

PIC

Sample Company Policies And Procedures

March 2009

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Cost-PIC Member Free

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PREFACE

Purpose of This Sample: Printing Industries of California (PIC) recognizes the value of well-written Company personnel policies and procedures. Over the years PIC has published sample employee handbook language covering basic employment policies and procedures. Members have used this language as a guide in creating written policies and procedures covering the Company's employment practices and philosophies.

This publication, like others before it, does not claim to be all-inclusive or a final product. New State and Federal laws and legal decisions will require this sample to be updated, along with the Company's employee handbook, to reflect these changes. Further, each Company must develop an employee handbook, which reflects the employment practices unique to the Company's operation and philosophies. Consequently, a publication such as this sample must be flexible and open ended to accommodate these differences in employment practices and philosophies.

Legal Review Recommended: Although an effort has been made to provide sample language which is consistent with applicable law, employers using this or other language may wish to have a labor attorney review their employee handbook before publication.

Special Thanks!: PIC would like to extend a special thanks to the Employment Law Department at the law firm of Silver & Freedman. They have provided a good portion of the language contained in this sample handbook and review its contents from time to time.

Special Directions for Some Policies: The following directions are provided for some policies to assist the Company in putting together their handbook. *These directions should be eliminated when creating the Company's employee handbook.*

1. (Editor's Notes)-Provides guidance regarding a policy.
2. (Options)-Gives choices on policy selections.
3. <Optional Policy>-Advices the company of policies that are optional (Not highly recommended or required for inclusion in their employee handbook).
4. (_____): Company needs to fill in the blank.

Employee Handbook Assistance: Doug Moore, Vice President of Human Resources, will review or help create an employee handbook for your Company. Call Doug Moore at Ext. 218 or email to doug@piasc.org, if you are interested in employee handbook assistance.

TABLE OF CONTENTS

Page

INTRODUCTORY POLICIES..... 6

- Introduction 6
- Foreword 6
- Your Industry 7

STARTING THE EMPLOYMENT RELATIONSHIP..... 7

- Employment Application..... 7
- Reference Checks..... 7
- Background Checks and Consumer Reports..... 7
- Social Security Verification..... 8
- Terms of Employment 8
- Employee Classification 8
- Immigration Reform and Control Act 9

DISCRIMINATION/HARASSMENT/VIOLATION OF THE LAW..... 9

- Non-Harassment Policy9
- Equal Employment Policy 11
- Violations of the Law.....12
- Life Threatening Diseases..... 13

REASONABLE ACCOMMODATION.....13

- Disability Accommodation..... 13
- Pregnancy Accommodation..... 14
- Lactation Accommodation..... 14

ARBITRATION..... 14

COMMUNICATION AND PROBLEM SOLVING..... 16

- Non-Fraternization.....16
- Employment of Relatives 16
- Non-Solicitation and Distribution Rule 16
- Bulletin Board 17
- Open Door Policy17
- Rumors 17
- Open Shop..... 17

CONFIDENTIALITY/CONFLICT OF INTEREST.....18

- Off Duty Conduct.....18
- Personal Involvement18
- Outside Employment..... 18
- Customer Property..... 18
- Anti-Blogging Policy..... 18
- Confidentiality and Non-Disclosure19

ADVANCING WITH THE COMPANY..... 20

- Performance Evaluations..... 20
- Promotions 20

HOURS OF WORK/WORKING CONDITIONS..... 20

- Hours of Work – Workweek 20
- Excessive Tardiness/Absenteeism 21

Pay Day /Pay Check Accuracy.....	21
Time Records.....	21
Garnishments/Order to Withhold Earnings.....	22
Overtime Authorization and Requirement	22
Overtime Pay	22
Personal Makeup Time.....	22
Reporting Time Pay	23
Uniforms	23
Meal Period.....	23
Break Periods	23
Loss of Company Property	24
Personal Loans and Advances.....	24
INSURANCE PROGRAMS (REQUIRED BY LAW).....	24
Workers' Compensation	24
Workers' Compensation Fraud	24
State Disability Insurance	24
Paid Family Leave Insurance.....	24
State Unemployment Insurance	25
Federal Social Security (F.I.C.A)	25
BENEFITS.....	25
Profit Sharing, 401 k or Pension Plan.....	25
Company Health/Life Insurance	25
Employee Purchases	25
Parking.....	25
Holiday Pay	26
Vacation Pay	26
No Work During Time Off.....	27
Sick Leave Pay	27
Bereavement Leaves.....	28
MANDATED LEAVES OF ABSENCE.....	28
Time off to Vote	28
Jury Duty Time off.....	28
Court Appearances.....	28
Domestic Violence or Sexual Assault.....	28
Victims of Crime.....	29
School Activities Time off	29
Literacy Education Time off.....	30
COMPANY PROVIDED LEAVES OF ABSENCE.....	30
Compensation and Benefits Accruals While on Leave of Absence.....	30
Non-Retaliation.....	30
Personal (Non-Industrial) Leave of Absence	30
Family and Medical Care Leave/California Family Right Act Leaves.....	31
Pregnancy/Childbirth Leave of Absence	35
Alcohol and Drug Rehabilitation Leave of Absence.....	35
Industrial Medical Leave of Absence	36
Military Leave of Absence	37

Military Spouse Leave.....	38
Physical Examinations Following A Leave.....	38
PERSONNEL RECORDS.....	38
Keep Your Record Up To Date	38
Request for Payroll Records.....	39
Health Insurance portability and Accountability Act (HIPAA).....	39
Personnel Records	39
COMPANY WORK RULES AND STANDARDS OF CONDUCT.....	39
Disciplinary Action.....	39
Company Work Rules	39
Standards of Conduct	40
Personal Mail and/or Telephone Calls	41
Appearance and Courtesy	42
SAFETY AND SECURITY.....	42
Your Safety	42
Alcohol and Drug Policy.....	42
Hazardous Substance Training	43
Injury and Illness Prevention Program	44
Smoking Restriction	44
Workplace Security Policy	44
Right to Observe Employees.....	45
Company Equipment Monitoring, Access and Inspection.....	45
Voice Mail, E-mail & Computer Files	45
Good Housekeeping	46
Radios in Work Areas	46
Off-Duty Employees	46
Safe Operation of Vehicles.....	46
Cell Phone Safety and Electronic Communications While Driving.....	47
Company Safety Rules	47
Blood-borne Pathogens	49
Reporting On the Job Injuries or Illnesses	50
Emergency Medical Service	50
First Aid	50
Fire Extinguishers	50
EMPLOYEE HANDBOOK REVISIONS	50
RECEIPT AND ACKNOWLEDGEMENT FOR EMPLOYEE HANDBOOK.....	51

INTRODUCTORY POLICIES

Introduction- This is your employee handbook. It was prepared for you to help you better understand what you can generally expect from (_____). This handbook replaces any and all earlier personnel or employee handbooks, policies and procedures, benefit statements, and memoranda, whether written, oral or established by practice.

The information in this handbook is important to all of our employees. Read the manual now and keep it in a convenient place. You will want to refer to your handbook when you have questions about Company policies and benefits.

Naturally, you won't find answers to all your questions in the handbook. It is neither a law book nor a catalog of personnel policies. In preparing this handbook, we have not tried to give you the minute details of each policy. Instead, we have attempted to present a summary of some of the more important policies. No written statement, no matter how complete, can be a substitute for direct daily contact with your immediate supervisor.

Throughout your handbook, you will be urged to check with your supervisor or (_____) for complete information on employee policies and benefits. This advice is continually repeated because its importance can't be overemphasized. 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. The Company reserves the right to amend, modify, rescind, delete, supplement or add to the provisions of this handbook as it deems appropriate from time to time in its sole and absolute discretion. However, no amendment or modification of the "Terms of Employment" provisions of this handbook shall be effective unless made in writing, and signed by the President of the Company. The Company will attempt to provide you with notification of any other changes as they occur.

Foreward- <Optional Policy> Our employee handbook is a tool to help promote a cooperative and healthy atmosphere, to spell out policies relative to hours, wages, conditions of employment, and to provide for the administration of these policies in the interests of all concerned, in keeping with conditions in our area and industry.

We are presenting this employee handbook because we feel that if you understand basically what is expected of you, and what you may expect of the Company, we shall have an organization which better meets the needs of our customers.

The statements as set forth in this book have not been arbitrarily established. Each of them has a sound background of common sense based on the experiences of this Company. Employees have suggested many and we will further welcome suggestions from you that will aid in maintaining a constructive and harmonious relationship.

Our single most common goal must be to work together to meet the needs of our customers, remembering our customers are mutually our most important asset.

Your Industry- <Optional Policy> The printing industry is one of the largest and most important manufacturing industries in the United States. It is closely related to every other industry. In its production it borrows from agriculture, the extractive industries, and the machinery, electrical, and computer industries; in its distribution it utilizes the modern agencies of advertising, communication and transportation; in its usefulness it is the service industry of all.

California has grown into the number one print-producing industry in the nation. The printing industry, in fact, is the largest manufacturing sector in California in number of firms.

Despite the fact that it is classified as a trade in the minds of many people, printing is one of the arts. It is a branch of the Graphic Arts field and as such is the means of preservation of all the other arts known to humanity.

STARTING THE EMPLOYMENT RELATIONSHIP

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.

Reference Checks- <Optional Policy> To ensure that individuals joining the Company are qualified and have the potential to be productive and successful, the Company will check the employment references of all applicants. Every offer of employment is contingent upon the appropriate completion of a reference check.

