



# **STAFF MEMBER HANDBOOK**

May, 2018





## **A MESSAGE FROM THE FOUNDER**

Hi!

Welcome to Heart of America Group! We're all extremely proud of the companies we've built, and we're very happy that you decided to join our growing family of staff members.

We started with the Iowa Machine Shed in Davenport in 1978 and have been adding new restaurants, hotels, offices and retail developments ever since. We've won many awards and had a lot of recognition, all because of the great people we have. We hope you'll take pride in the level of quality we are committed to.

One thing you'll find is that we all go out of our way to make sure our customers have the kind of experience they expect and deserve. We know you will enjoy delivering the level of service that they value and your fellow staff members will appreciate!

Sincerely,

Mike Whalen  
Founder

## **OUR HISTORY. OUR PURPOSE. OUR MISSION. OUR PASSION.**

Welcome to Heart of America Group®. We are pleased that you have chosen to join our Team. Our Staff Members are Professionals at what they do. We take great pride in the reputation that we have established since 1978, and we continue this tradition of excellence today. We are nationally known for excellence in food, lodging and the development and design of commercial space.

Our customers are Guests and as our Guests, they deserve our best. Our Guests are greeted with friendly smiles and outstanding courtesy. Our Guests are our number one priority. We do everything we can to make our Guests' experience at our restaurants and hotels special. This is our passion.

It takes a Team to make this happen. You and each person at the Heart of America Group® is a vital member of our Team. Our founder, and current President, Mike Whalen, set a high standard for professionalism and quality over 38 years ago. Meeting this standard, taking care of our Guests, and providing our Guests that special experience we promise will come instinctively to you. This is why you were selected to join the Heart of America Team.

Heart of America's Staff Members work together to get the job done. An invaluable asset is our Staff Members' continuous helping hand. Staff Members not only do their job and do it well, but they also help those around them. This is a key element to success. Working together as a Team, not only gets the job done faster and better, but also builds Staff Member morale that our Guests notice and appreciate. A friendly smile is sometimes all it takes to make a good experience a great one.

As a Staff Member of the Heart of America Group you have joined an outstanding group of hospitality business entities. We all proudly operate under the trademarked name HEART OF AMERICA GROUP®, which we frequently shorten to Heart of America or HOA. Your actual employer will be a business which owns, operates, manages, supports, or builds our great places. Look us up on the web at: [www.HOARI.com](http://www.HOARI.com).

Welcome! We're glad you joined our team!

