INSERT COMPANY NAME/LOGO

CALIFORNIA EMPLOYEE HANDBOOK

Month/Year of Publication and Distribution

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WELCOME

[Provide very brief statement about the Company and what it stands for].

[Provide statement about employees…(e.g. "As an employee of [INSERT COMPANY NAME], you are our most important resource. Through your efforts as a member of our team, we provide a valuable service to our community. Your pride in your work and the organization is the key to achieving our goals of ….. and the primary ingredient of our success")].

We wish you the best during your employment with the Company. Thank you for being a part of our team!

_____

[Signature or Name of Key Official]

ABOUT THIS HANDBOOK

This Handbook is provided as a guide you may use to familiarize yourself with the Company. It is provided and intended only as a helpful guide. The Handbook is not, nor should it be considered an agreement or contract of employment, express or implied, or a promise of treatment in any particular manner in any given situation. This Handbook states only general Company guidelines. The Company may, at any time, in its sole discretion, modify or vary anything stated in this Handbook—except as required by law, and except for the rights of the parties to terminate employment at will, which may only be modified by an express written agreement signed by you and the Company.

This Handbook supersedes all prior policies, and procedures issued by the Company. Any violation of the policies and/or procedures set forth in this Handbook may result in disciplinary action, up to and including termination.

Practice Points:

- **The California Supreme Court's June 1, 2000 decision in Asmus v. Pacific Bell held an employer may unilaterally modify or terminate a unilateral contract of indefinite duration as long as its action occurs after a reasonable time, and is subject to prescribed or implied limitations, including reasonable notice and preservation of vested benefits. Further, depending upon the circumstances, employer policies may be deemed to constitute an implied contract. Accordingly, we recommend providing advance notice of at least one payroll period advance notice of any change to an employee handbook and employers should ensure such changes do not deprive employees of vested benefits.**

THE COMPANY

[Provide information about the Company (e.g. any Mission Statement or philosophy, etc.]

The Company is an equal opportunity employer. We believe all of our employees should be treated fairly, consistently, and with dignity and respect. Our goal is to maintain a satisfied and productive team of employees. The keys to reaching that goal are effective leadership, fair and competitive wages and benefits, dedication to the job, and close attention to employee relations matters.

At our Company, the management team is committed to our philosophy that effective leadership and dedication are the keys to a productive work environment. You have the opportunity to express your concerns, suggestions, and comments to us directly so we can understand and work with each other better. You are always free to speak to your supervisor or any member of our management team. We encourage you to raise and obtain answers to any questions that may be on your mind so we can address your concerns in a timely manner. We are proud of our relationship between our management team and our employees, and we recognize there is always room for improvement. We will always give consideration to your concerns, and we are interested in your thoughts and opinions. While we cannot guarantee we will always give you the answer you want, we will do our best to listen and to address your concerns.

Your supervisor is a vital part of our management team. Supervisors are responsible for planning work schedules, ensuring the quality of work, and providing whatever assistance may be needed. An important part of a supervisor's responsibilities is to answer questions, listen to concerns, and take action where appropriate. Give your supervisor your cooperation. If your supervisor does not have an answer to your question, he or she will do his or her best to obtain one for you.

BASIC EMPLOYMENT POLICIES

EQUAL EMPLOYMENT OPPORTUNITY

The Company is an equal opportunity employer. We enthusiastically accept our responsibility to make employment decisions without regard to race, religious creed, color, age, sex, sexual orientation, gender, gender identity, gender expression or transgender status, genetic information of an employee or employee's family member, national origin (including an individual's use of a driver's license issued without satisfactory proof of presence in the U.S. but otherwise meeting criteria set forth under California law (otherwise referred to as "AB 60 licenses")), religion, marital status, medical condition, disability, military service or veteran status, perceived or actual pregnancy, childbirth, breastfeeding or related medical conditions, or any other classification protected by federal, state, and local laws and ordinances. Our management is dedicated to ensuring the fulfillment of this policy with respect to hiring, placement, promotion, transfer, demotion, layoff, termination, recruitment advertising, pay, and other forms of compensation, training, and general treatment during employment and preventing and addressing unlawful conduct by supervisors, co-workers or third-parties.

Any violation of this policy will not be tolerated and will result in appropriate disciplinary action, up to and including termination. If an employee believes someone has violated this policy, the employee should bring the matter to the attention of the employee's direct supervisor, or [Insert Name of Another High-level Management Employee and Phone Number or "another supervisor within the Company"] or the [Insert Appropriate Job Title With Human Resources Responsibilities and Phone Number]. The Company will undertake a fair, complete and timely investigation into the facts and circumstances of any claim this policy has been violated and take appropriate corrective measures.

No employee will be subject to, and the Company prohibits, any form of discipline or retaliation for reporting perceived violations of this policy, pursuing any such claim, or cooperating in any way in the investigation of such claims.

Practice Points:

- **This has been reviewed for compliance with the 2018 Amended FEHA regulations relating to National Origin (eff. 7-1-18)**
- **This has been updated to include reference to the expanded gender identity protections in SB 396 (2017)**
- **This has been updated to include expanded protected categories, employee rights and employer obligations under the new FEHA regulations (eff. 4-1-16).**
- **This has been updated to reflect military and veteran status as a protected category under FEHA per AB 556 (effect. 1/2014).**
- **AB 1443 (eff. 1-2015) extended FEHA protections to unpaid interns and volunteers.**

This policy (and handbook as a whole) is addressed to employees only. If working with an organization with a considerable number of unpaid interns or volunteers, consider whether to use a stand-alone policy for such individuals.

- **AB 263 and 666 (eff. 2014) were enacted to prohibit retaliation against employees exercising certain rights under labor and employment laws in the form of threatening to file or filing police reports or reports with immigration authorities. AB2751 (eff. 1-2015) expanded this law to prohibit threatening to file or filing reports with any state or federal agency and also prohibits discrimination where an individual updates personal information based upon a lawful change of name, Social Security Number or federal employment authorization document. See also, Salas v. Sierra Chemical (2014) [undocumented workers entitled to same protections of California employment laws as documented workers]. This policy has not been amended to include "immigration status" or the like as a separate category of protected persons. Rather, such protections would be included in the "any other classification protected by federal, state or local law" language. If an employer has a considerable number of potentially undocumented or immigrant workers, consider whether to add specific language.**

- **AB 1792 (eff. 1-2015) prohibits discrimination against an individual based upon their enrollment in Medi-Cal. This is not listed as a specific protected category of persons above.**

- **2015 Edition updated for AB 60 and 1660. AB 60 (eff. 10-2013) provided a means for undocumented aliens to obtain driver's licenses in California. AB 1660 (eff. 1-2015) makes it unlawful for an employer to discriminate against an individual using an AB 60 licenses (as a form of national origin discrimination under FEHA). AB 1660 also prohibits employers from requiring employees to present a driver's license unless the license is either required by law or required by the employer and the requirement is permitted by law. AB 1660 also requires driver's license data collected to be treated confidentially.**

NO HARASSMENT, DISCRIMINATION OR RETALIATION

The Company does not tolerate harassment or discrimination of our job applicants, contractors, interns, volunteers, or employees by another employee, supervisor, vendor, customer, or any third party. Any form of harassment or discrimination on the basis of race, religious creed, color, age, sex, sexual orientation, gender, gender identity, gender expression or transgender status, genetic information of an employee or employee's family member, national origin (including an individual's use of a driver's license issued without satisfactory proof of presence in the U.S. but otherwise meeting criteria set forth under California law (otherwise referred to as "AB 60 licenses"), religion, marital status, medical condition, disability, military service or veteran status, perceived or actual pregnancy, childbirth, breastfeeding or related medical conditions, or any other classification protected by federal, state, and local laws and ordinances is prohibited and will be treated as a disciplinary matter. The Company is committed to a workplace free of harassment and discrimination.

Harassment Defined: Harassment as defined in this policy is unwelcome verbal, visual or physical conduct creating an intimidating, offensive, or hostile work environment that interferes with work performance. Harassment can be verbal (including slurs, jokes, insults, epithets, gestures, teasing or mockery of an accent or language spoken), graphic (including offensive posters, symbols, cartoons, drawings, computer displays, or e-mails) or physical conduct (including physically threatening another, blocking someone's way, etc.) that denigrates or shows hostility or aversion towards an individual because of any protected characteristic. Such conduct violates this policy, even if it is not unlawful. Because it is difficult to define unlawful harassment, employees are expected to behave at all times in a professional and respectful manner.

Sexual Harassment Defined: Sexual harassment can include all of the above actions, as well as other unwelcome conduct, such as unwelcome or unsolicited sexual advances, requests for sexual favors, conversations regarding sexual activities and other verbal or physical conduct of a sexual nature. Conduct need not be motivated by sexual desire towards another person constitute sexually harassment. Examples of conduct that violates this policy include:

- unwelcome sexual advances, flirtations, advances, leering, whistling, touching, pinching, assault, blocking normal movement;
- requests for sexual favors or demands for sexual favors in exchange for favorable treatment;
- obscene or vulgar gestures, posters, or comments;
- sexual jokes or comments about a person's body, sexual prowess, or sexual deficiencies;
- propositions, or suggestive or insulting comments of a sexual nature

- derogatory cartoons, posters, and drawings;
- sexually-explicit e-mails or voicemails;
- uninvited touching of a sexual nature;
- unwelcome sexually-related comments;
- conversation about one's own or someone else's sex life;
- conduct or comments consistently targeted at only one gender, even if the content is not sexual; and
- teasing or other conduct directed toward a person because of the person's gender.

All such conduct is unacceptable in the workplace and in any work-related settings such as business trips and business-related social functions, regardless of whether the conduct is engaged in by a supervisor, co-worker, client, customer, vendor, or other third party.

National Origin Defined: National origin includes, but is not necessarily limited to, a person's or ancestor's actual or perceived:

- physical, cultural or linguistic characteristics associated with a national origin group;
- marriage to or association with persons of a national origin group;
- tribal affiliation;
- membership in or association with an organization identified with or seeking to promote the interests of a national origin group;
- attendance or participation in schools, churches, temples, mosques or other religious institutions generally used by persons of a national origin group; and
- name that is associated with a national origin group.

As used here, "national origin groups" include, but are not necessarily limited to, ethnic groups, geographic places of origin and countries that are not presently in existence. Discrimination based upon an applicant's or employee's accent is prohibited unless it interferes materially with the person's ability to perform their job. Discrimination based upon an applicant or employee's English proficiency is prohibited unless there is an English proficiency requirement justified by business necessity which has been approved by the Company. The provisions of this

policy apply to undocumented applicants and employees to the same extent as any other applicants or employees.

Reporting Procedures: The following steps have been put into place to ensure the work environment at the Company is respectful, professional, and free of harassment. If an employee believes someone has violated this policy, the employee should promptly bring the matter to the immediate attention of their direct manager or supervisor. If the employee does not receive a response or is dissatisfied with the response from their manager or supervisor, or if the employee is not comfortable bringing the issue directly to the attention of their manager or supervisor, the employee should bring the issue to the attention of [Insert Title of Another High-level Management Employee and Phone Number or "another supervisor within the Company"] or [Insert Title of Appropriate Person with Human Resources Responsibilities and Phone Number]. If the employee makes a complaint under this policy to [Insert Title of High-level Management Employee or "another supervisor within the Company"] or [Insert Title of Appropriate Person with Human Resources Responsibilities] and does not received a satisfactory response within five (5) business days, he or she should contact [Include Title Of A Higher-level Executive with Full Contact Information].

[Optional Language: If you work the [_____] (e.g., third shift), please immediately report your concerns to [_____] or [_____]. If you are not comfortable directly reporting your concerns to [_____] or [_____], or if you do not receive a response or are dissatisfied with the response from [_____] or [_____], please follow the steps above and address your concerns to [Insert Title of Appropriate Person with Human Resources Responsibilities, Another High-level Management Employee or A Higher-level Executive]]

[Optional Language: If you work at [_____] (e.g. remote location, or location where no senior management persons work), please immediately report your concerns to [_____] or [_____]. If you are not comfortable directly reporting your concerns to [_____] or [_____], or if you do not receive a response or are dissatisfied with the response from [_____] or [_____], please follow the steps above and address your concerns to [Insert Title of Appropriate Person with Human Resources Responsibilities, Another High-level Management Employee or A Higher-level Executive]

[Optional Language: Employees are also encouraged to use our 24-hour hotline, [Insert Number] to raise concerns about workplace harassment.]

Every supervisor who learns of any employee's concern about conduct in violation of this policy, whether in a formal complaint or informally, must immediately report the issues raised to [Insert Title of Appropriate Person with Human Resources Responsibilities and Phone Number] or [Insert Title of Another High-level Management Employee and Phone Number].

Investigation Procedures: The Company will timely respond to complaints of misconduct and conduct an impartial and timely investigation into the facts and circumstances of any claim of misconduct. The Company will endeavor to conduct a fair, timely and thorough investigation providing all parties due process and reaching a reasonable conclusion based on the evidence collected. To the extent possible, the Company will endeavor to keep the reporting employee's concerns confidential. During the investigation, the Company generally will:

- interview the complainant and the alleged harasser
- conduct further interviews as necessary
- document the Company's findings regarding the complaint
- document recommended follow-up actions and remedies, if warranted
- inform the complainant of the Company's findings.

The Company will endeavor to bring such an investigation to a close as soon as reasonably and practicable possible. Upon completion of the investigation, the Company will take corrective measures against any person who has engaged in conduct in violation of this policy, if the Company determines such measures are necessary. These measures may include, but are not limited to, counseling, suspension, termination or restricting the person's access to Company premises. Anyone, regardless of position or title, whom the Company determines has engaged in conduct that violates this policy will be subject to discipline, up to and including termination.

No Retaliation: No employee will be subject to, and the Company prohibits, any form of discipline or retaliation for reporting perceived violations of this policy, pursuing any such claim, or cooperating in any way in the investigation of such claims. Retaliation may also include, but is not necessarily limited to: (1) threatening to contact or contacting immigration authorities or a law enforcement agency about the immigration status of an application or employee or their family member; or (2) taking adverse actions against an employee because the employee updates or attempts to update personal information based upon a change of name, social security number or government-issued employment documents.

If an employee believes someone has violated this no-retaliation policy, the employee should bring the matter to the immediate attention of their direct manager or supervisor, [Insert Title of Appropriate Person with Human Resources Responsibilities and Phone Number] or [Insert Title of Another High-level Management Employee and Phone Number]. Anyone, regardless of position or title, whom the Company determines has engaged in conduct that violates this policy against retaliation will be subject to discipline, up to and including termination.

If You Experience Or See Something – Say Something: We cannot remedy claimed harassment or retaliation unless you bring these claims to the attention of management. Failure to report claims of harassment and/or retaliation prevents us from taking steps to remedy the problem.

Practice Points:

- **This language is consistent with SB 1300 (eff. 1-1-19) making an employer liable for all forms of harassment by non-employees (not just sexual harassment) where it knows or should know about it.**

- **This is updated to reflect the amended definitions and protections around national origin discrimination and harassment in the 2018 FEHA Amendments (eff. 7-1-18).**

- **California Government Code Section 12950 requires the Department of Fair Employment and Housing ("DFEH") to print a brochure on sexual harassment. Employers are required to distribute the brochure or adopt a sexual harassment policy that includes, at a minimum, the following components: (1) statement of the illegality of sexual harassment; (2) the definitions of sexual harassment under federal and state law; (3) a description of sexual harassment, utilizing examples; (4) the internal complaint process of the employer available to the employee; (5) the legal remedies and complaint process available through the DFEH and EEOC; and (6) directions on how to contact the DFEH and EEOC. Given this policy does not, for obvious reasons, set forth the latter two (2) requirements, employers using this policy should either distribute the DFEH pamphlet to new employees as part of the new hire packet and annually to all employees as an insert to a payroll check or amend the language of this policy.**

- **This has been updated to reflect military and veteran status as a protected category under FEHA per AB 556 (effect. 1/2014).**

- **This has been updated to reflect SB 292 (effect. 1/2014) providing conduct need not be motivated by sexual desire to constitute sexual harassment.**

- This policy complies with the amended FEHA regulations (effect. 4/1/16) relating to an employer's affirmative obligations to take reasonable steps to prevent and promptly correct discriminatory conduct. See 2 CFR §11023. Under those regulations, if an employer's workforce at any facility or establishment contains 10 percent or more of persons who speak a language other than English as their spoken language, that employer shall translate the policy into every language that is spoken by at least 10 percent of the workforce. Under the Amended FEHA Regulations employers must provide an option that does not require an employee to complain directly to his or her immediate supervisor, and that allows the employee to complain through an alternative method, such as to a human resources manager, an EEO officer, a complaint hotline, the Department of Fair Employment and Housing (DFEH) or the Equal Employment Opportunity Commission (EEOC)]

ACKNOWLEDGMENT OF RECEIPT OF NO HARASSMENT POLICY

I acknowledge I have received a copy of the Company's No Harassment Policy (the "Policy"). I have read the Policy, understand it and agree to follow it. I understand any employee who engages in conduct prohibited by the Policy will be subject to disciplinary action, up to and including termination.

I understand it is my obligation to refrain from engaging in conduct in violation of the Policy and also to report conduct which I believe violates the policy to enable the Company to take action as appropriate.

I also acknowledge that I have received a copy of the California Department of Fair Employment and Housing's Sexual Harassment Brochure called "The Facts About Sexual Harassment."

_____
Print Name

_____
Signature

_____
Date

REASONABLE ACCOMMODATION OF INDIVIDUALS WITH DISABILITIES

The Company recognizes and supports its obligation to reasonably accommodate job applicants and employees with disabilities who are able to perform the essential functions of the position, with or without reasonable accommodation. The Company will provide reasonable accommodation to otherwise qualified job applicants and employees with known disabilities, unless doing so would impose an undue hardship on the Company or pose a direct threat of substantial harm to the employee or others.

An applicant or employee who believes he or she needs a reasonable accommodation of a disability should discuss the need for possible accommodation with the employee's immediate supervisor, a member of management or human resources.

REASONABLE ACCOMMODATION OF INDIVIDUALS' RELIGIOUS BELIEFS AND PRACTICES

The Company recognizes and supports its obligation to reasonably accommodate job applicants and employees with religious beliefs or practices who are able to perform the essential functions of the position, with or without reasonable accommodation. The Company will provide reasonable accommodation to otherwise qualified job applicants and employees, unless doing so would impose an undue hardship on the Company.

An applicant or employee who believes he or she needs a reasonable accommodation of a religious belief or practice should discuss the need for a possible accommodation with the employee's immediate supervisor, a member of management or human resources.

LACTATION ACCOMMODATION

The Company will provide a reasonable amount of break time to accommodate an employee desiring to express breast milk for the employee's infant child. The break time, if possible, must run concurrently with rest and meal periods already provided to the employee. If the break time cannot run concurrently with rest and meal periods already provided to the employee, the break time will be unpaid.

The Company will make reasonable efforts to provide employees with the use of a room or location other than a bathroom for the employee to express milk in private. This location may be the employee's private office, if applicable. The Company will endeavor to provide a permanent location for lactation, however a temporary location may be provided where a permanent location cannot be provided for operation, financial or space limitations and that temporary location is private, free from intrusion and not used for other purposes while being used for lactation. The Company may not be able to provide additional break time if doing so would seriously disrupt the Company's operations. Please speak to Human Resources if you have questions regarding this policy.

Practice Points:

- **Updated for AB 1976 (eff. 1-1-19) impacting definition of proper location for accommodation.**
- **The Legislature provided no guidance as to the meaning of the phrase "seriously disrupt."**

AT-WILL EMPLOYMENT

The Company's policy is that employment is "at will." You are free to leave the Company at any time, with or without a reason and with or without notice. The Company also has the right to end your employment at any time, with or without a reason and with or without notice. Although the Company may choose to end your employment for a cause, cause is not required. Further, the Company has the right to manage its work force and direct its employees. This includes the right to hire, transfer, promote, demote, reclassify, lay off, terminate, or change any term or condition of employment at any time, with or without a reason and with or without notice unless otherwise required by law.

No one other than the [Insert Title of High-level Executive (e.g. President or Chief Executive Officer)] of the Company may enter into an agreement for employment for a specific period of time or make any agreement contrary to the policy of at-will employment. Any such agreement must be in writing signed by the [Repeat Title of High-leve Executive Named Above] of the Company and you.