No references will be given concerning any present or past employee of the Company unless the Company has received a written request for such a reference. Only (_____) may respond to a request for a reference. Such response will only confirm the dates of employment and position held, and will be in writing. If an employee has given written authorization, the Company will also provide information on the amount of salary or wages earned by the employee.

Background Checks and Consumer Reports-<Optional Policy> The Company may require your consent to obtain a consumer report in connection with your initial application for employment, your application for a new position in the Company, or an investigation into possible wrongful conduct by you. A consumer report may contain information regarding your credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living. The Company will use this information for employment purposes only. Refusal to authorize the obtaining of a consumer report by the Company may be a basis for denial of employment or other adverse employment action. The content of the consumer report may also be the basis for denial of employment, denial of a particular job position, or other adverse employment action. You will be advised if the Company elects to take adverse employment actions against you based in whole or in part on a consumer report.

Unless you are suspected of wrongdoing, before requesting the consumer report, the Company will notify you of its intent to make the request. The Company will provide you with the name

and address of every credit-reporting agency from which the Company may obtain the consumer report. If you specifically request a copy, within three days of the Company receipt of the report, you will be provided with a copy free of charge.

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.

Terms of Employment- Despite any disciplinary procedures or Company rules, standards of conduct or regulations, your employment is "at will" which means "the relationship between employer and employee may be terminated by either party 'unilaterally' at any time, with or without notice, for any reason, or for no reason at all". This handbook contains the entire agreement between you and the Company as to the duration of employment and the circumstances under which employment may be terminated.

Further, the Company can demote, transfer, suspend or otherwise discipline an employee in its sole and absolute discretion. Nothing in this handbook, or any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment, or for continued or indefinite employment at a specific position or rate of pay.

Only the President of the Company has any authority to enter into any agreement contrary to the "Terms of Employment" stated in this policy, and such an agreement would have to be in writing and signed by the President.

Employee Classifications- You will be advised of your employee classification at the time of hire, promotion, transfer, or if any other change in your position with the Company occurs. Since all employees are hired for an unspecified duration, assignment to any of these classifications does not guarantee employment for any specific length of time. Regardless of classification, employment is at the mutual consent of you and the Company. Accordingly, either you or the Company can terminate the employment relationship at will, at any time, with or without notice.

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.

Non-Exempt Employees -<Optional Policy> Those employees who are subject to the provisions of federal and state law requiring the payment of overtime are considered to be non-exempt.

Exempt Employees - <Optional Policy> Those employees who are not subject to the provisions of federal and state law requiring the payment of overtime are considered exempt. Exempt employees, in our industry, normally include executive, administrative and certain outside sales personnel.

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.

DISCRIMINATION, HARASSMENT, VIOLATION OF THE LAW

Immigration Reform and Control Act- The Immigration Reform and Control Act require that all individuals pass a verification procedure, including the completion of an "Employment Verification Form", before they are permitted to work. This verification procedure requires that all new employees provide satisfactory, evidence of identity and legal authority to work in the United States that comply with the requirements of the Immigration law.

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-Harassment in employment, including sexual, racial, and ethnic harassment, as well as any other harassment forbidden by law, is strictly prohibited by the Company. Employees who violate this policy are subject to discipline, including possible termination.

Racial, ethnic and other forms of prohibited harassment include, but are not limited to:

1. Visual conduct, including displaying of derogatory objects or pictures, cartoons, or posters;
2. Verbal conduct, including making or using derogatory comments, epithets, slurs, and jokes;

In addition, sexual harassment is defined by the regulations of the Fair Employment and Housing Commission as unwanted sexual advances, or visual, verbal or physical conduct of a sexual nature. Sexual harassment includes gender harassment and harassment on the basis of pregnancy, childbirth, or related medical conditions, and also includes sexual harassment of an employee of the same gender as the harasser. This includes, but is not limited to, the following types of offensive behavior:

1. Unwanted sexual advances;
2. Offering employment benefits in exchange for sexual favors;
3. Making or threatening reprisals after a negative response to sexual advances;
4. Visual conduct, including leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons, or posters;
5. Verbal conduct, including making or using derogatory comments, epithets, slurs, and jokes;
6. Verbal sexual advances or propositions;
7. Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes, or invitations;
8. Physical conduct, including touching, assault, impeding or blocking movements.
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 Fraternization Policy prohibiting fraternization between Managers or Supervisors and employees)
10. All employees are prohibited from using nicknames or terms of endearment with a racial or sexual orientation.

Examples of sexual harassment include (a) an employee being fired or denied a job or an employment benefit because the employee refused to grant sexual favors or because he or she complained about the harassment; (b) an employee reasonably quitting his or her job to escape harassment; or (c) an employee being exposed to a hostile work environment.

The Company will take all reasonable steps to prevent harassment from occurring and will take immediate and appropriate action when the Company knows that unlawful harassment has occurred.

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 your supervisor, **(Option: Human Resources. 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 harassment has occurred. It is the obligation of all employees to cooperate fully in the investigation process. The Company considers any harassing conduct 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 harassment. In addition, disciplinary action will be taken against any employee who attempts to discourage or prevent another employee from bringing harassment 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 harassment from any further acts of harassment, coercion or intimidation, and from retaliation due to their reporting an incident or participating in an investigation or proceeding concerning the alleged harassment.

If any employee believes that the above procedure has not resolved his or her situation, that employee may contact the California Department of Fair Employment and Housing (DFEH) at (916) 445-9918 to determine the location of the branch of the DFEH that is nearest to the employee to file a claim within one year of the date that the harassment occurred. The DFEH serves as a neutral fact-finder and will attempt to assist the parties to voluntarily resolve their dispute. In the event that the DFEH is unable to obtain voluntary resolution and finds that harassment has occurred, the Fair Employment and Housing Commission (FEHC) may hold a hearing and award reinstatement, back pay, and monetary damages.

No action will be taken against any employee in any manner for opposing harassment or for filing a complaint with, or otherwise participating in an investigation, proceeding or hearing conducted by the DFEH or the FEHC with respect to harassment.

(OPTION – For Companies with 50 or more employees) As part of the Company’s commitment to provide a harassment free workplace, the Company provides and requires training for all managers and supervisors on sexual and all other forms of prohibited harassment, at least once every two years. While it is nearly impossible to prevent all employee conflict in any business, we believe that training our management staff how to recognize and prevent harassment goes a long way to eliminating it in our workplace altogether.)

Equal Employment Policy-The Company is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available people in every job. Therefore, the Company does not discriminate, and does not permit its employees to discriminate against other employees or applicants because of race, color, religion, sex, sexual orientation, gender identity or expression, pregnancy, marital status, national origin, citizenship, veteran status, ancestry, age, physical or mental disability (an impairment that limits a major life activity), medical condition (cancer-related), genetic characteristic, including the perception that a person has any of those characteristics or that the person is associated with a person who has, or is perceived to have, any of those characteristics or any other consideration made unlawful by applicable laws. Equal employment opportunity will be extended to all persons in all aspects of the employer-employee relationship, including recruitment, hiring, upgrading, training, promotion, transfer, discipline, layoff, recall and termination.

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 your supervisor, **(Option: Human Resources, or _____ 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 discrimination has occurred. It is the obligation of all employees to cooperate fully in the investigation process. The Company considers any conduct based on unlawful discrimination 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 discrimination. In addition, disciplinary action will be taken against any employee who attempts to discourage or prevent another employee from bringing discrimination 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 discrimination from any further acts of discrimination, coercion or intimidation, and from retaliation due to their reporting an incident or participating in an investigation or proceeding concerning the alleged discrimination.

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 your supervisor, **(Human Resources)** 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.

Life Threatening Diseases- The Company is committed to keeping your work environment healthy and safe. Therefore if you or another employee has or contracts a life-threatening disease:

1. The Company will treat life-threatening diseases the same as any other disease in terms of all employee policies and benefits;
2. If you have or contract a life-threatening disease, you will be allowed to keep working as long as: (a) you can meet the Company's performance standards, with or without reasonable accommodation, and (b) your illness does not actually endanger the health or safety of employees; customers or others;
3. You may not refuse to work because you are afraid of contracting a non- contagious life-threatening disease from a co-worker. Harassment or discrimination directed at an employee with a life-threatening disease is strictly prohibited. Employees who refuse to work with or who harass or discriminate against any employee with a life-threatening disease are subject to discipline, up to and including termination.

For purposes of this policy, "life-threatening disease" includes, but is not limited to, cancer, heart disease, AIDS, hepatitis, and other diseases of a severely degenerative nature.

An employee's medical history and other medical information are confidential. Disclosure of employee medical information is restricted to those situations where a manager or supervisor has a job related reason to know it. Any employee who discloses another employee's medical information without proper authorization or who utilizes such information for an improper purpose will be subject to discipline, up to and including termination.

REASONABLE ACCOMMODATION

Disability Accommodation: The Company will make reasonable accommodations for the known physical or mental disabilities of an otherwise qualified applicant for employment or employee, unless undue hardship would result. Any applicant or employee who requires accommodation in order to perform the essential functions of a job should contact (_____). The applicant or employee should advise the Company what accommodations he or she believes are needed in order to perform the job. Together with the applicant or employee, the Company will engage in an interactive process to determine effective, reasonable accommodations, if any. If such an accommodation is possible and will not impose undue hardship upon the Company, the Company will make the 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.

The Company also reserves its right to require an employee to undergo a fitness for duty medical examination, at the Company's expense, if the Company believes or suspects that the employee may not be able to perform the essential duties of the job without risk of harm to him or herself or others. In such an instance, the Company will so advise the employee, in writing, of the need for the examination. Depending on the situation, the Company reserves the right to suspend employment pending the results of the examination.

