned member of Technology Services.
- ▲ Unlicensed software is not allowed on any company owned devices.

### ◊ Passwords

- ▲ You are responsible for all activities performed under all your user ID's and passwords.
- ▲ Passwords to Company IT resources are intended to restrict access within the Company and protect Company information. It is imperative that employees safeguard their passwords.
- ▲ Never disclose your password(s) to anyone, including any coworkers or members of Technology Services.

- ▲ Passwords must be unique and meet complex requirements. Common passwords like your name, spouse's name, phone numbers or simple dictionary words may not be used.
- ▲ Immediately change your password(s) if you suspect its confidentiality has been violated and report the incident to your supervisor and Technology Services immediately.
- ▲ All passwords should be changed every 90 days to prevent unauthorized access.

## ◊ **Systems Security**

- ▲ Lock your computer or log off when you leave your workstation unless you can be assured that unauthorized use will not occur.
- ▲ Ensure that sensitive data leaving the company is properly protected with encryption or other secure means.
- ▲ Downloading information from any CSSI system into any non-CSSI computer without proper authorization and security measures is strictly prohibited.
- ▲ Comply with all established security controls that are necessary to prevent unauthorized disclosure, modification, or destruction of information.
- ▲ Employees may not move, dispose of, or remove from the premises any equipment unless the action has been explicitly authorized by the Chief Technology Officer or the Chief Financial Officer.
- ▲ Immediately report known or suspected security violations or system weaknesses to Technology Management.
- ▲ Immediately notify Technology Management if you suspect your account or sensitive data has been compromised.

## ◊ **Removable Media**

- ▲ It is against company policy to use any removable media for a use that has not been approved in writing by Technology Services
- ▲ Removable media, as defined in this policy, are transportable objects or devices that can be used to transfer electronic data to or from CSSI equipment. Examples of removable media include, but are not limited to floppy disks, CD/DVDs, micro drives, USB flash drives, digital cameras, MP3 players, mobile phones, removable portable hard drives, and magnetic tapes/cartridges.

- ▲ All employees must not attempt to upload unapproved software or material to CSSI computer systems via removable media devices. If you believe you have a legitimate business need for removable media, a justified request for removable media access must be submitted.
  - Employees with removable media access are personally responsible for the protection of the electronic data contained on the removable media. Approved employees shall not disclose the data to unauthorized parties.
  - Must take proper measures to secure the data via password and encryption methods.
  - Must maintain physical security of the removable device including not leaving unattended at all times.

## ❖ Email

- ▲ You are expected to use Email in a responsible, productive manner and will be held accountable for the content of all text, audio, or visual images sent within CSSI email via Gmail.
- ▲ Misuse of corporate and Internet Email includes sending or forwarding:
  - Sexually explicit images, messages, or cartoons.
  - Ethnic slurs, racial epithets, or anything that may be construed as harassment or disparagement of others based on their race, national origin, sex, sexual orientation, age, disability, religious, or political beliefs.
  - Messages in violation of any law.
  - Information in violation of the company's confidentiality policy.
  - Communications with Company legal counsel, except as necessary for business purposes to avoid waiving any legal privilege.
- ▲ Immediately delete any inappropriate email you may receive and, if you know the sender, advise the sender to stop sending email in violation of company policy.
- ▲ To protect against computer viruses, Employees may not open any received, unexpected, attached files even if they are from a trusted sender. Reply to the sender and ask them to verify the attachment before opening.

## ❖ Internet Access

- ▲ Access to the Internet can be used for **specific business purposes**. Internet access includes, but is not limited to web browsing, E-mail (including web-based E-mail), instant messaging, file transfers, and streaming audio or video.
- ▲ All employees requiring Internet access must be approved via the approval process.
- ▲ Unless approved as above, access to web-based Internet Email portals other than Gmail should be used minimally in order to prevent viruses from entering the corporate environment through email attachments, and to prevent sensitive data from leaving the company in anonymous email attachments.
- ▲ If you have approved Internet access, you are expected to use it in a responsible, productive manner and will be held accountable for all activity conducted under your username/password.
- ▲ By accessing the Internet, you are expected to use it in a responsible, productive manner and will be held accountable for all activity conducted on your device. The following must be observed:
  - Only visit Internet sites which have a legitimate business purpose.
  - ▲ Downloading of any computer software is strictly prohibited unless approved by Technology Services Management.
  - ▲ Never provide business or personal data to third parties via the internet.
  - ▲ Offensive and graphic content such as sexually explicit internet sites must not be accessed.
  - ▲ Where material is obtained from the Internet, ensure that any copyright restrictions are obeyed.
  - ▲ Where material we own is published, ensure that it carries our copyright marks.
    - Downloading, installing, copying, or distributing any software not licensed, purchased, or maintained by Technology Services or the company.
    - Monitoring or intercepting the files or electronic communications of employees or third parties
    - Obtaining unauthorized access to any computer systems
    - Attempting to test, circumvent, or defeat security or auditing systems of CSSI or any other organization without prior authorization.
    - Purporting to represent the company or speak on behalf of the Company without specific authorization from [insert position authorized to speak on behalf of the Company].

