

AGENCY LEADERSHIP RESOURCE LIBRARY

Sample Employee Handbook

First Edition



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Important Notice

This document is provided as a sample only to give you an idea of what you may want to include.

It is not a substitute for professional advice from legal, accounting, and HR professionals.

You should not use this document word-for-word without a proper review by someone familiar with all of the laws, rules, and regulations that apply to you and your agency.

EMPLOYEE HANDBOOK

Welcome to the team!

On behalf of your colleagues, welcome to [COMPANY].

We believe that each team member contributes to [COMPANY], and this handbook was developed to describe some of the expectations that [COMPANY] has of our team members. The handbook also outlines the policies, programs, and benefits available. You should familiarize yourself with the contents of the handbook as soon as possible, for it will answer many questions about employment with [COMPANY]. Please remember that the handbook is not a substitute for good management practices.

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

This handbook supersedes all previous handbooks, policies, and representations, whether oral or written, regarding the policies, programs, and benefits of [COMPANY].

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Section 1: Welcome

1.1 History, Goals & Culture

[COMPANY]'s outstanding worldwide team instinctively knows what clients require and demand. We will listen carefully to requests and needs, and provide honest and constructive responses so clients always get the best results.

Our service is unique: it demands that we focus on innovation and think on behalf of our client to identify, gather and analyze the intelligence that will ultimately shape their business decisions. At [COMPANY], we consider ourselves guardians of ethics and confidentiality. We take this responsibility seriously and remind ourselves of it during every exercise.

Every one of our team members is a human being and enjoys the dignity and respect they deserve. We make sure that every team member is treated with respect and that their needs are carefully listened to. It's the same courtesy we extend our clients. It helps our personality to shine through and helps to build a positive, productive environment.

Our corporate structure ensures continuous training and development, career advancement, profit-share schemes and community service participation. Our determination to play a larger role in our community includes participation in numerous major community service initiatives.

1.2 Purpose of this Handbook

This handbook has been prepared to inform new employees of the policies and procedures of this company and to establish the company's expectations. It is not all-inclusive or intended to provide strict interpretations of our policies; rather, it offers an overview of the work environment. This handbook is not a contract, expressed or implied, guaranteeing employment for any length of time, and is not intended to induce an employee to accept employment with the company.

The company reserves the right to unilaterally revise, suspend, revoke, terminate or change any of its policies, in whole or in part, whether described within this handbook or elsewhere, in its sole discretion. If any discrepancy between this handbook and current company policy arises, conform to current company policy. Every effort will be made to keep you informed of the company's policies, however we cannot guarantee that notice of revisions will be provided. Feel free to ask questions about any of the information within this handbook.

This handbook supersedes and replaces any and all personnel policies and manuals previously distributed, made available or applicable to employees.

1.3 At-Will Employment

Employment at this company is at-will. An at-will employment relationship can be terminated at any time, with or without reason or notice by either the employer or the employee. The at-will employment status of each employee cannot be altered by any verbal statement or alleged verbal agreement of company personnel. It can only be changed by a legally binding, written contract covering employment status. An example of this would be a written employment agreement for a specific duration of time.

Section 2: Workplace Commitments

2.1 Equal Opportunity Employment

The company is an equal opportunity employer and does not unlawfully discriminate against employees or applicants for employment on the basis of an individual's race, color, religion, creed, sex, national origin, age, disability, marital status, veteran status or any other status protected by applicable law. This policy applies to all terms, conditions and privileges of employment, including recruitment, hiring, placement, compensation, promotion, discipline and termination.

Whenever possible, the company makes reasonable accommodations for qualified individuals with disabilities to the extent required by law. Employees who would like to request a reasonable accommodation should contact Management.

2.2 Non-Harassment Policy / Non-Discrimination Policy

The company prohibits discrimination or harassment based on race, color, religion, creed, sex, national origin, age, disability, marital status, veteran status or any other status protected by applicable law. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and is free from discriminatory practices, including, without limitation, harassment. Consistent with its workplace policy of equal employment opportunity, the company prohibits and will not tolerate harassment on the basis of race, color, religion, creed, sex, national origin, age, disability, marital status, veteran status or any other status protected by applicable law. Violations of this policy will not be tolerated.

Discrimination includes, but is not limited to: making any employment decision or employment-related action on the basis of race, color, religion, creed, age, sex, disability, national origin, marital or veteran status, or any other status protected by applicable law.

Harassment is generally defined as unwelcome verbal or non-verbal conduct, based upon a person's protected characteristic, that denigrates or shows hostility or aversion toward the person because of the characteristic, and which affects the person's employment opportunities or benefits, has the purpose or effect of unreasonably interfering with the person's work performance, or has the purpose or effect of creating an intimidating, hostile or offensive working environment. Harassing conduct includes, but is not limited to: epithets; slurs or negative stereotyping; threatening, intimidating or hostile acts; or denigrating jokes and display or circulation in the workplace of written or graphic material that denigrates or shows hostility or aversion toward an individual or group based on their protected characteristic.

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors and other verbal, visual or physical conduct of a sexual nature, when:

1. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
2. submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
3. such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of sexual harassment include: unwelcome or unsolicited sexual advances; displaying sexually suggestive material; unwelcome sexual flirtations, advances or propositions; suggestive comments; verbal abuse of a sexual nature; sexually-oriented jokes; crude or vulgar language or gestures; graphic or verbal commentaries about an individual's body; display or distribution of obscene materials; physical contact such as patting, pinching or brushing against someone's body; or physical assault of a sexual nature.

