

PIC
Sample Company Policies
And Procedures
2008 to 2009 Changes
March 4, 2009

**The following are changes made from the 2008 to the 2009 PIC
Sample Company Policies and Procedures Manual.**

KEY:

1. The language in **red** indicates new policy.
2. Language in **blue** indicates language has been changed.
3. **<Option>** indicates the company can choose to include or not include this policy.
4. **(Editor's Notes)** Gives guidance on the policy.
5. Language in black is unchanged.

INTRODUCTORY POLICIES

Introduction- If your supervisor or (_____) doesn't have an immediate response to your question, he or she will get the information you seek and pass it along to you promptly.

It is your responsibility and obligation to understand this handbook and its policies. If you cannot understand English, it is your obligation to have it translated. In consideration of your employment with the Company and your eligibility for future increases in salary and benefits, you must agree (a) to become familiar with this handbook's terms; and (b) if you do not understand any provision of the handbook, you must discuss the provision with (_____) within five (5) days from signing the Receipt and Acknowledgement.

Circumstances will obviously require that the policies, practices and benefits described in the handbook change from time to time.

Employment Applications -<Optional Policy>The Company relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented and gathered during the employment process. Any misrepresentation, falsification or material omission may result in the Company's exclusion of the applicant from further consideration for employment, or, if the person has been hired, termination of employment.

Social Security Verification-<Optional>The Company wants to ensure that all employees' Social Security contributions are properly being reported, so that employees can use that benefit in the future. To this end, the Company will verify all newly hired employees' Social Security Numbers electronically through its subscription to the Social Security Number Verification Service provided by the United States Social Security Administration.

If the Social Security information received from the Verification Service does not match the information you provided to the Company, the Company will provide you the Social Security information. You should verify if the information given by you matches the name and number on your Social Security Card. If it does not match the information, please provide the Company the exact information shown on your card.

If the information from Social Security does not match the information on your Social Security card, you should check with the Social Security Office to resolve the issue. This information can be found by going to www.ssa.gov or call 1-800-772-1213 to find the nearest office to you. The Company will provide you a reasonable amount of time to correct the information discrepancies. Failure to resolve the discrepancy may result in discipline, up to and including termination.

Employee Classifications-Full -Time Employees - are those normally scheduled for 40 hours of work per week.

(Option 1): Part-Time Employees - are those normally scheduled to work less than 40 hours of work per week. Part-time employees are not eligible for Company fringe benefits available to full-time employees.

(Option 2) Part-Time Employees - are those normally scheduled to work less than 40 hours of work per week. Part-time employees are eligible for (Options: holiday pay, vacation pay) on a pro-rata basis. (Editor's Note: The pro-rata basis used by the company-such as average straight-

time hours worked in the last month (holiday pay) or straight-time hours worked during the last year (vacation pay) should be discussed in the Company's vacation and holiday policies).

Casual Employees - are those who are hired on that basis and work for a special job and/or period of time. Such employees are not eligible for Company fringe benefits available to full-time (Option: or part-time) employees.

Independent Contractors-<Optional Policy> An independent contractor is any person who is classified by the Company as such, as evidenced by the Company's failure to withhold taxes from their compensation. Independent contractors are not employees of the Company. Even if the person is later reclassified by an action of a court or administrative agency as an employee of the Company, he or she is not eligible for any retroactive Company sponsored benefits.

Immigration Reform and Control Act-

If an employee has provided documentation having an expiration date, updated documentation specified by Federal law must be given to the Company before this expiration date.

Non-Harassment Policy

9. Managers and supervisors are prohibited from providing favorable treatment to employees with whom they are involved with in a consensual sexual relationship. Editor's Note: Remove this policy if the Company has a Fraternalization Policy prohibiting fraternization between Managers or Supervisors and employees)

Regardless of whether the action occurred on or off Company premises, if you believe that you have been harassed by a co-worker, supervisor, agent, vendor or customer, or if you believe that another employee has been harassed, you have a duty to promptly report the facts of the incident or incidents, and names of the individuals involved, to (Option: Human Resources, or _____ or _____). Any supervisory or managerial employee who receives such a complaint must promptly report it to (_____).

Equal Employment Policy

Regardless of whether the action occurred on or off Company premises, if you believe that you or another employee has been subjected to any form of unlawful discrimination, you have a duty to promptly report the facts of the incident or incidents, names of the individuals involved, and the names of any witnesses to (Option: Human Resources, or _____ or _____.) Any supervisory or managerial employee who receives such a complaint must promptly report it to (_____).