- ▲ Occasional, limited access to the Internet for personal use is allowed, subject to the following restrictions:

- The employee limits such use to personal times only.
- No access for entertainment purposes
- No access to CHAT rooms, forums, or external instant messaging.
- No downloading of files, such as programs, music, video, pictures, etc.
- No monitoring or intercepting the files or electronic communications of employees or third parties.
- No attempts to test, circumvent, or defeat security or auditing systems of the organization without prior authorization.
- Using the internet to gain unauthorized access to any computer system.
- No access to offensive or sexually explicit material
- The employees' work productivity is not affected.

- ▲ Following these guidelines, use of the internet for such activities as banking, booking flights, etc. would be acceptable. Playing games, downloading music, etc. would not be acceptable.

- ▲ Complimentary Wi-Fi access is available.

- ▲ The use of this network should not violate international or local laws, including the sending or receiving of pornography, harmful material, or illegally obtained copyright material.

- ▲ CSSI does not accept liability or responsibility for the security of your device or data. Please do not transmit sensitive data such as credit card numbers using this network as it is not encrypted.

## ◆ Mobile Devices

- ▲ All company data on personal devices is owned by CSSI. CSSI reserves the right to perform a "wipe" of all of all data on the device if the device is compromised, lost, or stolen at its sole discretion. In the event that the phone is wiped, it may result in some loss of personal data and settings.
- ▲ Any hacking of the device's operating system (jailbreaking) or any unauthorized software modifications to the personal device is strictly prohibited as it could compromise the security of CSSI data.
- ▲ CSSI requires that you securely erase your device of all company data if you sell or dispose of your device. If required, Technology Services personnel will assist.
- ▲ CSSI does not accept responsibility for repairs, service, data, or roaming charges of any personal device.

## ◆ **Rights & Responsibilities**

- ▲ CSSI has the right to monitor, audit and inspect all computers, Email, and data-retrieval equipment. The company may retrieve and copy all entries made into your computer, Email, or data retrieval equipment, including all memory and storage systems, whether password protected or not.
- ▲ Email and Internet access are not private. Information that you enter into the company's computer systems is the property of CSSI and may be used for any purpose that management determines is appropriate.
- ▲ Additions or revisions to technology policies will be communicated to employees. You are expected to be aware of and comply with all changes.
- ▲ Violations of this policy will result in disciplinary action, up to and including termination, and if appropriate, civil or criminal prosecution.

## **5-6 / Inspections**

Theft from clients, visitors, other employees, or the Company is unacceptable. Capriotti's reserves the right to require employees while on Company property, or on client property, to agree to the inspection of their persons, personal possessions and property, personal vehicles parked on Company or client property, and work areas to the extent allowed by applicable law. This includes lockers, vehicles, desks, cabinets, workstations, packages, handbags, briefcases and other personal possessions or places of concealment, as well as personal mail sent to the Company or to its clients. Employees are expected to cooperate in the conduct of any search or inspection. Any employee who refuses to submit to a search under this policy, or who is found in possession of stolen property, will be subject to disciplinary action, up to and including termination:

## **5-7 / Inspections**

Smoking is permitted in the designated areas only, which includes the parking lot.

## **5-8 / Personal Visits and Telephone Calls**

Disruptions during working time can lead to errors and delays. Therefore, we ask that personal telephone calls be kept to a minimum and only be made or received after working time or during lunch or break time.

Incidental and occasional personal use of company computers, phones, or electronic mail and voice mail systems is permitted, but information and messages stored in these systems will be treated no differently from other business-related information and messages.

For safety and security reasons, employees are asked to limit personal guest visits. When guests do visit, employees must accompany them anywhere in our facilities other than the reception areas.

Employees are responsible for the conduct of their guests at all times while on Company property.