Practice Points:

- **This is an important policy because it supports the ability of employers to terminate their employees without contractual liability for wrongful termination. Employers should understand, however, that at-will employment is not a defense to tort, discrimination, or public policy claims.**

[Optional Policy]

BINDING ARBITRATION OF DISPUTES

As a condition of employment, applicants and employees sign a binding contract by which the employee and the Company agree to submit all disputes related to employment with the Company or the termination of employment to binding arbitration ("Arbitration Agreement"). Each employee is given a copy of the Arbitration Agreement once he or she has signed it. Employees should refer to the Arbitration Agreement for details concerning its provisions.

Practice Points:

- **This policy contemplates employees will receive and sign a stand-alone "Arbitration Agreement," which is recommended over a policy that simply exists within an Employee Handbook. Employers should ensure that the arbitration agreement is signed prior to commencement of employment so there is adequate consideration for the agreement.**

WORK PERFORMANCE

[OPTIONAL]

INTRODUCTORY PERIOD OF EMPLOYMENT

The first **[**Insert Number**]** days of your employment are an Introductory Period. The Introductory Period is designed to give you a chance to become familiar with the Company and to learn your job. It also gives your supervisor a chance to work more closely with you while you learn about your job, and evaluate your performance. During this period, you may be placed in different tasks if needed.

[Optional Language: Upon completion of your Introductory Period, you will receive a pay increase, become eligible for participation in our benefit programs, and establish your service date based on your date of hire. This date will be important as it will be used to compute your vacation and other benefits.]

The Introductory Period is just that—an introduction. Completion of the Introductory Period signifies our hope you will be capable of functioning fully in your position. Completion of the Introductory Period is not in any way unqualified acceptance by the Company of your performance or an assurance of continued employment.

Practice Points:

- **This policy refrains from using the term "probationary period" to refer to an Introductory Period of employment. Use of the term "probationary period" may have unintended consequences with respect to employees' "at-will" employment status.**

PERFORMANCE EVALUATIONS

We endeavor to schedule periodic performance evaluations [(if using Introductory Periods), first after the Introductory Period and then] on the employee's anniversary date to give you an opportunity to discuss your work performance with your supervisor. In addition, your supervisor may give you regular input regarding your performance.

During your formal performance review, your supervisor will consider the following issues, among others: attendance, initiative and effort, knowledge of your work, attitude and willingness, quality and quantity of work performed, and the conditions under which you work. The performance evaluation is designed to identify your strengths and also inform you of areas where improvement may be required. Your performance evaluation may also provide an opportunity for you to discuss performance goals and targets with your supervisor.

The performance review process is not in any way an assurance of continued employment and does not in any way change the at-will nature of employment.

[OPTION 1]

GENERAL STANDARDS OF CONDUCT

People working together need standards to guide their behavior so everyone may work together efficiently. We take a constructive approach to employee relations so you know what we expect, and inappropriate behavior does not occur.

While it is neither possible nor desirable to identify every possible infraction of this policy, employees must observe reasonable standards of conduct and may be disciplined when they do not. Some examples of misconduct include any form of dishonesty, disruption of the workplace, failure to comply with any Company policy or practice, or any other form of misconduct that does not serve the best interests of the Company or its employees.

Employee discipline generally will be in the form of oral warnings, written warnings, or, in the Company's discretion, termination. However, pursuant to the Company's at-will employment policy, the Company reserves the right to impose whatever form of discipline it chooses, or none at all in a particular instance. The Company will deal with each case individually, and nothing in this Handbook should be construed as a promise of specific treatment in a given situation.

[OPTION 2]

GENERAL RULES OF CONDUCT

Any group of people working together must abide by certain rules of conduct based on honesty, good taste, fair play, and safety. This is essential if everyone is to work together efficiently.

Certain specific rules of conduct are observed by the Company and violations of these rules may lead to disciplinary action, up to and including termination. Examples include, but are not limited to:

- Theft or embezzlement;
- Falsification of Company documents;
- Engaging in or provoking any act of violence or damaging Company property or the property of another;
- Insubordination to a manager or lack of cooperation with fellow employees, clients or customers;
- Rude, condescending or unprofessional behavior;
- Disparaging or offensive language about or towards coworkers;
- Violation of the Company's Substance Abuse policy;
- Possession of weapons of any kind at work, in Company vehicles, or on Company premises (such as a vehicle parked in the Company parking lot);
- Malicious damage to or misuse of Company property or the property of others;
- Disrupting other employees during work time;
- Recording conversations, phone calls, images or company meetings with any recording, videographic or photographic device without prior approval;
- Conduct violating the Company's No Harassment or Equal Employment Opportunity policies
- Making unauthorized disclosures of confidential or trade secret information of the Company or its customers or clients;
- Engaging in activities which compete with the Company, interfere with one's

judgement concerning the Company's best interests or exploits one's position with the Company for personal gain;

- Using Company logos or marks or making statements on behalf of the Company without authority or authorization.

The Company will address violations of these rules of conduct and any other violations of Company policy on an individual basis. Pursuant to the Company's at-will employment policy, the Company reserves the right to impose whatever form of discipline it chooses, or none at all, in a particular instance. Disciplinary action may include, but is not limited to, oral or written warnings, suspension, demotion, or involuntary termination. Nothing in this Handbook should be construed as a promise of specific treatment in a given situation.

Practice Points:

- **In 2018, the NLRB General Counsel issued guidance on employment handbook rules around conduct. They outline examples of policies which are generally lawful, generally unlawful and require individual examination. This current language is tailored to follow that which was proscribed as generally lawful. The current language avoids rules that expressly limit disclosure of working conditions and wages/benefits, as well as rule prohibiting employees from joining outside organizations or voting on matters concerning the employer.**

  Previously, the National Labor Relations Board has held that if an employee handbook contains policies expressing the employer's opposition to unions, then a policy that provides for discipline of an employee for failing to "abide by" or "comply with" the company's rules or policies violates the employee's rights under Section 7 of the National Labor Relations Act. Therefore, if the employer wishes to have a union-free policy, the standards of conduct must be drafted appropriately.

  The Board also has held that an employer's prohibition of "mere falsehoods" violates employees' Section 7 rights. However, it is lawful to prohibit "malicious falsehoods." Prohibiting "any form of dishonesty" could be viewed as overbroad. Instead, employers should list more specific forms of dishonesty. In addition, a policy prohibiting "any disruption of the workplace," could be viewed as overbroad because it is not limited to disruption of production or service, "work areas," or employees' work time. The Board has found that a policy prohibiting "[d]isorderly conduct in the Hotel, including fighting, horseplay, threatening, insulting, abusing, intimidating, coercing or interfering with any guests, patrons or employees" was unlawful. It has also found unlawful a policy prohibiting distribution of literature which was "libelous, defamatory, scurrilous, abusive or insulting or any literature which would tend to disrupt order, discipline or production within the plant." As the judge who decided that case specifically noted, "[p]ractically any item of literature of an organizational nature could arguably 'tend to disrupt order, discipline or production

within the plants.'"

The Board also held that a policy prohibiting "insubordination...or other disrespectful conduct" was unlawful because it could chill employees' exercise of protected rights. Other commonly used disciplinary rules also have been found to be unlawful by the Board, including rules prohibiting "loud, abusive or foul language," "derogatory attacks" on the employer, and "disorderly conduct." We therefore strongly recommend consulting counsel before implementing a policy listing forms of misconduct.

SUBSTANCE ABUSE

The Company is required by law to provide a safe and healthy work environment for employees. In addition, it is the Company's goal to provide the best service possible to its customers. To achieve these goals, the Company has the following rules about the use, possession, and sale of drugs and alcohol by its employees.

The illegal use, being under the influence of, sale, distribution, or possession of narcotics, drugs, or controlled substances while on the job or on Company property will result in immediate disciplinary action, up to and including termination. In addition, alcohol cannot be consumed on Company property unless at an authorized social function sponsored by the Company and the use of alcohol during working hours or reporting to work under the influence of alcohol is strictly prohibited.

The use of controlled substances prescribed to you by a licensed physician or are available over the counter is not prohibited by this policy. However, if a physician has prescribed medication that requires any accommodation, please notify your manager, supervisor or [Insert Job Title with Human Resources Responsibilities] to discuss what accommodations are necessary.

Practice Points:

- **Employers who are government contractors are required to have a drug-free workplace policy. This model policy does not include all of the requirements for a government contractor drug-free workplace policy and contemplates the existence of a stand-alone policy.**

YOUR PERSONNEL AND PAYROLL RECORDS

It is important your personnel records are accurate and up-to-date so you may continue to receive uninterrupted benefits. Certain information also is necessary to determine the amount of wage deductions for federal and state income tax. You should notify the Company of any change in your name, address, telephone number, marital status, number of dependents, or emergency contact telephone number.

You or your designated representative may request to inspect or receive a copy of the personnel records the Company maintains relating to your performance or grievances concerning you. To inspect or receive a copy of your personnel records, you or your designated representative must provide a written request to Human Resources. Request forms can be obtained from Human Resources, however such forms are not mandatory for making your written request.

Inspection or copies of your personnel records will be provided within thirty (30) days of receipt of a written request; this date may be extended up to an additional five (5) days by mutual agreement. Names of non-supervisory employees will be redacted from your personnel records. Records pertaining to investigations of possible criminal behavior or letters of reference will not be provided. Where you request to inspect your personnel records, they will be provided at your regular worksite during non-working hours unless you and the Company agree otherwise. Where you or a designated representative requests a copy of records, the Company will require you to pay the actual costs of copying the records. The Company reserves the right to limit you to only one request for personnel records per year. Employees are also advised that their rights to inspection of personnel records pursuant to this policy will be suspended during the pendency of any lawsuit by you against the Company relating to a personnel matter.

You may also request to inspect or receive a copy of your payroll records. A request to inspect or receive a copy of your payroll records may be made verbally or in writing to Human Resources. Inspection or copies of your payroll records will be provided within twenty-one (21) days of your request.

Practice Points:

- **This language comports with SB 1252 (eff 1-1-19), which specifies employees are entitled to a copy of their personnel file (i.e. the employer cannot elect inspection in lieu of a copy).**
- **California Labor Code section 1198.5 provides employees or their designated representative access to and a copy of their personnel files. Under California Labor Code section 226(c), an employer must respond no later than 21 calendar days after the date of the written or verbal request to provide a copy of the employee's payroll records.**
- **This policy was updated to account for the expanded inspection/copying rights announced by AB 2674 (effect. 1/2013).**

INTERNAL COMPLAINT PROCEDURE

The Company believes each employee should have an opportunity and a means to raise grievances the employee feels have not been resolved.

Listed below are successive levels at which you may voice your concerns:

- Step 1: Discuss your grievance or concern with your immediate supervisor. Should the results prove unsatisfactory, or if you feel you cannot discuss your concern with your immediate supervisor, take your grievance to the second step.

- Step 2: Discuss your grievance or concern with the [IDENTIFY APPROPRIATE OFFICIAL]. If the problem remains unresolved, or if you feel you cannot discuss your concern with the second level of supervision, proceed to the third step.

- Step 3: File a formal written grievance with the [IDENTIFY APPROPRIATE OFFICIAL].

- [Add Steps As Appropriate]

Employees are encouraged to utilize this procedure without fear of retaliation. No employee will be discriminated or retaliated against because the employee has elected to use this procedure. Anyone, regardless of position or title, whom the Company determines has engaged in conduct that violates this policy against retaliation will be subject to discipline, up to and including termination.

Please note, this policy does not apply to claims involving perceived violations of the Company's equal employment opportunity policies. Such claims should be reported immediately and in the manner set forth in the Company's "Equal Employment Opportunity," "No Harassment" and/or "Anti-Discrimination" policies..

Please understand nothing in this grievance procedure is intended to create an express or implied agreement that alters the employment at-will relationship that exists between the Company and you, as set forth in the section of this Handbook entitled "At-Will Employment."

WAGES, HOURS WORKED AND BENEFITS

YOUR WORK WEEK

When you begin your employment with us, you will be advised of your schedule. From time-to-time, it may be necessary to change your work schedule. Your cooperation with any such changes is both expected and appreciated. We will do our best to give you as much advance notice as possible of any changes in your work schedule. We also will try to keep all unscheduled changes to a minimum.

For payroll purposes, the workweek starts on **[_____]** and ends on **[_____]**.

Practice Points:

- **Employers must designate a seven day period as the work week for overtime purposes. For example "The workweek begins at 12:01 a.m. Sunday and ends at midnight Saturday."**

EMPLOYEE CLASSIFICATIONS

A number of different types of employees are employed by the Company.

[Optional Language: Introductory Employees: All employees, during the first [Insert Number Consistent With Policy Above On Introductory Periods] days of employment or any extension of that period. Introductory employees may be eligible for some, but not all, Company benefits.]

Regular, Full-Time Employees: Employees who **[**complete the Introductory Period and who**]** are regularly scheduled to work at least **[_____]** hours per week. Regular full-time employees are eligible for all Company benefits.

Regular, Part-Time Employees: Employees who are regularly scheduled to work fewer than **[_____]** hours per week. Part-time employees are [not] eligible for [some, but not all,] Company benefits.

[Optional Language: [Casual] [Per Diem] Employees: Employees who are not regularly scheduled to work. [Casual] [Per diem] employees work on an as-needed basis when called in. [Casual][Per diem] employees are [not] eligible for Company benefits.]

[Optional Language: Temporary Employees: Employees who are hired for a specific task or project, usually involving fewer than [Insert Number] days. Temporary employees are [not] eligible for Company benefits.]

Non-Exempt Employees: Employees who are eligible for overtime under the federal Fair Labor Standards Act and/or applicable state wage/hour laws. Non-exempt employees are entitled to an overtime premium for overtime work in accordance with state and federal law.

Exempt Employees: Salaried employees whose work duties exempt them from the overtime provisions of the federal Fair Labor Standards Act and any applicable state wage/hour laws.

An employee may change classifications only upon written notification by the Company. There are no automatic conversions from one classification to another. Please speak to your supervisor if you have any concerns or questions about your classification.

Practice Points:

- **Employers should be aware that California's overtime exemption standards differ in some important respects from federal law. For example, exempt professional, executive, and administrative employees must be paid a monthly salary of at least twice the state minimum wage for full-time employment, and computer professionals must be paid a specified compensation rate.. Further, the state applies a quantitative, as opposed to qualitative, measure of exempt job duties–to be exempt, an employee**

must devote more than one-half (½) of his or her work time to the performance of exempt job duties.

YOUR WAGES

Your pay is influenced by many factors, including your skills, experience, education, nature and scope of your job, performance, and the Company's budgetary needs. Wage and salary increases are based on a number of factors, including the Company's financial well being, your performance, and wages within our industry. Length of service may also be among the factors considered. Raises are determined in the sole discretion of the Company. A good performance review neither guarantees a raise nor promises continued employment with the Company. The Company generally reviews wages [IF APPLICABLE after the completion of the Introductory Period of employment and] on the employee's anniversary date, however this may not always be the case

The Company does not seek salary history information from applicants applying for employment, but it may seek salary expectations from applicants. Upon reasonable request and completion of an initial interview, the Comp shall provide the pay scale (i.e. a salary or hourly wage range) for a position to an applicant applying for employment.

Practice Points:

- **This language was updated to comport with Labor Code 432.3 and AB 2282 (eff 1-1-19) which prohibit use of salary history to determine salary and require disclosure of pay scale information to applicants.**

[OPTION 1]

ATTENDANCE

The success of our Company depends upon the cooperation and commitment of each member of our team. Therefore, your attendance and punctuality are extremely important. Your fellow employees must bear the burden of your absence. Your responsibility to our Company and your fellow employees requires good attendance.

Please be at your work place and ready to work at your starting time. Give yourself enough time to make preparations to begin work prior to your starting time. However, we request you do not report to work or [Indicate Method Used For Clocking In (e.g. punch your time card, or, log in on your Attendance Record] more than five (5) minutes before your starting time without your supervisor's permission. We also ask that you not stay more than five (5) minutes after the end of your work day without your supervisor's permission.

We recognize there may be times when your absence or tardiness cannot be avoided. In that event, notify your supervisor at least **[**Indicate Number**]** hours before your scheduled shift. You must speak with your supervisor or another management employee personally and you may not simply leave a voicemail message. Unless you have made other arrangements with your supervisor, you must call your supervisor each day of your absence.

Failure to give your supervisor notice of your absence or tardiness is serious because we may not provide paid sick leave if you have not provided the required notice. Failure to notify us may also result in disciplinary action. If you are absent due to the illness of yourself or a family member for [more than] three (3) consecutive work days [or more], we may require you to produce a certification from your healthcare provider. If you fail to notify your supervisor of your absences for [more than] three (3) consecutive work days, you may be considered to have voluntarily terminated your employment with the Company.

A pattern of excessive or unexcused absences or tardiness may result in disciplinary action, up to and including termination.

Practice Points:

- **San Francisco Paid Sick Leave ordinance requires that a doctor's certification cannot be required until the employee has been absent for more than 3 days. Employers without operations in San Francisco may wish to require a doctor's note for absences of three or more consecutive days.**

[OPTION 2]

ATTENDANCE AND PUNCTUALITY POLICY

Overview and Purpose

You are an important part of our team. It takes cooperation and commitment from everyone in the Company to operate efficiently. Your attendance and punctuality are vital to the success of the Company. When you are absent from work, it places an additional burden on co-workers and interferes with our ability to perform services for our clients and customers. Therefore, we have established absenteeism and punctuality standards we expect all employees to follow.

To ensure consistent enforcement of our absenteeism standards throughout the Company, we developed this "no-fault" "Attendance and Punctuality Policy." For every absence, employees are assigned definite and predetermined point values. Employees reaching certain point levels will be subject to counseling and/or disciplinary action, up to and including termination.

To Whom This Policy Applies

This policy applies to all non-exempt employees, i.e., all employees who are eligible for overtime according to federal and state wage and hour laws.

If You Must Be Late or Absent

There may be times when your absence or tardiness cannot be avoided. In those cases, you are expected to notify your supervisor or [Identify Job Title with Human Resources Responsibilities], at least one (1) hour before you are scheduled to begin your work day of your absence or lateness. Failure to do so may result in disciplinary action, up to and including immediate termination.

If you are absent due to your own illness or the illness of a family member for [more than] three (3) consecutive work days [or more], you must produce a certification from your healthcare provider before your return to work.

Employees must call in every day they are absent unless excused by the employee's supervisor or [Identify Job Title with Human Resources Responsibilities]. Employees who fail to call in and report for work for three (3) consecutive work days will be considered to have voluntarily terminated their employment with the Company.

Accumulating Points

Point Assignments

For each attendance incident, an employee will be assigned points as follows:

ATTENDANCE INCIDENT	POINTS
Report to work more than five (5) minutes late or leave work more than 5 minutes early	1 point
Extending meal break over five (5) minutes or a break over five (5) minutes	1 point
Absent for entire day with notice prior to scheduled start time	2 points
Absent for entire day without notice prior to scheduled start time	4 points

Points assigned to an employee under the system will remain on the employee's record for twelve (12) months from the date of the attendance incident.

Approved Absences

The following absences as provided under Company policies will not constitute an attendance incident and will not result in employees receiving points or discipline if the employee follows the Company's policies and procedures for obtaining advance approval for the absence:

- vacation days (pre-approved)
- holidays
- sick leave time
- discretionary leave time
- personal leave of absence (pre-approved)
- jury/witness duty
- military duty
- bereavement
- Family and Medical Leave or Pregnancy Disability Leave
- extended Medical Leave of Absence
- other leaves of absence provided for by applicable federal, state, or local laws

- workers' compensation
- Company-directed shutdowns or temporary closings

Disciplinary Action

Employees accumulating an excessive number of points will receive the following disciplinary action:

POINTS	DISCIPLINARY ACTION
10 Points	Counseling
12 Points	Written warning
13 Points	One (1) day unpaid suspension
14 Points	Three (3) day unpaid suspension
15 Points	Termination

The Company may modify the disciplinary action given to any employee based on the circumstances of the situation.

[Optional Language: Reviewing Your Attendance Record

To monitor your attendance record, attendance reports–showing point totals for each employee will be periodically provided to you by [Indicate Appropriate Job Title]. Please review these reports to ensure they are accurate. If you have any questions about your attendance record, please speak with your supervisor or [Indicate Appropriate Job Title].]

Practice Notes:

- **This sample policy has been drafted to comply with the San Francisco Paid Sick Leave ordinance's requirement that a doctor's certification cannot be required until the employee has been absent for more than 3 days. Employers without operations in San Francisco may wish to consider changing the policy to require a doctor's note for absences of three or more consecutive days.**

ATTENDANCE RECORDS

If you are a non-exempt employee, you will receive instruction on how to record your daily starting and ending times and meal periods, regardless of whether you leave the premises for your meal period. Refer to the "Rest Breaks and Meal Period" section for additional guidance. You must show an accurate record of the hours you work because your paycheck will be based on this attendance record. You are to record when you begin and end work each day. No supervisor or management has the authority to instruct you to work while you are not clocked in. If this happens, you should immediately notify someone in management or Human Resources.