Violations of the Law- Regardless of whether the action occurred on or off Company premises, if you believe that the Company or another employee has violated any applicable law in the conduct of Company business, you have a duty to promptly report the facts of the incident or incidents, and names of the individuals involved, to (_____) or (_____.) Any supervisory or managerial employee who receives such a complaint must promptly report it to (_____).

The matter will be immediately and thoroughly investigated, and confidentiality will be maintained to the extent possible. After reviewing the evidence, a determination will be made concerning whether reasonable grounds exist to believe that any violation of the law has

occurred. It is the obligation of all employees to cooperate fully in the investigation process.

The Company considers any conduct based on a violation of the law to be a major offense which can result in disciplinary action for the offender, up to and including discharge.

The Company will take action to deter any future violation of the law. In addition, disciplinary action will be taken against any employee who attempts to discourage or prevent another employee from bringing a violation of the law to the attention of management. The persons involved will be advised of the determination if appropriate.

The Company wants to assure all of its employees that measures will be undertaken to protect those who complain about any violation of the law from any acts of coercion or intimidation, and from retaliation due to their reporting an incident or participating in an investigation or proceeding concerning the alleged violation of the law.

Disability Accommodation: The Company will not accommodate an employee if the accommodation would constitute a direct threat to the employee's safety or the safety of other employees. The Company is not required to accommodate an employee if the requested accommodation requires the use of medical marijuana.

Arbitration-~~Optional~~ Any controversy, dispute or claim between any employee and the Company, or its officers, agents or other employees, shall be settled by binding arbitration, at the request of either party. The arbitrability of any controversy, dispute or claim under this policy shall be determined by application of the substantive provisions of the Federal Arbitration Act (9 U.S.C. Sections 1 and 2) and by application of the procedural provisions of the California Arbitration Act. Arbitration shall be the exclusive method for resolving any dispute, provided, however, that either party may request provisional relief from a court of competent jurisdiction, as provided in California Code of Civil Procedure Section 1281.8.

The claims which are to be arbitrated under this policy include, but are not limited to, claims for wages and other compensation, claims for breach of contract (express or implied), claims for violation of public policy, wrongful termination, tort claims, claims for unlawful discrimination and/or harassment (including, but not limited to, race, religious, creed, color, national origin, ancestry, physical disability, mental disability, gender identity or expression, medical condition, marital status, age, pregnancy, sex or sexual orientation) to the extent allowed by law, and claims for violation of any of the federal, state, or other government law, statute, regulation, or ordinance, except for claims for workers' compensation, unemployment insurance benefits and petitions or charges that could be brought before the National Labor Relations Board.

The employee and the Company will select an arbitrator by mutual agreement. If the employee and the Company are unable to agree on a neutral arbitrator, either party may elect to obtain a list of arbitrators from the Judicial Arbitration and Mediation Service, the American Arbitration Association, or any other reputable dispute resolution organization. The employee and the Company will alternately strike names from the list, with the employee striking the first name, until only one (1) name remains. The remaining person shall be the arbitrator.

The demand for arbitration must be in writing and must be made by the aggrieved party within the statute of limitations period provided under applicable California and/or federal law for the particular claim. Failure to make a written demand within the applicable statutory period constitutes a waiver to raise that claim in any forum. Arbitration proceedings will be held in the county and state where the employee works or worked.

The arbitrator shall apply applicable California and/or federal substantive law to determine issues of liability and damages regarding all claims to be arbitrated, and shall apply the California Evidence Code to the proceeding. The parties shall be entitled to conduct reasonable discovery, including conducting depositions, requesting documents and requesting responses to interrogatories and the arbitrator shall have the authority to determine what constitutes reasonable discovery. The arbitrator shall hear motions for summary disposition as provided in the California Code of Civil Procedure.

Within thirty (30) days following the hearing and the submission of the matter to the arbitrator, the arbitrator shall issue a written opinion and award which shall be signed and dated. The arbitrator's award shall decide all issues submitted by the parties, and the arbitrator may not decide any issue not submitted. The arbitrator shall prepare in writing and provide to the parties a decision and award which includes factual findings and the reasons upon which the decision is based. The arbitrator shall be permitted to award only those remedies in law or equity which are requested by the parties and allowed by law.

(Option 1: NO APPEAL) The decision of the arbitrator shall be binding and conclusive on the parties and cannot be reviewed for error of law or legal reasoning of any kind. Judgment upon the award rendered by the arbitrator may be entered in any court having proper jurisdiction.

(Option 2: APPEAL RIGHTS) The final award may be appealed to another arbitrator who will be chosen by the parties in the same manner as the original arbitrator. All the rules governing judicial appeals of judgments from the Superior Court shall apply to any appeal of this award, including but not limited to the time frames, deadlines and the standards of review.