## **5-9 / Solicitation and Distribution**

Capriotti's has established rules to govern employee solicitation and distribution of written materials. Those rules are designed to maintain and promote safe and efficient operations, a clutter-free workplace, and minimize non-work-related activities that could interfere with customer satisfaction, product quality, and teamwork. This policy is not intended to restrict communications or actions protected by state or federal law.

Employees may not solicit other employees during working time, distribute literature during working time, or distribute literature at any time in working areas. "Working time" is defined as any time in which either the person doing the solicitation (or distribution) or the person being solicited (or to who non-business literature is being distributed) is engaged in or required to be performing work tasks. Working time excludes times when employees are properly not engaged in performing work tasks, such as during meal or break times.

## **5-10 / Confidential Company Information**

During the course of work, an employee may become aware of confidential information about Capriotti's business, including but not limited to information regarding Company finances (such as Company revenues, costs, balance sheets, income statements etc.), pricing, products and new product development, software and computer programs, marketing strategies, suppliers, customers and potential customers. An employee also may become aware of similar confidential information belonging to the Company's clients. It is extremely important that all such information remain confidential, and particularly not be disclosed to our competitors. Any employee who improperly copies, removes (whether physically or electronically), uses or discloses confidential information to anyone outside of the Company may be subject to disciplinary action up to and including immediate termination. Employees will be required to sign an agreement reiterating these obligations.

## 5-11 / Conflict of Interest and Business Ethics

We have high ethical standards concerning our relationships with employees, clients, vendors, and the general public. With this in mind, you should recognize your responsibility to avoid any conflict between your personal interests and those of the Company. A conflict of interest occurs when your personal interests interfere – or appear to interfere – with your ability to make sound business decisions on behalf of Capriotti's. There are some common relationships or circumstances that can create, or give the appearance of, a conflict of interest. These situations often involve gifts, favors, payments, loans, or other forms of improper benefits (for yourself or family members, friends, or significant others) from any clients, vendors, suppliers, contractors, or any business competitor of Capriotti's. These inducements may be attempts to purchase favorable treatment and can result in actual, perceived, or potential conflicts of interest. This policy is not intended to prohibit the acceptance of modest courtesies, openly given and accepted as part of the usual business amenities, for example, occasional business-related meals or promotional items of nominal or minor value. If you have any questions about whether you have a conflict of interest, or even the appearance of one, please talk to your supervisor or the HR Director immediately.

## 5-12 / Relations with Client Employees

All relationships with employees of the client should be handled on a friendly but professional basis. Excessive familiarity jeopardizes your ability to continue to maintain a professional relationship which commands respect.

Criticism of client employees must be handled very delicately. Directly criticizing the performance of a client employee to the client, or minimizing the importance of an individual's position for the client, may potentially harm the effective performance of the engagement and for that reason should not occur. If you come upon a situation in which there is substandard performance by client personnel, discuss the matter with your supervisor.

Occasionally you may encounter a situation where differences in professional or personal opinions result in a serious personality conflict between you and a client employee. If this occurs, immediately bring it to the attention of the President so that appropriate action can be taken before irreparable harm is done to the client relationship.

## **5-13 / Use of Facilities, Equipment and Property, Including Intellectual Property**

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

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

Employees also are prohibited from any unauthorized use of the Company's intellectual property, such as audio and video tapes, print materials and software.

Improper, careless, negligent, destructive, or unsafe use or operation of equipment can result in discipline, up to and including immediate termination.

Further, the Company is not responsible for any damage to employees' personal belongings.

## **5-14 / Health and Safety**

The health and safety of employees and others on Company property are of critical concern to Capriotti's. The Company intends to comply with all health and safety laws applicable to our business. To this end, we must rely upon employees to ensure that work areas are kept safe and free of hazardous conditions.

Employees are required to be conscientious about workplace safety, including proper operating methods, and recognize dangerous conditions or hazards. Any unsafe conditions or potential hazards should be reported to your supervisor immediately, even if the problem appears to be corrected. Any suspicion of a concealed danger present on the Company's premises, or in a product, facility, piece of equipment, process or business practice for which the Company is responsible should be brought to the attention of your supervisor immediately.

Periodically, the Company may issue rules and guidelines governing workplace safety and health. The Company may also issue rules and guidelines regarding the handling and disposal of hazardous substances and waste. All employees should familiarize themselves with these rules and guidelines, as strict compliance will be expected.

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Any workplace injury, accident, or illness must be reported to the HR Director as soon as possible, regardless of the severity of the injury or accident.