If you fail to record your starting or quitting time or there is an error on your time sheet, be sure to notify your supervisor. All attendance records must be approved by [indicate appropriate person/title].

You may only record starting and quitting time on your own time sheets. Doing so for other employees may lead to discipline, up to and including termination.

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 you are paid properly and no improper deductions are made, you must review your pay stubs promptly to identify and to report all errors.

If you believe a mistake has occurred or if you have any questions, please use the reporting procedure outlined below.

As an exempt salaried employee, you receive a salary which is intended to compensate you for all hours you 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 state law, your salary is subject to certain deductions. For example, your salary can be reduced for the following reasons:

- Full-day absences for personal reasons;
- Full-day absences for sickness or disability, if you have exhausted the paid sick leave available to you;
- Intermittent absences, including partial-day absences, covered by the federal Family and Medical Leave Act, if you have exhausted other paid leave available to you;
- During the first or last week of employment in the event you work less than a full week;
- Any workweek in which you perform no work for the Company.

Your salary also may be reduced for certain types of deductions, such as state, federal or local taxes, and social security.

In any workweek 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 holiday when the facility is closed, or because the facility is otherwise closed 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.

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 Associate Director or Executive Director, or any the Company supervisor with whom you feel comfortable. If you are unsure of whom to contact if you have not received a satisfactory response within five (5) business days after reporting the incident, please immediately contact the Board Appointed Human Resources Representative.

Every report will be fully investigated and corrective action will be taken where appropriate, up to and including termination for any employee(s) who violates this policy. In addition, the Company will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in the Company's investigation of such reports. Retaliation is unacceptable, and any form of retaliation in violation of this policy will result in disciplinary action, up to and including termination.

REST BREAKS AND MEAL PERIODS

Rest Breaks

Non-exempt employees who work 3½ or more hours per day are provided one 10-minute rest break for every four hours or major fraction thereof worked. For purposes of this policy, "major fraction" means any time greater than two hours. So, if you work more than six hours, but no more than 10 hours in a workday, you are provided two 10-minute rest breaks: one during the first half of your shift and a second rest break during the second half of your shift. If you work more than 10 hours but no more than 14 hours in a day, you are provided and should take three 10-minute rest breaks.

Rest breaks should be taken as close to the middle of each work period as is practical. Employees do not need to obtain their supervisor's approval or notify their supervisor when taking a rest break.

Employees are encouraged to take their rest breaks and are not expected to and should not work during their rest breaks. Nonexempt employees are paid for all rest break periods. Accordingly, you do not need to clock out when taking a rest break.

Meal Periods

Nonexempt employees who work more than 5 hours in a workday are provided an unpaid, off-duty meal period of at least 30 minutes. Nonexempt employees who work more than 10 hours in a day are provided a second unpaid, off-duty 30 minute meal period. However, any employee covered by this policy who works no more than 12 hours can waive his or her second meal period, but only if the first one was not waived in any manner. Any waiver of the second meal period must be in writing and submitted before the second meal period. See Human Resources if you would like to sign and submit a form that waives your right to a second meal period, as explained above.

You are responsible for scheduling your own meal period, but it should begin no later than the end of your fifth hour of work. For example, an employee who begins working at 8 a.m. must begin his or her meal period no later than 1:00 p.m. When scheduling your meal period, you should try to anticipate your work flow and deadlines. Employees are encouraged to take their meal periods and are not expected to and should not work during their meal periods.

You are relieved of all duty and should not work during your meal period. When taking your meal period, you should be completely off work for at least 30 minutes. Employees are prohibited from working "off the clock" during their meal period. Employees must clock out for their meal periods. You are expected to clock back in and then promptly return to work at the end of any meal period.

Unless otherwise directed by your supervisor in writing, you do not need to obtain your supervisor's approval or notify your supervisor when you take your meal period.

General Requirements for Rest Periods and Meal Breaks

All rest breaks and meal periods must be taken outside your work area. You should not visit or socialize with employees who are working while you are taking your rest break or meal period. You may leave the premises for your meal periods.

Employees are required to immediately notify Human Resources if they believe they are being pressured or coerced by any manager, supervisor, or other employee to not take any portion of a provided rest break or meal period.

Summary Chart

Below is a chart that summarizes the rest breaks and meal periods provided to employees:

Hours of Work	Meal Periods and Rest Breaks
0 to 3.4 *(less than 3.5)*	None
3.5 to 4.0	One 10 minute paid rest break
More than 4.0 (i.e. 4.1) up to 5.0	One 10 minute paid rest break
More than 5.0 (i.e. 5.1) up to 6.0	One 10 minute paid rest break and one 30 minute unpaid meal period (unless first meal period is mutually waived)
More than 6.0 (i.e. 6.1) up to 10.0	Two 10 minute paid rest breaks and one 30 minute unpaid meal period
More than 10.0 (i.e. 10.1) up to 12.0	Three 10 minute paid rest breaks and two 30 minute unpaid meal periods (unless second meal period is mutually waived)
More than 12.0 (i.e. 12.1) up to 14.0	Three 10 minute paid rest breaks and two 30 minute unpaid meal periods

[Optional Language: Cool-Down Rest Breaks for Outside Workers:

Employees working outdoors will be provided cool down rest breaks of at least five (5) minutes each as necessary to prevent overheating. These breaks like rest breaks are treated as hours worked and you do not need to clock out when you take this break. If you are working

outdoors and need such a break, you should tell your manager or supervisor. If such a request is denied, you should immediately notify Human Resources.]

Practice Points:

- **The Wage Orders specify non-exempt employees must be provided 10 minutes of paid rest time for every four (4) hours or substantial portion thereof worked unless the employee's total work time is less than three (3) and a half hours. Substantial portion means any time more than two hours. The Wage Orders also require that the breaks be scheduled so far as practicable in the middle of each work period. Each day an employee is not provided with a required rest break, the employee is entitled to receive premium pay equivalent to one hour of the employee's regular rate of pay.**

- **Labor Code Section 512 and the Wage Orders require that an off-duty meal period of at least 30 minutes be provided to employees who work more than five (5) hours in a day, unless they work no more than six (6) hours and the employer and employee mutually agree to waive the meal period. Any waiver should be in writing and state it is voluntary. The meal period must be provided at or before the end of the fifth hour of work.**

- **An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second off-duty meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.**

- **An employee must be relieved of all work and not subject to an employer's control while taking an off-duty meal period. An on-duty meal period is allowed only under very limited circumstances, including a written agreement, and must be counted as hours worked.**

- **California's meal period requirements also provide that a nonexempt employee receive one hour of premium pay for any day the employee is not provided a required meal period. An employer does not comply with the meal period requirements by paying the hour of premium pay in lieu of providing a required meal period. Thus, an employer may still be liable for PAGA penalties (and attorneys fees) when they pay premium pay for meal periods (and rest periods) that were not provided to non-exempt employees.**

- **This policy has been updated to reflect SB 435 (effect. 1/2014) regarding heat breaks for outdoor workers.**

- **2015 Edition was updated to reflect AB 1360 providing time spent on heat/cool down**

breaks counts toward hours worked.

OVERTIME

The nature of our business sometimes requires employees to work overtime. Your supervisor will notify you when you are required to work overtime. We expect and appreciate your cooperation. We will try to provide you with advance notice of any overtime that will be required of you. Please remember you are not allowed to work overtime unless it has been authorized in advance by your supervisor. If you feel you need to work overtime to complete your work, you should speak with your supervisor before working the overtime and seek their approval.

Any overtime hours worked must be recorded. No supervisor or member of management has the authority to instruct you to work overtime off the clock.

If you are a non-exempt employee, you will be paid overtime in accordance with state and federal overtime requirements. For all hours worked in excess of eight (8) hours in one (1) day or 40 hours in one (1) week, or for the first eight (8) hours on the seventh consecutive day in the same workweek, you will be paid at one and one-half times (1½) your regular rate of pay. You will be paid double-time for hours worked in excess of 12 in any workday or in excess of eight (8) on the seventh day of the workweek. There may be exceptions to these standards where allowed by law.

[Optional Language for Employers with Alternative Workweek Schedules: Employees subject to the Alternative Workweek Schedule (AWS) will be paid at one and one-half times (1 ½) their regular rate of pay for hours worked in excess of: (1) the regularly scheduled daily hours established by the AWWS up to twelve (12) hours each day; and (2) forty (40) hours in a given workweek. Employees subject to the AWWS will be paid double-time for hours worked in excess of: (1) twelve (12) hours in any workday; or (2) eight (8) hours on those days worked beyond the regularly scheduled workdays established by the AWWS. There may be exceptions to these standards where allowed by law.]

Practice Points:

- **Effective January 1, 2000, California Labor Code section 510 restored daily overtime for non-exempt California employees. The statute was not clearly drafted with respect to the required overtime premium on the seventh day of the work week. The Industrial Welfare Commission's Wage Orders interpret the statute as providing that non-exempt employees are entitled to the time and one-half (up to eight (8) hours) and double time premiums (over eight (8) hours) only if they work seven (7) consecutive days during the workweek. Our model policy is drafted consistent with the provisions of the Wage Orders.**

[Optional]

MAKE-UP TIME POLICY

The Company allows the use of make-up time when non-exempt employees need time off to tend to personal obligations. Employees may take time off and then make up the time later in the same workweek, or may work extra hours earlier in the workweek to make up for time that will be taken off later in the same workweek. Make-up time worked will not be paid at an overtime rate.

Make-up time requests must be submitted in writing to your supervisor, with your signature, on the form provided by the Company. Requests will be considered for approval based on the legitimate business needs of the Company at the time the request is submitted. A separate written request is required for each occasion the employee requests make-up time. Exception: If you know in advance that you will be requesting make-up time for a personal obligation that will recur at a fixed time over a succession of weeks, you may request to make up work time for up to four (4) weeks in advance. However, the make-up work must be performed in the same week that the work time was lost.

If you request time off that you will make up later in the week, you must submit your request at least 24 hours before the desired time off. If you ask to work make-up time first to take time off later in the week, you must submit your request at least 24 hours before working the make-up time. Your make-up time request must be approved in writing before you take the requested time off or work make-up time, whichever is first.

All make-up time must be worked in the same workweek as the time taken off.

You may not work more than 11 hours in a day or 40 hours in a workweek as a result of making up time that was or would be lost due to a personal obligation.

If you take time off and are unable to work the scheduled make-up time for any reason, the hours missed normally will be unpaid. However, your supervisor may arrange with you another day to make up the time if possible, based on scheduling needs.

If you work make-up time before you plan to take off, you must take that time off, even if you no longer need the time off for any reason.

An employee's use of make-up time is completely voluntary. The Company does not encourage, discourage, or solicit the use of make-up time.

CALL-IN AND REPORTING TIME PAY

Occasionally, employees may be called in to work a second time in a workday. If you are a non-exempt employee and you are asked to report to work under these circumstances, you will receive no fewer than two (2) hours pay at your regular rate of pay.

It may happen you report to work and find work is not available or you are given less than one-half of your usual day's schedule of work. If you report to work and you have not previously been notified work is not available or a full day's work is not available, you will receive one-half of your usual or scheduled day's pay at your regular rate (at least two (2) hours and no more than four (4) hours). However, you will not be paid for reporting to work when we are forced to cease operations due to threats to our employees or property, recommendations by civil authorities, a failure of public utility service, or other causes beyond our control.

These provisions do not apply to employees on paid stand-by status who are called to perform assigned work at a time other than their scheduled reporting time.

Practice Points:

- **Review the applicable IWC Wage Order to determine the applicable call-in and reporting pay rules in each employer's industry.**

YOUR PAYCHECK

Deductions

We are required by law to make certain deductions from your paycheck. Your pay stub itemizes the deductions made from your gross earnings. Federal or state laws require we make deductions for social security, federal income tax, state income tax (where applicable), state disability insurance (where applicable), and any other legally-mandated taxes or deductions. In addition, you may authorize deductions for additional items, such as your contribution for medical insurance, 401K savings plans, etc.

If an exempt employee's salary is reduced for any reason other than full-day absences, the employee should report the error to the [Human Resources/Payroll Department].

Any questions you may have about your paycheck or the deductions made should be addressed to your supervisor or the [Human Resources/Payroll Department].

Direct Deposit

If you wish to have your paycheck deposited directly into your bank account, you must provide the [Human Resources/Payroll Department] a voided check from the account into which you wish your check deposited. Even if your check is deposited directly, you will receive a pay stub itemizing the amount deposited and the deductions from your pay. It generally takes two (2) pay periods for direct deposit to take effect.

Releasing Paychecks to Others

If you wish to have someone else pick up your paycheck, you must provide written authorization giving that person permission to receive your paycheck for you. You generally must provide this authorization in advance.

Practice Points:

- **California Labor Code section 213(d) requires an employee's voluntary consent to direct deposit of paychecks in the employee's bank account(s). Employers are cautioned against making unilateral deductions from employee paychecks since doing so will result in significant penalties. Further, employee authorizations for deductions must meet specific requirements or the deduction may viewed to be improper**
- **California Labor Code section 207 requires employers to conspicuously post a notice indicating the paydays and the time and place of payment.**

EXPENSE REIMBURSEMENT

The Company will reimburse employees for reasonable expenses incurred for business purposes including, but not limited to, meals, lodging, and transportation. The Company will reimburse mileage driven on your personal automobile at the current IRS-approved rate per mile. All business travel and business purchases must be approved in advance by your supervisor.

You should complete expense reimbursement reports within **[___]** days of incurring the expense and give the reports and receipts to **[_____]**.

Practice Points:

- **California Labor Code section 2802 requires employers to reimburse employees for all necessary costs incurred during the discharge of the employees' duties. Employers should note the Labor Commissioner will not enforce a requirement that employees submit reimbursement requests by a specified time or lose the right to reimbursement. Employees who successfully seek reimbursement of expenses from the Labor Commissioner or courts also are entitled to recover interest and reasonable attorneys' fees.**

COMPANY PROVIDED BENEFITS

The Company offers a number of benefits to its employees. Most benefits will be described for you in a benefits orientation meeting when you commence employment.

The specific benefit plans that apply to you may vary. The official details contained in the benefit plan documents or policies will govern the terms, conditions and eligibility requirements for those benefits. Therefore, please refer to the separate benefits booklets given to you at the time of your enrollment in any benefit plans for further information. Human Resources also is available to answer any questions you may have concerning your eligibility and coverage.

The Company may modify or rescind any benefits provided after notice to you.

[For San Francisco Employers] The Company complies with its obligations under the San Francisco Health Care Security Ordinance to make health care expenditures on employees' behalf at the required level. The Company does so by [specify manner of compliance]. Employees who have health care services through another employer, either as an employee of that other employer or by virtue of being the spouse, domestic partner or child of a person employed by that employer, and who wish to decline the Company's health insurance benefits, will be asked each year to sign and update as necessary a Voluntary Waiver Form. Employees have the right to revoke the waiver at any time, but any revocation must be in writing. Whether to sign the Voluntary Waiver Form is entirely up to the employee – it is completely voluntary.

Practice Points:

- **Employers with employees working in the City and County of San Francisco should determine if they are subject to the City's mandated health insurance or mass transit commuter benefit programs. Covered employers must provide certain levels of benefits to eligible employees and must comply with health insurance reporting requirements.**

PAID FAMILY LEAVE BENEFITS

An employee who is off work to care for a child, grandchild, spouse, registered domestic partner, parent, parent-in-law, grandparent or sibling with a serious health condition, or to bond with a new child, or for a qualifying exigency related to covered active duty or call to covered active duty of the individual's spouse, domestic partner, child, or parent in the armed forces of the United States, may be eligible to receive benefits through the California "Paid Family Leave" ("PFL") program, which is administered by the Employment Development Department ("EDD").

These benefits solely are financed through employee contributions to the PFL program. That program is solely responsible for determining if an employee is eligible for such benefits.

If you need to take time off work to care for a child, spouse, parent, or registered domestic partner with a serious health condition or to bond with a new child or for a qualifying exigency related to covered active duty or call to covered active duty of the individual's spouse, domestic partner, child, or parent in the armed forces of the United States, please inform **[_____]**, and you will be given information about the EDD's PFL program and how to apply for benefits. Employees also may contact their local Employment Development Department Office for further information. You should maintain regular contact with [_____] during the time you are off work so we may monitor your return-to-work status. In addition, you should contact [_____] when you are ready to return to work so we may determine what positions, if any, are open to you.

Please note, employees taking time off work to care for a child, spouse, parent, or domestic partner with a serious health condition or to bond with a new child or for a qualifying exigency related to covered active duty or call to covered active duty of the individual's spouse, domestic partner, child, or parent in the armed forces of the United States are not guaranteed job reinstatement unless they qualify for such reinstatement under federal or state family and medical leave laws. Any time off for Paid Family Leave purposes will run concurrently with other leaves of absence [, such as Family and Medical Leave,] if applicable. [Please see the "Family and Medical Leave" policy in this Handbook for eligibility requirements].

Practice Points:

- **Updated for SB1123 (eff 1-1-21) expanding scope of PDL to active duty/deployment.**
- **Updated for AB 2587 (eff 1-1-19) eliminating the waiting period and application of vacation to that waiting time period.**
- **Paid Family Leave ("PFL") is a misnomer. The statute does not provide any leave rights. Instead, it is a benefit program which provides state-paid compensation to employees who take time off from work for covered reasons. All employers in California must post the EDD Paid Family Leave poster in the workplace and provide a copy of the paid family leave brochure to all new employees. Eligible employees may receive PDL benefits Leave for up to a maximum of six (6) weeks per calendar**

year. Any employee taking paid family leave must also be given a copy of the EDD PFL brochure.

MASS TRANSIT COMMUTER BENEFITS – SAN FRANCISCO EMPLOYEES

All employees who work 10 or more hours a week within the City and County of San Francisco are eligible to receive mass transit commuter benefits. To provide these benefits, the Company has elected to provide [select applicable option(s): a pre-tax election program that permits employees to exclude certain commuting costs from taxable wages; a public transit pass for public accommodation at least equal to the value of a MUNI FastPass; or transit in a vanpool or bus at no cost to you]. Please contact _____ for further information about the program or to sign up for benefits.

HOLIDAYS

All full-time employees [who have completed their Introductory Period of employment] are entitled to the following paid holidays:

Holiday Schedule		
1	New Year's Day	
2	Day After New Year's	
3	Martin Luther King Day	
4	President's Day	
5	Memorial Day	
6	Independence Day	
7	Labor Day	
8	Thanksgiving	
9	Day After Thanksgiving	
10	Christmas Day	

You will receive up to eight (8) hours of compensation at your regular rate of pay for each of these holidays. Subject to alternative arrangements being announced by the Company, holidays that fall on a Saturday will be observed the previous Friday; holidays that fall on a Sunday will be observed the following Monday. Non-exempt employees who are requested to work on one of the holidays specified above will receive an additional day's pay at his or her regular rate.

To be eligible for any holiday pay, you must work your regularly-scheduled work day before and after the holiday and work the holiday if required (unless the holiday ends or precedes your scheduled vacation). Employees on leaves of absence are not eligible for holiday pay.

[Optional Floating Holiday Language: All full-time, regular employees receive [specify number] floating holiday day[s] per year in addition the Company's regular holidays. These [#] floating holiday day[s] allow employees to have flexibility in scheduling time off around holidays. Floating holidays may be used to extend time off around one of the Company's paid holidays, to take time off around a different federal or state holiday, to take time off around a cultural or religious holiday or event, or to take time off around a family member's birthday, A floating holiday must be scheduled and approved in advance by the employee's immediate supervisor.

Floating holidays are available at the beginning of each calendar year. Any employee hired before the end of the first half of the calendar year receives [#] day[s]; an employee hired during the second half of the calendar year receives [#] day[s]. Floating holidays must be taken in the calendar year in which given. Under no circumstances will these days be carried over to the next calendar year, nor may they be cashed out if not taken or paid upon termination of employment. The Company does not pay out any unused floating holiday at the time of termination.]

Practice Points:

- **Employers are not required to provide paid holidays. Work performed on a holiday is not required to be paid at a premium rate. Many employers provide "floating holidays." If a floating holiday may be taken at any time in the employee's discretion, the Labor Commissioner takes the position employees must be paid for accrued but unused floating holidays at the time of termination, just like vacation and PTO or "paid time off."**

VACATIONS

(Date of Hire Plan)

The Company recognizes the importance of uninterrupted periods of rest and relaxation for all our employees. Therefore, we provide a vacation plan, based upon continuous length of service, for all regularly scheduled full-time employees.