The cost of the arbitrator and other incidental costs of arbitration that would not be incurred in a court proceeding shall be borne by the Company. The parties shall each bear their own costs and attorneys' fees in any arbitration proceeding, provided however, that the arbitrator shall have the authority to require either party to pay the costs and attorneys' fees of the other party, as is permitted under federal or state law, as a part of any remedy that may be ordered. Both the Company and employees understand that by using arbitration to resolve disputes they are giving up any right that they may have to a judge or jury trial with regard to all issues concerning employment.

(Option: PENALTY FOR REQUIRING A MOTION TO COMPEL ARBITRATION) If either party to this arbitration agreement files a lawsuit against the other in a court or administrative agency instead of requesting arbitration of the dispute, the party seeking to enforce this arbitration agreement can serve the suit-filing party with written notice of this arbitration agreement. If the party seeking to enforce the arbitration agreement provides this written notice, the party filing suit has five (5) days from the date of service (not extended for any time period, regardless of the manner of service) to personally serve a writing on the party seeking to enforce the arbitration agreement, agreeing to arbitrate the dispute. If the suit-filing party does not timely serve his/her/their agreement to arbitrate and the party seeking to enforce the arbitration agreement successfully compels the suit-filing party to arbitration, the party seeking to enforce the arbitration agreement shall be entitled to the reasonable attorney's fees it incurred in enforcing this arbitration agreement.

Only the **(Options: President/Owner)** may modify this policy in a signed writing and only as is necessary to make this policy enforceable under any federal, state, or local law or other applicable case law effective after this policy's initial dissemination to its workforce. Otherwise, no employee can modify this policy in any manner or enter into any agreement that is contrary to

this policy. If any term, provision, covenant or condition of this policy is held by a court of competent jurisdiction or an arbitrator to be invalid, void, or unenforceable, the remaining terms and provisions of this policy will remain in full force and effect and shall in no way be affected, impaired or invalidated

Employment of Relatives-<Optional Policy> Our Company permits employment of relatives. However, the employment of relatives in the same department can create a conflict of interest. Therefore, immediate family members (see definition below) will not work in the same department for the same supervisor, or for a supervisor who is an immediate family member.

Open Shop<Optional Policy>The Company is an open shop and, as such, maintains an open door policy that allows each person the right to deal directly with their supervisor or management regarding all working conditions. No person is required to obtain representation by any other person or organization at any time. Consequently, no person needs to pay to any other person, or union, dues or other assessments for the right to work at this Company.

Our management does not and will not discriminate against any person because of their membership or non-membership in any organization. We regard and respect matters of personal choice, the religious, fraternal, craft or social affiliations of all employees of the Company.

The Company makes every effort to provide employees a satisfactory and safe work environment, the right tools and equipment to do their job, and equal opportunity for the advancement of each person employed here.

It is the policy of the Company to compensate each person in accordance with their ability, including skills, cooperation, development and other job related requirements. We maintain basic compensation for employees at our Company that is competitive with other comparable printing plants subject to the Company's ability to pay.

We believe we can best serve the interests of the Company, its employees and its customers by working directly together to build a strong and viable organization.

Outside Employment-The Company has no desire to regulate what an employee does with their own time outside work hours. However, employees may not have outside employment that constitutes a conflict of interest with their employment with the Company. Outside employment must not interfere with the overtime demands of the employee's job or diminish or impair an employee's capacity to fulfill their duties, obligations and responsibilities to the Company.

Time Records- For the purposes of this policy, "off the clock" work is where an employee works for the Company but does not accurately record his/her time in the Company's approved time record.

Supervisors and managers are not permitted to require employees to sign any agreement or other statement of hours that falsely represents an employee's time. Supervisors and managers who do so are subject to discipline, up to and including termination

Garnishment/Orders to Withhold Earnings-<Optional> Employees are responsible for their own debts. Garnishments and/or other court orders to withhold earnings cause considerable paperwork for the company. For this reason, the Company encourages employees to workout financial problems before they become an issue. The Company may receive a court order

requiring it to withhold earnings from your paycheck. The Company is compelled by law to administer the court's order.

Personal Loans or Advances-The Company will not make personal loans or advances against future earnings or vacation.

State Unemployment Insurance-You may be protected against total or partial loss of wages if you become unemployed or partially unemployed under certain conditions as outlined by the California Unemployment Insurance Act.

Parking- **<Optional Policy>** Your Company provides as many parking spaces as possible. Employees must park only in designated parking spaces. The company is not responsible for fire, theft, or damage to the employee's vehicle or its contents while on Company premises.