Complaint Procedure:

Any company employee who feels that he or she has been harassed or discriminated against, or has witnessed or become aware of discrimination or harassment in violation of these policies, should bring the matter to the immediate attention of his or her supervisor or Management. The company will promptly investigate all allegations of discrimination and harassment, and take action as appropriate based on the outcome of the investigation. An investigation and its results will be treated as confidential to the extent feasible and permitted by law, and the company will take appropriate action based on the outcome of the investigation.

No employee will be retaliated against for making a complaint in good faith regarding a violation of these policies, or for participating in good faith in an investigation pursuant to these policies. If an employee feels he/she has been retaliated against, the employee should file a complaint using the procedures set forth above.

2.3 Drug-Free / Alcohol-Free Environment

Employees are prohibited from unlawfully consuming, distributing, possessing, selling, or using controlled substances while on duty. In addition, employees may not be under the influence of any controlled substance, such as drugs or alcohol, while at work, on company premises or engaged in company business. Prescription drugs or over-the-counter medications, taken as prescribed, are an exception to this policy.

Anyone violating this policy may be subject to disciplinary action, up to and including termination.

2.4 Open-Door Policy

The company has an open-door policy and takes employee concerns and problems seriously. The company values each employee and strives to provide a positive work experience. Employees are encouraged to bring any workplace concerns or problems they might have or know about to their supervisor or some other member of management.

2.5 Immigration Compliance

The company is committed to complying with federal laws and regulations concerning verification of employment eligibility and record-keeping for employees hired to work in the United States. As a condition of employment, every individual must provide satisfactory evidence of his or her identity and legal authority to work in the United States on his or her first day of employment with the company. Anyone with questions regarding any aspect of employment and/or identity verification should contact the HR Coordinator.

2.6 Code of Professional Conduct

This company expects its employees to adhere to a standard of professional conduct and integrity. This ensures that the work environment is safe, comfortable and productive. Employees should be respectful, courteous, and mindful of others' feelings and needs. General cooperation between coworkers and supervisors is expected. Individuals who act in an unprofessional manner may be subject to disciplinary action.

2.7 Dress Code

An employee's personal appearance and hygiene is a reflection on the company's character. Employees are expected to dress appropriately for their individual work responsibilities and position.

Section 3: Company Policies and Procedures

3.1 Payday

Paychecks are distributed on the 1st and 15th days of every month. If the pay date lands on a holiday, paychecks will be distributed on the closest business day before the holiday.

The paycheck for employees will reflect work performed since the prior paycheck. Paychecks include salary or wages earned less any mandatory or elected deductions. Mandatory deductions include federal or state withholding tax, and other withholdings. Elected deductions are deductions authorized by the employee, and may include, for example, contributions to benefit plans. Employees may contact the HR Coordinator to obtain the necessary authorization forms for requesting additional deductions from their paychecks.

Notify a supervisor promptly if the paycheck appears to be inaccurate or if it has been misplaced. The company reserves the right to charge a replacement fee for any lost paychecks. Advances on paychecks are not permitted. Information regarding final paychecks can be found under the termination section of this handbook.

Any change in name, address, telephone number, marital status or number of exemptions claimed by an employee must be reported to the HR Coordinator immediately.

3.2 Confidentiality and Non-Disclosure

Employee shall not use any Confidential Information or Trade Secrets which the Employee may receive or create during the course of employment for any other purpose nor disclose at any time. Employee acknowledges that Employee has received, and the Company agrees to continue to provide to Employee on an ongoing basis, certain of the Company's confidential business information ("Confidential Information"). Employee will not divulge, disclose, reveal, or communicate to any other business entity or person any Confidential Information or trade secrets that Employee may have obtained during his employment with the Company concerning any matters affecting or relating to the business of the Company or its business associates, including without limitation customer lists, vendor lists, costs, plans, technology, processes, policies, techniques, trade practices, finances, accounting methods, methods of operations, trade secrets, or other data reasonably considered by the Company

or its business associates to be Confidential Information or trade secrets, for so long as such information is not publicly available other than in whole or in part through the efforts of Employee.

3.3 Intellectual Property

The Employee acknowledges and confirms that the Company shall be entitled to own and control all proprietary technology, and financial, operating, and training ideas, processes, and materials, including works of expression and all copyrights in such works, that are developed, created, or conceived by the Employee during the course of his/her employment (collectively referred to as “Developments”), to the extent that such Developments relate to the Company’s current or potential business or if such Developments were in any part undertaken in connection with this Agreement or with the Company supplied software or equipment or on the premises of the Company or its customers or contractors.

All technology and Intellectual Property of all kind developed directly or indirectly by the Employee or any of the direct subordinates is owned solely by the Company. Accordingly, the Employee hereby agrees to disclose, deliver, and assign all such patentable inventions, discoveries, and improvements, trade secrets, and all works subject to copyright, and further agrees to execute all documents, patent applications, and arrangements necessary to further document such ownership and/or assignment and to take whatever other steps may be needed to give the Company the full benefit of them.