I. Vacation Eligibility

Regularly scheduled full-time employees are eligible to accrue paid vacation time. Accrual begins **[upon hire or after the completion of the Introductory Period]** and occurs as an employee works. Part time**[, Temporary and Casual]** employees are not eligible to accrue paid vacation time.

II. Vacation Accrual

Full-time employees accrue paid vacation time as follows:

Length of Continuous Service	Days of Vacation Per Year	Hours Accrued Per Pay Period	Maximum Accrual
1 to 12 months	___	___	(1.0 year's worth)
1 year to __ years	___	___	(2.0 years worth)
___ years to ___ years	___	___	(2.0 years worth)
___ years or more	___	___	(2.0 years worth)

Employees accrue vacation time as they work up to the maximum accruals stated above. After reaching the maximum accrual, an employee does not accrue additional vacation time until the employee uses sufficient vacation time to fall below the maximum permissible accruals.

III. Vacation Scheduling

As long as vacation absences do not interfere with the efficient operation of the Company, employees may schedule vacation for any time during the current calendar **[fiscal]** year by mutual agreement with their supervisor.

IV. [Special Vacation Scheduling Rules for New Hires]

After the completion of the Introductory Period, a new employee may schedule and take up to [____] days of vacation. After 12 months of continuous service, a new employee may schedule and take an additional [____] days of vacation (or up to [____] days of vacation, if no

prior vacation has been taken.)]

V. Vacation and Holidays

If a Company-recognized holiday falls during a scheduled vacation, the holiday time off will not be charged against the employee's accrued vacation time.

VI. Absences of Less Than One Day

Non-exempt employees who utilize vacation time for absence of less than one day will have pro-rata deductions made from their vacation leave banks. Exempt employees' leave banks will be reduced only in one-hour increments.

VII. Checking Voicemail and E-Mail

We strongly believe employees should devote their vacation time to rest and relaxation. Doing so allows employees to recharge their batteries and generally makes for a more productive workforce. Accordingly, employees who are on vacation are not expected to check their voice mail or e-mail when away from the workplace.

VIII. Payment Upon Separation

Upon separation of employment for any reason, all employees will be paid for their accrued but unused vacation time at their regular rate of pay at the time of separation.

Practice Points:

- **Employers may cap the maximum amount of vacation that an employee may accrue, but under applicable case law the cap must be "reasonable." The DLSE historically opined a worker must have at least nine (9) months after the vacation accrues before a cap will be deemed effective and we advised clients that any cap should be 1.75 times the annual accrual rate. In March 2006 the Labor Commissioner issued a new Manual and withdrew its prior opinion letters on the issue. The current enforcement position suggests the DLSE has adopted a less stringent approach as to what constitutes "reasonable." The DLSE Manual currently states that vacation policies which require vacation to be used in the year it is earned "or in a very limited time following the accrual period" will not be enforced. Thus, a cap of 1.5 times the annual vacation accrual would very likely be enforceable and a cap of 1.25 times an employee's annual accrual might be enforceable. The DLSE has also opined that an employer must provide an employee 90 days advance notice before unilaterally scheduling the employee for paid vacation.**
- **Employees must be paid for all accrued, unused vacation time when the employment relationship is terminated. Note that temporary employees or employees who work only intermittently may be considered to have been terminated when their assignment**

ends. If the termination is voluntary, payment must be made within 72 hours of notice of termination or the last day worked, whichever is later. If the termination is involuntary, payment must be made at time of termination. The DLSE takes the position that vacation accrues on a daily basis. Employers should carefully calculate the vacation pay owed to terminating employees because failure to pay it timely may result in imposition of waiting time penalties of one (1) day's wages for each day payment is delayed, up to a maximum of 30 days.

- **The DLSE also takes the enforcement position that exempt employees who check voice mail or e-mail at the employer's direction while on vacation cannot have any deduction made from their salary for the day(s) they do so because they will have "worked" that day. Employers therefore may wish to include language prohibiting employees from checking voice mail and e-mail while on vacation, rather than stating that doing so is not required. Employers who make deductions from exempt employee leave banks in less than full day increments should be aware that the California courts have not ruled on whether deductions for absences of less than 4 hours are consistent with state exemption requirements; the DLSE recently reversed its enforcement position and found that such deductions from leave bank balances were permissible.**

VACATIONS

(Calendar or Fiscal Year Plan)

The Company recognizes the importance of uninterrupted periods of rest and relaxation for all our employees. Therefore, we provide a vacation plan for all regularly scheduled full-time employees.

I. Vacation Eligibility

Part-time[, Temporary and Casual] employees are not eligible to accrue paid vacation time. Our vacation plan is based upon your continuous service and is administered on a vacation year that runs from [January 1] to [December 31].

II. Vacation Accrual

Accrued vacation will be calculated each [January]. Vacation accrual for each year is as follows:

Length of Continuous Service	Days of Vacation Per Year	Hours Accrued Per Pay Period	Maximum Accrual
1 to 12 months	___	___	(1.0 year's worth)
1 year to __ years	___	___	(2.0 years worth)
___ years to ___ years	___	___	(2.0 years worth)
___ years or more	___	___	(2.0 years worth)

III. Vacation Scheduling

Employees are required to schedule their vacation for the current year during [January] of each year. As long as vacation absences do not interfere with the efficient operation of the Company, employees may schedule vacation for any time during the current calendar [fiscal] year by mutual agreement with their supervisor.

[Vacation time accrued during the preceding calendar [fiscal] year must be taken during the current calendar [fiscal] year. If an employee does not voluntarily schedule and take all accrued vacation time, mandatory vacation time off will be scheduled for the employee at the Company's convenience.]

Employees accrue vacation time as they work up to the maximum accruals stated above. After reaching the maximum accrual, an employee does not accrue additional vacation time until the employee uses sufficient vacation time to fall below the maximum permissible accruals.

IV. [Special Vacation Scheduling Rules for New Hires]

After six (6) months of continuous service, a new employee may schedule and take up to **[____]** days of vacation. After 12 months of continuous service, a new employee may schedule and take an additional **[____]** days of vacation (or up to **[____]** days of vacation if no prior vacation has been taken).

Any accrued vacation not scheduled by a new employee pursuant to this rule will be scheduled during January, as is done for all other employees.

V. Vacation and Holidays

If a Company-recognized holiday falls within a scheduled vacation, the holiday time off will not be charged against the employee's accrued vacation time.

VI. Absences of Less Than a Day

Non-exempt employees who utilize vacation time for absence of less than a day will have pro-rata deductions made from their vacation leave banks. Exempt employees' leave banks will be reduced only in full-day increments.

VII. Checking Voicemail and E-mail

We strongly believe employees should devote their vacation time to rest and relaxation. Doing so allows employees to recharge their batteries and generally makes for a more productive workforce. Accordingly, employees who are on vacation are not expected to check their voice mail or e-mail when away from the workplace.

VIII. Payment Upon Separation

Upon separation of employment for any reason, all employees will be paid for their accrued but unused vacation time at their regular rate of pay at the time of separation.

Practice Points:

- **Employers may cap the maximum amount of vacation that an employee may accrue, but under applicable case law the cap must be "reasonable." The DLSE historically opined a worker must have at least nine (9) months after the vacation accrues before a cap will be deemed effective and we advised clients that any cap should be 1.75 times the annual accrual rate. In March 2006 the Labor Commissioner issued a new Manual and withdrew its prior opinion letters on the issue. The current enforcement position suggests the DLSE has adopted a less stringent approach as to what constitutes "reasonable." The DLSE Manual currently states that vacation policies which require vacation to be used in the year it is earned "or in a very limited time following the accrual period" will not be enforced. Thus, a cap of 1.5 times the annual**

vacation accrual would very likely be enforceable and a cap of 1.25 times an employee's annual accrual might be enforceable. The DLSE has also opined that an employer must provide an employee 90 days advance notice before unilaterally scheduling the employee for paid vacation.

- **Employees must be paid for all accrued, unused vacation time when the employment relationship is terminated. Note that temporary employees or employees who work only intermittently may be considered to have been terminated when their assignment ends. If the termination is voluntary, payment must be made within 72 hours of notice of termination or the last day worked, whichever is later. If the termination is involuntary, payment must be made at time of termination. The DLSE takes the position that vacation accrues on a daily basis. Employers should carefully calculate the vacation pay owed to terminating employees because failure to pay it timely may result in imposition of waiting time penalties of one (1) day's wages for each day payment is delayed, up to a maximum of 30 days.**
- **The DLSE also takes the enforcement position that exempt employees who check voice mail or e-mail at the employer's direction while on vacation cannot have any deduction made from their salary for the day(s) they do so because they will have "worked" that day. Employers therefore may wish to include language prohibiting employees from checking voice mail and e-mail while on vacation, rather than stating that doing so is not required. Employers who make deductions from exempt employee leave banks in less than full day increments should be aware that the California courts have not ruled on whether deductions for absences of less than 4 hours are consistent with state exemption requirements.**

PAID SICK LEAVE

EMPLOYEES NOT WORKING IN SAN FRANCISCO

All California employees employed for 30 or more days are eligible to accrue paid sick leave. Accrual of such leave begins on the first day of employment. [Optional: New employees must complete 90 days of employment before they may use their accrued sick leave.]

[First Option – Accrual Method]

Sick leave will accumulate at the rate of one hour of paid sick leave for every 30 hours worked, up to a maximum of 48 accrued hours of sick leave per year.

[Second Option – Lump Sum Method]

At the time of hire, employees receive three (3) paid sick days (24 hours) and three (3) paid sick days (24 hours) each calendar year thereafter on January 1st.

[Remaining Language]

Accrued but unused paid sick leave carries over from year to year, but is subject to an accrual cap of 48 hours. Once an employee reaches the accrual cap, s/he will not accrue further paid sick leave until some paid sick time is used.

Unless otherwise required by applicable law, the Company reserves the right to pay eligible non-exempt employees for sick time at the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that week, or at a rate calculated by dividing the employee's total wages, not including overtime premium pay, by the total hours worked in the full pay periods of the prior 90 days of employment. Eligible exempt employees shall be paid at a rate calculated in the same manner as the Company calculates wages for other forms of paid leave. .

Employees may use all, or any, percentage of their accrued sick leave for the purposes outlined below. To be eligible to receive paid sick leave, employees must provide reasonable advance notice of a foreseeable absence from work for which paid sick leave will be used. When an employee has an unforeseeable absence, the employee must provide notice as soon as practicable.

Sick leave may be used for an employee's own illness, injury or medical condition or the diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee or also an employee's family member. Sick leave may be used to seek medical treatment, counseling, social services or relief for an employee who is a victim of domestic violence, sexual assault, or stalking. For purposes of this policy, "family member" means any of the following: (1) a child which means a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands *in loco parentis*. This definition of a child is applicable regardless of age or dependency status;

(2) a biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood *in loco parentis* when the employee was a minor child; (3) a spouse; (4) a registered domestic partner; (5) grandparents; (6) grandchildren; and (7) siblings.

If an employee's employment ends with the Company and, subsequently, the employee is rehired by the Company within one year from the date of separation, previously unused paid sick leave when the employee left the Company will be reinstated. The employee will be entitled to use those previously unused paid sick days and to be granted additional paid sick days upon meeting eligibility requirements.

Deductions from sick leave balances will be made from non-exempt employee leave banks based on the actual hours the employee is absent from work due to illness or injury. Non-exempt employees (hourly and salaried) will not receive compensation for absences due to illness or injury once they use all of their accrued sick leave, unless they choose to apply accrued, unused vacation or PTO benefits to the absence.

Deductions from exempt employees' sick leave banks will be made in [Specify: [cannot be in increments of more than two hours; can be smaller increments; recommended it be in increments similar to what is used for other paid leave benefits] i.e. one] hour increments. Exempt employees who exhaust their sick leave and continue to be absent for reasons of injury or illness will have deductions made from their salary for full day absences only, unless their absences have been designated as intermittent leave under the Family Medical Leave Act ("FMLA") and/or the California Family Rights Act ("CFRA"). In cases of FMLA/CFRA intermittent leave, the deductions from an exempt employee's salary will be made consistent with the FMLA/CFRA's requirements. Exempt employees who believe deductions from their salary have been made because of absences due to illness or injury and which are inconsistent with this policy should immediately bring it to the attention of Human Resources, who will investigate the matter.

Available paid sick leave balances will be shown on employees' itemized wage statements or on a separate written document provided to employees with their paychecks and wage statements.

The Company will not discharge, threaten to discharge, demote, suspend, or in any manner discriminate against an employee for using paid sick days, attempting to exercise the right to use accrued sick days, filing a complaint with the state, cooperating in an investigation into allegations of violations of the California paid sick leave law.

The Company will not pay employees for unused sick leave upon termination of employment.

Practice Points:

- **This policy reflects the amendments in AB 304 (Eff 7-13-15) and the FAQ's published**

by the DIR 3-29, 2017.

- **Note, per SB 3 (eff. 7-1-18), the Healthy Workplaces, Health Families Act will apply to in-home supportive services employees.**
- **2015 Edition updated to comply with the Healthy Workplaces, Healthy Families Act of 2015 (AB 1522) (eff. date of paid sick leave rights 1-1-15).**
- **Labor Code section 245 *et seq.* Labor Code section 233 requires employers who provide sick leave for employees to permit an employee to use at least one-half (½) of the employee's yearly accumulated sick leave (i.e., the amount the employee would accrue in six (6) months of any calendar year) to attend to illness of the employee's spouse, child, parent, domestic partner, or child of the employee's domestic partner. Employers may place the same sick leave restrictions and conditions on sick leave time taken for the employee to attend to the illness of a spouse, child, parent, domestic partner, or child of the employee's domestic partner as are placed on sick leave time for the employee's own illness. Employers may not deny an employee the right to use sick leave or otherwise terminate, threaten to terminate, demote, suspend, or discriminate against an employee for using or attempting to exercise the right to use sick leave time to attend to the illness of the employee's child, parent, spouse, domestic partner, or child of domestic partner. Labor Code section 234 provides that an attendance policy that counts sick leave taken pursuant to section 233 as a basis for imposing disciplinary action is a per se violation of Labor Code section 233. Employers should be consistent in how they apply the policy requiring a doctor's note to avoid any discrimination claims and preserve the right to require medical certification for FMLA and CFRA leaves of absence. Finally, employers who make deductions from exempt employee leave banks in less than full day increments should be aware that the California courts have not ruled on whether deductions for absences of less than 4 hours are consistent with state exemption requirements.**
- **Note: SB 579 (effect. 1-1-16) amended California's Kin Care law to coordinate with the definition of "family member" and grounds for sick leave provided under California's Healthy Workplaces, Healthy Families Act of 2014 (AB 1522, codified at Labor Code sections 245 to 249, effect. 1-1-15).**

PAID SICK LEAVE – SAN FRANCISCO EMPLOYEES

All employees who are employed in the City and County of San Francisco are eligible to accrue paid sick leave. Sick leave will begin accruing on the first day of an employee's employment, but cannot be used until the 90th day of employment.

Sick leave will accumulate at the rate of one hour of paid sick leave for every 30 hours worked, up to a maximum of [72 accrued hours [for employers of 10 or more]40 accrued hours [for employers of 9 or less]] of sick leave.

Accrued paid sick leave carries over from year to year, but is subject to the cap. Once an employee reaches the accrual cap, s/he will not accrue further paid sick leave until some paid sick time is used.

Eligible employees will receive payment for sick time at their normal base rate of pay. Employees may use all or any percentage of their accrued sick leave for the purposes outlined below. To be eligible to receive paid sick leave, employees must provide reasonable advance notice of a pre-scheduled or foreseeable absence from work for which paid sick leave will be used, such as a doctor's appointment or ongoing injury or illness. For purposes of this policy, reasonable means notifying your supervisor at least one week in advance of the foreseeable absence. When an employee has an unforeseeable absence, the employee must provide notice as soon as practicable. For purposes of this policy, "as soon as practicable" means notifying your supervisor at least two hours prior to the start of your work shift, except in cases of accidents or sudden illnesses when an employee is not able to provide such notice under these circumstances, notice should be provided as soon as possible.

Sick leave may be used for the employee's own illness, injury or medical condition or you may take it for the purpose of providing care or assistance to your spouse, registered domestic partner/designated person, child, parent, legal guardian or ward, sibling, grandparent, or grandchild who has an illness, injury, medical condition, need for medical diagnosis or treatment or other medical condition. For purposes of this policy, time taken off to care for a child, parent, sibling, grandparent or grandchild apply not only to biological relationships, but also those resulting from adoption, step-relationships and foster care relationships. "Child" includes your biological child, child of your domestic partner and a child of a person standing in loco parentis.

Employees who do not have a spouse or registered domestic partner may designate, in writing and in advance, one person for whom the employee may use paid sick leave when providing aid or care for the person consistent with policy as outlined above. Employees without a spouse or registered domestic partner shall have 10 work days following the date on which their first paid hour of sick leave accrues to designate such person. [Note: An employer may provide for an earlier designation, such as completion of the 90 days of employment.] Thereafter, employees will have the opportunity to make such designation or change an existing designation on an annual basis, commencing each _____ and extending for a period of 10 work days. Human

Resources/Personnel will provide to each employee a form for this purpose.

If you are on sick leave for more than three (3) consecutive work days, you must present a certificate from your medical practitioner stating the leave was necessitated by your illness or injury, releasing you to return to work, and setting forth any restrictions or limitations on your ability to perform your job. If you are on sick leave for more than three (3) consecutive work days to attend to the illness of your spouse, child, parent, registered domestic partner, or child of your domestic partner, you must present a certificate from that person's medical practitioner stating leave was necessitated by your child, parent, or spouse's illness.

Deductions from sick leave balances will be made from non-exempt employee leave banks based on the actual hours the employee is absent from work due to illness or injury. Non-exempt employees (hourly and salaried) will not receive compensation for absences due to illness or injury once they use all of their accrued sick leave.

Deductions from exempt employees' sick leave banks will be made in one-half day increments. Exempt employees who exhaust their sick leave and continue to be absent for reasons of injury or illness will have deductions made from their salary for full day absences only, unless their absences have been designated as intermittent leave under the Family Medical Leave Act. In cases of FMLA intermittent leave, the deductions from an exempt employee's salary will be made consistent with the FMLA's requirements. Exempt employees who believe deductions from their salary have been made because of absences due to illness or injury and which are inconsistent with this policy should immediately bring it to the attention of Human Resources, who will investigate the matter.

The Company will not pay employees for unused sick leave upon termination of employment.

Practice Points:

- **Updated to reflect the new PSLO Rules Interpreting the Paid Sick Leave Ordinance (eff 6-7-18)**

- **San Francisco voters passed Proposition F in November 2006 requiring employers to provide employees working within the City and County of San Francisco paid sick leave. The ordinance became effective on February 5, 2007. The San Francisco Office of Labor Standards Enforcement "OLSE") posts on its website Frequently Asked Questions and Answers and Rules Implementing the Ordinance. San Francisco employers are obligated to post in the workplace a notice prepared by the OLSE which informs the employees of the ordinance's requirements. The notices must be posted in English, Spanish, Chinese and any other language spoken by at least 5% of the employer's workforce at the work location. Employers are required to maintain records of hours worked and sick leave taken by employees for a period of four years and must allow OLSE access to the records upon reasonable notice. Employers who**

do not maintain the required records will be deemed to have violated the ordinance unless it can be shown otherwise by clear and convincing evidence. Retaliation against employees who exercise rights or make complaints under the ordinance is prohibited. The ordinance may be enforced through administrative proceedings or by a civil action. Employees whose rights are violated may be entitled to remedies including, but not limited to, reinstatement, backpay, payment of any unpaid sick leave, liquidated damages of $50 per hour for each hour or portion thereof that a violation occurred, and reasonable attorneys fees and costs.

- **The ordinance allows an employer to take "reasonable measures" to verify or document that an employee's use of paid sick leave is lawful.**

SICK TIME TRANSFER POLICY

If you use the allotted **[_____]** paid workdays under our sick time policy and are required to be away from work due to your own serious health condition (as described in our Family and Medical Leave policy), you may be eligible for our sick time transfer program.

The sick time transfer program is available to all regularly-scheduled full-time employees [who have completed their 90-day Introductory Period] and who have exhausted their sick time. Under this program, other employees [who have completed their 90-day Introductory Period] may "transfer" up to one-third (⅓) of their accrued sick time to an eligible employee. The employee in need of the sick time may receive up to 90 days of sick time, [at which point the employee will become eligible for long-term disability benefits]. If you are interested in more information about the sick time transfer program, please contact **[_____]**.