## **5-15 / Office Appearance**

Visitors judge us in part on the basis of the appearance of our offices. Desks and work areas which are neat and orderly convey an impression of efficiency and professionalism.

Employees must maintain a proper office appearance. Ensure all desktops are cleared or placed in proper order prior to leaving the office for any reason and at the end of the business day. Records should be stored in a tidy manner.

Employees are permitted to bring personal items in to make their offices more comfortable. This may include photos, awards, wall hangings, etc. However, items should not be sexually explicit, profane, obscene, or otherwise hazardous in nature. Any décor to be placed in plain view must be approved in advance by Human Resources. Additionally, Capriotti's may insist on removal of any items that are discovered to be in violation of this policy.

## **5-16 / Office Appearance**

Employees contribute to the corporate culture and reputation of Capriotti's in the way they present themselves. A professional appearance is essential to a favorable impression with customers, guests, and Company owners. Good grooming and appropriate dress reflect employee pride and inspire confidence on the part of such persons.

"Dressy casual" attire is appropriate for most employees although greater standards may apply in various departments and on certain days depending on work requirements and who may be visiting the office that day. Employees are encouraged to use their best judgment to "dress for your day." Managers may exercise discretion to determine appropriateness in appearance. Employees who do not meet a professional standard may be sent home to change without pay for that time off.

Some basic essentials of appropriate dress include the wearing of non-visible undergarments and the need for clothing to be neat and clean. Items that are permitted include jeans (free from holes), capris, sandals, tennis shoes, short sleeve shirts, sleeveless shirts that do not expose undergarments.

A reasonable standard of dress eliminates tight pants, holes in attire, athletic wear, lounge pants, pajamas, spaghetti strap tops, strapless tops, off-the-shoulder tops, tops exposing the midriff, or any extreme in dress, accessory, fragrance or hair. It is impossible and undesirable to define an absolute code for dress and fragrances. The Company will apply a rule of reason on a case-by-case basis.

Management may make exceptions for special occasions. Employees unsure of what is appropriate should check with their supervisor.

Employees are not permitted to wear large facial piercings or present visible tattoos on their faces. While this policy addresses general dress code practices, specific positions and departments may have greater standards. Employees should consult with their supervisor for details regarding their particular position.

Any employee who repeatedly violates this standard will be subject to discipline up to and including immediate termination.

## **5-17 / Publicity/Statements to the Media**

All media inquiries requesting the Company's position on a matter must be referred to the President or CEO. Only the President or CEO is authorized to make or approve public statements pertaining to the Company's position on a matter. No employees, unless specifically designated by the President or CEO, are authorized to make those statements. Any employee wishing to write and/or publish an article, paper, or other publication on behalf of the Company must first obtain approval from the President.

## **5-18 / Operation of Vehicles**

All employees authorized to drive Company-owned or leased vehicles or personal vehicles in conducting Company business must possess a current, valid driver's license and an acceptable driving record. An accident, a citation for D.U.I, D.W.I, or any other serious driving violation or citation (even those occurring off-duty) may create an unacceptable driving record. Any change in license status or driving record must be reported immediately.

A valid driver's license must be in your possession while operating a vehicle on or off Company property. It is the responsibility of every employee to drive safely and obey all traffic, vehicle safety, and parking laws or regulations. Drivers must demonstrate safe driving habits at all times.

For out of town car rentals, the employee is responsible for either providing coverage on the rental car through his personal insurance or purchasing the insurance coverage provided by the car rental agency. Capriotti's insurance policy does not cover employee car rentals.

Company-owned or leased vehicles may be used only as authorized by the CEO or COO.

Please refer to Section 5-5 of this Handbook for guidelines regarding Portable Communication device use while driving.

Employees who drive personal vehicles as part of their regular duties at Capriotti's will be required to establish and maintain minimum levels of insurance coverage. The requirement is that you carry minimum limits for liability of \$250,000 per person for bodily injury and \$100,000 for property damage. In addition, we prefer to be listed as a named insured on the policy. Please list Capriotti's, Inc. as the additional insured and use the address of your local office. By accepting a position requiring the use of a personal vehicle, an employee agrees (1) to maintain these conditions on any vehicle used while representing Capriotti's; (2) to provide the Company with a copy of your policy upon request; (3) to hold the Company harmless for any liability created should the employee fail to maintain adequate auto insurance while performing duties for Capriotti's.

Please see the HR Director for more information.