Personal (Non-Industrial) Medical Leave of Absence

Compensation and Benefits-The Company's premium payment will continue for a maximum of (_____) weeks of leave time. Employer payments for these benefits will cease immediately following the (_____) week period. ~~In this event, the employee may apply for COBRA continuation coverage of health benefits under applicable law.~~ **(Editor's Note: Companies with less than 50 employees can choose how much time, if any, they wish to pay the Company's portion of the insurance premium. The amount of time the Company decides to continue paying health premiums, should be less or the same as the maximum leave time the Company has chosen for a "Personal (Non-Industrial) Leave of Absence.)**

Family and Medical Care Leave of Absence (FMLA)/California Family Rights Act (CFRA)

Eligibility-To be eligible for this leave, an employee must meet the following criteria:

1. The employee must be employed by the Company for at least one (1) year of aggregate employment. Any employment with the company during the last seven (7) years will be counted towards the "one (1) year of aggregate employment";
2. The employee must have worked for the Company for at least 1250 hours (excluding vacations, holidays, sick leave and leaves of absence) during the immediately preceding 12 month period. The hours that would have been worked by a person but for their military leave will be counted towards the 1,250 hour threshold when they return from active duty status; and
3. The employee must be employed at a location where fifty (50) of the Company workers are employed or work within seventy-five miles of each other.

Reasons for Leave-Leaves under this policy are available for the following reasons:

1. Child Bonding. Due to the birth of the employee's child or placement of a child with the employee by adoption or for foster care.
2. Serious Health Condition. To care for a child, spouse, or parent with a serious health condition, or on account of the employee's own serious health condition, including work-related injuries or illness. For purpose of this policy, a parent can mean someone who

stands *in loco parentis* to the employee and a child can be someone for whom the employee stands in loco parentis.

3. Service-member's Serious Health Condition. To care for a current member of the Armed Forces, or a member of the Armed Forces who is on the temporary disability retired list, who has a serious injury or illness incurred in the line of duty on active duty for which they are undergoing medical treatment, recuperation, or therapy; or otherwise in outpatient status; or otherwise on the temporary disability retired list. The employee must be the spouse, son, daughter, parent, or next of kin of a member of the United States Armed forces. For the purposes of this policy, a parent can mean someone who stands *in loco parentis* to the employee and a child can be someone for whom the employee stands *in loco parentis*.

4. Qualifying Exigency Involving a Service-member. To address a "qualifying exigency" as defined below.

Qualifying Exigencies- Federal law describes many circumstances that may be considered a "qualifying exigency". If there is any question on whether something is a qualifying exigency, the Company will use only such circumstance as are required by law and nothing in this policy should be considered to have granted any rights to leave that are not required by law. In any event, all qualifying exigencies require that the military member be the employee's spouse, son, daughter, or parent on active duty or call to active duty status. Military members covered by this policy also include 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. For purposes of this policy, a "parent" can mean someone who stands *in loco parentis* to the employee and a "child", "son" or "daughter" can be someone for whom the employee stands *in loco parentis*. A qualifying exigency is, as defined by applicable law: 1) Short-Notice Deployment; 2) Military Events and Related Activities; 3) Childcare and School Activities; 4) Financial and Legal Arrangements; 5) Counseling; 6) Rest and Recuperation; 7) Post Deployment Activities; 8) and Additional Activities as agree by the Company and employee.

Length of Leave-Leave time due to child bonding, a serious health condition (other than a service-member's serious health condition), or a qualifying exigency may not exceed twelve (12) weeks off in any 12-month period, commencing with the first day on which any family and medical care leave is taken.

Leave time due to a "service-member's serious health condition" may not exceed twenty-six (26) weeks off in any 12-month period, commencing with the first day on which any such leave is taken. A family and medical care leave may be taken in addition to any leave of absence that an employee may be entitled to on account of a disability resulting from pregnancy disability.

Thus, for example, an eligible employee may, during the single 12-month period take sixteen (16) weeks of leave to care for a covered service-member and ten (10) weeks of leave to care for a newborn child. However, the employee may not take more than twelve (12) weeks of leave to care for the newborn child during the single 12-month period even if the employee takes fewer than fourteen (14) weeks of FMLA leave to care for cover service-member.

Each instance of leave time due to a short-notice "qualifying exigency" may not exceed seven (7) calendar days off. Each instance of leave time due to rest and relaxation qualifying exigency may not exceed five (5) calendar days. Each instance of leave time due to any additional activity

to which the Company and employee agree is a qualifying exigency may not exceed the time agreed to by the Company and the employee.

A family and medical care leave may be taken in addition to any leave of absence to which an employee may be entitled on account of a disability resulting from pregnancy disability.

No more than a combined total of 12 weeks of family and medical care leave in a 12 month period will be granted to parents who both work for the company where the leave is taken on account of the birth of a child or for placement of a child by adoption or for foster care.