UNPAID TIME OFF

On occasion, you may have to schedule a medical appointment during your regular work day. The Company understands these needs, and may grant non-exempt employees unpaid time off for such purpose when requested in advance.

Approved time off may not exceed **[_____]** hours in any calendar month.

Practice Points:

- **Employers cannot reduce exempt employees' pay for a partial-day absence, unless the employee's absence qualifies under the FMLA.**

LEAVE POLICIES

PERSONAL LEAVE OF ABSENCE

A personal leave of absence without pay may be granted to regularly-scheduled, full-time employees who have completed at least **[_____]** months of continuous service. [Temporary and casual employees are not eligible for personal leaves of absence.] A personal leave of absence may be considered when the employee has a need for a leave that is not covered by other leaves of absence provided by the Company. Personal leaves may not be taken to extend the length of any other leave of absence granted by the Company. Any personal leave you are granted will run concurrently with other leaves to which you are entitled under the law.

A written request for a personal leave of absence must be presented to your supervisor at least **[_____]** weeks before the leave is to begin. Your request will be considered on the basis of the compelling nature of the reason given, the length of time requested, our business requirements, your length of service and your performance record.

The leave of absence, when granted, will be for a period of up to **[_____]** days. Under unusual circumstances, an extension may be granted for a like period if a written request is submitted and approved in writing by **[_____]** prior to the expiration of your leave.

I. Insurance

A personal leave of absence is a reduction of hours that results in a loss of eligibility for group health insurance benefits. Please refer to the benefit plan documents for information as to when eligibility will expire. Employees who take a personal leave of absence and participate in the Company's group health insurance programs will receive notice of their rights under COBRA to pay for and continue their group health insurance benefits.

II. Holidays

If a holiday falls within the period an employee is on personal leave, the employee will not receive holiday pay.

III. Other Work

If you have been granted a personal leave of absence, you may not accept other work during such leave without prior written approval of **[_____]**.

IV. Failure to Return to Work

Failure to return to work on the expiration of your leave may be deemed a voluntary resignation of your employment with the Company.

V. Reinstatement

If your leave is for fewer than **[_____]** days, the Company will attempt to return you to your former position or to place you in a comparable job. If your leave exceeds **[_____]** days or your job has been filled, eliminated, or no comparable job exists, you may, in the Company's discretion, be placed in an existing job for which you are qualified.

Practice Points:

- **Employers should review their group health insurance documents to determine when employees on personal leave lose their eligibility for group health insurance benefits because different plans may have different triggering points (e.g., at commencement of leave, beginning of next month following commencement of leave, etc.). Employers should also determine if there are other insurance benefit programs for which eligibility may be impacted by a personal leave of absence.]**
- **If an employee is granted a medical leave of absence, an extended disability leave or a personal leave for a covered disability, the EEOC takes the enforcement position the employee should be reinstated to the same position, unless the employer can establish keeping the position open for the employee constitutes an undue hardship. If an undue hardship will result, the EEOC opines the employee should be transferred to a vacant position that is kept available for the employee.**

PREGNANCY DISABILITY LEAVE OF ABSENCE AND ACCOMMODATION

If you are disabled by pregnancy, childbirth or related medical conditions, you are eligible to take a pregnancy disability leave ("PDL"). If affected by pregnancy or a related medical condition, an employee also is eligible to transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties, if such a transfer is medically advisable and can be reasonably accommodated. Employees disabled by qualifying conditions may also be entitled to other reasonable accommodation where doing so is medically necessary. In addition, if it is medically advisable for the employee to take intermittent leave or work a reduced leave schedule, the Company may require the employee to transfer temporarily to an alternative position with equivalent pay and benefits that can better accommodate recurring periods of leave.

Reasons for Leave

PDL is for any period(s) of actual disability caused by the employee's pregnancy, childbirth, or related medical condition. Time off needed for prenatal or postnatal care; doctor-ordered bed rest; gestational diabetes; pregnancy-induced hypertension; preeclampsia; childbirth; postpartum depression; loss or end of pregnancy; or recovery from childbirth or loss or end of pregnancy are all covered by this PDL policy.

Duration of Leave

An employee is entitled to up to four months of PDL per pregnancy while the employee is disabled by pregnancy, childbirth or related medical condition. For purposes of this policy, "four months" means time off for the number of days the employee would normally work within the four calendar months (one-third of a year, or 17.3 weeks or 122 days), following the commencement date of taking a pregnancy disability leave. For a full time employee who works five eight-hour days per week, or 40 hours per week, "four months" means 693 hours of leave entitlement. Employees working a part-time schedule will have their PDL calculated on a pro-rata basis. Leave does not need to be taken in one continuous period of time and may be taken intermittently, as needed. Leave may be taken in increments of one hour.

Employee Notice Requirements

To receive reasonable accommodation, obtain a transfer, or take a PDL, you must provide sufficient notice so the Company can make appropriate plans – 30 days advance notice if the need for the reasonable accommodation, transfer or PDL is foreseeable, otherwise as soon as practicable if the need is an emergency or unforeseeable.

Medical Certification

An employee is required to obtain a certification from her health care provider of her need for PDL, or the medical advisability of an accommodation or a transfer. A medical certification

indicating the medical advisability of reasonable accommodation or a transfer is sufficient if it contains: (1) A description of the requested reasonable accommodation or transfer; (2) A statement describing the medical advisability of the reasonable accommodation or transfer because of pregnancy; and (3) The date on which the need for reasonable accommodation or transfer became or will become medically advisable and the estimated duration of the reasonable accommodation or transfer. A medical certification indicating disability necessitating a leave is sufficient if it contains: (1) A statement that the employee needs to take pregnancy disability leave because she is disabled by pregnancy, childbirth or a related medical condition; (2) The date on which the employee became disabled because of pregnancy; and (3) the estimated duration of the leave. Upon request, the Human Resources Department will provide you with a medical certification form that you can take to your doctor.

As a condition of an employee's return from PDL, the Company requires the employee to obtain a release to return to work from her health care provider stating she is able to resume their original job duties.

Leave is Unpaid

PDL leave is unpaid. However, at the employee's option, the employee may use any accrued vacation time or other accrued paid time off (e.g., paid sick time or newborn/adoption Leave) as part of their PDL before taking the remainder of their leave on an unpaid basis. The use of any paid leave will not extend the duration of the employee's PDL. The Company encourages employees to contact the EDD regarding eligibility for state disability insurance for the unpaid portion of their leave.

Leave Concurrent with Family and Medical Leave and Newborn/Adoption Leave [only if applicable]

If an employee is eligible for leave under the federal Family and Medical Leave Act, or the Company's newborn/adoption Leave policy, their PDL will also be designated as time off under the family and medical leave policy or the newborn/adoption leave policy, as applicable. Employees should refer to the family and medical leave and newborn/adoption leave policies in this Handbook for additional information.

End of Pregnancy Leave & Return to Work

If, at the end or depletion of an employee's pregnancy disability leave, an employee has a physical or mental disability (which may or may not be due to pregnancy, childbirth, or related medical conditions), that employee may be entitled to reasonable accommodation, including additional medical leave. Employees in need of such an accommodation must notify the Company.

If an employee does not return to work on the originally scheduled return date or request in advance an extension of the agreed upon leave with appropriate medical documentation, the employee may be deemed to have voluntarily terminated her employment with the Company . Failure to notify the Company of her ability to return to work when it occurs, or her continued

absence from work because their leave must extend beyond the maximum time allowed, may be deemed a voluntary termination of the employee's employment with the Company.

Upon the employee's return from PDL, the employee will be reinstated to her same or comparable position in most instances.

Benefits

Employees who participate in the Company's group health insurance plan shall continue to participate in the plan while on PDL under the same terms and conditions as if they were working. Employees should make arrangements with Human Resources for payment of their share of the insurance premiums.

Employees who participate in the Company's group health insurance plan shall continue to participate in the plan while on PDL under the same terms and conditions as if they were working. Employees should make arrangements with Human Resources for payment of their share of the insurance premiums. During pregnancy disability leave, an employee will accrue seniority and participate in employee benefit plans to the same extent and under the same conditions as would apply to any other unpaid disability leave granted by the employer for any reason other than a pregnancy disability. [Add if employer policy allows seniority to accrue when employees are on paid leave:Seniority will accrue during any part of a paid and/or unpaid pregnancy disability leave, and an employee returning from pregnancy disability leave shall return with no less seniority than the employee had when the leave commenced.]

Practice Pointes:

- **This policy is updated to reflect the amended FEHA regulations impacting PDL (eff. 4-1-16)**
- **This policy is updated to reflect the Fair Employment and Housing Commission's Amendments to the Pregnancy Disability Leave Act, 2 Cal. Code Regs §§7291.2 et seq. (eff. 12-30-12)**
- **Employers must provide pregnant employees with notice of their rights under PDL as soon as the employer learns of an employee's pregnancy. This notice, "Notice B," is for use by employers subject to the CFRA or FMLA. Smaller employers not subject to the FMLA or CFRA should obtain "Notice A" from the DFEH website.**

FAMILY AND MEDICAL LEAVE

As an employee, you may be entitled to a leave of absence under the Family and Medical Leave Act ("FMLA") and/or the California Family Rights Act ("CFRA"). This policy is intended to provide you with information concerning FMLA/CFRA entitlements and obligations you may have during such leaves. If you have any questions concerning FMLA/CFRA leave, please contact [Insert the titles of the individuals (and, if applicable contact information) to whom you want to direct employees to ask questions regarding FMLA/CFRA leave].

I. ELIGIBILITY

The FMLA and CFRA provide eligible employees with a right to leave, health insurance benefits and, with some limited exceptions, job restoration. To be an "eligible employee", you must (1) have been employed by the Company for at least 12 months (which need not be consecutive); (2) have worked for at least 1250 hours during the 12 month period immediately preceding the commencement of the leave; and (3) at a worksite where 50 or more employees are located within 75 miles of the worksite.

[For employers that employ airline flight crew personnel, specify the special hours of service rules for flight crew personnel set forth in 29 CFR §825.801(b)]

II. EMPLOYEE ENTITLEMENTS FOR FMLA/CFRA LEAVE

A. Basic FMLA/CFRA 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. [Employers who employ flight crew personnel should specify the FMLA leave calculation for airline flight crew employees. 29 CFR 825.802(c)].

The 12-month period is determined by [State Method Used By Company To Determine The "12 Month Period." (Employers may measure the 12-month period as: (1) a "rolling" 12-month period measured backwards from when an employee first uses FMLA/CFRA leave; (2) the calendar year, (3) any fixed 12-month leave period such as the fiscal year, or the employee's anniversary year, or (4) a 12-month period measured forward from the date the employee first takes a covered leave. If a policy fails to designate a method to determine the 12 Month Period, the option which is most favorable to the employee will be utilized by a court or the DOL in the event of litigation.)] In some instances, leave may be counted under the FMLA but not CFRA or CFRA but not the FMLA. Leave may be taken for any one, or for a combination, of the following reasons:

- Disability due to pregnancy, childbirth or related medical condition (counts only toward FMLA leave and California Pregnancy Disability Leave ("PDL") leave entitlements);

- Bonding and/or caring for a newborn child (counts toward FMLA and CFRA leave entitlements);
- For placement with the employee of a child for adoption or foster care and to care for the newly placed child; (counts toward FMLA and CFRA leave entitlements);
- To care for the employee's spouse, registered domestic partner, child, or parent (but not in-law) with a **serious health condition**; (counts toward FMLA and CFRA leave entitlements except for time to care for an employee's registered domestic partner does not count towards FMLA leave, only CFRRA leave);
- For the employee's own **serious health condition** (excluding pregnancy) that makes the employee unable to perform one or more of the essential functions of the employee's job; and/or (counts toward FMLA and CFRA leave entitlements);
- Because of any **qualifying exigency** arising out of the fact that an employee's spouse, son, daughter or parent is a military member on covered active duty status (or has been notified of an impending call or order to covered active duty status) in the Reserve component of the Armed Forces for deployment to a foreign country in support of a contingency operation or Regular Armed Forces for deployment to a foreign country (counts toward FMLA leave entitlement only).
- 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, hospice or residential health 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 3 consecutive calendar days combined with at least two visits to a health care provider or one 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 the parents of the military member on covered active duty and attending post-deployment reintegration briefings.

B. Additional Military Family Leave Entitlement

In addition to the basic FMLA/CFRA leave entitlement described 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 12-month period to care for the servicemember with a serious injury or illness. Leave to care for a servicemember 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 servicemember.

A **"covered servicemember"** is a current 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 servicemembers also includes a veteran who is discharged or released from military service under conditions other than dishonorable at any time during the five (5) year period prior to the first 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 this policy as "covered veterans."

The FMLA definition of a serious illness or injury for current Armed Forces members and covered Veterans are distinct from the definition of "serious health condition" applicable to leave to care for a family member or the employee's own illness or injury.

C. Intermittent Leave and Reduced Leave Schedules

FMLA/CFRA leave usually will be taken for a period of consecutive days, weeks or months. However, employees are also 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. Intermittent leave can also be taken for any qualifying exigency.

Employees are also eligible for intermittent leave for bonding with a child following birth or placement. Intermittent leave for bonding purposes generally must be taken in two-week increments, but the Company permits two occasions where the leave may be for less than two weeks.

D. Health Insurance Benefits

During FMLA/CFRA leave, eligible employees are entitled to receive group health plan coverage while on leave for up to 12 weeks. Once FMLA or FMLA/CFRA leave exceeds 12 weeks (for example, in cases of FMLA/PDL leave followed by CFRA birth bonding leave), an employee will be notified of his or her right to continue group health insurance benefits at the employee's cost under COBRA. Employees on FMLA military leave also are entitled to receive group health plan coverage for the duration of those FMLA leaves.

E. Restoration of Employment and Benefits

At the end of FMLA/CFRA 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 they held before the FMLA/CFRA leave. 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/CFRA leave will not result in the loss of any employment benefit that accrued prior to the start of an eligible employee's FMLA/CFRA leave.

F. Notice of Eligibility for, and Designation of, FMLA/CFRA Leave

Employees requesting FMLA/CFRA leave are entitled to receive written notice from the Company telling them whether they are eligible for FMLA and/or CFRA leave and, if not eligible, the reasons why they are not eligible. When eligible for FMLA/CFRA 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/CFRA-qualifying or non-qualifying, if not FMLA/CFRA-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/CFRA leave [optional: for a period of up to 10 days] with appropriate written notice to employees, provided the Company's failure to designate leave as FMLA/CFRA-qualifying at an earlier date did not cause harm or injury to the employee. In all cases where a leave qualifies only for FMLA protection, the Company and employee can mutually agree that leave be retroactively designated as FMLA leave.

III. EMPLOYEE OBLIGATIONS FOR FMLA/CFRA LEAVES

A. Provide Notice of the Need for Leave

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

1. Content of Employee Notice

To trigger FMLA/CFRA leave protections, employees must inform the Company's [Designate specific individual] of the need for FMLA/CFRA -qualifying leave and the anticipated timing and duration of the leave, if known. Employees may do this by either requesting FMLA/CFRA leave specifically, or explaining the reasons for leave so as to allow the Company to determine that the leave is FMLA/CFRA-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 health care provider;
- the leave is due to a qualifying exigency cause by a military member being on covered active duty or called to covered 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 servicemember 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/CFRA leave under this policy. Employees must respond to the Company's lawful questions to determine if absences are potentially FMLA/CFRA-qualifying.

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

B. Cooperating in the Scheduling of Leave

When planning medical treatment for the employee or family member or requesting to take leave on an intermittent or reduced schedule work basis, employees must consult with the Company and make a reasonable effort to schedule treatment so as not to unduly disrupt the Company's operations. Employees must consult with the Company prior to the scheduling of treatment in order to work out a treatment schedule which best suits the needs of both the Company and the employees, subject to the approval of the applicable 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 a period of recovery from a serious health condition, or to care for a covered servicemember, the Company may temporarily transfer employees to alternative positions with equivalent pay and benefits for which the employees are qualified and which better accommodate recurring periods of leave.

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

Depending on the nature of FMLA/CFRA leave sought, employees may be required to submit medical certifications supporting their need for FMLA/CFRA-qualifying leave. As described below, there generally are three types of FMLA/CFRA 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/CFRA 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 will inform employees if submitted medical certifications are incomplete or insufficient and provide employees at least seven calendar days to cure deficiencies. The Company will delay or deny FMLA/CFRA 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/CFRA 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 servicemember, 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 or when an initial medical certification has expired.

If the Company has reason to doubt initial medical certifications regarding an employee's own serious health condition, 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. The Company will reimburse employees for any reasonable "out of pocket" travel expenses incurred to obtain second or third medical opinions. Except in very rare circumstances, the Company will not require employees to travel outside normal commuting distance for purposes of obtaining second or third medical opinions.

2. Medical Recertifications

Depending on the circumstances and duration of FMLA/CFRA 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. In cases of leave that qualifies under CFRA, recertification will be requested when the original certification has expired.

3. Return to Work/Fitness for Duty Medical Certifications

Unless notified that providing such certifications is not necessary, employees returning to work from FMLA/CFRA 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 covered active duty or call to covered active duty status of a military member, the Company may require employees to provide: 1) a copy of the military member's active duty orders or other documentation issued by the military indicating the military member is on covered active duty or call to active duty status and the dates of the military member's covered 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 covered active duty or call to covered active duty status of the same or a different military member.

When leave is taken to care for a covered servicemember with a serious injury or illness, the Company may require employees to obtain certifications completed by an authorized health care provider of the covered servicemember. 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 servicemember confirming entitlement to such leave.

E. Providing Medical Recertification Upon Request

Depending on the circumstances and duration of FMLA leave (but not CFRA leave), the Company may require employees to provide recertification of medical conditions giving rise to the need for leave every thirty days (or more frequently in special circumstances). For chronic or long term conditions, the Company may require certifications every six months. For leave that also qualifies under CFRA, extensions will be requested only when a prior medical certification has expired or is about to expire. The Company will notify employees if recertification is required and will give employees at least 15 calendar days to provide medical recertification.

F. Reporting Changes to Anticipated Return Date

If an employee's anticipated return to work date changes and it becomes necessary for the employee to take more or less leave than originally anticipated, the employee must provide the Company with reasonable notice (i.e., within 2 business days) of the employee's changed circumstances and new return to work date. If employees give the Company unequivocal notice of their intent not to return to work, they will be considered to have voluntarily resigned and the Company's obligation to maintain health benefits (subject to COBRA requirements) and to restore their positions will cease.

G. Substitute Paid Leave for Unpaid FMLA Leave

For purposes of this subsection "G," leave is not "unpaid" during any leave time for which an employee is receiving compensation from the State of California under the State Disability Insurance program or the Paid Family Leave program or receiving compensation from worker's compensation [or the Company's disability pay program]. Employees will not be required to use vacation or sick [or PTO] time for any time off under this policy for which they are receiving compensation under these programs. Where applicable and permitted by law, employees will be required to use vacation, sick [and PTO] during any waiting period applicable to these programs.

If leave is unpaid, the following requirements apply to the leave:

- If employees request FMLA/PDL leave because of disability due to pregnancy, childbirth or related medical conditions, they must first substitute any accrued paid sick leave for unpaid family/medical leave. Employees may make a written request to substitute accrued, unused vacation or paid time off ("PTO") benefits for unpaid FMLA/PDL leave once the employees' sick time is exhausted.

- If employees request FMLA/CFRA leave because of their own serious health conditions (excluding absences for which employees are receiving workers' compensation or short term disability benefits), they must first substitute any accrued paid vacation, PTO or sick leave for unpaid family/medical leave.

- If employees request FMLA/CFRA leave to care for a covered family member with a serious health condition or bond with a newborn child, they must first substitute any accrued paid vacation or PTO for unpaid family/medical leave. Once vacation or PTO is exhausted, upon written request an employee can substitute paid sick leave for unpaid FMLA/CFRA leave for such purposes except an employee cannot use sick leave to bond with a child where the employee's child is not ill or sick since sick leave is contingent on the illness of the employee, child, parent, spouse or registered domestic partner.

A leave of absence in connection with a workers' compensation injury/illness or for which an employee receives disability or State of California Paid Family Leave benefits shall run concurrently with FMLA/CFRA leave. Upon written request, the Company will allow employees to use accrued paid time off to supplement any paid workers' compensation, disability or Paid Family Leave benefits.

The substitution of paid time off for unpaid family/medical leave time does not extend the length of FMLA leaves and the paid time off runs concurrently with the FMLA/CFRA entitlement.