## **5-19 / Business Expense Reimbursement**

Employees may be reimbursed for reasonable pre-approved expenses incurred in the course of business. These expenses must be approved by your supervisor, and may include air travel, lodging, meals, cab fare, rental vehicles, or gas and car mileage for personal vehicles. Air travel and lodging should be arranged through the Travel Coordinator, or designee, at least one week prior to travel. All expenses incurred should be submitted along with the receipts in a timely manner to your supervisor for review prior to submission to your supervisor. Failure to submit timely requests may result in denial of your reimbursement request.

Employees are expected to exercise restraint and good judgment when incurring expenses. You should contact your supervisor in advance if you have any questions about whether an expense will be reimbursed.

## **5-20 / Employment Verification Requests**

Capriotti's will respond to employment verification requests through the Capriotti's Internal HR Department. The Company will provide only general information concerning the employee such as date of hire, date of termination, and positions held. Requests for employment verification information must be in writing, and responses will be in writing. Please refer all requests for references to the HR Department.

**Only the Capriotti's Internal HR Department may provide employment verification requests.**

## **5-21 / If You Must Leave Us**

Should you decide to leave the Company, we ask that you provide the Company with at least two (2) weeks advance notice of your departure - the more time the better. Your thoughtfulness will be appreciated. Resignation letters should be submitted in writing to the HR Department.

All Company property including, but not limited to, keys, security cards, parking passes, laptop computers, etc. must be returned at separation. Employees also must return all of the Company's Confidential Information upon separation. To the extent permitted by law, employees will be required to repay the Company (through payroll deduction, if lawful) for any lost or damaged Company property.

As noted previously, all employees are employed at-will and nothing in this Handbook changes that status.

**Please refer to the Paid Time Off policy (Section 3-4) for information regarding PTO balances at the time of termination.**

## **5-22 / Exit Interview**

Employees who resign may be requested to participate in an exit interview, if possible.

## Section 6 - District of Columbia Specific Laws

(For District of Columbia employees only)

### **6-1 / Time Off for Victims of Domestic Violence, Sexual Assault, or Stalking**

Victims of domestic violence, sexual assault, or stalking may take unpaid time off work to obtain help from a court, seek medical attention, obtain services from an appropriate shelter, program, or crisis center, obtain psychological counseling, or participate in safety planning, such as permanent or temporary relocation. We may require proof of an employee's participation in these activities.

Whenever possible, you must provide your supervisor reasonable notice before taking any time off under this policy. You may use any accumulated vacation, sick, or other time off for the leave under this policy. Leave under this policy does not extend the time allowable under the "Family and Medical Leave" Policy in this Handbook.

### **6-2 / School Attendance Leave**

Eligible employees can take parental leave to attend or participate in any school-related event.

A school-related event is defined as any activity sponsored by a school or associated organization, such as a parent-teacher association, and includes:

1. a student performance, such as a concert, play, or rehearsal;
2. the sporting game or practice of a school team;
3. a meeting with a teacher or counselor; or
4. any similar type of activity that directly involves the parent's child as a participant or as a subject, but not as a spectator.
5. Willful or careless destruction or damage to Company assets or to the equipment or possessions of another employee.

Eligible employees can take up to 24 hours of school activities leave in a 12-month period.

Employees must give the Company at least 10 calendar days' advance notice of their desire to take school activities leave, unless the need for leave is not reasonably foreseeable.

In lieu of taking unpaid school activities leave, employees can substitute their accrued paid time off.

## Section 7 - Nevada State Specific Laws

(For Nevada employees only)

### 7-1 / Meal and Rest Breaks

The Company will provide a 30-minute meal period to covered employees who work eight hours a day.

The Company will relieve employees of all duties during the required meal period.

Employees will not be compensated for meal breaks because they are relieved of all work during the period and are allowed to leave the employer's premises. However, if an employee is performing work during a meal period, he must be punched in and will be compensated for the time worked (including any overtime hours accrued) through the meal period. Employees must have supervisor approval prior to working through lunch.

The Company also provides paid rest periods of 10 minutes for each four hours that an employee works. The period will be in addition to the regularly scheduled meal period. No reduction in pay will be made for rest periods.

### 7-2 / Voting Leave

The Company will provide employees who are unable to vote before or after work in accordance with state law. This time should be taken at the beginning or end of the regular work schedule, whichever allows the most free time for voting and the least time off from work.

The Company will provide one hour of paid leave if the workplace is within two miles of the polling place; two hours of paid leave if the workplace is more than two but less than 10 miles from the polling place; and three hours of paid leave if the workplace is more than 10 miles from the polling place.