If the leave is required due to a planned medical treatment, the employee must make a reasonable effort to schedule the treatment to avoid disruption of the Company's operations.

Use of Vacation or Sick Leave - An employee who takes a family or medical care leave (**Option: "must" or "can choose to"**) substitute for such leave any vacation time that the employee may have accrued. An employee who takes a family or medical care leave on account of his or her own serious medical condition (**Option: "must" or "can choose to"**) substitute for such leave any sick leave that the employee may have available.

Intermittent Leave - If the leave is due to a serious health condition in the employee's family or the employee's own health problems, it will, upon request, be granted to an employee on an intermittent basis. If the employee has requested intermittent leave, the company may temporarily transfer the employee to another position which better accommodates recurring periods of leave, provided that the employee is qualified for the other position and that the employee continues to receive equivalent pay and benefits.

Request for Leave-No leave will be granted to an employee unless he or she submits a written request for a family and medical care leave stating the beginning date and length of such leave. If the employee's need for family or medical care leave is foreseeable, the employee must provide the Company with reasonable advance notice of the need for the leave. Written updates may be required from time to time thereafter. Failure to comply with these requirements is grounds for denial of a family or medical care leave.

Where the leave is requested to enable the employee to care for a seriously ill child, spouse or parent, or because of the employee's own serious health condition, the employee must furnish a doctor's written certification. (Option: on a form provided by the Company.) The doctor's written certification must include the date the serious health condition commenced, and an estimate of the probable duration of the condition. For leave to enable the employee to care for a seriously ill child, spouse or parent, the written certification must also contain the following. An estimate of the amount of time that the doctor believes the employee needs to care for the family member, and a statement that the serious health condition warrants participation of a family member to provide care during a period of treatment or supervision.

For leave because of the employee's own serious health condition, the written certification must also indicate if the employee is unable to perform work of any kind or is unable to perform the essential functions of the employee's job as set forth in the employee's written job description.

For leave because of a qualifying exigency, the first time that the employee requests such leave, the Company may request that the employee provide a copy of the covered military member's

active duty orders or other documents issued by the military which indicate that the military member is on active duty or call to active duty status and dates of the active duty service. The Company then may require that the employee provide a signed certification stating, among other things, the need for leave, the approximate date for commencing the leave, the frequency and duration requested, and the contact information for third parties involved. If the qualifying exigency involves a third person, without the employee's permission, the Company may contact the third person to verify the employee's meeting or appointment with the third party. Without prior employee permission, the Company also may contact the Department of Defense to verify the military member's active duty.

For leave to care for a service-member with a serious injury or illness, the Company may require the employee to provide certification from the service-member's health care provider. This certification may request the health care provider to provide, among other things, the name, address and contact information of the health care provider, their medical practice type, their specialty, whether the service-member's injury or illness was incurred in the line of active duty, approximate date and probable duration of the condition, medical facts sufficient to ascertain the need for the leave and information about intermittent or reduced schedule treatment. The Company can also request information from the employee or service-member to ascertain the need for the leave and its duration. The Company may accept International Travel Orders or Invitational Travel Authorizations in lieu of the Company's certification form. The Company will not request second or third medical opinions or recertification when leave is requested for a service-member's serious injury or illness.

Second Medical Opinion-Prior to granting a leave because of an employee's own serious health condition, the Company may request a second medical opinion to be rendered by a doctor of its choice. If the opinions of the employee's and the Company's doctors differ, the Company may require a final and binding opinion from a third doctor, jointly approved by the Company and the employee.

Compensation and Benefits-Family and medical care leave is without pay from the Company. The Company will, however, continue to pay the premium for the employee's health insurance that the Company would have paid but for the employee's leave for a maximum of twelve (12) weeks in any 12-month period or if the leave is for service-member's illness or injury, for a maximum of twenty-six (26) weeks in any 12 month period. The employee will be responsible for paying for the employee portion of the health insurance premium, and such payment will be due at the same time as if it had been made by payroll deduction. Insurance may be cancelled if the employee fails to pay his or her portion while on leave.

Return from Leave - Where family and medical care leave has been taken by an employee on account of the employee's own serious health condition, before the employee returns to work, the employee must provide the company with a written doctor's certification that the employee is able to resume work. The company reserves the right to require a physical examination by a doctor of its choice to determine if the employee is able to perform the essential functions of the employee's job as set forth in the employee's written job description. Failure to return from leave of absence by the scheduled time may result in termination.

Upon return from such a leave of absence, the company will use its best efforts to return the employee to the same position held prior to the leave of absence. If this position is not available, the company will offer the employee a comparable position.