H. Pay Employee's Share of Health Insurance Premiums

As noted above, during FMLA/CFRA leave, employees are entitled to continued group health plan coverage under the same conditions as if they had continued to work. If paid leave is substituted for unpaid family/medical leave, the Company will deduct employees' shares of the

health plan premium as a regular payroll deduction. If FMLA/CFRA leave is unpaid, employees must pay their portion of the premium through [specify the method The Company wishes to use]. The Company's obligation to maintain health care coverage ceases if an employee's premium payment is more than 30 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 within 30 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/CFRA leave.

IV. 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 [or collective bargaining agreement] which provides greater family or medical leave rights. For additional information concerning leave entitlements and obligations that might arise when FMLA/CFRA leave is either not available or exhausted, please consult the Company's other leave policies in this [handbook/manual] [identify the name of the applicable leave policy, if possible] or contact Human Resources.

V. QUESTIONS AND/OR COMPLAINTS ABOUT FMLA/CFRA LEAVE

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

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. [OPTIONAL] ADDITIONAL DEFINITIONS:

"Spouse" means a husband or wife as defined or recognized under State law for purposes of marriage in the State where the employee resides, including common law marriage in States where it is recognized.

"Parent" means a biological, adoptive, step or foster father or mother, or any other

individual who stood in loco parentis to the employee when the employee was a child, son or daughter as defined in paragraph (c) of this section. This term does not include parents "in law."

"Child, son or daughter" means, for purposes of FMLA/CFRA leave taken for birth or adoption, or to care for a family member with a serious health condition, a biological, adopted, or foster child, a stepchild (including children of a registered domestic partners), a legal ward, or a child of a person standing in loco parentis, who is either under age 18, or age 18 or older and "incapable of self-care because of a mental or physical disability" or an adult dependent child at the time that FMLA/CFRA leave is to commence. The age the disability occurs is irrelevant to determine whether an adult son or daughter has a mental or physical disability.

"Incapable of self-care" means that the individual requires active assistance or supervision to provide daily self-care in three or more of the "activities of daily living" (ADLs) or "instrumental activities of daily living" (IADLs). Activities of daily living include adaptive activities such as caring appropriately for one's grooming and hygiene, bathing, dressing and eating. Instrumental activities of daily living include cooking, cleaning, shopping, taking public transportation, paying bills, maintaining a residence, using telephones and directories, using a post office, etc.

"Mental or physical disability" means a physical or mental impairment that limits one or more of the major life activities of an individual. Regulations at 29 CFR 1630.2(h), (i), and (j), issued by the Equal Employment Opportunity Commission under the Americans with Disabilities Act (ADA), 42 U.S.C. 12101 et seq., define these terms.

Persons who are **"in loco parentis"** include those with day-to-day responsibilities to care for and financially support a child, or, in the case of an employee, who had such responsibility for the employee when the employee was a child. A biological or legal relationship is not necessary.

"Adoption" means legally and permanently assuming the responsibility of raising a child as one's own. The source of an adopted child (e.g., whether from a licensed placement agency or otherwise) is not a factor in determining eligibility for FMLA/CFRA leave.

"Foster care" is 24-hour care for children in substitution for, and away from, their parents or guardian. Such placement is made by or with the agreement of the State as a result of a voluntary agreement between the parent or guardian that the child be removed from the home, or pursuant to a judicial determination of the necessity for foster care, and involves agreement between the State and foster family that the foster family will take care of the child. Although foster care may be with relatives of the child, State action is involved in the removal of the child from parental custody.

"Son or daughter on covered active duty or call to covered active duty status" means the employee's biological, adopted, or foster child, stepchild, legal ward, or a child for whom the employee stood in loco parentis, who is on active duty or call to active duty status, and who is of any age.

"Son or daughter of a covered servicemember" means the servicemember's biological, adopted, or foster child, stepchild, legal ward, or a child for whom the servicemember stood in loco parentis, and who is of any age.

"Serious injury or illness" means:

(1) In the case of a current member of the Armed Forces, including a member of the National Guard or Reserves, means an injury or illness that was incurred by the covered servicemember in the line of duty on active duty in the Armed Forces or that existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces, and that may render the member medically unfit to perform the duties of the member's office, grade, rank or rating; and

(2) In that case of a covered veteran, means an injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces) and manifested itself before or after the member became a veteran, and is:

(i) a continuation of a serious injury or illness that was incurred or aggravated when the covered veteran was a member of the Armed Forces and rendered the servicemember unable to perform the duties of the servicemember's office, grade, rank, or rating; or

(ii) a physical or mental condition for which the covered veteran has received a U.S. Department of Veterans Affairs Service-Related Disability Rating (VASRD) of 50 percent or greater, and such VASRD rating is based, in whole or in part, on the condition precipitating the need for military caregiver leave; or

(iii) a physical or mental condition that substantially impairs the covered veteran's ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service, or would do so absent treatment; or

(iv) an injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

"Parent of a covered servicemember" means a covered servicemember's biological, adoptive, step or foster father or mother, or any other individual who stood in loco parentis to the covered servicemember. This term does not include parents "in law."

"Next of kin of a covered servicemember" means the nearest blood relative other than the covered servicemember's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the covered servicemember by court decree

or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered servicemember has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave under the FMLA. When no such designation is made, and there are multiple family members with the same level of relationship to the covered servicemember, all such family members shall be considered the covered servicemember's next of kin and may take FMLA leave to provide care to the covered servicemember, either consecutively or simultaneously. When such designation has been made, the designated individual shall be deemed to be the covered servicemember's only next of kin.

"Health Care Provider" means: (1) A doctor of medicine or osteopathy who is authorized to practice medicine or surgery (as appropriate) by the State in which the doctor practices; (2) podiatrists, dentists, clinical psychologists, optometrists, chiropractors (limited treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by x-Ray to exist) authorized to practice under the State law and performing within the scope of their practice as defined by State law; (3) nurse practitioners, nurse-midwives, clinical social workers and physician assistants authorized under State law and performing within the scope of their practice as defined by State law; (4) Christian Science practitioners (may be required to submit to second or third certification through examination - not treatment of a health care provider); (5) any other health care provider from whom the employer or the employee's group health plan benefits manager will accept certification of the existence of a serious health condition to substantiate a claim for benefits; and (7) a health care provider who practices in a country other than the United States who is authorized to practice in accordance with the laws of that country and is performing within the scope of his or her practice as defined under such law.

For purposes of leave taken to care for a covered servicemember, any one of the following health care providers may complete such a certification: (1) a United States Department of Defense ("DOD") health care provider; (2) a United States Department of Veterans Affairs ("VA") health care provider; (3) a DOD TRICARE network authorized private health care provider; (4) a DOD non-network TRICARE authorized private health care provider; or (5) any "health care provider" as defined in 29 CFR §825.125.

"**Domestic Partner"** means two adults who have established a registered domestic partnership in accordance with the requirements of California law.

Practice Points:

- **Covered service-member leave may but will not necessarily run concurrently with CFRA leave. For example, an employee who is the spouse of an injured military service-member likely would take CFRA qualifying leave; an employee who is next of kin to an injured service-member who takes time off would not have such time count against CFRA leave entitlements.**

- **Under the new FMLA regulations, an employer must provide an employee who makes**

a request for a summary of FMLA usage with a written summary of the amount of leave time used and remaining.

- **The language limiting retroactive designation of leave to 10-days is based on the CFRA regulation requiring designation to be made within 10 days of an employee's leave request.**

- **Under the regulations interpreting the CFRA and the pregnancy disability leave provisions of the state Fair Employment and Housing Act, an employer must accept medical certifications which meet minimum criteria, as follows: (1) For family care leave for the employee's child, parent, or spouse, a certification need not identify the serious health condition involved, but must be acceptable if it contains: (a) the date, if known, on which the serious health condition commenced, (b) the probable duration of the condition, (c) an estimate of the amount of time which the health care provider believes the employee needs to care for the child, parent, spouse or registered domestic partner, and (d) a statement that the serious health condition warrants participation of the employee to provide care during a period of treatment or supervision of the child, parent, spouse or registered domestic partner; (2) For medical leave for the employee's own serious health condition, a certification need not, but may, at employee's option, identify the serious health condition involved. It shall contain: (a) the date, if known, on which the serious health condition commenced, (b) the probable duration of the condition, and (c) a statement that, due to the serious health condition, the employee is unable to work at all or is unable to perform any one or more of the essential functions of his or her position; and (3) For leave due to disability caused by pregnancy, childbirth or related medical condition, a certification must be acceptable if it contains (a) The date on which the woman became disabled due to pregnancy, (b) The probable duration of the period or periods of disability, and (c) An explanatory statement that, due to the disability, the employee is unable to work at all or is unable to perform any one or more of the essential functions of her position without undue risk to herself, the successful completion of her pregnancy, or to other persons. No certification can be required for birth bonding leave. CFRA permits second and third medical opinions only in conjunction with the employee's own serious health condition.**

- **While substituting paid sick leave for unpaid birth bonding leave is permissible under the FMLA and CFRA, this policy does not permit it because of concerns regarding the possible effect of such a policy on claims for unpaid wages predicated upon sick leave actually being a form of paid vacation.**

- **Unlike the sample FMLA policy, this combined FMLA/CFRA policy does not require an employee to periodically report on his or her intent to return to work. Such a policy provision might arguably be inconsistent with the requirement that employers accept a medical certification that provides an estimated return to work date.**

Employers who wish to take a more aggressive approach and require employees to report on their intent to return to work should do so only after consulting with counsel on the risks and benefits of such a requirement.

MEDICAL LEAVE OF ABSENCE DUE TO ILLNESS OR INJURY

The Company may provide you with an unpaid medical leave of absence due to illness or injury.

If you are disabled due to illness or injury, you should give written notice of disability to your supervisor as soon as possible. Requests for leaves for elective surgery or a medical procedure should be submitted at least 3 days in advance. Leave requests must include a certification from your healthcare provider stating the date on which the condition began, the probable duration of the leave, a statement you are unable to work at all or are unable to perform one or more of the essential functions of your position with or without reasonable accommodation, and the expected date of return to work. You also must submit a medical certification from your healthcare provider establishing your continuing need for leave of absence to the Company every 30 days during your leave.

You must use any accrued paid time off, including vacation and sick time, during a leave under this policy to the extent permitted by law. The substitution of paid leave for unpaid leave will not extend the maximum duration of your leave. We encourage you to contact the Employment Development Department regarding your eligibility for state disability insurance for the unpaid portion of your leave.

Eligibility for employer paid health and dental insurance benefits may cease during a leave under this policy. You must pay your portion of medical and dental premiums during a leave of absence granted under this policy if you choose to receive such benefits during the leave. You will receive notice of your right to continue your benefits through COBRA.

A leave of absence under this policy generally will be for a period of up to [two (2) months], unless otherwise required by law. Requests for any extension beyond that period will be evaluated on a case-by-case basis as a possible reasonable accommodation, consistent with applicable federal and state law. If you request an extension of your leave, you must submit a certification from your healthcare provider of continued need for medical leave for each extension request. In some cases, [the Company may ask that you provide medical information to the Company or a medical professional of its choosing supporting your request for further leave.

When you are able to return to work, you must give the Company advance notice of your intent to return by providing a certification from your healthcare provider stating you are physically able to return to your duties with or without accommodation. This notice is important so your return to work is properly scheduled.

Unless otherwise required by law, we will make reasonable efforts to return you to the same or similar job and at the same rate of pay held prior to your leave of absence, subject to operational requirements that may exist. If you do not return from work on the originally-scheduled return date or request in advance an extension of the agreed upon leave with appropriate medical documentation, you may be deemed to have voluntarily terminated your employment with the Company.

In addition, failure to notify the Comopany of your availability for work when it occurs, failure to return to work when called the Company, or your continued absence from work because your leave must extend beyond the maximum time allowed, may be deemed a voluntary termination of your employment with the Company.

Practice Points:

- **We recommend including this leave policy for leaves of absence not required by law, such as leave for employees who are not eligible for FMLA/CFRA leave or when the employer is not covered by FMLA/CFRA. Also, an employer may apply this policy to employees who have exhausted their FMLA/CFRA leave. Please note an extension of disability leave likely may be required as a "reasonable accommodation" under the Americans with Disabilities Act and the California Fair Employment and Housing Act.**

REHABILITATION LEAVE

We are committed to providing assistance to our employees to overcome substance abuse problems. Our Company will reasonably accommodate any employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program. This accommodation may include an adjusted work schedule or time off without pay, provided the accommodation does not impose an undue hardship on the Company. You may use any accrued sick or vacation benefits while on leave under this policy. However, additional benefits will not be earned during the unpaid portion of the leave of absence. A leave of absence under this policy will be subject to the same provisions and rules as apply to medical leaves of absence. The Company will attempt to safeguard the privacy of an employee's participation in a rehabilitation program.

You should notify Human Resources if you need to request an accommodation under this policy.

Practice Points:

- **Pursuant to California Labor Code section 1025, rehabilitation leave is required for private employers with 25 or more employees unless the employer can establish undue hardship.**

LITERACY ASSISTANCE

We are committed to providing assistance to employees who require time off to participate in an adult education program for literacy assistance. If you need time off to attend such a program, you should inform Human Resources. The Company will attempt to make reasonable accommodations for you by providing unpaid time off or an adjusted work schedule, provided the accommodation does not impose an undue hardship on the Company. The Company will attempt to safeguard the privacy of your enrollment in an adult education program.

Practice Points:

- **Pursuant to California Labor Code sections 1041, 1042, 1043, and 1044, employers with 25 or more employees must provide literacy leave unless the employer can establish undue hardship.**

BEREAVEMENT LEAVE

We know the death of a family member is a time when you will want to be with the rest of your family. Should you lose a member of your immediate family, you will be allowed time off to help you attend to your obligations and commitments. Reasonable time off without pay will be granted by your supervisor as the location of the funeral and closeness of the relationship dictates.

Regular full-time employees who have completed at least **[_____]** days of continuous employment will be given paid time off for **[_____]** days if the funeral is within the state and **[_____]** days if the funeral is outside the state.

"Immediate family" includes spouse, registered domestic partner, child, parent, sister, brother, grandparents, mother-in-law, father-in-law, step-parents, step-child, and other persons who are part of the employee's household.

Employees on vacation or a leave of absence are not entitled to bereavement leave. The Company may require verification of death.

Practice Points:

- **Employers are not required to provide paid bereavement leave, but many do so for morale reasons.**

JURY AND WITNESS LEAVE

Jury Duty. We think it is your civic duty to serve on a jury panel. For this reason, you will be granted a temporary leave of absence if you are called for jury duty. Regular full-time employees who have completed **[_____]** days of continuous service will be paid the difference between regular straight-time pay and the jury pay for each day of work missed due to jury duty up to a maximum of **[_____]** days in any calendar year. In addition, exempt employees will be paid their full salary for any work week interrupted by jury service.

You must present your jury summons to your supervisor as soon as you receive it. Of course, you are expected to report for work during hours or days your presence is not required on the jury panel. An employee who does not report to work when available may not receive pay for the day.

In the event the volume of work or the expressed nature of your position necessitates it, a request for postponement of jury service can be made. The Company may assist you with the postponement process, if necessary.

Acting as a Witness. You may be required by law to appear in court as a witness. The Company provides unpaid time off for this purpose. However, exempt employees will be paid their full salary for any work week in which they are required to appear as a witness. We ask that you give your supervisor as much advance notice of your court appearance.

Practice Points:

- **Employers are not required to provide paid leave to non-exempt employees for jury duty or appearance as a witness. However, employers are cautioned that the Labor Commissioner takes the position that no deductions may be made from an exempt employee's salary for absences due to jury duty, attendance as a witness, or temporary military leave where the exempt employee has performed work during the workweek because such deductions are inconsistent with the monthly salary required for exempt status.**
- **California Labor Code section 230 prohibits employers from discriminating against employees for taking time off to serve in juries or testify as a witness. Federal law also protects employees who serve on juries. 28 U.S.C. § 1875.**

MILITARY LEAVE

If you are called to active duty in the U.S. military, Reserves, or California National Guard, you are eligible for unpaid military leave of absence in accordance with state and federal law. Present your supervisor with a copy of your service papers as soon as you receive them.

During your absence, your length of service accumulates, and your benefits will continue as required by applicable law. Upon application within the appropriate time period after your date of discharge from military service, you will receive the then-current rate of pay and the then-current benefits.

If you are required to attend yearly Reserves or National Guard duty, you may apply for an unpaid temporary military leave of absence not to exceed 17 days (including travel). However, if you prefer, you may use your earned vacation time for this purpose. You should give your supervisor as much advance notice as possible so we can ensure proper coverage while you are away.

Practice Points:

- **Employers are cautioned that the Labor Commissioner takes the position no deductions may be made for exempt employees' absences during any work week in which any work is performed due to temporary military leave because doing so is inconsistent with exempt status.**

TIME OFF FOR MILITARY SPOUSES

If you work, on average, at least twenty (20) hours per week and your spouse is a qualified member of the United States Armed Forces, the National Guard, or the Reserves, you are eligible to take leave for a period of up to ten (10) days while your spouse is home during a qualified leave period. Where an employee is also eligible for military family member exigency leave, leave under this policy shall also count toward an employee's FMLA leave entitlement where the time off meets the definition of FMLA military exigency leave.

Required Notice to Employer. Within two (2) business days of receiving official notice that your spouse will be on leave, you must provide notice to the Company of your intent to take military spouse leave.

Required Documentation. You must submit written documentation to the Company certifying that during your requested time off, your spouse will be on leave from deployment during a period of military conflict.

Leave is Unpaid. Leave granted under this policy is unpaid. [Optional: However, employees may substitute accrued, unused vacation time, personal days or personal time off for any period of unpaid military spouse leave.]

Definitions. For the purposes of this policy, the following definitions apply:

"Qualified Member" means any of the following:

(a) A member of the U.S. Armed Forces who is deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States; or

(b) A member of the National Guard who is deployed during a period of military conflict; or

(c) A member of the Reserves who is deployed during a period of military conflict.

"Period of Military Conflict" means any of the following:

(a) A period of war declared by the U.S. Congress; or

(b) A priod of deployment for which members of the Reserves are ordered to active duty.

"Qualified Leave Period" means the period during which the qualified member is on leave from deployment during a period of military conflict.

Practice Points:

- **California Military & Veterans Code Section 395.10 provides that employers with 25 or more employees must permit employees who meet the specified eligibility criteria to take up to 10 days of unpaid leave during the period their spouse is on leave from an area designated as a combat theatre or combat zone. Employers are prohibited from retaliating against employees who request or utilize such leave time.**

TIME OFF FOR VOTING

In the event an employee does not have sufficient time outside of working hours to vote in a statewide election, the employee may take off sufficient working time to vote. 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. An employee will be allowed a maximum of two (2) hours of voting leave on election day without loss of pay. Where possible, the supervisor should be notified of the need for leave at least two (2) working days prior to the election day.

Practice Points:

- **California Elections Code section 14001 requires employers to post a notice of the requirements of Elections Code section 14000 at least 10 days prior to every statewide election.**

TIME OFF FOR SCHOOL-RELATED ACTIVITIES

Parents, guardians, grandparents, stepparents, foster parents or employees who stands *in loco parentis* to school children from kindergarten through Grade 12 or children attending licensed child daycare facilities are provided unpaid time off (up to a maximum of eight (8) hours in one (1) calendar month and 40 hours in one (1) calendar year) to participate in school or day care activities or to find or (re)enroll their children in a school or with a licensed child care provider. Such employees may also take time to address a child care provider or school emergency due to (1) the school or child care provider requesting the child be picked up, or it has an attendance policy (excluding planned holidays) prohibiting the child from attending or requiring the child be picked up; (2) behavioral or discipline problems; (3) a closure or unexpected unavailability of the school or child care provider, excluding planned holidays; or (4) a natural disaster, including but not limited to, fire, earthquake or flood.

Parents or guardians of schoolchildren pupil may also take time off to appear in school of that pupil pursuant to a request by the school under Section 48900.1 of the Education Code (relating to suspensions).

The Company requires proof of an employee's participation in these activities. You must provide reasonable advance notice to your supervisor before taking any time off under this policy.

An employee will be required to use accrued vacation time (if otherwise eligible to take the time) during a leave under this policy. Otherwise the time off under this policy will be treated as unpaid leave.