Pregnancy Accommodation: A pregnant employee may request a reasonable accommodation of her condition upon presentation of a doctor's written certification attesting that the accommodation request is upon the doctor's advice. Such an accommodation may include, but is not limited to, a transfer to a less strenuous or hazardous position. If such a transfer can be reasonably accommodated, a pregnant employee will be transferred for the duration of her pregnancy. However, the Company will not undertake to create additional employment that the Company would not otherwise have created to meet its own business needs. The Company will not be required to discharge any employee, transfer any employee with more seniority than the pregnant employee, or to promote any employee who is not qualified to perform the job. Upon transfer, an employee will receive the salary and benefits, which are regularly provided to employees in the position to which the employee has transferred.

Lactation Accommodation: Employees who wish to express breast milk at work may request a reasonable accommodation to do so, which may include increased break time and privacy.

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

COMMUNICATION AND PROBLEM SOLVING

Non-Fraternization-The Company desires to avoid misunderstandings, complaints of favoritism, possible claims of sexual harassment and the employee morale and dissention problems that can result from certain personal relationships between employees.

Accordingly, employees are prohibited from fraternizing or becoming romantically involved with each other when their personal relationships create an actual conflict of interest, cause disruption, create a negative or unprofessional work environment, present problems regarding supervision, work performance, attitude, safety, security or morale, or cause other work related problems.

(Option: All employees are strictly prohibited from becoming romantically involved with persons who report to them. If you become concerned about such a situation occurring, you should bring the circumstances to the attention of (Options: Human Resources, or (_____) immediately.

All employees should remember that the Company maintains a strict policy against unlawful harassment of any kind, including sexual harassment.

This policy is not intended to prevent employees from engaging in discussions regarding their wages, hours, or working conditions with any other employee or engaging in protected concerted activity. Employees will not be disciplined or retaliated against for such discussions.

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. Working in the same department for a different supervisor is permitted.

Immediate family members include spouse, in-laws, step relatives, domestic partner, parent, child or stepchild, sister or brother.

Non-Solicitation and Distribution Rule- In order to prevent disruptions in the operation of the Company, and in order to protect employees from harassment and interference with their work, the following rules regarding solicitation and distribution of literature on Company property must be observed.

Employees: During working time, no employee shall solicit, or distribute literature to another employee for any purpose. "Working Time" refers to that portion of the working day in which the employee is supposed to be performing actual job duties; it does not include such times as lunchtime, break time, or time before or after a shift.

Thus, no employee who is on "working time" shall solicit or distribute literature to another employee. No employee who is on "non-working time" shall solicit or distribute literature to an employee who is on "working time".

No employee shall distribute literature to another employee for any purpose in working areas of the Company.

No employee shall solicit, or distribute literature to any visitors at any time for any purpose.

Non-Employees: Persons who are not employed by the Company shall not distribute literature or solicit employees or visitors at any time for any purpose on Company grounds or inside the Company plant or office.

Bulletin Board-<Optional Policy> The bulletin board has notices required by law, company announcements, memoranda and similar material. This bulletin board is provided to keep you informed of events important to all of us. You should examine it frequently. If a notice appearing on the bulletin board is not clear, or if you wish further information about it, ask your supervisor or (_____). The bulletin board is reserved for company business and no one other than management is authorized to post or remove any material from it.

Open Door Policy-Our Company recognizes that in any employee group, problems, difficulties, and misunderstandings may arise. It is the desire of the Company to see that every problem is handled promptly. To this end, the Company will endeavor:

1. To invite employees to talk frankly with their supervisor or to anyone else in authority, when they have a problem of any kind, with the assurance that it will not be held against them by their supervisor or anyone else in authority.
2. To provide an open door at all times for employees to discuss with upper management any decision they feel to be unfair.

The Company is most sincere in encouraging any employee who feels he or she has not been treated properly, or who has a problem of any kind, to make it known to management through the “open door policy”.

Rumors- Rumors are always destructive to all concerned—they benefit no one. For information about the Company or about things that are being done that you think will affect your job, ask your supervisor or (_____). Please feel free to do this—don’t depend on rumors; get the facts. You are expected to discourage the practice of starting or spreading rumors and to refrain from being a party to such actions.

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.

CONFIDENTIALITY AND CONFLICT OF INTEREST

Off Duty Conduct-Employees are required to avoid any conflict of interest during their employment by the Company. Any involvement that conflicts with an employee's duties or responsibilities or affect the employee's judgment in making a decision affecting the Company will be considered a conflict of interest. This includes any direct or indirect business, management or financial interest or activity, whether or not for compensation, in any business or entity that is a competitor, customer, supplier, or vendor of the Company.

Employees may engage in or have outside business or personal interests or activities that do not constitute a conflict of interest with their employment by the Company. The Company requires that these activities or interests do no adversely affect an employee's capacity to perform his or her functions or result in conflicting loyalties.

Employees are expected to conduct their personal affairs in a manner that does not adversely affect the Company's integrity, reputation or credibility. Off duty conduct that adversely affects the Company's legitimate business interests or an employee's ability to perform his or her work will not be tolerated and may result in discipline, up to and including termination.

Personal Involvement-Personal or romantic involvement with a competitor, customer, vendor or supplier may impair an employee's ability to exercise good judgment on behalf of the Company. An employee should immediately disclose any relationship of this type to his or her supervisor. The Company will determine if any actual conflict of interest exists. If a conflict is determined to exist; the Company will take whatever corrective action it deems to be appropriate.

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.

Customer Property-Work being performed for our customers is their property and may be confidential. The removal of any samples of work in process, finished goods, spoiled sheets, or any other materials or supplies from the premises may place the Company in an embarrassing position with the customer, and may possibly lead to the loss of the customer's business and/or legal complications.

Anti-Blogging Policy-Employees are prohibited from engaging in web logging or "blogging" during working time or while using Company-equipment. Employees "blogging" (including but not limited to use of MySpace, Facebook, BlogSpot, Friendster, or Linked In) while not on working time and while not using Company equipment are reminded that they must adhere to the Company's confidentiality policy and that they must avoid the disclosure of trade secrets or other

information regarding the Company or any of its owners, managers or employees which would constitute trade libel or defamation. Expect that if you publish something anywhere online, the Company or your co-workers will see it.

Confidentiality and Non-Disclosure-The Company may provide and make available to you certain information regarding our business, including without limitation:

Various sales and marketing information;

Actual and potential customer and lead names, addresses, telephone numbers, and specific characteristics;

Mailing labels;

Sales report forms;

Pending projects or proposals;

Methods of production (including quality control and packaging);

Business plans and projections, including new product, facility or expansion plans;

Pricing information (such as price lists, quotation guides, previous or outstanding quotations, equipment prices, or billing information);

Estimating programs and methodology;

The techniques used in, approach, or result of any market research;

Advertising sources;

Financial information about the Company;

Customer information reports;

Mailing plans and programs; and

All known salary information or employment contract language or terms, except for the employee's own salary information or employment contract language or terms.

Whether written or verbal, or contained on computer hardware or software, disk, tape, microfiche or other media ("Information"). This Information is of substantial value, highly confidential and is not known to the general public. It is the subject of reasonable efforts to maintain its secrecy, constitutes the professional and trade secrets of the Company, and is being provided and disclosed to you solely for use in connection with your employment by the Company.

In consideration of your employment and receipt of the Information, you agree that you:

- (1) Will regard and preserve the Information as highly confidential and the trade secrets of the Company;

- (2) Will not disclose, nor permit to be disclosed, any of the Information to any person or entity, absent written consent and approval from the Company;
- (3) Will not photocopy or duplicate, and will not permit any person to photocopy or duplicate, any of the Information without the Company's written consent and approval;
- (4) Will not make any use of Information for their own benefit or the benefit of any person or entity other than the Company;
- (5) Will return all Information to the Company immediately upon request for it; and
- (6) Will immediately contact the Company if any client or customer of the Company contacts you after termination or resignation of your employment with the Company.

Nothing in this policy alters the at-will nature of the employment relationship.

ADVANCING WITH THE COMPANY

Performance Evaluations-<Optional Policy> Periodic evaluations may be made to determine your individual progress, training needs, and potential pay increases. Pay increases are not automatic and depend on factors such as the employee's demonstrated job proficiency and the Company's ability to pay.

Promotions-<Optional Policy> The chance to advance is important to each of us. By promoting from within our organization, when present employees are qualified and as justified by our Company needs and growth, the Company offers as many opportunities for advancement as possible.

HOURS OF WORK/WORKING CONDITIONS

Hours of Work-The hours of work and workweek, for both plant and office personnel are generally as outlined herein. However, management may alter or change the workday and workweek, for greater efficiency, to meet changing customer needs and services or for any other business related reason.

Plant Personnel: 1st shift hours are from (____) a.m. to (____) p.m., Monday through Friday, Normally scheduled 8 hours per shift, 40 hours per week.

2nd shift hours are from (____) p.m. to (____) p.m., Monday through Friday, Normally scheduled (____) hours per shift, (____) hours per week.

The meal period will be designated by supervision.

Office Personnel: Normally scheduled for a 40-hour workweek from (____) a.m. to (____) p.m., Monday through Friday.

The Office Manager will schedule the meal period.