Pregnancy/Childbirth Leave of Absence

The Company's premium payment will continue for a maximum of (_____) weeks of leave time. Employer payments for these benefits will cease immediately following the (_____-)week period. ~~In this event, the employee may apply for COBRA continuation coverage of health benefits under applicable law.~~ **(Editor's Note: Companies with less than 50 employees can choose how much time, if any, they wish to pay the Company portion of the insurance premium.)**

Alcohol and/or Drug Rehabilitation Leave-(Editor's Note: Mandatory policy for California employers with 25 or more employees) The Company wishes to assist employees who recognize that they have a problem with alcohol or drug use that may interfere with their ability to perform their job in a satisfactory manner.

If an employee has a problem with alcohol or drugs and decides to enroll voluntarily in a rehabilitation program, they will be given unpaid time off to participate in the program unless it would result in an undue hardship to the Company. If an employee requests time off to participate in such a program, the Company will also make reasonable efforts to keep confidential the fact they have done so.

The employee must furnish written certification demonstrating their enrollment in a rehabilitation program including the length of the leave. Failure to provide the above information is grounds for denial of an Alcohol and/or Drug Rehabilitation Leave of Absence.

This policy covering alcohol and drug rehabilitation leave does not affect the company's treatment of or response to employees who violate the Company Drug and Alcohol policy. Rehabilitation is an option for an employee who acknowledges a chemical dependency and voluntarily seeks treatment to end their dependency

Employees who are given a company leave to seek rehabilitation, but fail to successfully overcome their dependency, will not be given additional alcohol or drug rehabilitation leave time.

Compensation and Benefits–The Company will continue to pay the premium for the employee's health insurance that the Company would have paid but for the employee's leave. The employee will be responsible for paying for the employee portion of the health insurance premium, and such payment will be due at the same time as if it had been made by payroll deduction. Insurance may be cancelled if the employee fails to pay his or her portion while on leave. The Company's premium payment will continue for a maximum of (___) weeks of leave time. Employer payments for these benefits will cease immediately following the (___) week period. **(Editor's Note: Companies with less than 50 employees can choose how much time, if any, they wish to pay the Company's portion of the insurance premium.)**

Use of Vacation and Sick Leave–An employee who takes an Alcohol and/or Drug Rehabilitation Leave of Absence (Option: "must" or "may choose to") substitute for such leave any vacation or sick leave time available to the employee.

Return from Leave-An employee returning from this leave of absence must furnish a written certification of their fitness to perform the essential functions of their job, with or without reasonable accommodation. Failure to return from leave of absence by the scheduled time may result in termination.

Upon return from such a leave of absence, the Company will use its best efforts to return the employee to a position, which is the same, or similar to that previously held.

Industrial Medical Leave of Absence –

Compensation and Benefits–The Company’s payment will continue for a maximum of (_____) weeks of leave time. Employer premium payments for these benefits will cease immediately following the (_____-)week period. ~~In this event, the employee may apply for COBRA continuation coverage of health benefits under applicable law.~~ **Editor’s Note: Companies with less than 50 employees can elect how much time, if any, they wish to pay the Company portion of the insurance premium. It is recommended the amount of time elected for an Industrial Leave be equal to the maximum for the Company’s Personal (Non-Industrial) Medical Leave or Pregnancy/Childbirth Leave of Absence.)**

Use of Vacation and Sick Leave–An employee who takes an Industrial Medical Leave of Absence can mutually agree with the company to substitute for such leave any sick leave or vacation time that the employee may have available..

Military Leave of Absence

An employee who enters the armed forces of the United States will be granted a military leave of absence in accordance with applicable federal law.

Request for Leave-An employee must provide advance notice of the need for military leave unless prevented from doing so by military necessity or if providing notice would be impossible or unreasonable.

Length of Leave–The Company will grant up to a total of five years for an employee’s military leave of absence, which includes the cumulative length of all absences from employment due to military service.

Compensation and Benefits–Military leaves of absence are without pay from the Company. All other rights and benefits will continue as if the employee had remained continuously employed and will be available upon reinstatement. Vacation pay will not be earned during the military leave time but military service time will be counted towards years of service in the company’s vacation policy.

Return from Leave-Upon completion of military service, the employee will be reinstated with full seniority to his or her former position or to a comparable position if application for reemployment is made within ninety (90) calendar days from release from the service or hospitalization. However, the employee will not be reinstated if the Company’s circumstances have so changed that re-employment is impossible or unreasonable.

National Guard Training Leave-An employee who is a member of the National Guard or a reserve component of the armed forces will, upon furnishing a copy of the official orders or instructions, be granted a military training leave. Training leaves shall not, except in an emergency or in the event of extenuating circumstances, exceed two weeks a year, plus reasonable travel time. The employee may choose to take earned vacation pay available during military training.