Table of Contents

A MESSAGE FROM THE FOUNDER ..... 1

OUR HISTORY. OUR PURPOSE. OUR MISSION. OUR PASSION ..... 2

USE OF TERMS ..... 5

INTRODUCTION..... 7

SECTION 1: EMPLOYMENT ..... 8

    1-1: NATURE OF EMPLOYMENT ..... 8

    1-2: NON-UNION STATUS ..... 8

    1-3: EQUAL EMPLOYMENT OPPORTUNITY ..... 9

    1-4: IMMIGRATION LAW COMPLIANCE ..... 11

    1-5: WHISTLEBLOWER PROTECTION ..... 11

    1-6: NON-DISCLOSURE..... 12

    1-7: CONFLICTS OF INTEREST AND ETHICAL BUSINESS CONDUCT..... 12

    1-8: EMPLOYMENT CATEGORIES ..... 14

    1-9: SOCIAL SECURITY NUMBER PRIVACY ..... 15

    1-10: EMPLOYEE PERSONNEL FILES ..... 15

    1-11: PERSONNEL DATA CHANGES..... 16

    1-12: WORKERS' COMPENSATION..... 16

    1-13: RETURN TO WORK AFTER SERIOUS ILLNESS OR INJURY ..... 17

    1-14: LEAVES OF ABSENCE ..... 18

    1-15: FAMILY MEDICAL LEAVE ACT BENEFITS ..... 18

    1-16: MILITARY LEAVE ..... 19

    1-17: PERFORMANCE EVALUATIONS ..... 21

    1-18: EMPLOYMENT SEPARATION..... 21

    1-19: DISABILITY ACCOMODATION ..... 22

    1-20: LACTATION ACCOMODATION ..... 23

SECTION 2: EMPLOYEE BENEFITS..... 24

    2-1: EMPLOYEE BENEFITS ..... 24

    2-2: VACATION..... 24

    2-3: HOLIDAY PAY ..... 26

    2-4: GROUP MEDICAL/HEALTH INSURANCE COVERAGE ..... 26

    2-5: BENEFITS CONTINUATION (COBRA) ..... 27

    2-6: HIPAA PRIVACY ..... 27

    2-7: OTHER GROUP COVERAGE ..... 28

    2-8: 401(K) RETIREMENT PLAN..... 28

SECTION 3: TIMEKEEPING, PAYROLL & RECORD KEEPING..... 28

    3-1: TIMEKEEPING..... 28

    3-2: TIP REPORTING REQUIREMENTS ..... 29

    3-3: TIPPED EMPLOYEES AND RESTRICTIONS ON WAITSTAFF DUTIES ..... 29

    3-4: DELIVERY OF WAGES TO EMPLOYEES ..... 30

    3-5: OVERTIME ..... 31

SECTION 4: WORK CONDITIONS ..... 31

    4-1: SAFETY ..... 31

    4-2: WORKPLACE VIOLENCE ..... 32

    4-3: RESERVED ..... 33

    4-4: WORK SCHEDULES ..... 33

    4-5: COMPANY EQUIPMENT..... 33

4-6: MOBILE TELEPHONES AND RELATED DEVICES POLICY.....	33
4-7: SMOKING .....	34
4-8: PARKING .....	34
4-9: COMPUTER, INTERNET AND E-MAIL USAGE.....	34
SECTION 5: EMPLOYEE CONDUCT AND DISCIPLINARY ACTION.....	36
5-1: OPEN DOOR POLICY .....	36
5-2: PROGRESSIVE DISCIPLINE .....	37
5-3: WORK RULES .....	37
5-4: DRUG AND ALCOHOL FREE WORKPLACE POLICY.....	39
5-5: WORKPLACE HARASSMENT .....	41
5-6: ATTENDANCE AND PUNCTUALITY .....	42
5-7: PERSONAL APPEARANCE AND DEMEANOR.....	43
5-8: THEFT.....	43
5-9: BLOGGING AND SOCIAL NETWORKING WEBSITES .....	43
5-9: BULLETIN BOARD / POSTING AREA / SOLICITATION.....	44
5-10: WORKPLACE SEARCHES .....	45
APPENDIX FOR STATE SPECIFIC REQUIREMENTS.....	46
EMPLOYEE ACKNOWLEDGMENT FORM.....	49
EMPLOYEE NON-DISCLOSURE AGREEMENT.....	50

## USE OF TERMS

**Heart of America Group**® is a group of independent companies whose successes are in fields of development, restaurant hospitality, lodging hospitality, franchising, design, architecture, construction, management, retail & office centers, and residential development. The companies often work together and draw upon the resources of each other, while maintaining their independence. Heart of America Group® is not a legal entity, but a registered trademark name shared by our network of development and hospitality entities. The group of independent companies includes the following members at the time of printing this handbook:

### OPERATIONS SUPPORT CENTER (OSC)

**The Heart of America Group® Operations Support Center**, Moline, IL





### RESTAURANTS

- ✂ **The Machine Shed**®, with locations at:  
Appleton, WI; Davenport, IA; Lake Elmo, MN; Pewaukee, WI;  
Rockford, IL; and Urbandale, IA.
- ✂ **Johnny's Italian Steakhouse**®, located in:  
Altoona, IA; Des Moines, IA; East Peoria, IL; Eau Claire, WI; Middleton, WI;  
Moline, IL; Olathe, KS; Omaha, NE; West Chester, OH;  
and West Des Moines, IA.
- ✂ **The J Bar**, with locations at:  
Davenport, IA; and Olathe, KS.
- ✂ **Thunder Bay Grille**®, with locations at:  
Davenport, IA; Pewaukee, WI; and Rockford, IL.
- ✂ **The Checkered Flag Bar and Grille**® and  
**Gramma's Kitchen**®, located at:  
Walcott, IL.