The Employee agrees that all copyrightable materials generated or developed under this Agreement, including computer programs and documentation, shall be considered works made for hire under the copyright laws of the United States or other applicable jurisdiction and shall, upon creation, be owned exclusively by the Company. To the extent that any such materials, under applicable law, may not be considered works made for hire, the Employee hereby assigns to the Company the ownership of all copyrights in such materials and waives any related moral rights, without the necessity of any further consideration, and the Company shall be entitled to register and hold in its own name all copyrights in respect of such materials.

3.4 Company Property

Company property, such as equipment, vehicles, telephones, computers, and software, is not for private use. These devices are to be used strictly for company business, and are not permitted off grounds unless authorized. Company property must be used in the manner for which it was intended. Upon termination, employees are required to surrender any company property they possess.

Company computers, Internet and e-mails are a privileged resource, and must be used only to complete essential job-related functions. Employees are not permitted to download any “pirated” software, files or programs and must receive permission from a supervisor before installing any new software on a company computer. Files or programs stored on company computers may not be copied for personal use.

Phones are provided for business use. The company requests that employees not receive personal calls while on duty. If urgent, please keep personal calls to a minimum and conversations brief. Personal long distance calls are not permitted.

Employees are reminded that they should have no expectation of privacy in their use of company computers or other electronic equipment.

Violations of these policies could result in disciplinary action.

3.5 Records Retention

In order to minimize the amount of hard file and electronic storage needs and as part of our effort to keep company costs down, it is the policy of the company that its records be retained only during the period of their immediate usefulness unless a longer retention is required by law or for historical reference.

Notwithstanding the retention periods in this Record Retention Policy, there are special requirements if the records may be subject to any legal action or proceedings. If you are aware of any legal action in which the company may be involved, no records shall be destroyed unless expressly authorized in writing. This applies if (1) the company has been named as a party to a legal action, (2) the company has received a subpoena for production of records, or (3) other proceedings, audits or orders place legal requirements on certain records to be retained by the company. The company will provide notice if one of these events occurs, and will provide guidance on how it impacts this Record Retention Policy. If you become aware of any legal action or subpoena involving the company, or other legal requirement to maintain certain records, please immediately bring it to the attention of Management in order to ensure that this Record Retention Policy does not conflict with the company’s duties under applicable laws.

3.6 Gratuities

From time to time, clients and vendors will offer employees gratuities or tips. We ask that you use your discretion and carefully determine whether acceptance of a gift or a tip might result in a conflict of interest. If you have any questions or concerns, please contact your supervisor or Human Resources.

3.7 Conflicts of Interest

You have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest.

An actual or potential conflict of interest occurs when you are in a position to influence a decision that may result in a personal gain for you or a relative as a result of the company's business dealings. Personal gain may result when an employee or relative has a significant ownership in a firm with which the company does business and/or when an employee or relative receives a kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving the company. For purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship to you is similar to that of persons who are related by blood or marriage.

No presumption of guilt is created by the mere existence of a relationship with outside firms. However, if you have any influence on transactions involving purchases, contracts, or leases, you must disclose the existence of any actual or potential conflict of interest.

Transactions with outside firms must be conducted within a framework established and controlled by the company. Business dealings with outside firms should not result in unusual gains for those firms and/or employees. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and any other windfalls designed to ultimately benefit the outside firm and/or employees. Promotional plans that could be interpreted as involving unusual gain require specific executive-level approval.

You should contact your supervisor for further clarification on issues related to conflicts of interest and acceptable standards of operation.

3.8 Outside Employment

You may hold outside jobs as long as you meet the performance standards of your job with the company. You will be evaluated by the same performance standards and will be subject to the company's scheduling demands, regardless of any existing outside work requirements.

If the company determines that your outside work interferes with performance or the ability to meet the requirements of the company, you may be asked to terminate the outside employment if you wish to remain employed with the company.

Outside employment that constitutes a conflict of interest is prohibited.

3.9 Expenditure Approval

Expenses can only be incurred with prior written approval in accordance with the company's formal expense policy. The Company will reimburse the Employee for reasonable pre-approved entertainment, travel, lodging and other miscellaneous expenses incurred on its behalf and directly related to the performance of Employee's duties hereunder. Employee will incur these and other expenses in consultation with the Company and submit documentation of the expenses incurred in a form that is satisfactory to the Company. Any reimbursement of expenses will typically be made by the Company no later than the last day of the calendar month following the month in which such expenses were incurred.

3.10 Social Media Policy

The company understands that social media can be a fun and rewarding way to communicate with family, friends and co-workers. However, use of social media also presents certain risks and carries with it certain responsibilities. To assist employees in making responsible decisions about the use of social media, the company has established these guidelines for appropriate use of social media.

This policy applies to all employees who work for the company.

GUIDELINES

In the rapidly expanding world of electronic communication, social media can mean many things. Social media includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal website, social networking or affinity website, web bulletin board or a chat room, whether or not associated or affiliated with the company, as well as any other form of electronic communication. The same principles and guidelines found in the company's policies apply to employees' activities on-line. Ultimately, you are solely responsible for what you post on-line. Before creating on-line content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow employees or otherwise adversely affects customers, suppliers, people who work on behalf of the company or the company's legitimate business interests may result in disciplinary action up to and including termination.