Excessive Tardiness/Absenteeism-Absence from work or tardiness affects your income and hurts production. The ability of the Company to operate efficiently and meet its schedules depends upon your regular attendance. Habitual or excessive absenteeism and tardiness cannot be tolerated. Tardiness of a few minutes does not require calling your supervisor, but an employee who expects to be delayed more than one-half hour must inform the supervisor. All employees are expected to call their supervisor within one half hour of reporting time on any day on which they expect to be absent. If a prolonged absence is anticipated, you should contact your supervisor or (_____) about a possible leave of absence. Regular and timely attendance is an essential function of every employee's job.

Pay Day/Paycheck Accuracy- You are paid (**Options: weekly, bi-weekly, semi-monthly, other**) on (_____)day for work performed during the payroll period ending the (_____)day prior to the pay day. If payday falls on a Sunday or a holiday recognized by State of California, paychecks are distributed on the (**previous, next**) day. (**Editors Note: Choose either the previous, next workday or eliminate the line altogether**)

It is the Company's goal to ensure that all employees are properly paid for all of their work. Therefore, it is every employee's responsibility to examine his or her paycheck and paycheck stub to ensure that he/she is being properly paid for all work time and that the paycheck and pay stub are accurate. If an employee believes that he/she is not being properly paid for all his or her work, the employee must immediately inform (**Options: Human Resources, Payroll Administer, Owner, and Plant Manager**).

Time Records- Employees are required to record their own time in and out. No one, regardless of circumstances, is permitted to record time for anyone else or to allow such an occurrence. Employees shall clock in and out on time, but not earlier than 4 minutes before their scheduled starting work time or no later than 4 minutes after their scheduled ending work time and such time is not considered paid time. Employees will begin and end work on time as scheduled by their supervisor. Employees are further required to clock in and out on time when taking their meal period. Employees must record their time in and out whenever they leave the premises for any reason, other than Company business.

If there is a mistake on the time record, an employee should inform his or her supervisor and then make and initial the necessary correction. The supervisor should also initial any correction. Supervisors or managers are only authorized to change an employee's time record to accurately reflect the employee's actual work hours. If you believe that a supervisor or manager has modified your time record to inaccurately reflect your actual hours worked, you must immediately inform (**Options: Human Resources, Payroll Administer, Owner, Plant Manager**) of the alleged inaccuracy, in writing.

Additionally, no supervisor or manager can permit an employee to work "off the clock." If your supervisor or manager asks you to work "off the clock", you must immediately bring this issue to (**Options: Human Resources, Payroll Administer, Owner, Plant Manager**). No employees are permitted to work "off the clock" at any time. 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

It will be presumed that the Company is accurately compensating an employee, unless the employee timely brings a complaint pursuant to this policy.

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.

Overtime Authorization and Requirement-All overtime worked will be paid, but failure to have overtime authorized in advance of working the overtime is a violation of Company policy. You will be expected to perform overtime work on occasion when scheduled. There may be times when you will be unable to work overtime when asked to do so. In this event, please notify your supervisor so that other arrangements can be made. Repeated refusal to work overtime is a violation of Company policy.

Overtime Pay-For non-exempt employees, all hours worked in excess of 40 hours in any workweek or 8 hours in any one workday, shall be paid at 1 ½ times each employee's straight-time hourly rate. If a non-exempt employee performs work on all seven days of the Company's workweek, 1½ times the employee's straight-time rate will be paid for the first 8 hours worked on the 7th day worked.

Double time of the non-exempt employee's straight-time hourly rate will be paid for all hours worked in excess of 12 hours in any one workday. If a non-exempt employee performs work all seven days of the Company's workweek, double-time will be paid for any hours worked on the 7th day in excess of 8 hours worked.

The workweek, for the purpose of calculating overtime, starts on (_____)day, and ends on (_____)day. The workday, for purpose of daily overtime calculations, starts at (_____) a.m./p.m. continues for 24 hours, to the following day at (_____) a.m./p.m.

Personal Makeup Time- (Option 1) The Company allows the use of make-up time when a non-exempt employee needs to take time off to tend to personal obligations. 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.

A separate written request is required from the employee for "each occasion of personal obligation time off" that the employee wishes to makeup during a workweek indicating, for that occasion, the dates and hours in that same workweek they wish to work the makeup time. This written make-up time request must be received and approved in writing by management at minimum 24 hours before the employee works the make-up time(s) requested. The written request can be for workdays before or after the personal obligation time. The Company will have the discretion to grant or deny an employee's request for make-up time based upon the Company's staffing and operational needs.

If management grants this make-up time, the employee will receive straight-time pay, where he or she would have received time-and-one-half, for personal obligation make-up time. The employee will be paid this make-up time to a maximum of 11 hours worked, instead of 8 in a workday, at straight-time rates. Hours worked, including make-up time, beyond 11 hours in a

day, or 40 hours in the workweek will receive appropriate overtime pay at time-and-one-half and double-time as indicated in the policy above.

(Option 2) The Company does not allow the use of make-up time when a non-exempt employee needs to take time off to tend to a personal obligation.

Reporting Time Pay-An employee who is required to report to work and is not put to work or works less than 4 hours, will be paid a minimum of 4 hours pay, except in the event of failure of utilities, fire, flood, explosion, bombing, storm, act of God, or other conditions beyond the reasonable control of the Company.

If an employee is scheduled to work, and reports to work, a second time in a scheduled workday or on his or her scheduled day off, he or she will receive a minimum of 2 hours of pay.

Uniforms-<Optional Policy> Uniforms required by the Company to be worn as a condition of employment, will be provided and maintained by the Company.

Meal Periods-A 30-minute off-duty meal period will be granted during a work period not to exceed 5 hours. Employees will be relieved from all duties for 30 minutes. If an employee works no more than 6 hours in a workday, he or she may waive their off-duty meal period in a written agreement with the Company.

If an employee works for a period of more than ten (10) hours in a workday, the employee must be provided with a second meal period of not less than 30 minutes. If the total hours the employee will work are no more than 12 hours in a workday, the second off-duty meal period may be waived by mutual written consent of the employee and the Company. Despite the existence of a written waiver for the second off-duty meal period, this meal period must be taken if the employee did not take or receive his or her first meal period for that workday.

You may not add your rest periods to your meal period so that you can take a longer meal period. The law requires that you actually take your off-duty meal periods absent one of the waivers described above. Don't ask to work through your meal period so that you can either come in late or leave early. An employee who refuses to take his or her meal periods may be subject to discipline, up to and including termination of employment.

(Option: If for some reason you are prohibited from taking a full and continuous 30 minute meal period, you must advise (_____) in writing within that payroll period; or it will otherwise be presumed that you have taken or received the required meal periods.)

Break Periods – Employees will receive a paid break period of 10 consecutive minutes for each four hours worked or major fraction thereof which as far as practicable shall be taken in the middle of each 4-hour period. **(Option 1: These 10-minute break periods will be granted on an informal basis as job duties permit. The employee will be relieved of all duties during the break period, allowing he or she, among other activities, to get a cup of coffee, a glass of water or a soft drink, or to use the break or rest area facilities).** **(Option 2: The breaks will be scheduled by your Department Supervisor, unless work related needs dictate otherwise, between (_____) a.m. to (_____) a.m. and (_____) p.m. and (_____) p.m.** If an employee's total daily work time is less than 3 ½ hours, no rest period will be authorized.

Employees are required to take their break periods. **(Option 1: If you find you are unable to take a break period, you must inform your supervisor immediately. The supervisor will adjust your schedule so you can take your break period or will give you permission to work through the break period). (Option 2: If for some reason you are prohibited from taking a break period, you must advise (_____) in writing within that payroll period; or it will otherwise be presumed that you have taken or received the required break periods.)**

Loss of Company Property-<Optional Policy> You may be issued certain tools or equipment in order to perform your job. These items belong to the Company but are placed in your care and custody. You will be required to sign for these items, which includes an authorization to deduct their depreciated replacement value from your final paycheck, if you fail to return them to the Company.

Personal Loans or Advances-The Company will not make personal loans or advances against future earnings or vacation. **(Option: In case of financial need, a loan may be arranged through the Printing Industries Credit Union (PICU). Our Company is a member and you are invited to use the services of the Credit Union. Forms to handle these financial transactions are available in the business office or direct from the Credit Union.)**

INSURANCE PRGRAMS REQUIRED BY LAW

Workers' Compensation-The Company furnishes workers' compensation insurance coverage at its expense. Workers' compensation insurance is intended to provide medical care and pay for lost time resulting from injuries on the job and those illnesses caused by an employee's work. If an employee is injured on the job, the injury must be reported in writing to the supervisor immediately, no matter how minor the injury is, in order for the proper reports to be filled out. Failure to timely report an injury may jeopardize or delay your rights to certain benefits.

To insure you of quality care in case of work related injury or illness, the Company will direct you to an appropriate health care provider for the treatment of any such injury or illness. If you wish to be treated by your own health care provider instead, you must notify the Company in writing before any injury or illness occurs.

Workers' Compensation Fraud-Any employee who makes or causes to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining or denying workers' compensation benefits or payments is guilty of a felony. Workers' compensation fraud is punishable by up to five years in state prison and a fine of up to \$150,000.

State Disability Insurance-Non-occupational disability insurance is provided by state law for every California employee who is covered by the Unemployment Insurance Act and who meets the eligibility requirements. This insurance will compensate you in part for loss of wages you may suffer if you are unable to work because of sickness or injury not connected with your work. The law requires your contribution to this insurance. The Company will give you a brochure entitled "State Disability Insurance Provisions" published by the State of California Employment Development Department. No action will be taken against any employee in any manner for requesting or taking any time off as provided for in this Company employee handbook or for testifying in a disability proceeding.