### HOTELS

- 🏠 **AC Hotel**®, located in: Des Moines, IA.
- 🏠 **DoubleTree Hotel**®, located in: Des Moines, IA.
- 🏠 **Embassy Suites**®, located in: Olathe, KS.
- 🏠 **Fairfield Inn & Suites**®, located in Altoona, IA; and Des Moines, IA
- 🏠 **Hilton Garden**®, located in: Olathe, KS.
- 🏠 **Holiday Inn**®, located in: Pewaukee, WI.
- 🏠 **Holiday Inn & Suites**®, located in: Davenport, IA; East Peoria, IL;  
Lake Elmo, WI; and West Des Moines, IA.
- 🏠 **Holiday Inn Express & Suites**®, located in: Olathe, KS.
- 🏠 **Hotel Renovo**®, located in: Urbandale, IA.
- 🏠 **Sleep Inn**®, located in: Urbandale, IA.
- 🏠 **Wildwood Lodge**®, located in: Clive, IA; and Pewaukee, WI.

## RETAIL AND COMMERCIAL SPACE

-  **Elmore Marketplace**, located at: Davenport, IA.
-  **The Shoppes at Prairie Crossing**, located at Altoona, IA.
-  **Machine Shed Retail**, located in all Machine Shed Restaurants.
-  **Operations Support Center**, located in Moline, IL

## INDEPENDENT MANAGEMENT AND HOLDING COMPANIES LICENSEES OF REGISTERED HEART OF AMERICA TRADEMARK

Heart of America Management, L.L.C.  
HOA Development, L.L.C.  
HOA Hospitality, Inc.  
HOA Hospitality, L.L.C.  
Iowa Hospitality Furnishings, L.L.C.  
HOA Hotels, L.L.C.  
HOA Hotels Kansas, L.L.C.

Iowa Machine Shed Co.  
JIS Franchising, L.L.C.  
Johnny's Italian Steakhouse, L.L.C.  
Machine Shed, L.L.C.  
Moline Plow, L.L.C.  
Prairie Crossing Investment, Inc.  
Thunder Bay Grille, L.L.C.

The phrase “**Operations Support Center**” or “**OSC**” shall refer to the support center for Heart of America Group® at 1501 River Drive, Moline, IL 61265. As used in this handbook and at the time of printing this handbook the also may refer to the designated OSC employee assigned to serve as a Human Resources or Information contact. This designated person may change from time to time at the sole discretion of the Company. Contact information for the OSC is: (309) 797-9300, or Heart of America Group, ATTN: HOA HR Information Contact, 1501 River Drive, Moline, IL 61265. By contacting the OSC for Human Resources or other information you can get additional contact information and/or access to the following channels to have your concerns addressed:

- Your own Executive Staff Member;
- The Brand Leader for your location;
- The Director of Risk Management;
- The Chief Financial Officer; and/or
- The President of the Company.

The phrase “**he/she**” or “**his/her**” may be used in this handbook. It is intended that this handbook be gender neutral and apply to all employees whether male or female.

The phrase “**Executive Staff Member**” refers to the person working with you who has a supervisor or management relationship with you and has authority to direct your work, evaluate and discuss your performance with you, and ability to discipline and/or terminate your employment with or without additional input from the established chain of command.



# INTRODUCTION

This handbook is designed to acquaint you with the Company and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by the Company to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth and one that encourages an entrepreneurial spirit at all levels of our employees.

There are several things that are important to keep in mind about this handbook.