Know and follow the rules

Carefully read this Social Media Policy, the Equal Employment Policy, the Non-Harassment/Non-Discrimination Policy, and the Code of Professional Conduct and ensure your postings are consistent with these policies. Postings that may include maliciously

defamatory remarks, unlawful harassment, and threats of violence or similar unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

Be responsible

Use your best judgment and exercise personal responsibility. Take your responsibility as stewards of personal information to heart. Integrity, accountability, and respect are core values. We trust and expect you to exercise personal responsibility whenever you participate in social media or other on-line activities. Remember that there can be consequences to your actions in the social media world – both internally, if your comments violate company policies, and with outside individuals and/or entities. If you are about to publish, respond or engage in something that makes you even the slightest bit uncomfortable, don't do it.

Also, we encourage you to try to resolve all differences with an individual, organization, or even the Company through direct communications with the individual, organization, or Company. Remember, the Company has an Open Door policy. It can be used to try to resolve differences with the Company, management, or even your co-workers. We encourage you to try to use the Open Door policy. It works!

Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that are maliciously defamatory, that are obscene, that disparage customers, that attack the Company's product, or that might constitute unlawful harassment. Examples of such conduct might include false posts meant to intentionally or maliciously harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or company policy.

Be honest and accurate

The best practice is to check your facts before posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the Internet archives almost everything and deleted postings can be searched. Never post any information or rumors that you know to be false about the company, fellow employees, customers, suppliers, people working on behalf of the company or competitors.

Post only appropriate and respectful content

- Maintain the confidentiality of the company's trade secrets and private or confidential information. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology.

- FTC regulations require persons with a material interest to disclose their association with a company if they give a testimonial or other product endorsement. Do not give a product testimonial, endorse the Company's product, or otherwise publicize or promote the Company in any way without identifying yourself as a company employee.
- Express only your personal opinions. Never represent yourself as a spokesperson for the company. If the company is a subject of the content you are creating, be clear and open about the fact that you are an employee and make it clear that your views do not represent those of the company, customers, or its suppliers. If you do publish a blog or post on-line related to the work you do or subjects associated with the company, make it clear that you are not speaking on behalf of the company. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of [COMPANY]."

Using social media at work

Refrain from using social media while on work time, unless it is work-related as authorized by a manager. To help reduce spam and other unwanted e-mail traffic, employees should not use company e-mail addresses to register on social networks, blogs or other on-line tools utilized for personal use. Please use your own individual or private e-mail address.

Retaliation is prohibited

The company prohibits taking negative action against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

3.11 Privacy

Employees and employers share a relationship based on trust and mutual respect. However, the company retains the right to access all company property including computers, desks, file cabinets, storage facilities, and files and folders - electronic or otherwise - at any time. Employees should not entertain any expectations of privacy when on company grounds or while using company property.

All documents, files, voice-mails and electronic information, including e-mails and other communications, created, received or maintained on or through company

property are the property of the company, not the employee. Therefore employees should have no expectation of privacy over those files or documents.

3.12 Personnel Files

The company maintains a personnel file on each employee. These files are kept confidential to the extent possible.

It is important that personnel files accurately reflect each employee's personal information. Employees are expected to inform the company of any change in name, address, home phone number, home address, marital status, number of dependents or emergency contact information.

Section 4: Employment Classification

This company assigns positions, determines wages and compensates employees for overtime in accordance with state and local laws and the Fair Labor Standards Act.

4.1 Exempt Employees

Exempt employees are those that are excluded from the overtime pay requirements of the Fair Labor Standards Act. Exempt employees are paid a salary, have certain types of job duties, and are expected to work beyond their normal work hours whenever necessary to accomplish the work of the company.

As an exempt employee, your salary is subject to certain deductions. For example, absent contrary state law requirements, 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 the company's written policies and procedures.
- 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; 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 work day.
- 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.

Employees should consult with Management if they have questions regarding their classification as an exempt employee.

4.2 Non-Exempt Employees

Non-exempt employees are those eligible for overtime pay of 1.5 times the regular hourly rate of pay for all hours worked over 40 per work week. All overtime must be approved in advance. Employees should consult with an administrator if they have questions regarding their classification as a non-exempt employee.

4.3 Part-Time, Full-Time or Temporary Status

Part-time or full-time status depends on the number of hours per week an employee works. Regular employees who work fewer than 30 receive part-time classification. Part-time employees are not eligible for employee benefits as described in this handbook. Regular employees who work at least 30 receive full-time classification.

From time to time the company may hire employees for specific projects or periods of time. Temporary employees may work either part-time or full-time, but generally are scheduled to terminate by a certain date. Temporary employees who remain on duty past the scheduled termination remain classified as temporary. Only Management may change an employee's temporary status. Temporary employees are not eligible for employment benefits.

Section 5: Attendance Policies

5.1 General Attendance

Hours may vary depending on work location and job responsibilities. Supervisors will provide employees with their work schedule. Should an employee have any questions regarding his/her work schedule, the employee should contact the supervisor.

The company does not tolerate absenteeism without excuse. Employees who will be late to or absent from work should notify a supervisor in advance, or as soon as practicable in the event of an emergency. Chronic absenteeism may result in disciplinary action, up to and including termination.

Employees who need to leave early, for illness or otherwise, should inform a supervisor before departure. Unauthorized departures may result in disciplinary action, up to and including termination.

5.2 Tardiness

Employees are expected to arrive on time and ready for work. An employee who arrives 30 minutes after their scheduled arrival time is considered tardy. The company recognizes that situations arise which hinder punctuality; regardless, excessive tardiness is prohibited, and may be subject to disciplinary action, up to and including termination.