Paid Family Leave Insurance-All employees are covered under the state paid family leave insurance plan (PFL). This program provides up to six (6) weeks of partial pay in any 12 month period to an employee to take time off to care for a seriously ill parent, spouse, registered

domestic partner or child, or to take time off to bond with a newborn child or a newly placed adopted or foster child. (Option 1: For companies with 50 or more employees) PFL does not create any additional rights to time off of work other than provided under the Family Medical and Care Leave Act, the California Family Rights Act, or any Company policy. (Option 2: For companies with under 50 employees not covered by the Family Medical and Care Leave Act or the California Family Rights Act) PFL does not create any additional rights to time off of work. PFL is funded by an employee payroll deduction, according to law. PFL benefits are paid to an employee by the state.

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. Eligibility requirements under this act will be explained to you at any office of the State Employment Development Department. This insurance is completely paid for by your Company in the form of unemployment insurance taxes. The State Employment Development Department will only allow unemployment insurance payments on those claims covered by the Act. No action will be taken against any employee in any manner for testifying in an unemployment hearing.

The Company, upon an employee's separation from employment, will provide a booklet entitled "EDD For Your Benefit, California's Programs for the Unemployed" published by the State Employment Development Department.

Federal Social Security (F.I.C.A)-The Federal Insurance Compensation Act is a Federal law, which requires employers and employees to pay a part of all salaries and wages to the government in return for certain old age and survivors' benefits. Neither you nor your Company has any choice in this. At the age of 62 and older, upon application, you may become eligible to receive stipulated, reduced or full monthly payments based on your average income while you were working, or if you should die, your survivors will receive such payments. More detailed information is obtainable from any branch office of the Social Security Administration. The cost is borne equally by employer and employee contributions.

BENEFITS

(Options: Profit Sharing or 401 K Plan or Pension)-The Company recognizes that the key to its success is the performance of its employees. To reward such performance, the Company has established a **(Options: profit sharing or 401k or pension)** plan. Complete details concerning the plan will be given to you at the time of eligibility.

Company Health Insurance/Life Insurance-All full-time employees and their dependents can be covered under the () plan for life insurance, hospitalization, surgical and medical coverage. You will become eligible for coverage under this plan **(Option: the first of the month)** following your enrollment and your completion of () calendar days of employment. Descriptive insurance folders and enrollment forms are available in the office.

Employee Purchases- <Optional Policy> No merchandise may be ordered through Company purchase unless authorized in writing by Management.

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.

Holiday Pay-All full-time employees shall be paid a normal day's pay at straight time rates for the following **(Company Option as to # of holidays)** recognized Company holidays.

New Year's Day	Thanksgiving Day
Presidents' Day	Day following Thanksgiving
Memorial Day	1/2 day before Christmas
Fourth of July	Christmas Day
Labor Day	1/2 day before New Year's Day

(Option) Employees must have worked the complete shift on their last scheduled workday prior to the holiday and the complete shift on their next scheduled workday after the holiday, to be eligible for holiday pay. Management may consider a compelling reason, such as the medically verified illness or injury of the employee, in the payment or nonpayment of the holiday when this provision has not been fully met.

Paid holidays **(Option "are" or "are not")** counted as hours worked for the purpose of computing weekly overtime.

If a recognized Company holiday falls on Sunday, it may be observed on the following Monday as a paid holiday, or if it falls on Saturday, it may be observed the previous Friday. Such a change is at the Company's option. The Company further may reschedule a Company provided holiday any other day or date it chooses.

If a recognized holiday falls during a period of leave without pay, no pay will be given for the holiday. Should a holiday occur during your vacation period, an additional paid day off will be allowed.

The employee will be paid at **(Option: "their straight-time" or "time-and-one-half of their)** hourly rate for all hours worked on a holiday. Additionally, the employee will receive holiday pay if otherwise eligible for this benefit.

Vacation Pay-Paid vacation is available to all full-time employees and is earned according to the following schedule. **(Editor's Note: Many companies have eliminated the term "vacation pay" and are now using "Paid Time Off")**

All full-time employees will earn, from date of hire to the first anniversary of the hire date, (_____) hours of vacation pay for every **(Options: month, week, day or straight-time hour)** worked during the year, to a maximum of (_____) hours for this anniversary year. This earned vacation will be taken during the following anniversary year.

All full-time employees will earn from the first anniversary of hire date, to the (_____) anniversary of hire date, (_____) hours of vacation pay for every **(Options: month, week, day or straight-time hour)** worked during the year, to a maximum of (_____) hours per anniversary year. This earned vacation will be taken during the following anniversary year.

All full-time employees will earn from the (_____) anniversary of hire date, (_____) hours of vacation pay for every **(Options: month, week, day or straight-time hour)** worked during the year, to a maximum of (_____) hours per anniversary year. This earned vacation will be taken during the following anniversary year.

Time off for disability, sick leave, personal leaves, or other leaves of absence are not considered time worked and are not counted in the accumulation of earned vacation pay.

Paid vacation time (**Option: “is” or “is not”**) counted as hours worked for the purpose of computing weekly overtime.

In the process of scheduling vacations, employee’s individual preferences will be considered, but the Company may schedule at its option the employee’s vacation if the employee fails to do so or if the Company deems such action appropriate. Employees with the longest service in each department (**Option: “will” or “may”**) receive preference in case of conflicting requests. Earned vacation may be given or required to be taken at the Company’s sole discretion as paid days off when production is low, as personal leave days, or as sick leave days.

When earned vacation is not taken, by the end of the anniversary year in which it was to be scheduled, such earned vacation may be paid for in lieu of days off or carried over to the following anniversary year at the discretion of the Company. (**Option: However, once an employee has accrued one and three-quarter (1 ¾) year’s worth of vacation, no further vacation will be earned until some of the accrued vacation time has been used.**) Vacation pay earned by an employee will not be forfeited.

Vacation pay earned and unused up to the date of termination will be paid to the employee upon termination at their current hourly rate of pay. This includes hours of vacation earned but unpaid from previous anniversary years as well as hours of vacation earned on a per diem basis to the date of termination.

No Work During Time-off-Time off for employees is provided in order for employees to have time away from work, either for health reasons, personal purposes, holiday or vacation. Therefore, if you are taking a day off from work, either paid or unpaid, you are NOT expected to conduct any work, (**Option: with the exception of (_____)**), without express permission of your supervisor.

Sick Leave Pay-Each full-time employee, as of the first anniversary of his or her date of hire as a full-time employee, will have available (_____) hours of sick leave. The employee further will have (_____) hours of sick leave pay available at the beginning of each succeeding anniversary date, which can only be used during the following 12 months of employment. Sick leave available for a particular anniversary year cannot be carried over to future anniversary years nor will the remaining available sick leave be paid at the end of employee's current anniversary year. Likewise, employees terminating employment will not be paid any unused sick leave still available to them.

The sick leave pay is available to employees who are medically not able to perform their normal duties. A portion of the employee’s available sick leave pay can be used to attend to the illness of his or her child, parent, domestic partner or spouse. This portion is equivalent to 50% of the total annual sick leave provided in this policy, or (_____) hours.

Sick leave is also available if an employee, or a member of an employee’s immediate family, has been the victim of a crime and the employee needs to take time off in order to attend judicial proceedings relating to the crime.

Verification of the employee's medical disability, or need to attend to an immediate family member or domestic partner who is ill, may be required by the Company in order for payment to be made.

Paid sick leave time (**Option: "is not" or "is"**) counted as hours worked for the purpose of computing weekly overtime.

Bereavement Time Off-If a death occurs in your family to your mother or father, wife or husband, child, brother or sister, mother-in-law, or father-in-law you may need some time off to attend the funeral and/or pre-burial activities. You may miss up to (_____) regular shifts of work, which occur between the death and the funeral (**Option: with or without loss**) of pay. If an employee must miss more than (_____) shifts, the Company may grant additional time off without pay. The Company may request adequate verification.

MANDATED LEAVES OF ABSENCES

Time Off to Vote-Because the Company has a continuing interest in encouraging responsible citizenship, you are urged to vote for the candidates of your choice at local, state and national elections either before or after your regular shift. In extreme cases, if you do not have sufficient time outside of working hours within which to vote, you will be allowed to take up to two hours off with pay for this purpose. Such time off should be taken at the beginning or end of your regular shift, whichever allows for more free time to vote.

To receive time off for voting, you must advise your supervisor that you will need time off at least three days before Election Day, receive approval from your supervisor, and present a voter's receipt to your supervisor.

No action will be taken against any employee in any manner for requesting or taking any time off as provided for in this policy.

Jury Duty Time Off-Any employee required to serve on jury duty may do so. No action will be taken against any employee in any manner for requesting or taking any time off as provided for in this policy. Non-exempt employees will receive no special jury duty pay for serving or for hours served on jury duty. An exempt employee's salary will not be reduced for partial weeks of work missed due to service as a juror. However, the Company will not pay an exempt employee his or her weekly salary if he or she performs no work for the Company during an entire week while serving on jury duty. If desired, an employee can use any vacation time he or she has available while serving on a jury duty.

Court Appearance-An employee, including a victim of a crime, may take time off to appear in court as a witness in order to comply with a subpoena or other order. If you need time off to appear as a witness, you should bring the subpoena or court order to your supervisor immediately after it is received so that arrangements to accommodate your absence may be made. Time off taken by an employee to appear as a witness is unpaid. However, you may use any available vacation time. No action will be taken against any employee in any manner for requesting or taking any time off as provided for in this policy.