Personnel Records-The Company keeps personnel files on each employee. This file contains employment related information about the employee. Federal and State Laws maintain that all employee medical information be kept in a separate, confidential file. The contents of an employee's personnel file and medical records files, except for letters of reference and certain other limited kinds of information, are open for their inspection, upon request, at reasonable times. An employee may request and receive from the Company a copy of anything in his or her file that has been signed by them. Contact (_____) if you wish to review your personnel or medical information files or have copies made of documents signed by you. (Editor's Note: It is recommended that financial records and the I-9 forms be separated from the personnel file.)

Disciplinary Action- Disciplinary or corrective action will be administered whenever possible to give employees advance notice of unacceptable conduct or performance in doing their job in order to provide an opportunity to correct these problems. Corrective action, at the company's option, may involve verbal counseling, written warnings, suspension or a combination of these. However, the Company in its sole and absolute discretion may terminate employment without prior warning, counseling or other forms of corrective action.

It must be remembered that the employment relationship is based on mutual consent of the employee and the Company. Accordingly, either you or the Company can terminate the employment relationship at will at any time, for any or no reason. Further, the Company can demote, transfer, suspend or otherwise discipline an employee in its sole and absolute discretion.

Personal Mail and/or Telephone Calls-The Company receives and sends a large volume of mail each day. Please have your personal mail delivered to your home. Except in emergencies, employees are not permitted to make or receive personal telephone calls during working hours. Should the need arise; the office will immediately relay any urgent messages to you. (Option: The use of personal cell phones is prohibited during work time.)

Alcohol and Drug Policy- **<Optional Policy>**The Company has a vital interest in maintaining safe, healthful and efficient working conditions for its employees, customers and visitors. Being under the influence or using intoxicants while on the job poses serious safety and health risks not only to the user but to all those who work or come into contact with the user. The manufacture, possession, sale or distribution of an intoxicant in the workplace also poses unacceptable safety and health risks. Accordingly, it is the right, obligation and intent of the Company to protect its employees, customers and visitors, and to safeguard Company property, equipment and operations by establishing and maintaining the following policy with regard to use, possession or sale of alcohol or other intoxicants in the work place.

Employees may be disciplined, up to and including discharge for any of the following:

1. Reporting to work and/or working with the presence of intoxicants in their bodies;
2. Bringing intoxicants into the workplace;
3. Possessing or ingesting intoxicants in the workplace during working hours, including meal and rest breaks;
4. Involvement in the manufacture, sale, purchase, transfer, distribution or dispensation of intoxicants in the workplace and/or during working hours, including lunch and rest breaks; and

6. Providing false or misleading information or failing to provide information about any of the foregoing with regard to themselves or others.

As used above, "workplace" includes any premises where an employee may be working on behalf of the Company. "Intoxicants" as used in this policy means any drug listed in 21 U.S.C. § 821 and other federal regulations, including, but not limited to, heroin, marijuana (unless medically prescribed), cocaine, PCP and crack, narcotics, barbiturates, amphetamines and any other controlled substance other than those taken under the direction and prescription of a licensed physician. Intoxicants also include legal drugs not taken under the direction and prescription of a licensed physician to the extent that their ingestion may affect the safety of co-workers or members of the public, the employee's job performance, or the safe or efficient operation of the Company facility.

Company Testing-The Company may require a blood test, urinalysis or other drug/alcohol screening of those persons reasonably suspected of using or being under the influence of a drug or alcohol. "Reasonable suspicion" may be established by accident; physical and/or verbal altercation; a layperson's opinion based upon specific personal observations concerning an employee's appearance, behavior (including job performance), body odors; unusual employee behavior; possession of drugs or alcohol; or other factors. An employee's consent to submit to such a test is required as a condition of employment and the employee's refusal to consent shall result in termination, even for a first refusal.

Reporting Convictions- An employee is required to inform the Company within five (5) days after they are convicted for violation of any federal or state criminal drug statute, where such violation occurred on the Company's premises. "Conviction" means a finding of guilt (including a plea of *nolo contendere*) or the imposition of a sentence by a judge or jury in any federal or state court.

Prescription Drugs- The legal use of controlled substances, such as prescription drugs prescribed by a licensed physician, or over-the-counter medications, is allowed. However, if an employee cannot do their job satisfactorily because of such substances, the Company may require them to see a doctor, at Company expense. An employee may be terminated or obligated to take an unpaid leave of absence if the doctor concludes that they cannot do their job safely and efficiently because of the use of prescription or over-the-counter drugs.