Section 6: Leave Policies

6.1 Paid Time Off

The company provides full-time employees, as a benefit, paid time off (PTO) for vacations, personal business, family concerns, illness, and related purposes. Forward requests for time off in advance to a supervisor, who may approve or deny the request based on company resources. The company is flexible in approving time off when doing so would not interfere with company operations. PTO days are granted only on a full-day or half-day basis.

A regular full-time employee is eligible to receive PTO immediately. Accrued time off may be taken after 30 days. Employees must earn and accrue vacation benefits before they may be used. PTO days are accrued at a rate of 1.5 days per month worked, up to 18 days annually.

Employees should consult the HR Coordinator for questions regarding the amount of PTO they accrue each pay period.

Any remaining accrued time off may be accumulated or carried forward into the next year, up to a maximum of 5 days which must be used within the first 90 days of the calendar year. PTO benefits do not accrue during any period of extended leave of absence.

6.2 Sick Leave

Situations may arise where an employee needs to take time off to address medical or other health concerns. The company requests that employees provide notification to their supervisor as soon as practicable when taking time off. Employees may use accrued PTO for this purpose. Abuse of this policy may result in disciplinary action.

The company reserves the right to require an employee to submit a doctor's statement in the event of repeated absences for medical reasons or in the event of medical absences exceeding three (3) days.

6.3 Family and Medical Leave Act Leave

The company offers leave consistent with the requirements of the federal Family and Medical Leave Act (FMLA). Under the FMLA, an employee may be eligible for an unpaid family and medical leave of absence under certain circumstances, if the employee has worked as an employee of the company for at least 1,250 hours for 12 months and works within a seventy-five (75) mile radius of fifty (50) or more company employees.

Reasons for Leave

Employees eligible for FMLA leave may take leave for the following reasons:

- The birth of a child and to care for the newborn child;
- Placement of a child into adoptive or foster care with the employee;
- Care for a spouse, child, or parent who has a serious health condition;
- Care for the employee's own serious health condition;
- Qualifying emergencies arising out of a spouse's, child's, or parent's active duty or call to active duty as a member of the military reserves or National Guard ("Emergency Military Leave"); or
- Care for a spouse, child, parent or next of kin (nearest blood relative) who is (a) an Armed Forces member (including the military reserves and National Guard) undergoing medical treatment, recuperation, therapy, or is otherwise in an outpatient status, or is otherwise on the temporary disability retired list, due to a serious injury or illness incurred or

aggravated in the line of duty; or (b) a person who, during the five (5) years prior to the treatment necessitating the leave, served in the active military, Naval, or Air Service, and who was discharged or released under conditions other than dishonorable (a “veteran” as defined by the Department of Veterans Affairs) and who has a serious injury or illness incurred or aggravated in the line of duty while on active duty that arose before or after the member became a veteran (“Military Caregiver Leave”).

Length of Leave

With the exception of Military Caregiver Leave, the maximum amount of FMLA Leave will be twelve (12) workweeks in any 12-month period.

If both spouses work for the company and are eligible for FMLA leave, the spouses will be limited to a total of 12 workweeks off between the two of them for leave related to the birth, adoption or foster care of a child, and leave to care for the serious health condition of a family member.

The maximum amount of FMLA Leave for an employee wishing to take Military Caregiver Leave will be a combined leave total of twenty-six (26) workweeks in a single 12-month period.

If both spouses work for the company and are eligible for FMLA leave, the spouses will be limited to a total of 26 workweeks off between the two of them when the leave is for Military Caregiver Leave or a combination of Military Caregiver Leave with another leave category.

Leave may be taken on an intermittent or reduced schedule in certain circumstances. When leave is taken intermittently, the company may transfer the employee to another position with equivalent pay and benefits, which is better suited to periods of absence.

Notice and Certification

If the need for leave is foreseeable, employees should notify a supervisor 30 days prior to taking FMLA leave. If the need for FMLA leave arises unexpectedly, employees should notify a supervisor as soon as practicable, giving as much notice to the company as possible.

Employees requesting FMLA leave may be required to provide: medical certifications supporting the need for leave if the leave is due to a medical condition of the employee or employee’s family member; periodic recertification of the medical condition; and periodic reports during the leave regarding the employee’s status and intent to return to work. Employees requesting Military Caregiver Leave, are required to provide: as much advance notice as is reasonable and practicable under the circumstances; a copy of the covered military member’s active duty orders when the employee requests leave; and a completed

Certification of Qualifying Exigency form within 15 calendar days, unless unusual circumstances exist to justify providing the form at a later date.

Certification forms are available from Human Resources. At the company's expense, the company may also require a second or third medical opinion regarding an employee's own serious health condition. Employees are expected to cooperate with the company in obtaining additional medical opinions that the company may require.

Employees are expected to return to work immediately after the completion of the requested FMLA leave, and employees who have taken leave because of their own serious health condition must submit a fitness-for-duty certification before being allowed to return to work.

Use of Paid and Unpaid Leave:

Subject to certain conditions, the employee or the company may choose to use accrued paid leave (such as sick leave or vacation leave) concurrent with FMLA leave.