- **First**, it contains only general information and guidelines. It is not intended to be comprehensive or to address all the possible applications of, or exceptions to, the general policies and procedures described. For that reason, if you have any questions concerning eligibility for a particular benefit, or the applicability of a policy or practice to you, you should address your specific questions to your Executive or the Operations Support Center (OSC) at (309) 797-9300, or Heart of America Group®, ATTN: HOA HR Information Contact, 1501 River Drive, Moline, IL 61265.
- **Second**, the procedures, practices, policies and benefits described here may be modified or discontinued from time to time. We will try to inform you of any changes as they occur.
- **Third**, each location may have its own set of work rules covering matters specific to that location's work. You should consult your supervisor for a copy of any location specific work rules.

Finally, some of the subjects described here are covered in detail in official policy documents. You should refer to these documents for specific information, since this handbook only summarizes those benefits. Please note that the terms of the written insurance policies are controlling.

**Neither this handbook nor any other Company document gives any contractual right, either express or implied, to remain in the Company's employ. Nor does it guarantee any fixed terms and conditions of your employment. Your employment is not for any specific time and may be terminated at will, with or without cause and without prior notice, by the Company or you may resign for any reason at any time. No supervisor or other representative of the Company (except the President) has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above. This handbook is issued in May, 2017 and replaces all prior documents describing company policies, procedures, rules, and guidelines.**

No employee handbook can anticipate every circumstance or question about policy. As the Company continues to grow the need may arise, and the Company reserves the right, to revise, supplement, or rescind any policies of the handbook from time to time as it deems appropriate, in its sole and absolute discretion. Employees will, of course, be notified of such changes to the handbook as they occur. THE ONLY EXCEPTION TO ANY CHANGES IS OUR EMPLOYMENT-AT-WILL-POLICY PERMITTING YOU OR THE COMPANY TO END OUR RELATIONSHIP FOR ANY REASON AT ANY TIME. This handbook applies to all employees of the Company.

# SECTION 1: EMPLOYMENT

## 1-1: NATURE OF EMPLOYMENT

For all employees employment with the Company is voluntarily entered into, and the employee is free to resign at will at any time, with or without cause. Similarly, the Company may terminate the employment relationship, at will, at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.

Policies set forth in this handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between the Company and any of its employees. The provisions of the handbook have been developed at the discretion of management and, except for its policy of employment-at-will, may be amended or canceled at any time, at the Company's sole discretion.

These provisions supersede all existing policies and practices and may not be amended or added to without the express written approval of the President, or the Board of Directors of the Company.

## 1-2: NON-UNION STATUS

**The Heart of America Group® of Companies do not have a union.** Heart of America Group® strongly believes that a labor union is not necessary to protect the interests of our Staff Members. We believe that our staff members' interests are best served through direct and voluntary communication with supervisors and management, and not through the intervention of a third party.

**Our companies have been successful because of our ability to work together side by side, free of outside interference.** At Heart of America Group®, we strive to provide our Staff Members with wages and benefits that are competitive in our industry; working conditions that are safe and healthy; and a work environment where Staff Members are treated with dignity and respect, and motivated by success, not fear. We are proud that your fellow Staff Members have chosen to remain non-union. This tells us that they welcome the freedom to communicate and work directly with their managers to resolve the day-to-day problems, issues and differences that arise in any job. This also tells us that they value not having to turn over a portion of their monthly paycheck to a union in order to be assured of fair treatment from the company.

**You may be asked by someone from a union, or even a fellow worker, to sign up with a union.** You may be told that signing a union card is only to see if people are interested in having a union. You may be given twisted facts, offered false promises and half-truths, and told almost anything to get you to sign a card. You may be told that union membership can get you preferred treatment or special concessions with the Company. **This is not true.**

**It is your right to sign a card if you want to, but signing a card is a very serious step – the first step down a road you may not want to travel.** Get all the facts. Be informed and be aware. Know that all of the problems, costs, disruptions and divisiveness can be avoided by simply refusing to sign their cards. Never believe it when the union tries to tell you that you have nothing to lose by signing a card. It could mean giving up your right to speak and act for yourself, and giving that right either to someone you do not know, or to someone you do not want to speak and act for you.