Domestic Violence or Sexual Assault-An employee who is a victim of domestic violence or sexual assault may take time off in order to obtain judicial relief to help ensure the health, safety or welfare of the employee or his or her child. If you need time off on account of domestic violence or sexual assault, you should notify your supervisor as soon as possible so that

arrangements to accommodate your absence may be made. If advance notice is not possible, you must provide appropriate written certification of the reason for your absence upon your return to work. The Company will make reasonable efforts to maintain the confidentiality of any employee requesting time off on account of domestic violence or sexual assault. Time off on account of domestic violence or sexual assault is unpaid. However, you may use any available vacation time. No action will be taken against any employee in any manner for requesting or taking any time off as provided for in this policy.

(Editor's Note: The following must also be included in this policy if the employer has 25 or more employees)

You may also take time off for any of the following:

- (1) to seek medical attention for injuries caused by domestic violence or sexual assault;
- (2) to obtain services from a domestic violence shelter, program or rape center as a result of domestic violence or sexual assault;
- (3) to obtain psychological counseling related to an experience of domestic violence or sexual assault; or
- (4) to participate in safety planning and take other actions to increase safety from future domestic violence or sexual assault.

Victims of Crime- Employees who are a victim of a felony, or whose spouse, registered domestic partner, child, stepchild, sibling, step sibling, parent, or step parent is a victim of a felony, may take time off in order to attend judicial proceedings relating to the crime.

If you need such time off, you must give your supervisor a copy of the notice of the scheduled proceeding. If advance notice is not possible, you must provide a copy of documentation relating to the judicial proceeding within a reasonable period of time after your return to work.

Time off on account of the Company's Victims of Crime policy is unpaid. However, you may use any available vacation or sick leave when attending judicial proceedings relating to a crime. No action will be taken against any employee in any manner for requesting or taking any time off as provided for in this policy.

School Activities Leave-(**Editor's Note: This policy is required only if the Company employs 25 or more employees at the same location.**) Parents, guardians or grandparents, with custody of a child in either nursery school, preschool or Kindergarten through grade 12, are eligible for 40 hours per school year of unpaid leave time to participate in school activities. This 40 hours is the maximum time, per school year, the Company will grant an employee regardless of the number of children the employee has custody of. No more than 8 hours of leave time will be granted in any given month.

You may also take off such additional time as may be necessary to attend your child's or grandchild's school in order to discuss your child's or grandchild's possible suspension or expulsion.

You may use vacation time for such absences; otherwise school visitation time is unpaid.

The Company requires reasonable advance notice from the employee of the need for such leave

time. The employee will be required to provide written documentation from the school verifying the employee's participation in the above activities on a particular date and time. No action will be taken against any employee in any manner for requesting or taking any time off as provided for in this policy.

Literacy Education Time Off-(Editor's Note: This policy is required only if the Company employs 25 or more employees at the same location.)

The Company will reasonably accommodate and assist any employee who reveals a problem of literacy and requests assistance in enrolling in an adult literacy education. The Company will make all reasonable efforts to safeguard the privacy of the employee as to the fact that he or she has a problem.

Upon request, the Company will provide the location of local literacy education programs and arrange for the literacy education provider to visit the facility. Although the Company strongly encourages its employees to take advantage of this assistance, the Company will not compensate the employee for time off for the enrollment and participation in the adult literacy education program.

COMPANY PROVIDED LEAVES OF ABSENCE

Compensation and Benefit Accruals While on Leave of Absence-All leaves of absence, provided for in this Company employee handbook, are without pay from the Company. Vacation time is not earned, and an employee is not eligible to be paid for any Company paid holidays occurring during any leave of absence, except that an employee returning from a military leave of absence will be reinstated with full benefits.

Non-Retaliation- No action will be taken against any employee in any manner for requesting or taking any leaves of absence provided for in this Company employee handbook.

Personal (Non-Industrial) Medical Leave of Absence-(Editor's Note: This policy statement only applies to companies with less than 50 employees. Companies with 50 or more employees must have a written policy covering the "Federal Family and Medical Care Leave" and California Family Rights Act.)

Request/Eligibility for Leave-Upon completion of (_____) calendar days of continuous employment, an employee will be granted a leave of absence due to disability arising from a personal illness or injury, provided that he or she submits a written request for such leave. In addition, the employee must furnish a doctor's written certification stating the leave time is necessary due to a medical disability and the length of such leave. Written updates may be requested from time to time thereafter. Failure to provide the above information is grounds for denial of a personal medical leave of absence. (Editor's note: The Company can elect to have or not have a waiting period for new employees.)

Length of Leave-A personal medical leave of absence shall be for a reasonable period of time during which an employee is disabled. The maximum amount of leave time per calendar year shall not exceed a maximum of (_____) calendar days.

Compensation and Benefits-Personal (Non-Industrial) Medical Leaves of Absence are 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.

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. 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.")**

Use of Vacation and Sick Leave—An employee who takes a Personal (Non-Industrial) Medical Leave of Absence **(Option: "must" or "can choose to")** substitute for such leave any vacation or sick leave time that the employee may have accrued.

Return from Leave—An employee returning from this leave of absence must furnish a doctor's written certification of his or her fitness to perform the essential functions of his or her 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.

Family and Medical Care Leave of Absence (FMLA)/California Family Rights Act (CFRA)- **(Editor's Note: If you have 50 or more employees within a 75 mile radius, you must provide written notification to employees, including a policy statement in the employee handbook, of their rights under the Federal Family and Medical Care Leave (FMLA) and California Family Rights Act (CFRA). Companies with less than 50 employees should remove this policy from their employee handbook.)**

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

Request for Leave-An employee will be granted a leave of absence due to a disability arising from pregnancy or childbirth, provided that she submits a written request for such leave. In addition, the employee must furnish a doctor's written certification stating the leave time is necessary due to pregnancy or childbirth and the length of such leave. Written updates may be requested from time to time thereafter. Failure to provide the above information is grounds for denial of a pregnancy or childbirth leave of absence.

Length of Leave-A pregnancy or childbirth leave of absence shall be for a reasonable period of time during which an employee is disabled, but the leave of absence shall not exceed a maximum of four months or 88 workdays (based on a 5 day workweek). Part-time employees will be granted a pro-rata amount of this maximum leave time. This leave does not need to be taken in one continuous period of time but can be taken on an as needed basis. Time off, certified by a physician as pregnancy or childbirth related, such as severe morning sickness, can be taken as part of the employee's maximum available leave time under this policy.

Compensation and Benefits-Pregnancy/Childbirth Leaves of Absence are 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. 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 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 portion of the insurance premium.)**

Use of Vacation and Sick Leave-An employee who takes a Pregnancy/Childbirth Leave of Absence **(Option: "must" or "can choose to")** substitute for such leave any sick leave time that the employee may have accrued. The employee may request to substitute any vacation time accrued.

Return from Leave-An employee returning from this leave of absence must furnish a doctor's written certification of her fitness to perform the essential functions of her 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 their original position or to a substantially similar position.

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

Request for Leave—An employee will be granted a leave of absence due to disability arising from an industrial (work-related) illness or injury, provided that he or she submits a written request for such leave. In addition, the employee must furnish a doctor's written certification stating the leave time is necessary due to an industrial injury or illness and the length of such leave. Written updates may be requested from time to time thereafter. Failure to provide the above information is grounds for denial of an industrial medical leave of absence. **(Option for Employers with 50 or More Employees: Any leave taken under this provision qualifies as Family and Medical Care Leave and will be counted as such.)**

Length of Leave—An industrial medical leave of absence shall be for a reasonable period of time during which an employee is disabled, but the leave of absence shall not extend beyond the time that the employee is deemed "permanent and stationary".

Compensation and Benefits—Industrial Medical Leaves of Absence are without pay from the Company, but the employee may be entitled to disability payments under the Company’s Workers’ Compensation insurance policy. 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. 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 payment will continue for a maximum of (_____) weeks of leave time. Employer premium payments for these benefits will cease immediately following the (_____) week period. **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..

Return from Leave—An employee returning from this leave of absence must furnish a doctor’s written certification of his or her fitness to perform the essential functions of his or her 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.

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.

Military Spouse Leave- (Editors Note: All Employers with 25 or More Employees.)

Any employee who works an average of twenty (20) or more hours per week is eligible for military spouse leave. Eligible employees who are the spouse or registered domestic partner of a member of the Armed Forces, National Guard or Reserves may take up to ten (10) days of unpaid time off while the military spouse is on leave from active duty during a period of military conflict.

An employee desiring to take this leave must provide the Company with written notice of intent to take time off within two (2) business days of the employee's receipt of notice that the military spouse will be on leave. The notice must indicate the days that the employee desires to take off and must attach written documentation certifying that:

1. The military spouse is deployed in an area the President of the United States has designated a combat zone or combat theater: and
2. That the military spouse will be on leave during the time that the employee is requesting to take off work.

This leave is in addition to and does not affect any other types of leave which the employee is allowed.

Physical Examinations Following a leave of Absence-An employee who returns to work following a leave of absence resulting from an injury or illness may be required to take a physical examination to: (1) determine if the employee is an "individual with a disability" for purposes of the Americans With Disabilities Act and any other applicable federal or state law; (2) to determine if the employee can perform the essential functions of the job to which he or she is returning with or without reasonable accommodation and without posing a direct threat to the health or safety of his or herself or others, and (3) to identify an effective accommodation that would enable the employee to perform the essential functions of the job.

The Company at no cost provides any physical examination required by the Company to the employee.