Benefits

The company will maintain group health insurance coverage for an employee on family and medical leave on the same terms as if the employee had continued work. If applicable, arrangements will be made for the employee to pay their share of health insurance premiums while on leave. The company may recover premiums paid to maintain health coverage for an employee who fails to return to work from family and medical leave.

If an employee would like the company to maintain other paid benefits during the period of leave, premiums and charges which are partially or wholly paid by the employee must continue to be paid by the employee during the leave time.

FMLA leave will not result in the loss of any employment benefit accrued prior to the date on which the leave commenced. However, an employee on FMLA leave does not continue to accrue benefits (e.g., sick leave or vacation leave) during the period of family and medical leave. Questions regarding particular benefits should be directed to the HR Coordinator.

Reinstatement

Upon returning from FMLA leave, an employee will be restored to his/her original job or an equivalent job with equivalent benefits, pay, seniority, and other employment terms and conditions, to the extent required by the Family and Medical Leave Act. If an employee fails to return to work at the conclusion of the FMLA leave, and has not obtained an extension of

the leave, the company may presume that the employee does not plan to return to work and has voluntarily terminated his or her employment.

6.4 Holidays

The company observes the following holidays:

- New Year's Day
- Martin Luther King, Jr. Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- The day after Thanksgiving
- Christmas Day

Holidays are observed on a paid basis for all eligible employees. Full-time employees are eligible for paid holiday benefits.

6.5 Jury Duty Time Off

The company understands that occasionally employees are called to serve on a jury. Employees who are selected for jury duty must provide a copy of their jury summons to a supervisor. Time taken for jury duty is granted on a paid basis. The maximum number of days you will be paid is five (5) days. Employees released from jury duty with four (4) or more hours remaining in the workday, are expected to return to work.

6.6 Funeral Leave (Bereavement) Pay

In the event of a death in the family, you may be permitted time off work as authorized by management to attend to funeral matters. Full-time employees may receive up to three (3)

days of paid funeral leave for time off from regularly scheduled workdays for bereavement and attending to funeral matters for members of one's immediate family.

Immediate family is defined as husband, wife, domestic partner, grandparents, mother, father, sister, brother, daughter, step-daughter, son, step-son, father-in-law, or mother-in-law.

6.7 Voting Time Off

Employees are encouraged to participate in elections. The company grants incremental time off to cast a ballot in an election. Voting time off is granted on a paid basis. Should extenuating circumstances arise while voting, notify a supervisor as soon as possible.

6.8 Military Leave

Employees called to active military duty, military reserve or National Guard service may be eligible to receive time off under the Uniformed Services Employment and Reemployment Rights Act of 1994. To receive time off, employees must provide notice and a copy of their report orders to an immediate supervisor. Military leave is granted on a unpaid basis. Upon return with an honorable discharge, an employee may be entitled to reinstatement and any applicable job benefits they would have received if present, to the extent provided by law.

6.9 Maternity Leave

The company provides all female employees with an unpaid leave of absence for the period of temporary physical disability resulting from pregnancy, childbirth or related medical conditions. A maternity leave begins when an employee is medically determined to be disabled and ends when she is medically able to return to work. A medical note may be required to document the need for leave and expected duration.

Employees must use their earned paid time off (PTO) during any period of maternity leave before taking unpaid time.

Effect on Benefits: Employees on maternity leave will be allowed to continue to participate in medical insurance benefits for a maximum of sixteen (16) weeks, inclusive of any time spent on maternity leave paid through PTO, provided that she continues to pay her ordinary share of the premiums. If an employee fails to timely pay the applicable premiums, coverage may be canceled. If maternity leave extends beyond sixteen weeks, the employee may be eligible to continue her medical insurance coverage at her own expense through an applicable continuation coverage law.

Employees on personal leaves of absence will not accrue any PTO time and will not be eligible for holiday pay while on leave.

Employee Responsibilities: An employee on maternity leave must contact her supervisor at least one week prior to the conclusion of the maternity leave to schedule and plan for her return to work. Additionally, as a condition of returning to work, an employee may be asked to submit a medical note indicating her fitness for duty.

Reinstatement from Leave: When the employee is physically able to return to work, her original job or a comparable position will be made available to her unless business necessity makes this impossible or unreasonable. An employee who cannot be returned to her original or a comparable position will remain eligible to apply for any available position within the company for which she is qualified. If there are no such positions, then the employee's employment will be terminated, and the employee will remain eligible to apply for employment in the future. If an employee fails to return to work following the expiration of the leave, the employee will be considered to have voluntarily resigned from his or her employment with the company.

6.10 Leave of Absence

Regular full-time employees may request an unpaid leave of absence after the exhaustion of paid leave. A request for a leave of absence must be submitted in writing in advance to the employee's immediate supervisor.

Leave of absences that are granted are unpaid, and will not be considered until an employee has exhausted all appropriate accrued leave balances. Continuation of employee benefits during a leave of absence will be addressed on an individual basis, as required by law.

Section 7: Work Performance

7.1 Expectations

The company expects every employee to act in a professional manner. Satisfactory performance of job duties and responsibilities is key to this expectation. Employees should attempt to achieve their job objectives, and act with diligence and consideration at all times. Poor job performance can result in disciplinary action, up to and including termination.

7.2 Reviews

The company may periodically evaluate an employee's performance. The goal of a performance review is to identify areas where an employee excels and areas that need improvement. The company uses performance reviews as a tool to determine pay increases, promotions and/or terminations.