**It is your right to refuse to sign a union card.** If you believe, as we do, that a union would not be in your or your company's best interest, refusing to sign a card would be a clear message to the union that it is neither wanted nor needed at the Heart of America Group® of Companies. With that message, the union would have no choice but to move on and to take its efforts elsewhere. Should anyone cause you interference at your work or put you under threat to join a union, and you want the interference and threat stopped, report it to an Executive Staff Member.

**We can continue to grow together without outside interference.** Since our founding we have seen our working conditions improve, wages and benefits increase, and we are able to enjoy an atmosphere of mutual respect and trust. These things cannot be bought with union dues or brought to you by any outside party. With union representation there are no guarantees. You may get more, but you also may get less, or you may get the same. The many benefits that you have at the Heart of America Group® of Companies are the result of a positive Team effort, dedication, discipline, working smart and hard to make a profit together – an effort we hope you, and your Team members, will choose to continue for all of us, our families, and our companies by assuring that the Heart of America Group® of Companies remains free of union interference.

### **1-3: EQUAL EMPLOYMENT OPPORTUNITY**

Equal Employment Opportunity is and has been a fundamental principle at the Company. Employment is based upon personal capabilities and qualifications without discrimination because of race, color, religion, sex, age, national origin, disability, sexual gender preference, pregnancy or any other protected characteristic as established by law. This policy of Equal Employment Opportunity applies to all policies and procedures relating to recruitment and hiring, compensation, benefits, management, promotion, termination and all other terms and conditions of employment. Supervisors are responsible for recognizing, preventing, and reporting all forms of illegal discrimination. All incidents and suspected violations should be reported immediately. Some specific areas of protected class status where discrimination is prohibited are listed below:

**Age Discrimination.** It is the policy of the Company to comply with federal and state laws and regulations concerning age discrimination. The Age Discrimination in Employment Act (ADEA) protects both employees and job applicants who are 40 years of age or older from employment discrimination based on age. It is unlawful to discriminate against a person because of age with respect to any term, condition, or privilege of employment, including hiring, firing, promotion, layoff, compensation, benefits, job assignments, and training.

**Disability Discrimination.** It is the policy of the Company to comply with the Americans with Disabilities Act (ADA), subsequent amendments to this act and related state laws. To be protected under the ADA, an individual with a disability must be qualified to perform the essential functions of the job. The Company may not ask job applicants about the existence, nature, or severity of a disability, but can ask about their ability to perform specific job functions. The Company will provide reasonable accommodations to a qualified individual with a disability who has made the Company aware of his or her disability, provided that such accommodation is necessary in order for the employee to perform the essential functions of their job and the accommodation does not constitute an undue hardship on the Company. Employees with a disability who believe they need a reasonable accommodation to perform the essential functions of their job should contact their Executive Staff Member or the OSC.

**Pregnancy Discrimination.** It is the policy of the Company to comply with federal and state laws in all aspects regarding pregnancy, including hiring, leave, benefits, and other aspects of

employment. The Company will not maintain a written or unwritten employment policy or practice which excludes applicants or employees from employment because of pregnancy, childbirth, or related medical conditions. Supervisors are responsible for understanding the employment provisions regarding pregnancy-related conditions such as disability and leave, and should help employees schedule work with regard for such conditions.

**Gender Discrimination.** It is the policy of this Company to prohibit discrimination on the basis of gender. This includes discrimination against any employee or applicant because of gender in regard to hiring, termination, promotion, compensation, job training, or any other term, condition, or privilege of employment. The Company prohibits employment decisions based on stereotypes and assumptions about abilities, traits, or the performance individuals on the basis of gender. Persons must be considered based on individual capacities, not on characteristics generally attributed to the group. The Company does not classify jobs as “Men’s jobs” and “Women’s jobs” because this tends to deny employment opportunities unnecessarily to one gender or the other.