PERSONNEL RECORDS

Keep Your Record Up To Date- It's important to you that your name, address and telephone number be kept correct on Company records. It is sometimes necessary for your supervisor or someone else in the Company to contact you at home. Also, you may not receive important mail from the Company if your address is not on file. Therefore, it is your responsibility to report changes in your name, address, telephone number, and any other matters, which affect your tax withholding, to your supervisor or the office. Moreover, to ensure that the employer can notify you when necessary, you must provide the Company with an address where it can reach you (not a Post Office or P.O. Box), your personal email address, and your cell phone number.

Requests For Payroll Records-The Company will provide an employee or former employee with copies of his or her payroll records within twenty-one (21) days of his or her written request.

Health Insurance Portability and Accountability Act (HIPAA)-The Health Insurance Portability and Accountability Act (HIPAA), a federal law, is designed to protect the privacy of an individual's medical information. The Company complies with HIPAA to the extent it is applicable. The Company is neither a covered entity nor a sponsor of a group health plan. The Company complies with HIPAA to the extent it deals with third parties requiring compliance.

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.)

The Company will keep your personnel records confidential. However, there are certain times when information may be given to persons outside of the Company. These include:

- (1) Responses to subpoenas, court orders, or orders of administrative agencies;
- (2) In a lawsuit in which you and/or the Company are parties;
- (3) To administer employee benefit plans;
- (4) To a health care provider.

COMPANY WORK RULES AND STANDARDS OF CONDUCT

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.

Company Work Rules-It is necessary, in order for our business to operate efficiently and safely, that employees observe the rules governing our work environment. The following, while not all inclusive, is a list of employee conduct, performance problems or actions considered violations of Company work rules, which may result in disciplinary action, up to and including termination of employment.

1. Unexcused, habitual or excessive absence from work.
2. Frequent, habitual or excessive tardiness.
3. Failure to promptly notify the Company of an intended absence.
4. Leaving work before your scheduled shift is completed, without management authorization or visiting areas away from one's work place.
5. Failure to punch your time card (record), falsification of the time card or violation of the time card policy.
6. Failure to immediately notify supervision of time delays, shortages, breakdowns or delivery problems.
7. Excessive spoilage in producing your work.
8. Failure to properly perform assigned work.
9. Violation of break period or meal period policies.
10. Use of profane or abusive language to supervisory or management personnel, other employees, vendors or customers.
11. Defacing or removing Company materials on bulletin boards.
12. Willful damage to Company equipment.
13. Violation of the Company's Solicitation and Distribution Rule.
14. Repeated refusal to work overtime or failing to have overtime authorized by your management.
15. Violation of Conflict of Interest policies.
16. Violation of Company's Voice Mail, E-mail and Computer Files Policy.
17. Violation of the Company's Drug and Alcohol Policy.

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.

Standards of Conduct-Laws are made so that people can live together with respect for their personal and legal rights. Company standards of conduct are made for exactly the same reason. The following Company standards, while not all-inclusive, are the principal standards in effect at our Company. These standards apply equally to all and are for the protection of all employees and our Company. Engaging in the following activities may subject you to disciplinary action, up to and including termination of employment.

1. The possession, sale or use of knives, explosives, firearms, or other dangerous weapons on Company property.
2. Fighting, threatening or attempting bodily injury to another.
3. Consuming, possessing, selling, and distributing alcoholic liquors or illegal drugs or narcotics on Company property.
4. Falsification of Company records, including employment application, tax records including social security numbers, time cards and/or production work records.
5. Insubordination, including but not limited to, refusal to do assigned work.
6. Inability or refusal to work in harmony or cooperation with fellow employees so as to cause friction, conflict or lowering of group morale, including deliberate spreading of false rumors adversely affecting the operation of the Company.
7. Deliberate or willful destruction or vandalism of Company tools, machines, products, supplies, or other Company property.
8. Sleeping while on duty.
9. Leaving your department or assigned work place without permission and/or the use of working time for non-working purposes.
10. Disclosing confidential Company information or removing customer property from Company premises, without prior Company authorization.
11. Gambling of any kind on Company time or premises.
12. Unauthorized use of Company property, equipment or materials.
13. Habitual or gross negligence or incompetence in the performance of assigned duties or unnecessary waste of Company materials.
14. Engaging in or contributing to violent behavior, or threatening others with violence.
15. Violation of the Company's Harassment, Equal Employment and Violation of Law policies.

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.)

Appearance and Courtesy-Neatness and good taste in dress, care in personal cleanliness, interest in your work, and a willing, cooperative attitude toward associates, customers and visitors are recognized and appreciated business assets.

No matter what your position might be, it's important to remember that good manners give a good impression. Being pleasant and courteous to customers, visitors, and your co-workers is an important part of your job.

SAFETY AND SECURITY

Your Safety-For your own protection, and the protection of your fellow employees, we want you to work safely and use all the safety devices provided to protect you. Safety is everybody's business, especially yours. Do your part to make this plant a safe place to work. Report any unsafe working conditions to your supervisor. All hazardous conditions will be investigated and appropriately corrected.

Nobody gains from an accident, and nobody likes to work under conditions, which present hazards to life and property. Everybody loses when accidents occur. The Company will carry on a consistent safety program, but its ultimate success will depend on the safety consciousness of you and your fellow employees.

The California Occupational Safety and Health Administration (Cal-OSHA) law requires strict compliance with regulations on the part of employers and employees.

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
5. 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

Hazardous Substance Training- You will receive training related to the use of hazardous substances in our workplace. The training will include an explanation of the Material Safety Data

Sheet (MSDS) covering each substance in your workplace; the location of the MSDS's for all substances used in the Company accessible to employees at all times; an explanation of the types of safety labels used in the workplace; and any special handling instructions or special protective equipment to be used or worn if the employee has to work with the substance. The completion of this training will require you to sign an acknowledgment indicating you have received the training.

Injury and Illness Prevention Program-This Company has a written injury and illness prevention program. The program includes not only general safety rules, of which all employees must comply, but also Codes of Safe Practices for specific operations being performed by employees. Further, the program includes safety inspections and accident investigations of any job-related injury or illness, which occurs. You are encouraged to bring your safety suggestions to management and should do so without fear of retaliation. All employees are required to follow the general safety rules as well as the specific rules set forth for individual operations in the codes of safe practices.

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.**)

Workplace Security Policy-The Company is committed to providing a workplace that is free from acts of violence or threats of violence. In keeping with this commitment, the Company has established a policy that provides “zero tolerance” for actual or threatened violence against co-workers, visitors, or any other persons who are either on our premises or have contact with employees in the course of their duties. Security and safety in the workplace is every employee's responsibility. It is therefore essential that every employee understands the importance of workplace safety and security.

In order to promote compliance with this policy and maximize our efforts to provide a safe and secure workplace that is free from violence, the Company as a part of its “Written Injury and Illness Program” has established security measures and practices. It will also provide programs to train and retrain employees as appropriate. This will assist employees and the Company to make the workplace more secure, and to remedy any problems and workplace security hazards that are identified before they lead to injuries.

Every specific or implied verbal or physical threat of violence, or act of violence, must be treated seriously and reported immediately to your supervisor or (_____), who will be responsible to consult with the appropriate resources and witnesses. Where a violation of the policy is found, the Company will take appropriate corrective action.

In situations where an employee becomes aware of an imminent act of violence, a threat of imminent violence, or actual violence, emergency assistance must be sought immediately. In such situations, the employee should immediately contact their supervisor or (_____) and, if necessary and appropriate, contact law enforcement authorities by dialing 911.

An employee will not be discriminated against or retaliated against as a result of the employee making a truthful complaint or report about a credible threat of violence made against themselves, their family members, or other employees.

Full cooperation by all employees is necessary for the Company to accomplish its goal of maximizing the security and safety of its employees. Employees should direct any questions they

have regarding their obligations under this policy to (_____). Employees can report violations of the policy and raise any questions regarding their obligations under this policy without fear of reprisal of any kind.

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.

Company Equipment Monitoring, Access or Inspection-All Company business machines, equipment and furnishing, including but not limited to desks, cabinets, files and lockers, are Company property and the Company reserves the right to monitor, access, and inspect such equipment and furnishings. Therefore, employees should have no anticipation of privacy with respect to any information or material stored in Company owned equipment and furnishings.

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.

Company computers should not be used to access on-line data bases or Internet services unless such access is for work related purposes. The company understands that on occasion, employees may need to conduct personal business using computing resources. Such use must be limited to break time and does not excessively use computing and network resources. Excessive use of computer and/or network resources includes but is not limited to listening to audio broadcasts (live or prerecorded) on the internet, viewing video broadcasts (live or prerecorded), downloading large data-files for personal use. Allowing access to computing and network resources from the internet is strictly prohibited unless expressly authorized by (_____).

The company understands that on occasion family members or others may need to leave personal messages on the voice mail system for an employee, and is willing to accommodate this to a limited degree. However, personal use of the voice mail system, which interferes with an employee's work performance, will not be permitted.

Messages or communications on the Company's voice mail, e-mail, or computer systems are subject to the same policies regarding harassment and discrimination as are any other workplace communications. The Company will not tolerate offensive, harassing or discriminatory content. Content that is considered offensive includes, but is not limited to, any message which contains sexual implications, racial slurs, gender-specific comments, or any other statement that offensively addresses someone's age, sex, sexual orientation, pregnancy status, marital status, religious or political beliefs, ancestry, national origin, citizenship or disability.

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.

Notwithstanding the Company right to retrieve and review such material, such material should be treated as confidential by other employees and accessed only by the intended recipient. Employees are not authorized to retrieve any voice mail or E-mail messages that are not addressed to them.