Practice Points:

- **California Labor Code section 230.8 mandates employers with 25 or more employees at the same location to provide up to 40 hours per year for parents to visit or participate in school activities, not to exceed eight (8) hours in any calendar month. All employers, regardless of size, must provide time off for parents of suspended children who are requested to appear at the school.**
- **California Labor Code section 230.7 mandates: "No employer shall discharge or in any manner discriminate against an employee who is the parent or guardian of a pupil for taking time off to appear in the school of a pupil pursuant to a request made under Section 48900.1 of the Education Code, if the employee, prior to taking the time off, gives reasonable notice to the employer that he or she is requested to appear in the school."**
- **Updated language reflects amendments from SB 579 (effect. 1-1-16)**

TIME OFF FOR VICTIMS OF DOMESTIC VIOLENCE OR SEXUAL ASSAULT

Victims of domestic violence, stalking or sexual assault may take unpaid time off work for up to 12 weeks 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 substitute any accrued vacation, sick, or other time off for the unpaid leave provided under this policy. Leave under this policy does not extend the time allowable under the "Family and Medical Leave Act" Policy in this Handbook.

The Company also will not discipline, discriminate or retaliate against an employee because the employee is a known victim of domestic violence, stalking or sexual assault.

An employee who is the victim of domestic violence, stalking or sexual assault may request reasonable accommodation with respect to his or her safety while at work. Reasonable accommodation may include the implementation of safety measures, including a transfer, reassignment, modified schedule, changed work telephone, changed work station, installed lock, assistance in documenting domestic violence, sexual assault, or stalking that occurs in the workplace, an implemented safety procedure, or another adjustment to a job structure, workplace facility, or work requirement in response to domestic violence, sexual assault, or stalking, or referral to a victim assistance organization. Eligible employees desiring an accommodation should notify Human Resources. Human Resources will then engage in an interactive process with the employee to determine possible effective reasonable accommodations. As part of the interactive process, Human Resources may require the employee to provide appropriate certification. An employee who no longer needs an accommodation must notify Human Resources of his/her change in circumstance. Similarly, an employee who has been provided an accommodation must notify Human Resources if he or she requires a new accommodation

Practice Points:

- **California Labor Code section 230.1 requires an employer with 25 or more employees to provide victims of domestic violence or sexual assault unpaid time off for the purposes listed above.**

TIME OFF FOR CRIME VICTIMS

Employees who have been victims of serious or violent felonies, as specified under California law, or felonies relating to theft or embezzlement, may take time off work to attend judicial proceedings related to the crime or any proceeding in which the right of the victim is at issue. Employees also may take time off if an immediate family member has been a victim of such crimes and the employee needs to attend judicial proceedings or other proceeding related to the crime. "Immediate family member" is defined as spouse, registered domestic partner, child, child of registered domestic partner, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

Eligible employees must give the Company a copy of the court notice given to the victim of each scheduled proceeding before taking time off, unless advance notice to the Company of the need for time off is not feasible. When advance notice is not feasible, the employee must provide the Company with documentation evidencing the judicial proceeding, within a reasonable time after the absence. The documentation may be from the court or government agency setting the hearing, the district attorney or prosecuting attorney's office, or the victim/witness office that is advocating on behalf of the victim. It may also include documentation from a medical professional, domestic violence advocate or advocate for victims of sexual assault, health care provider, or counselor that the employee was undergoing treatment for physical or mental injuries or abuse resulting in victimization from a specified offense.

Employees may elect to use accrued paid vacation time, paid sick leave time, or other paid time off for the absence. If the employee does not elect to use paid time off, the absence will be unpaid. However, exempt employees will be paid their full salary for any workweek interrupted by the need for time off under this policy.

Practice Points:

- **Effective January 1, 2004, California Labor Code section 230.2 requires all employers to provide unpaid time off for employees who are victims of certain crimes, or whose immediate family members are victims of certain crimes. The crimes include violent felonies defined by Penal Code Section 667.5(c) or serious felonies defined by Penal Code section 1192.7(c), as well as felonies related to theft or embezzlement. The employer must keep any records relating to the employee's absence confidential.**

TIME OFF FOR VOLUNTEER FIREFIGHTERS, LAW ENFORCEMENT OR EMERGENCY RESCUE PERSONNEL

Employees performing certain duties specified under California law as volunteer firefighters, reserve peace officers or emergency rescue personnel are permitted unpaid time off, not to exceed 14 days per calendar year, for the purpose of engaging in volunteer fire, law enforcement or emergency rescue training.

Employees who are a volunteer firefighter, a reserve peace officer, or emergency rescue personnel are also permitted to take time off to perform emergency duty as required by their volunteer position.

Employees seeking to request time off under this policy must notify their direct supervisor immediately after learning of the need for the leave. Any employee who is a health care provider must notify the Company at the time the employee becomes designated as emergency rescue personnel and when the employee is notified of deployment.

Practice Points:

- **California Labor Code sections 230.3 and 230.4 provide that employers with 50 or more employees must permit volunteer firefighters, reserve peace officers or emergency rescue personnel to take up to 14 days of unpaid leave per calendar year for the purpose of engaging in fire or law enforcement training and duty.**
- **Updated for AB 2536 (eff. 9-2014) Amendments**

CIVIL AIR PATROL LEAVE

An employee who has been employed 90 days or more is permitted to request up to 10 calendar days of unpaid leave per year to respond to an emergency operational mission of the California Wing of the Civil Air Patrol. Such leave is limited to three days for each emergency operational mission, unless the government entity that authorized the mission extends it and the Company approves the additional time off. Upon expiration of the leave, an employee will generally be reinstated to his or her position with equivalent seniority, benefits, pay and other terms and conditions of employment.

Employees requesting time off must notify their direct supervisor as soon as possible after learning the intended dates upon which such leave will begin and end. Approval of any leave request is conditioned upon certification from the proper Civil Air Patrol Authority of the employee's eligibility to take such leave. Failure to provide the required certification will result in denial of leave.

Employees may, but are not required to, elect to substitute any accrued unused vacation days, paid time off, or paid personal days for otherwise unpaid Civil Air Patrol Leave.

Practice Points:

- **Effective January, 1, 2010, California Labor Code section 1500 et seq. provides that employers with 15 or more employees must permit employees with at least 90 days of service to take up to 10 days per year of Civil Air Patrol leave. Such leave is limited to three days on any one occasion, but can be extended if authorized by the government entity that called for the mission and the employer agrees. Unless the employer voluntarily elects to pay for the time off, Civil Air Patrol leave is unpaid; an employee cannot be required to substitute paid time off, such as vacation, sick leave, etc., for the unpaid leave. Employees must be reinstated to the same position they had prior to commencing leave with the equivalent seniority status, benefits, pay and other terms and conditions of employment. Employers may not discriminate against or terminate employees who are members of the Civil Air Patrol because of that membership. Nor may an employer interfere with, restrain or deny an employee's attempt to exercise a right established by the Act.**

ORGAN DONATION LEAVE

An employee who has been employed for at least 90 days may request a leave of absence for up to 30 business days in any one-year period to undergo a medical procedure to donate an organ. The one-year period is measured from the date the employee's leave begins and shall consist of 12 consecutive months.

Employees seeking organ donation leave must provide a certification from their physician stating that he or she is an organ donor and that there is a medical necessity for the donation of the organ. An employee must use up to two weeks of accrued vacation for this leave, but the use of paid vacation does not extend the term of the leave. If accrued vacation is not available, the time off for such procedure shall be paid, however the paid time off shall not exceed 30 business days. Organ donation leave will not be designated as FMLA or CFRA leave time. Employees will receive health benefits for the duration of their organ donation leave, the time off does not impact their seniority, vacation accrual or eligibility for salary adjustments. Employees returning from such leave will have a right to return to the same or equivalent positions they held before such leave.

Practice Points:

- **California SB 1304 amends the Labor Code effective Jan. 1, 2011 to require employers of 15 or more to provide paid leaves of absence to employees who wish to donate bone marrow or organs. See Labor Code § 1508 *ff*. These model policy statements comply with the requirements of this new legislation. Note the law does not require employers to adopt such policy statements, but does require covered employers to provide paid leaves for medical donations consistent with the terms described above.**

BONE MARROW DONATION LEAVE

An employee who has been employed for at least 90 days may request a leave of absence for up to five business days in any one-year period to undergo a medical procedure to donate bone marrow. The one-year period is measured from the date the employee's leave begins and shall consist of 12 consecutive months.

Employees must provide a certification from their physician stating that he or she is a bone marrow donor and that there is a medical necessity for the donation of the bone marrow. An employee must use any accrued vacation time for this leave, but the use of vacation does not extend the term of this leave. If accrued vacation is not available, the time off for such procedure shall be paid, but the paid time off shall not exceed five days. Bone marrow donation leave will not be designated as FMLA or CFRA leave time. Employees will receive health benefits for the duration of their organ donation leave, the time off does not impact their seniority, vacation accrual or eligibility for salary adjustments. Employees returning from such leave will have a right to return to the same or equivalent positions they held before such leave.

Practice Points:

- **California SB 1304 amends the Labor Code effective Jan. 1, 2011 to require employers of 15 or more to provide paid leaves of absence to employees who wish to donate bone marrow or organs. See Labor Code § 1508 *ff*. These model policy statements comply with the requirements of this new legislation. Note the law does not require employers to adopt such policy statements, but does require covered employers to provide paid leaves for medical donations consistent with the terms described above.**

WORKPLACE STANDARDS

PERSONAL APPEARANCE

Because of our relations with clients, customers, and the nature of our business, neatness and cleanliness are absolutely necessary at all times. Employees should dress conservatively, in good taste, and according to the requirements of their position. If an employee fails to dress appropriately, the employee may be asked to leave for the day or to return home, change into suitable clothing, and report back to work.

If you have any questions about the proper attire for your work area, ask your supervisor.

Practice Points:

- **California Government Code section 12947.5 prohibits employers from refusing to permit female employees to wear pants.**

SMOKING

The Company regulates smoking on the premises for health and safety reasons and in accordance with California law. Smoking is prohibited in all indoor locations on Company property.

Practice Points:

- **California Labor Code section 6404.5 prohibits smoking in all enclosed workplaces with very limited exceptions. Employers may provide a smoking break room only if it complies with OSHA or EPA ventilation standards, there is a direct outside exhaust fan, the air will not be recirculated to other areas of the building, and there are sufficient non-smoking break rooms to accommodate non-smokers.**

CONFIDENTIALITY

As part of your responsibilities at the Company, you may learn of or be entrusted with sensitive information of a confidential nature. During your employment, any information, including, but not limited to, sales figures or projections; estimates; customer lists, customer purchasing habits, customer delivery preferences; computer processes, programs and codes; marketing methods, programs, or related data; tax records; or accounting procedures, will be considered and kept as the private and confidential records of the Company. These records may only be used in performing work for the Company and must not be divulged to any firm, individual, or institution except on the direct written authorization of the Company. Your failure to honor this confidentiality requirement may result in disciplinary action, up to and including termination.

[As a condition of your employment with the Company you [may be] [are] required to enter a Confidentiality Agreement with the Company.]

If you leave employment with the Company for any reason, you must continue to treat as private and privileged any such sensitive information. You should not use, divulge, or communicate to any person or entity any such sensitive information without the express written approval of the Company. The Company will pursue legal remedies for unauthorized use or disclosure of sensitive, confidential information.

Practice Points:

- **California Labor Code section 232.5 makes it unlawful to require employees to agree not to disclose information about working conditions and prohibits discharge, formal discipline, or other discrimination against an employee who does disclose such information. Similarly, the National Labor Relations Act ("NLRA") protects employees' right to discuss wages, working conditions, and information about other employees. The National Labor Relations Board has found confidentiality policies that include wages, salaries, company policies, the employee handbook, or employee or personnel information among confidential information to violate the NLRA. Therefore, this policy emphasizes an employee's responsibility to maintain the confidentiality of an employer's confidential trade secret information. The California courts will enjoin misuse of trade secrets that qualify under the Uniform Trade Secret Act ("UTSA"). UTSA defines trade secrets as information that: "(1) Derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and (2) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy." Cal. Civ. Code § 3426.1(d). A handbook provision reinforcing the confidentiality requirements may be used as evidence of the employer's efforts to meet the second prong of the UTSA test.**

CONFLICT OF INTEREST

The Company expects its employees to devote their full work time, energies, abilities, and attention to our business. Employees are expected to avoid situations that create an actual or potential conflict between the employee's personal interests and the interests of the Company. Employees who, because of other work or activities, cannot make this commitment may be asked to end their employment the Company.

A conflict of interest exists when an employee's loyalties or actions are divided between the Company and a competitor, supplier, or customer. Employees who are unsure whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss the situation with their supervisor or a member of management for clarification. Any exceptions to this policy must be approved in writing by the the Company.

Some examples of the more common conflicts that should be avoided by all employees include, but are not limited to:

1. accepting personal gifts or entertainment from competitors, customers, suppliers, or potential suppliers;

2. working for a competitor, supplier, or customer while employed by the Company;

3. engaging in self-employment in competition with the Company;

4. using proprietary or confidential Company information for personal gain or to the Company's detriment;

5. having a direct or indirect financial interest in or relationship with a competitor, customer, or supplier;

6. acquiring any interest in property or assets of any kind for the purpose of selling or leasing it to the Company; and

7. committing the Company to give its financial or other support to any outside activity or organization without appropriate written authorization.

Failure to adhere to this policy, including failure to disclose any conflict or seek an exception to this policy, may result in disciplinary action, up to and including termination.

Practice Points:

- **California Labor Code section 96(k) grants the Labor Commissioner jurisdiction to adjudicate claims for lost wages as the result of demotion, suspension, or discharge from employment for lawful conduct occurring during non-working hours away from the employer's premises. The scope of this statute is extremely broad. By its terms,**

the statute appears to prohibit employers from preventing or disciplining employees from holding second jobs. Labor Code section 98.6 allows an employer to enter into an agreement under which employees' outside activities are limited where the provision is necessary to protect the essential enterprise-related operations of the employer and breach of the agreement will result in a material disruption of the essential enterprise related operations of the employer. Employers should exercise caution and consult with legal counsel when faced with such circumstances because violation of section 96(k) may give rise to tort liability for wrongful termination in violation of public policy.

EMPLOYMENT OF RELATIVES

No relatives of current employees will be hired by the Company if such hiring would create a supervisory relationship between a current employee and that relative. For purposes of this policy, "relative" means spouse, registered domestic partner, mother, father, children, sisters, brothers, mother and father-in-law, sons and daughters-in-law, cousins, aunts and uncles.

Current employees who become related, for example, by virtue of marriage, to another current employee will be permitted to continue employment. However, the Company may transfer one of the employees if a supervisory relationship exists between the employees to avoid an actual or potential conflict of interest.

Practice Points:

- **Employers may not discriminate against applicants or employees on the basis of marital status. Cal. Gov. Code § 12940(a). Therefore, employers may not prohibit the employment of an employee's spouse simply due to the fact the employee is married to that individual. The FEHC regulations do allow an employer to prohibit an from employee directly supervising his or her spouse. A recent Court of Appeal decision, Chen v. County of Orange, advised there is a split of authority regarding judicial interpretations of the prohibition against marital status discrimination with respect to anti-nepotism rules. Some courts find the prohibition is based on status; others treat the prohibition as one prohibiting any discrimination that considered the person's marital relationship.**

PERSONAL VISITS, TELEPHONE CALLS, AND MAIL

Due to the nature of our business, personal visits during your work hours are discouraged.

Likewise, personal telephone calls are discouraged. If you do receive any calls, we will take a message and you will be notified. Of course, if friends or relatives call or visit you in cases of emergency, we will arrange to have you relieved from work so you may speak with them. If you must make an emergency telephone call, you should obtain permission from your supervisor.

You may make personal telephone calls during your scheduled breaks on the public pay telephones.

Personal mail should be directed to your home and not to the Company.

USE OF CELLULAR PHONES AND HAND-HELD RADIOS WHILE OPERATING A VEHICLE

Cell phones (including hand-held radios) and moving vehicles can be a dangerous mix. The Company is committed to promoting highway safety and to minimizing risk to the well-being of our employees by encouraging the safe use of cellular telephones by our employees while they are on company business. While the Company recognizes there often is a business need to use cellular phones, safety must be a priority.

Employees must use a "hands free" device when using a cell phone while operating a motor vehicle for work. Exceptions are permitted only where an employee is using a cell phone for emergency purposes. Employees should be aware that studies have found that hands-free units do not offer a safety advantage over hand-held units because driver concentration remains compromised. California employees should also be aware that as of July 1, 2008 state law requires use of "hand-free" devices; employees who violate the law are subject to a fine. Additionally, the new Wireless Communications Device Law, effective January 1, 2009, makes it an infraction to write, send, or read text-based communication on an electronic wireless communications device, such as a cell phone, while driving a motor vehicle. The Company will not reimburse any employee for any fine imposed as a result of violating these laws.

Even when using "hands free" technology, an employee who needs to make a cell phone call or text message while driving, should if practicable, find a proper parking space or designated "pull off" area first. Stopping on the shoulder of the road is not acceptable except in the case of a genuine unexpected emergency.

If stopping and pulling off the road is not practicable, the employee must exercise caution and care when using the cell phone. The employee is prohibited from any other activity, such as reading, texting and/or writing, while participating in a cell phone conversation and while driving a vehicle. If an in-coming call occurs while the employee is driving, and it is practicable to do so, the employee should answer the phone with care and caution and if possible, return the call when not operating a vehicle. If it is not practicable to answer the phone, under the circumstances (e.g., poor visibility due to weather, heavy traffic), do not answer the phone. Rather, allow the call to go into voicemail. You should then find a parking space or pull-off area as noted above, check voicemail, and return the call if necessary.

ELECTRONIC COMMUNICATIONS POLICY

The Company's voice mail, Internet and e-mail systems are provided to employees by the Company and are intended primarily for business use. Access to the Internet through the Company's computer systems is also intended primarily for business use. All voice mails, e-mails and documents transmitted over the Company's voice mail, e-mail and/or computer systems are the property of the Company.

The Company may access its electronic communications systems and obtain the communications within the systems, 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, and insuring that the Company's operations continue appropriately during an employee's absence. Employees have no expectation of privacy in e-mails transmitted over the Company's e-mail system.

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

The Company's policy prohibiting all types of harassment applies to the use of the Company's electronic communications systems, including Internet access. No one may use electronic communications in a manner that may be construed by others as harassment based on race, national origin, sex, sexual orientation, age, disability, religious beliefs or any other characteristic protected by federal, state or local law. No jokes on these bases should be transmitted over the Company's electronic communications systems.

Any personal use of the Company's electronic communications systems must be limited to the employees' non-work time. Even during non-work time, employees should exercise caution while utilizing the Company's electronic communications system. Any improper use of the Company's electronic communications systems can result in disciplinary action up to and including termination.

No one may access, or attempt to obtain access to, another individual's electronic communications without appropriate authorization.

Violators of this Electronics Communications Policy may be subject to discipline, up to and including termination.

SOCIAL NETWORKING POLICY

The Company recognizes that Social Networking (such as personal websites, blogs, Facebook, Instagram, Twitter, online group discussions, text messaging, message boards, chat rooms, etc.) is used by many of our employees. The Company respects the right of our employees to maintain a blog or post a comment on social networking sites. However, The Company is also committed to ensuring that the use of social media serves the needs of our business by maintaining the Company's identity, integrity and reputation. (For healthcare industries: In addition, in light of the nature of our business, there are also risks for HIPAA violations whenever anyone posts any information which may be prohibited by law.) Further, the Company has a business interest in protecting its logo, company name, and other intellectual property and in making sure that its employees do not violate criminal or civil law (For healthcare industries: or patient privacy or rights). Please make sure that you are aware of your obligations in this regard.

To protect the Company's identity, integrity and reputation, employees must adhere to the following rules:

- Employees may not post on a blog or social networking site during their working time or at any time using Company equipment or property. The Company's electronic communication systems are for business use only.

- If an employee identifies himself or herself as an employee of the Company on any social networking site, the communication must include a disclaimer that the views expressed are those of the author and do not necessarily reflect the views of the Company.

- All rules regarding confidential business information apply in full to blogs and social networking sites. Confidential business information includes items such as trade secrets, technical or non-technical data, a formula, pattern, compilation, program, device, method, technique, drawing, process, financial data (with the exception of non-confidential information (i.e., obtained from Human Resources) regarding employee wages, benefits and other terms and conditions of employment) or list of actual or potential customers or suppliers.

- Any conduct which is impermissible under the law if expressed in any other form or forum is impermissible if expressed through a social networking site. For example, posted material relating to the Company and its employees that is discriminatory, defamatory, libelous or malicious is not permitted. The Company's policies prohibiting discrimination, retaliation, and/or harassment based on age, race, sex, religion, national origin/ancestry, and other protected categories, as well as the Company's Workplace Violence policies apply equally to employee comments concerning the Company and its employees on social networking sites, even if done on nonworking time. Employees are encouraged to review those

sections of the Handbook for further guidance.