All performance reviews are based on merit, achievement and other factors that may include, but are not limited to:

- Quality of work
- Attitude
- Knowledge of work
- Job skills
- Attendance and punctuality
- Teamwork and cooperation
- Compliance with company policy
- Past performance reviews
- Improvement
- Acceptance of responsibility and constructive feedback

Employees should note that a performance review does not guarantee a pay increase or promotion. Written performance evaluations may be made at any time to advise employees of unacceptable performance. Evaluations or any subsequent change in employment status, position or pay does not alter the employee's at-will relationship with the company.

Forward any questions about performance expectation or evaluation to the supervisor conducting the evaluation.

7.3 Insubordination

Supervisors and employees should interact with mutual respect and common courtesy. Employees are expected to take instruction from supervisors or other persons of authority. Failure to comply with instructions or unreasonably delaying compliance is considered insubordination. Acts of insubordination are subject to disciplinary action, up to and including termination.

If an employee disagrees with a supervisor, the employee should first try to mediate the situation by explaining their position. If possible, a compromise might be met and accusations of insubordination avoided.

Section 8: Discipline Policy

8.1 Grounds for Disciplinary Action

The company reserves the right to discipline and/or terminate any employee who violates company policies, practices or rules of conduct. Poor performance and misconduct are also grounds for discipline, up to and including termination.

The following actions are unacceptable and considered grounds for disciplinary action. This list is not comprehensive; rather, it is meant merely as an example of the types of conduct that this company does not tolerate. These actions include, but are not limited to:

- Engaging in acts of discrimination or harassment in the workplace;
- Possessing, distributing or being under the influence of illicit controlled substances;
- Being under the influence of a controlled substance or alcohol at work, on company premises, or while engaged in company business;
- Unauthorized use of company property, equipment, devices or assets;
- Damage, destruction or theft of company property, equipment, devices or assets;
- Removing company property without prior authorization or disseminating company information without authorization;
- Falsification, misrepresentation or omission of information, documents or records;
- Lying;

- Insubordination or refusal to comply with directives;
- Failing to adequately perform job responsibilities;
- Excessive or unexcused absenteeism or tardiness;
- Disclosing confidential or proprietary company information without permission;
- Illegal or violent activity;
- Falsifying injury reports or reasons for leave;
- Possessing unauthorized weapons on premises;
- Disregard for safety and security procedures;
- Disparaging or disrespecting supervisors and/or co-workers; and
- Any other action or conduct that is inconsistent with company policies, procedures, standards or expectations.

This list exhibits the types of actions or events that are subject to disciplinary action. It is not intended to indicate every act that could lead to disciplinary action. The company reserves the right to determine the severity and extent of any disciplinary action based on the circumstances of each case.

8.2 Procedures

Disciplinary action is any one of a number of options used to correct unacceptable behavior or actions. Discipline may take the form of oral warnings, written warnings, probation, suspension, demotion, discharge, removal or some other disciplinary action, in no particular order. The course of action will be determined by the company at its sole discretion as it deems appropriate.

8.3 Termination

Employment with the company is on an at-will basis and may be terminated voluntarily or involuntarily at any time.

Upon termination, an employee is required:

- To continue to work until the last scheduled day of employment;

- To turn in all reports and paperwork required to be completed by the employee when due and no later than the last day of work;
- To return all files, documents, equipment, keys, access cards, software or other property belonging to the company that are in the employee's possession, custody or control, and turn in all passwords to his/her supervisor;
- To participate in an exit interview as requested by the employee's supervisor or the HR Coordinator.

Section 9: Employee Health and Safety

9.1 Workplace Safety

The company takes every reasonable precaution to ensure that employees have a safe working environment. Safety measures and rules are in place for the protection of all employees. Ultimately, it is the responsibility of each employee to help prevent accidents. To ensure the continuation of a safe workplace, all employees should review and understand all provisions of the company's workplace safety policy. Employees should use all safety and protective equipment provided to them, and maintain work areas in a safe and orderly manner, free from hazardous conditions. Employees who observe an unsafe practice or condition should report it to a supervisor or Management immediately. Employees are prohibited from making threats against anyone in connection with his/her work or engaging in violent activities while in the employ of the company. Any questions regarding safety and safe practices should be directed to Management.

In the event of an accident, employees must notify a supervisor immediately. Report every injury, regardless of how minor, to a supervisor immediately. Physical discomfort caused by repetitive tasks must also be reported. For more information about on the job injuries, refer to the workers' compensation section of this handbook.

Employees should recognize any potential fire hazards and be aware of fire escape routes and fire drills. Do not block fire exits, tamper with fire extinguishers or otherwise create fire hazards.

9.2 Workplace Security

Employees must be alert and aware of any potential dangers to themselves or their coworkers. Take every precaution to ensure that your surroundings are safe and secure. Guard personal belongings and company property. Visitors should be escorted at all times. Report any suspicious activity to a supervisor immediately.

9.3 Workplace Violence

The company seeks to provide a safe and productive work environment free from acts or threats of violence, and to respond effectively in the event such acts or threats of violence occur. Once a threat is substantiated, prompt disciplinary action will be taken, which may include termination.

The threat maker will be held fully accountable for his/her actions, be subject to discipline by the company, which may include involuntary termination of employment. The threat maker will also be subject to applicable legal action for violation of law. No existing company policy or procedure should be interpreted in a manner that prevents such decisions from being made and implemented.