Employees are prohibited from using passwords without prior Company authorization and registration. The existence of a password on voice mail, E-mail or computer systems is not intended to indicate the messages or other communications will remain private.

Employees are prohibited from loading any software onto a Company provided computer where such action would violate the software license. Employees are prohibited from loading any software onto a Company provided computer without the express approval of their manager or supervisor.

The E-mail system should not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary information, or similar matter without prior authorization from the Company.

Good Housekeeping- <Optional Policy> You are to keep your working area neat and clean and use the services and facilities provided for you. You can help to improve working areas by telling your supervisor of conditions you think could be improved.

Radios in the Work Areas-<Optional Policy> Radios are allowed in certain plant areas where the type of work makes it practical. Radios must be tuned to music only and volume is to be kept down so as not to disturb people. Personal headset type radios are not to be used. They could distract an employee from concentrating on his or her duties.

Off Duty Employees-<Optional Policy> All employees are required to leave the Company property at the end of their regular working hours. You are not permitted to return to the Company until the start of the next workday without permission of management or unless your supervisor calls you back for extra work or ask you to work overtime.

Safe Operation of Vehicles- Employees may be asked to operate either their own or Company-owned vehicles as part of their job duties for the Company. In the course of such operation, employees are expected to exercise good judgment and safe-driving practices at all times, including avoiding any activity, which may distract their attention from the road or violate any

law. Such activity includes speeding or other reckless driving, ingesting alcoholic beverages, or unsafe use of a cell phone while operating a vehicle.

Employees operating a motor vehicle in performance of their work must maintain a safe driving record. One of the important indicators of a safe driver is an individual's Motor Vehicle Record (MVR). An MVR will be obtained for all employees operating a motor vehicle in performance of their work when the employee is hired, when the employee is involved in an accident while working, and for any other reason or at any time the Company believes is necessary to assure safe vehicle operations.

Employees who fail to maintain a safe driving record (MVR) or operate a motor vehicle in an unsafe manner are subject to disciplinary action, up to and including termination of employment.

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-You can help avoid serious accidents and/or injury to yourself and others by following certain general safety rules. Violation of the safety regulations of the Company may subject you to disciplinary action, up to and including termination of employment.

1. Aisles and emergency exits shall be kept free of debris at all times and maintain a minimum width of 24".
2. Floors shall be kept clean and dry.
3. Floors and platforms shall be kept free of projections, obstructions, holes and loose boards.
4. Exits shall never be blocked or obstructed.
5. Fire extinguishers shall not be blocked or obstructed at any time.
6. All control buttons and switches shall be properly identified as to their function and purpose.

7. Safety devices and guards shall not be removed, and/or will be replaced before operating any machine.
8. All unsafe work conditions shall be reported to a supervisor or the safety coordinator.
9. All control buttons and switches shall be color-coded.
10. Report, in writing, all work-related accidents, injuries or illnesses to a supervisor or the safety coordinator.
11. Correct or report any safety device that is missing or inoperative.
12. Return tools and equipment to proper storage place after use.
13. Oily rags and containers that contained flammable liquids shall be disposed of immediately after use in covered metal containers.
14. Qualified personnel shall perform maintenance of equipment. Do not attempt to fix it yourself.
15. No jewelry, long hair or loose clothing is allowed around any machinery while operating.
16. Horseplay and running shall be forbidden.
17. Smoking is not allowed (Option: “in any enclosed space, which is Company property.” or “on company premises or property”.)
17. Proper hygiene shall be used when leaving or returning to work areas for break and meal periods (i.e., washing hands).
18. Employees shall use proper lifting techniques as outlined in the Back Injury Prevention Program, to avoid over extension when lifting.
19. Head Protection: Employees exposed to flying or falling objects and/or electrical shock and burns shall be safeguarded by means of approved head protection. Where there is risk of hair entanglements in moving parts of machinery, combustibles or toxic contaminants, employees shall confine their hair.
20. Eye and Face Protection: Employees working in locations where eye hazards due to flying particles, hazardous substances or injurious light rays are inherent in the work or environment shall be safeguarded by and shall use employer-provided face or eye protection. Suitable screens or shields isolating the hazardous exposure shall safeguard nearby employees.
21. Where eye protection is required and the employee requires vision correction, such eye protection shall be provided as follows:
 - (1) Safety spectacles with suitable corrected lenses, or
 - (2) Safety goggles designed to fit over spectacles

22. The wearing of contact lens is prohibited in working environments having harmful exposure to materials or light flashes, except when special precautionary procedures, medically approved, have been established for the protection of the exposed employee.
23. Body Protection: Body protection from hazardous or flying substances shall be provided by clothing appropriate for the work being done. Loose sleeves, tails, ties, lapels, cuffs, etc., which may entangle in moving machinery shall not be worn.
25. Clothing saturated with flammable liquids, corrosive substances, irritants or oxidizing agents shall be removed and shall not be worn until properly cleaned.
26. Hand Protection: Gloves may be required for employees whose work exposes hands to hazardous substances, cuts or burns.
27. Foot Protection: Appropriate foot protection shall be required for employees who are exposed to foot injuries from hot, corrosive, poisonous substances, falling objects, crushing or penetrating actions, which may cause injuries.
28. All protective devices shall be easily cleaned, disinfected, and not interchanged among employees until properly cleansed.
29. Respiratory Protection: Respirator shall be provided for employees who are exposed to hazardous vapors or dust which may cause injury.
30. Ear Protection: Ear Protection must be worn in areas outlined in the Noise and Hearing Program.
31. Failure to follow Company's lockout, block out procedures when among other activities maintaining equipment or making adjustments to equipment.
32. Employees operating motor vehicles in their work must conform to, and maintain a safe driving record as outlined in, the Company's Safe Operation of Vehicles policy.
33. Operating a forklift without being certified as a safe operator by the Company in accordance with Cal OSHA standards.
34. Proper protective equipment described above shall be worn when handling hazardous materials. If a respirator is required, employees must be fit-tested and be trained for proper usage and cleaning. *

*Information concerning type of equipment to use is provided on the Material Safety Data Sheet for each hazardous substance and should be consulted before handling any product.

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.

Bloodborne Pathogens- <Optional Policy> As part of its continuing commitment to employee safety and health, the Company has adopted a comprehensive policy for dealing with possible

employee exposure to blood borne pathogens. While possible employee exposure to blood borne pathogens may have serious consequences, these measures are primarily intended to be precautionary.

An employee who renders first aid assistance in any situation involving the presence of blood or other potentially infectious materials will immediately be offered Hepatitis B vaccination. The Company will pay for this vaccination.

If rendering first aid results in an eye, mouth, or non-intact skin contact with blood or other potentially infectious materials, the Company will take the following actions. It will document the circumstances of the exposure. The Company will identify the person from whom the potentially infectious material came. It will inform the first aid provider about the symptoms that might develop from exposure, collect and test the first aid provider's blood (with the employee's consent and the Company's cost) for Hepatitis B and HIV serum status, provide post exposure treatment (if necessary), and provide employee counseling.

Reporting On the Job Injuries or Illnesses- In the event of injury or illness, related to the job, regardless of how slight, report it immediately in writing to your supervisor for First Aid and/or medical attention. Medical services for on-the-job injuries are available.

Emergency Medical Service Is Available 24 Hours At- (_____)
Telephone number is (_____).

First Aid-In spite of precautions, accidents occasionally happen. Emergency first aid supplies are located: (_____)

Fire Extinguishers/Fire Department Number- Fire Extinguishers of several types are located at key points. Find out the location of these extinguishers and learn how to use them.

Telephone number of the nearest fire department is (_____).

EMPLOYEE HANDBOOK REVISIONS

It is intended that this document shall reflect adequate understanding of your work situation. The dynamic nature of the printing industry and of the times will undoubtedly require changes in this work situation. The Company reserves the right to amend, modify, rescind, delete, supplement or add to the provisions of this handbook, as it deems appropriate from time to time in its sole and absolute discretion. However, no amendment or modification of the "Terms of Employment" provisions of this handbook shall be effective unless made in writing, and signed by the President of the Company. The Company will attempt to provide you with notification of any other changes as they occur.

RECEIPT AND ACKNOWLEDGEMENT FOR EMPLOYEE HANDBOOK

This is to acknowledge that I have received a copy of the <_____> employee handbook, dated, <_____> 20<____>. This handbook sets forth the terms and conditions of my employment as well as the rights, duties, responsibilities and obligations of my employment with the Company. 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.**

I understand that except for the “Terms of Employment” provisions of this handbook, the Company reserves the right to amend, modify, rescind, delete, supplement or add to the provisions of this handbook as it deems appropriate from time to time in its sole and absolute discretion. However, no amendment or modification of the “Terms of Employment” provisions of this handbook shall be effective unless made in writing and signed by the President of the Company. The Company will attempt to provide you notification of any other changes as they occur.

I understand that nothing in this handbook creates or is intended to create a promise or representation of continued employment and that employment at the Company is at will. My signature below certifies that I understand the foregoing agreement on at will status is the sole and entire agreement between the Company and my-self concerning the duration of employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings and representations concerning my employment with the Company.

Date: (_____)

Signed: (_____)
(employee)

Signed: (_____)
(hiring supervisor)

(Editor’s Note: The “RECEIPT AND ACKNOWLEDGEMENT FOR EMPLOYEE HANDBOOK” statement above must be separated from the employee’s copy of their handbook, and placed in the employee’s personnel file. The Company upon receiving the “RECEIPT AND ACKNOWLEDGEMENT FOR EMPLOYEE HANDBOOK” statement from the employee should make a copy of the receipt and return copy back to employee.)