- Employees are prohibited from misappropriating or using without permission the Company's corporate logo and Company intellectual property on any social networking site or other online forum. Employees are reminded that there are civil and criminal penalties for posting copyrighted material without authorization.

Any employee who violates this policy may be subject to disciplinary action, up to and including termination. The Company reserves the right to monitor all public blogs and social networking forums for the purpose of protecting its interests and maintaining compliance with this policy.

If you have any questions at all regarding this, please feel free to contact your supervisor or Human Resources.

SUPPLIER-PROVIDED GIFTS

Suppliers should be chosen solely on the basis of the needs of our business. Only reputable, qualified individuals or companies should be retained as suppliers under market compensation agreements that are reasonable in relation to the services provided.

No employee of the Company may select a supplier for any reason other than such supplier's ability to fulfill the given need. To ensure compliance with this requirement, no employee of the Company may accept any goods, services or other form of compensation or favor from a supplier (or prospective supplier) for less than the supplier's cost.

The provisions of this section are not intended to apply to:

- Gifts received infrequently by employees, provided that such gifts are not in the form of cash, gift certificates or other cash equivalents, and further provided that either: (1) the value of the items are so little in value as to make accounting for them unreasonable or administratively impracticable or less, or (2) the gifts are in the form of tickets for a single entertainment or sporting event; and

- Gifts received infrequently by a department, division, or working group, provided that such gifts are not in the form of cash, gift certificates or other cash equivalents, and further provided that the gift is suitable to being shared among members of the department, division, or working group and the value of the items are so little in value as to make accounting for them unreasonable or administratively impracticable or less.

Employees are required to report to their immediate manager any goods, services or other forms of compensation or favor received from a supplier to the extent that:

- their fair market value exceeds the values specified above;

- the employee is uncertain whether their fair market value exceeds the values specified above;

- they take the form of season tickets;

- they are in the form of cash, gift certificates or other cash equivalents regardless of their value;

- they are provided frequently, regardless of their value; or

- they are not otherwise included in the two (2) categories of exceptions listed above.

In lieu of a gift or award, management would prefer that a supplier recognize an employee

by writing a letter or by making a donation to a charity. Employees violating this policy will be subject to disciplinary action, up to and including termination.

TELECOMMUTING POLICY

The Company 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 an employee 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 at-will nature of the employment or the other terms and conditions of employment with the Company

Procedure

1. An employee or a supervisor may suggest telecommuting as a possible work arrangement. Employee eligibility for telecommuting is in the sole discretion of the respective department head, subject to consideration of business needs, employee job function, employee job performance and costs, if any.

2. Telecommuting can be informal, such as working from home for a short-term project or on the road during business travel, or formal, as will be described below. Other informal, short-term arrangements may be made for employees [describe circumstances, e.g., FMLA/CFRA], to the extent practical for the employee and the Company, and with the consent of the employee's health care provider, if appropriate. All informal telecommuting arrangements are made on a case by case basis, focusing first on the business needs of the Company. Such informal arrangements are not the focus of this policy.

3. Individuals requesting formal telecommuting arrangements must have been employed with the Company for a minimum of 12 months of continuous, regular employment and must have exhibited above average performance, in accordance with the Company's performance appraisal process.

4. Any telecommuting arrangement made will be on a trial basis for the first three (3) months, and may be discontinued, at will, at any time at the request of either the employee or the Company.

5. Employees' absence from the office must not have a significant or long-term negative impact on the functioning of other team members or work groups; meetings in the office and/or with customers are to be scheduled at the convenience of the employees working in the office or customers' convenience. Employees working from home are expected to attend in-person meetings in the office when determined necessary by the Company.

6. Telecommuting employees must work comparable hours to those while in the office, and have agreed upon times when they will be available for communication with their supervisor and/or other employees. Advance notice should be provided for work schedule variances.

7. The Company will determine, with information supplied by the employee and the supervisor, the appropriate equipment needs (including hardware, software, modems, phone and data lines, facsimile equipment, or software, photocopiers, etc.) for each telecommuting arrangement on a case-by-case basis. The Company will serve as resources in this matter. Equipment supplied by the Company will be maintained by the Company. Equipment supplied by the employee, if deemed appropriate by the Company, will be maintained by the employee. The Company accepts no responsibility for damage or repairs to employee-owned equipment. The Company reserves the right to make determinations as to appropriate equipment, subject to change at any time. Equipment supplied by the Company is to be used primarily for business purposes. The employee must sign an inventory of all office property and agree to take appropriate action to protect the items from damage or theft. Upon termination of the employee's arrangement of employment all Company property will be returned to the Company, unless other arrangements have been made.

8. Consistent with the Company's expectations of information asset security for employees working at the office full-time, telecommuting employees will be expected to ensure the protection of proprietary Company and customer information accessible from their home office. Steps include, but are not limited to, use of locked file cabinets, disk boxes and desks, regular password maintenance, and any other steps appropriate for the job and the environment.

9. The employee will establish an appropriate work environment within their home for work purposes. The Company will not be responsible for costs associated with initial setup of the employee's home office such as remodeling, furniture, or lighting, or for repairs or modifications to the home office space. Employees may be offered appropriate assistance in setting up a work station designed for safe, comfortable work.

10. After equipment has been delivered, a designated representative of the Company will visit the employee's home work site to inspect for possible work hazards and suggest modifications. Repeat inspections may occur on an as-needed basis. Injuries sustained by the employee while at home work location and arising out of and in the course of their 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 worker's compensation procedures. The employee is liable for any injuries sustained by visitors to their work site.

11. The Company will supply the employee with appropriate office supplies (pens, paper, etc.) for successful completion of job responsibilities. The Company also will reimburse the employee for all other pre-approved business-related expenses such as phone calls, shipping costs, etc., that are reasonably incurred in accordance with job responsibilities.

12. 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 modem as

required by the employee's supervisor during the agreed upon work schedule.

13. Telecommuting employees who are not exempt from the overtime requirements of state and federal law will be required to record all hours worked in a manner designated by the Company. 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 work week, in accordance with state and federal requirements will require the advance approval of the supervisor.

Failure to comply with this requirement will result in the immediate cessation of the telecommuting agreement.

14. Before entering into any telecommuting agreement, the employee and manager, with the assistance of **[_____]**, will evaluate the suitability of such an arrangement paying particular attention to the following areas:

- Employee Suitability: the employee and manager will assess the needs and work habits of the employee, compared to traits customarily recognized as appropriate for successful telecommuters.

- Job Responsibilities: the employee and manager will discuss the job responsibilities and determine if the job is appropriate for a telecommuting arrangement.

- Equipment needs, work space design considerations and scheduling issues.

- Tax and other legal implications for the business use of the employee's home based on IRS and state and local government restrictions. Responsibility for fulfilling all obligations in this area rests solely with the employee.

15. If the employee and manager agree, and the **[_____]** department concurs, a draft telecommuting agreement will be prepared and signed by all parties and a three (3) month trial period will commence.

16. Evaluation of telecommuter performance during the trial period will include daily interaction by phone and e-mail between the employee and the manager, and weekly face-to-face meetings to discuss work progress and problems. At the conclusion of the trial period, the employee and manager will each complete an evaluation of the arrangement and make recommendations for continuance or modifications.

17. Evaluation of telecommuter performance beyond the trial period will be consistent with that received by employees working at the office in both content and frequency but will focus on work output and completion of objectives rather than time-based performance.

18. An appropriate level of communication between the telecommuter and supervisor will be agreed to as part of the discussion process and will be more formal during the trial period. After conclusion of the trial period, the manager and telecommuter will communicate at a level consistent with employees working at the office or in a manner and frequency that is required by the employee's supervisor.

19. Telecommuting is NOT designed to be a replacement for appropriate child care. Although an individual employee's schedule may be modified to accommodate child care 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 a trial period.

20. Employees entering into a telecommuting agreement may be required to forfeit use of a personal office or workstation in favor of a shared arrangement to maximize Company office space needs.

21. In certain limited circumstances, the Company may contract with an office space provider to meet the needs of employees who wish to telecommute but who do not have appropriate home office space, or for groups of employees whose proximity to the Company and to each other makes such an arrangement feasible.

22. The availability of telecommuting as a flexible work arrangement for employees can be discontinued at any time at the discretion of the Company. Every effort will be made to provide 30 days notice of such a change to accommodate commuting, child care, and other problems that may arise from such a change. There may be instances, however, where no notice is possible.

USE OF PERSONAL DEVICES FOR WORK PURPOSES

Unless expressly requested and authorized by the Company [or covered by an established reimbursement program], employees are not permitted to and should not use their personal devices for work purposes. If an employee believes their work requires them to use a personal device, they should notify their supervisor in advance and promptly request reimbursement for the associated costs.

Practice Points:

- **This policy is meant to address Labor Code 2807 and cases like Cochran v. Schwan's Home Service (2014) 228 Cal.App.4th 1137 which provide employers must reimburse a reasonable amount for employee's use of personal cell phone/mobile devices for work purposes. It should be modified to fit with the employers actual policy and practice for use and reimbursement.**

BULLETIN BOARDS

Important Company notices and items of general interest are continually posted on our bulletin boards. Please review the bulletin boards frequently to keep up with current activities. Do not post or remove any material from the bulletin boards.

Practice Points:

- **This policy should be uniformly enforced. It cannot be used to exclude union organizing literature, but allow Girl Scout solicitations, etc. Because of the significant legal issues involved, we recommend employers consult an attorney regarding this issue.**

SOLICITATION AND DISTRIBUTION

At the Company, we believe employees should not be disturbed or disrupted in the performance of their job duties. For this reason, solicitation of any kind by one employee of another employee is prohibited while either person is on working time. Solicitation by non-employees on Company premises is prohibited at all times.

Distribution of advertising material, handbills, or printed or written literature of any kind in working areas of the Company is prohibited at all times. Distribution of literature by non-employees on Company premises is prohibited at all times.

Practice Points:

- **This policy should be uniformly enforced. It cannot be used to exclude union organizing literature, but allow Girl Scout solicitations, etc. Because of the significant legal issues involved, we recommend employers consult an attorney regarding this issue.**

[OPTION 1]

INSPECTION OF PACKAGES

To protect employees from theft, and to enforce Company policy prohibiting possession or use of drugs or alcohol on its premises, the Company may at any time inspect any packages or containers entering or being removed from the Company's property by employees.

[OPTION 2]

SEARCHES OF COMPANY AND EMPLOYEE PROPERTY

To protect employees and the Company from theft, and to enforce Company policy prohibiting other misconduct including the possession or use of drugs, alcohol, weapons, and stolen property, the Company reserves the right to search employees and their personal property (e.g., vehicles, clothing, packages, purses, brief cases, lunch boxes, or other containers brought onto Company premises) when there is reason to believe Company policy is being violated. Employees are expected to cooperate in the conduct of such searches.

The Company provides property to employees for their use (e.g., Company vehicles, desks, file cabinets, employee lockers, etc.). Searches of Company facilities and property, including Company property in the possession of the employee, may be conducted at any time and do not have to be based upon reason to believe Company policy is being violated. Employees may not withhold permission for the Company to search Company-supplied property including desks, lockers, tool boxes, lockers, and Company vehicles.

Practice Points:

- **The California Constitution protects employees' right to privacy. The California courts have not yet addressed employer search policies such as the one described above. It is likely California courts would find employees have a right to privacy that would limit an employer's right to search. This right to privacy can be diminished by reducing an employee's expectation of privacy (through publishing this policy in the Handbook, posting it, and asking employees to acknowledge they read and understood the policy). However, because no courts have addressed this type of search, there is a risk any employee who is searched may bring an action for invasion of privacy. The employee's likelihood of success in such an action would be reduced by limiting random searches to Company-owned property and limiting searches of employee and his or her property to incidents in which the employer has good reason to suspect that searching the employee and his or her property will lead to finding drugs, stolen property, etc.**

SAFETY/SECURITY

SAFETY

Your safety, and that of those who work with you, is one of our greatest concerns. With an alert safety attitude, you can help eliminate painful and costly accidents. You can help by:

- keeping work areas clean and clear
- reporting hazards or unsafe conditions to your supervisor
- smoking ONLY in designated areas
- reporting all injuries, however minor, to your supervisor immediately
- walking and not running in all buildings
- keeping aisles clear
- never performing a job that you feel is unsafe. Report such situations to your supervisor immediately.

Your supervisor will inform you of any additional safety rules that apply to your particular job or work location.

Practice Points:

- **California employers also are required to implement an Injury and Illness Prevention Plan that conforms with California Labor Code section 6401.7. We can provide employers with a sample plan that may be modified to conform to the employer's needs.**

ACCIDENTS ON COMPANY PREMISES

Any accident that occurs on Company premises, be it that of a guest or of an employee, should be reported immediately to your supervisor. The supervisor will immediately report the accident or injury to the upper management. For your own safety and the safety of our guests, please do not attempt to give medical aid to an injured guest or fellow employee unless you have been trained to do so. Seek the assistance of a supervisor and call 911 if warranted. In addition, please remember that only the supervisor can answer questions about the Company's liability to injured guests. Please direct those asking questions to a supervisor.

The Company carries workers' compensation insurance and will assist employees in obtaining all benefits to which they are legally entitled. If you are injured while working, please report it immediately to your supervisor, no matter how minor the injury may be. Failure to timely report work place injuries or illnesses may result in a denial of workers' compensation benefits.

If your work-related injury requires a leave of absence, this leave may count toward your annual Family and Medical Leave, if you qualify for leave under those programs.

PERSONAL BELONGINGS

The Company will not be responsible or liable for any personal property of an individual that is lost, stolen, or damaged. The responsibility for safeguarding, replacing, or repairing personal property lost, stolen, or damaged while on Company premises or in a Company-owned vehicle is that of the employee. Consequently, we encourage employees not to bring personal property to work.

VISITORS

For reasons such as the safety and security of our facilities, our employees, and the technical and confidential aspects of our business, visitors are not permitted to enter certain areas of the Company's facilities without authorization.

If you see a person who may not have proper authorization to enter the restricted areas of the building, please notify your supervisor. Should friends or members of your family want to pay you a visit for some essential reason, they must wait in the public area until your supervisor has been notified.

DRIVING RECORDS

The Company is committed to ensuring employees who have driving responsibilities do not place the Company, other employees, or members of the general public at risk. In keeping with this policy, the Company requires employees with driving responsibilities to maintain safe driving records as a condition of employment and continued employment. Individuals who fail to maintain such driving records may become unsuitable for their positions. In such cases, the Company reserves the right to discipline or terminate employees with driving responsibilities whose driving records become unsatisfactory.

An applicant or employee will be considered to have an unsatisfactory driving record if the driving record indicates one (1) or more moving violations. An applicant or employee will be considered to have an unsatisfactory driving record if the Company's and/or the applicant's or employee's insurance carrier(s) refuses to continue to insure the applicant or employee, or agrees to continue to insure the applicant or employees only for an increased premium.

To verify an individual's driving status, the Company may require employees or job applicants to furnish all or portions of their driving record from the Department of Motor Vehicles or may ask them to sign any necessary authorizations to request records directly from the Department of Motor Vehicles. Subject to any limitations imposed by state and federal law, individuals must cooperate fully with any request for records or request for an authorization to seek such records from an appropriate agency or entity.

PROOF OF INSURANCE

Employees with driving responsibilities must provide proof of insurance and a Certificate of Liability providing the insurance carrier will notify the Company if there is any modification to the employee's insurance coverage, including, but not limited to, cancellation of coverage. Employees who fail to comply with this requirement will be subject to disciplinary action, up to and including termination.

DRIVING FOR COMPANY BUSINESS

From time to time, you may be required to drive as part of your job. Prior to beginning any business-related travel, you must notify your supervisor if you do not have a valid and current driver's license or automobile insurance so that your supervisor can make other travel arrangements. For your own safety and the safety of others, if you are asked to drive on for business, the Company requires that you have a valid and current driver's license, that you carry legally-mandated automobile insurance, and that you keep your vehicle in proper working order including ensuring that the brakes, lights, turn signals, brake lights, tires, mirrors, windshields, horn and seatbelts are in working condition. Additionally, if requested, you are required to provide the Company with service records for your vehicle. This policy does not apply to your regular commute to and from work.

NOTICE OF SUSPENSION OR REVOCATION OF LICENSE OR CANCELLATION OR MODIFICATION OF LIABILITY INSURANCE

Any employee whose duties include driving has a significant responsibility to the Company and the general public to operate any motor vehicle in a safe and appropriate manner that conforms with all applicable traffic and safety laws. The employee also must at all times maintain the levels of liability insurance required by law. The Company, in turn, has responsibilities to employees, the general public and its insurance carrier with respect to employees whose duties include driving.

To fulfill these responsibilities, the Company requires employees with driving responsibilities to inform their supervisor within 24 hours if the employee's driver's license has been suspended or revoked or if the employee's liability insurance has been canceled or modified in any manner. Employees who fail to comply with this requirement will be subject to disciplinary action, up to and including termination.

OFF-DUTY ACCESS

Employees are not permitted to enter the areas of our facilities [which are not open to the general public] at any time when they are not scheduled to work.

Practice Points:

- **Under cases interpreting the National Labor Relations Act, employers may prohibit employees from accessing the interior and other work areas on non-work time. However, employers may not prohibit access to exterior non-work areas without valid business reasons. Employers also must "clearly disseminate" this policy to all employees and enforce the policy against all employees seeking access for any purpose, not just employees engaging in organizing activity.**

WORKPLACE VIOLENCE PREVENTION

We are strongly committed to providing a safe workplace. The purpose of this policy is to minimize the risk of personal injury to employees and damage to Company property. We specifically discourage employees from engaging in any physical confrontation with a violent or potentially violent individual. However, we do expect and encourage employees to exercise reasonable judgment in identifying potentially dangerous situations and informing management accordingly.

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, attempts to intimidate or to instill fear in others, menacing gestures, bringing weapons to the workplace, stalking, or any other hostile, aggressive, injurious and/or destructive actions undertaken for the purpose of domination or intimidation.

All potentially dangerous situations including threats by co-workers should be reported immediately to the management or Human Resources. Reports of threats may be made anonymously. All threats will be promptly investigated. No employee will be subject to retaliation, intimidation, or discipline as a result of reporting a threat under this policy.

If an investigation confirms that threat of a violent act or violence itself has occurred, the Company will take appropriate corrective action. Anyone, regardless of position or title, whom the Company determines has engaged in conduct that violates this policy, including retaliation, will be subject to discipline, up to and including termination.

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 the Company to be aware of any potential danger in our workplace. Indeed, we want to take every precaution to protect everyone from the threat of a violent act by an employee or anyone else.

IF YOU LEAVE US

Every employee is free to terminate his or her employment at any time, with or without cause and with or without notice. Likewise, the Company is free to terminate an employee's employment at any time for any or no reason, with or without cause and with or without notice.

We anticipate that your association with the Company will be pleasant. However, should you find it necessary to leave us, we ask that you provide your supervisor with as much advance notice of your departure as you can. Your thoughtfulness will be appreciated.

All Company property must be returned to the Company on the last day of employment including, but not limited to, keys, credit cards, security cards, computer disks, tools, and manuals.

A FEW CLOSING WORDS

This Handbook is intended to give you a broad summary of things to know about the Company. The information in this Handbook is general in nature and, should questions arise, your supervisor should be consulted for complete details. While we intend to continue the policies, rules, and benefits described in this Handbook, the Company may always modify or vary from the matters set forth in this Handbook at its discretion except for the right of the parties to terminate employment at will, which may only be modified by an express written agreement signed by both parties. Please do not hesitate to speak to your supervisor or Human Resources if you have any questions.

EMPLOYEE ACKNOWLEDGEMENT

I understand that my employment with the Company is for an unspecified term and may be terminated at the will of either the Company or myself, with or without reason or cause, and with or without notice. No words or actions of the Company will be deemed to create an express or implied contract of employment or require the Company to have good cause for terminating my employment. No Company representative is empowered or authorized to modify this at-will relationship other than **[_____]**.

I acknowledge I have received a copy of the Company's Employee Handbook. I understand I am responsible for reading the contents of the Employee Handbook, and for complying with the policies and rules outlined therein. I further acknowledge that I have read the Employee Handbook in its entirety in accordance with this responsibility.

I understand that while employed by the Company, I must comply with all Company policies and rules except as otherwise provided and/or prohibited under federal and/or state law. I further understand that any rules, policies, and benefits described in the Employee Handbook may be modified or varied from by the Company at anytime—except as required by law and except for the rights of the parties to terminate employment at will (which may be modified only by an express written agreement signed by both me and the **[_____]** of the Company).

_____ _____

Date Employee Name

_____

Employee Signature

(Return to your Supervisor)