Weapons, firearms, and contraband (explosives, illegal drugs, etc.) are prohibited in all work locations. This prohibition applies to all company premises, and is not affected by legislation regarding the right to carry a weapon either concealed or not concealed. As a condition of entering company premises, all persons consent to inspection of all carried items. Inspections will be performed as dictated by circumstances.

9.4 Weather and Related Emergencies

On occasion, inclement weather or other conditions make it difficult to report to work. You are expected to make a good faith effort to get to work during such conditions provided that you do not put yourself or others at risk. You should contact your supervisor immediately if you are unable to report to work.

9.5 Emergency Procedures

In the event of an emergency, dial 911 immediately. If you hear a fire alarm or other emergency alert system, proceed quickly and calmly to the nearest exit. Once the building has been evacuated, only a supervisor may authorize employees to reenter.

Section 10: Employee Benefits

This handbook contains descriptions of some of our current employee benefits. Many of the company's benefit plans are described in more formal plan documents available from the HR Coordinator. In the event of any inconsistencies between this handbook or any other oral or written description of benefits and a formal plan document, the formal plan document will govern.

10.1 Health Insurance

The company makes group health benefits available to eligible employees and their family members. Full-time employees are immediately eligible for coverage.

Health benefits are paid in part by the company. The remainder of the costs are the employee's responsibility. Employees can receive details about benefits provided, contribution rates and eligibility from the HR Coordinator.

10.2 Retirement Plans

The company participates in a 401(k) plan so that employees may save a portion of their earnings for retirement. Regular employees who have worked at least 40 hours per week for 3 months are eligible to participate. Employees may elect to make regular contributions to the 401(k) plan up to the maximum amount allowed by federal law.

Contact the HR Coordinator for detailed information regarding eligibility, employee contributions, vesting period or employer contributions. More information can also be found in the plan summary description, which is available from the HR Coordinator. If there are any inconsistencies between this handbook and any of the Summary Plan Descriptions, the Summary Plan Descriptions shall govern. The company reserves the right to modify or terminate any or all of its retirement benefits or to change benefit providers at any time with or without notice.

10.3 Workers' Compensation

As required by law, the company provides workers' compensation benefits for the protection of employees with work-related injuries or illnesses.

Workers' compensation insurance provides coverage to employees who experience job-related injuries or illnesses. If an employee is injured or becomes ill as a result of his/her job, it is the employee's responsibility to immediately notify a supervisor of their injury in order to receive benefits. Report every illness or injury to a supervisor, regardless of how minor it appears. The company will advise the employee of the procedure for submitting a workers' compensation claim. If necessary, injured employees will be referred to a medical care facility. Employees should retain all paperwork provided to them by the medical facility. Failure to report a work-related illness or injury promptly could result in denial of benefits. An employee's report should contain as many details as possible, including the date, time, description of the illness or injury, and the names of any witnesses.

A separate insurance company administers the workers' compensation insurance. Representatives of this company may contact injured employees regarding their benefits

under the plan. Additional information regarding workers' compensation is available from the HR Coordinator.

Section 11: Termination Policies

11.1 Voluntary Termination

The company recognizes that personal situations may arise which require a voluntary termination of employment. Should this occur, the company requests that the employee provide two weeks advance notice in writing. This request does not alter an employee's at-will relationship with the company.

All rights and privileges of employment with the company terminate upon the date of separation. As further discussed in Section 8.3, terminating employees are required to return all company property assigned to them. Failure to do so may result in the withholding of their final paycheck.

11.2 Final Paycheck

Employees who terminate employment with the company will be given their final paycheck in conformance with state law. Should the employee be unable to personally retrieve their paycheck, it will be mailed to the address on file.

11.3 COBRA Continuation of Health Benefits

Under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), a qualified employee who terminates employment (for reasons other than gross misconduct on the employee's part) or who loses health and dental coverage due to a reduction in work hours may temporarily continue group health and dental coverage for him/herself, his/her spouse, and any covered dependent children at the full premium rate plus administrative fees. That eligibility normally extends for a period of eighteen (18) months from the qualifying date. For more information regarding COBRA health insurance benefits, see the HR Coordinator.

11.4 Exit Interview

The company may request an exit interview upon notice of termination. The purpose of the exit interview is to complete necessary forms, collect company property and discuss employment experiences with the company.

Acknowledgement of Receipt for Employee Handbook

I acknowledge that I have received a copy of the Employee Handbook. I understand that I am responsible for reading the information contained in the Handbook.

I understand that the Handbook is intended to provide me with a general overview of the company's policies and procedures. I acknowledge that nothing in this Handbook is to be interpreted as a contract, expressed or implied, or an inducement for employment, nor does it guarantee my employment for any period of time.

I understand and accept that my employment with the company is at-will. I have the right to resign at any time with or without cause, just as the company may terminate my employment at any time with or without cause or notice, subject to applicable laws. I understand that my at-will employment cannot be altered by any verbal statement or alleged verbal agreement made by company personnel. It can only be changed by a legally binding, written contract covering employment status.

I acknowledge that the company may revise, suspend, revoke, terminate, change or remove, prospectively or retroactively, any of the policies or procedures outlined in this Handbook or elsewhere, in whole or in part, with or without notice at any time, at the company's sole discretion.

(Signature of Employee)

(Date)

(Company Representative)

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