Employees must apply for voting time leave before Election Day. We encourage you to plan ahead to vote early as lines are much shorter prior to Election Day.

## General Handbook Acknowledgment

This Employee Handbook is an important document intended to help you become acquainted with Capriotti's. This document is intended to provide guidelines and general descriptions only; it is not the final word in all cases. Individual circumstances may call for individual attention.

Because the Company's operations may change, the contents of this Handbook may be changed at any time, with or without notice, in an individual case or generally, at the sole discretion of Management.

Please read the following statements and sign below to indicate your receipt and acknowledgment of this Employee Handbook.

I have received and read a copy of Capriotti's Employee Handbook. I understand that the policies, rules and benefits described in it are subject to change at the sole discretion of the Company at any time.

I further understand that my employment is terminable at will, either by myself or the Company, with or without cause or notice, regardless of the length of my employment or the granting of benefits of any kind.

I understand that no contract of employment other than "at will" has been expressed or implied, and that no circumstances arising out of my employment will alter my "at will" status except an express written agreement signed by the President. I understand that my signature below indicates that I have read and understand the above statements and that I have received a copy of the Company's Employee Handbook.

Employee's Printed Name: \_\_\_\_\_ Position: \_\_\_\_\_

Employee's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*The signed original copy of this receipt should be given to Human Resources. It will be filed in your personnel file.*

## Receipt of Sexual Harassment Policy

It is Capriotti's policy to prohibit harassment of any employee by any supervisor, employee, customer or vendor on the basis of sex or gender. The purpose of this policy is not to regulate personal morality within the Company. It is to ensure that at the Company all employees are free from sexual harassment.

Examples of Capriotti's prohibited behavior includes unwelcome sexual advances, requests for sexual favors, obscene gestures, displaying sexually graphic magazines, calendars or posters, sending sexually explicit emails, text messages and other verbal or physical conduct of a sexual nature, such as uninvited touching of a sexual nature or sexually related comments. Depending upon the circumstances, improper conduct also can include sexual joking, vulgar or offensive conversation or jokes, commenting about an employee's physical appearance, conversation about your own or someone else's sex life, or teasing or other conduct directed toward a person because of his or her gender which is sufficiently severe or pervasive to create an unprofessional and hostile working environment.

If you feel that you have been subjected to conduct which violates this policy, you should immediately report the matter to your supervisor. If you are unable for any reason to contact this person, or if you have not received a satisfactory response within five (5) business days after reporting any incident of what you perceive to be harassment, please contact Human Resources or your Direct Supervisor. Every report of perceived harassment will be fully investigated, and prompt corrective action will be taken where appropriate. Violation of this policy will result in disciplinary action, up to and including immediate termination. All complaints will be kept confidential to the extent possible and as permitted by law, but confidentiality cannot be guaranteed. In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to Management or who cooperate in the investigations of such reports in accordance with this policy. Employees who make complaints in bad faith may be subject to disciplinary action, up to and including immediate termination.

I have read and I understand Capriotti's Sexual Harassment Policy.

Employee's Printed Name: \_\_\_\_\_ Position: \_\_\_\_\_

Employee's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*The signed original copy of this receipt should be given to Human Resources. It will be filed in your personnel file.*

## Receipt of Non-Harassment Policy

It is Capriotti's policy to prohibit intentional and unintentional harassment of any individual by another person on the basis of any characteristic protected by law including, but not limited to, race, creed, color, religion, alienage or national origin, ancestry, citizenship status, age, disability or handicap, genetic information, sex, pregnancy, marital status, veteran status, or sexual orientation. The purpose of this policy is not to regulate our employees' personal morality, but to ensure that in the workplace, no one engages in unlawful harassment.

If you feel that you have been subjected to conduct which violates this policy, you should immediately report the matter to the HR Director. If you are unable for any reason to contact this person, or if you have not received a satisfactory response within five (5) business days after reporting any incident of what you perceive to be harassment, please contact Human Resources or your Direct Supervisor. Every report of perceived harassment will be fully investigated, and prompt corrective action will be taken where appropriate. Violation of this policy will result in disciplinary action, up to and including immediate termination. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed. In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to Management or who cooperate in the investigations of such reports in accordance with this policy. Employees who make complaints in bad faith may be subject to disciplinary action, up to and including immediate termination.

Employee's Printed Name: \_\_\_\_\_ Position: \_\_\_\_\_

Employee's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*The signed original copy of this receipt should be given to Human Resources. It will be filed in your personnel file.*