Searches-The Company may conduct unannounced searches for illegal drugs or alcohol in Company facilities. Employees are expected to cooperate in the conducting of such searches. Searches of employees and their personal property, including but not limited to desks, lockers, packages, purses and backpacks, may be conducted when there is reasonable suspicion to believe that the employee or employees are in violation of this Policy.

Employees should therefore have no expectation of privacy in the work place, with the exception of rest rooms. An employee's consent to a search is required as a condition of employment and the employee's refusal to consent shall result in termination, even for a first refusal.

Business Related or Company Events-Employees, as required by their job at the Company, may have to attend Company or business related events where alcohol is served. You are expected to use good judgment in consuming alcohol at any such Company or business related event. Under no circumstances should you ever operate a vehicle if you are under the influence. Becoming intoxicated at any of these events will be considered grounds for discipline, including immediate termination

Smoking Restrictions- For safety reasons, smoking of tobacco products is not permitted (Option 1: on company premises or property.) (Option 2: in the plant, front office or any other enclosed area or space that is Company property.)

Right to Observe Employees-In our ongoing effort to achieve the highest level of business efficiency and customer service, the Company reserves the right to observe employees throughout the Company's premises, either by way of direct observation or through the use of electronic devices. The Company (Option: "may install" or "has installed") video cameras to monitor reception areas, work areas and/or other generally open areas where employees may be seen by others. (Option: Cameras may also be placed in "private" offices without employee's knowledge and without employee's permission.) Therefore, employees should have no anticipation of privacy in the workplace, with the exception of restrooms and changing rooms.

Voice Mail, E-Mail, and Computer Files-Company provided voice mail, E-mail and computers are to be used for business purposes only, and may not be used for personal business. These systems are maintained by the Company in order to facilitate Company business. Therefore, all messages sent, received, composed and/or stored on these systems even with off site providers are the sole property of the Company.

Employees should have no anticipation of privacy with respect to Company provided voice mail, E-mail, text-messaged, instant messaged, or computer based communications-regardless of whether such information is stored on the Company's systems or by an outside provider including, but not limited to, a phone company or off-site provider ("Electronic Communication"). The Company reserves the right to monitor, access, and inspect computers, e-mails, voice mails, and other electronically stored documents and data that are used by employees whether on the premises or elsewhere, including but not limited to laptops, employee computers used to telecommunicate, PDAs, smart-phones (including, Black-Berries and I-Phones, portable "jump" or USB drives, external hard drives, host computers, file servers, workstations, stand alone computers, software, voice mail, fax transmissions, telephones of any type, and internal or external communication networks and all other electronic communications. This may be done without notice to an employee and in the employee's absence. Even when a message is erased, it may still be possible to retrieve it from a backup system. Therefore, employees should not rely on erasure of messages to guarantee that a message remains private. Nothing contained in this or any other materials generated by the Company or its employees, or any statement made by any employee of the Company, shall create an expectation of privacy to an employee's Electronic Communication. Only the President of the Company can modify this lack of expectation of privacy, and only then with a signed writing.

Cell Phone and Electronic Communication When Driving-(Option 1): The Company expects employees whose job responsibilities include regular or occasional driving to refrain from using a cell phone while driving. Safety must come before all other concerns. This includes using, sending, reading or review of text messages or e-mails while driving. If employees must use a cell phone for company business placing or accepting calls, they must use a hands-free option such as a headset, blue-tooth or speaker phone. Under no circumstances are employees to place themselves or others at risk to fulfill business needs. Employees who are charged with traffic violations resulting from the use of a cell phone while driving will be solely responsible for all liabilities that result from such actions. Violations of this policy will be subject to disciplinary actions, up to and including termination of employment.

(Options 2): Employees whose job responsibilities include regular or occasional driving may not use a cell phone while driving for any reason. This includes using, sending or reading or review of text messages or e-mails. Employees who are charged with traffic violations resulting from the use of a cell phone while driving will be solely responsible for all liabilities that result from such actions. Violations of this policy will be subject to disciplinary actions, up to and including termination of employment.

Company Safety Rules-

17. Smoking is not allowed (Option: “in any enclosed space, which is Company property.” or “on company premises or property”.)

RECEIPT AND ACKNOWLEDGEMENT FOR EMPLOYEE HANDBOOK

I understand and agree that it is my responsibility to read and familiarize myself with all of the provisions of the handbook. I further understand and agree that I am bound by the provisions of the handbook. (Option: If the Company Utilizes Arbitration) ,particularly the provision relating to mandatory, binding arbitration of any employment-related dispute. I understand that by agreeing to arbitration, I am waiving the right to a trial by jury of the matters covered by the “Arbitration” provisions of the handbook.