**National Origin, Race and Color Discrimination.** It is the policy of the Company that every employee and job applicant is entitled to the same employment opportunities regardless of ancestry, national origin, race or color. The Company will not tolerate:

- Any employment decision, including recruitment, hiring, and firing or layoffs, based on ancestry, national origin, race or color;
- Offensive conduct, such as ethnic slurs, that create a hostile work environment based on ancestry, national origin, race or color;
- Training or education requirements which deny employment opportunities to an individual because of his or her foreign training or education, or which require an individual to be foreign trained or educated; or
- Any other employment decision based on ancestry, national origin, race or color that adversely affects an individual’s employment opportunities

**Religious Discrimination.** It is the policy of the Company to prohibit discrimination against individuals because of their religion in hiring, firing, promotion, compensation, training, and other terms and conditions of employment. Supervisors are responsible for recognizing, preventing, and reporting religious discrimination in their areas. Avoiding or preventing religious discrimination may require certain work practice, scheduling or ritual accommodations that do not adversely impact the operation of the business. Supervisors are required to be respectful when approached by employees with a request for religious accommodation and consult with the OSC to determine whether an accommodation is appropriate.

**Gender Preference Discrimination.** It is the policy of this Company to prohibit discrimination on the basis of an employee’s or applicant’s same gender preference. This includes discrimination against any employee or applicant because of gender preference in regard to hiring, termination, promotion, compensation, job training, or any other term, condition, or privilege of employment. The Company prohibits employment decisions based on stereotypes and assumptions about abilities, traits, or the performance individuals on the basis of same gender preference. Persons must be considered based on individual capacities, not on characteristics generally attributed to the group.

State or local law may add additional categories of protected individuals and/or may increase protections recognized for some of the classes described above. It is the intent of the Company to comply with all state and local laws relating to equal employment opportunity.

All incidents and suspected violations should be reported by supervisors immediately to the OSC. Any employees with questions or concerns about any type of discrimination in the workplace are encouraged

to bring these issues to the attention of their immediate supervisor, the OSC, or any of the following company representatives:

- Executive Staff Member;
- The Brand Leader for your location;
- Director of Risk Management;
- Chief Financial Officer;
- President.

Contact information for any of these representatives (if not known) can be obtained by contacting the OSC, at: (309) 797-9300, or Heart of America Group®, ATTN: HOA HR Information Contact, 1501 River Drive, Moline, IL 61265. Any Company representative who receives a report of incidents or suspected violations of this policy should immediately advise the Director of Risk Management and the Company legal representative of the nature of the report received.

Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination or reprisal toward an employee who raises a concern will be subject to disciplinary action, up to and including termination of employment.

#### **1-4: IMMIGRATION LAW COMPLIANCE**

The Company is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, and subsequent amendments, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with the Company within the past three years, or if their previous I-9 is no longer retained or valid.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the OSC. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

#### **1-5: WHISTLEBLOWER PROTECTION**

The Company will not permit any form of retaliation against any person, who, in good faith, reports violations or suspected violations of law or Company policy. If employees observe possible unethical or illegal conduct, they are encouraged to report their concerns. Employees and others involved with the Company are urged to come forward with any such information, without regard to the identity or position of the suspected offender.

Employees and others may communicate suspected violations of law, policy, or other wrongdoing, as well as any concerns regarding questionable accounting or auditing matters (including deficiencies in internal controls) by contacting their Executive Staff Member, the President or the OSC.

The Company will treat all communications under this policy in a confidential manner, except to the extent necessary to conduct a complete and fair investigation, or for review of Company operations. The Company will not retaliate against any individual who in good faith reports a possible violation of the Company's policies, or the law, or reports any concerns regarding questionable accounting or auditing matters, even if

the report is mistaken. Similarly, the Company will not retaliate against anyone who assists in the investigation of a reported violation. Any act of retaliation should be reported immediately.

## **1-6: NON-DISCLOSURE**

The protection of confidential business information and trade secrets is vital to the interests and the success of the Company. It is the responsibility of all Company employees to safeguard sensitive Company information. The nature of our business and the economic well-being of our Company are dependent upon protecting and maintaining proprietary and/or confidential Company information. Continued employment with the Company is contingent upon compliance with this policy. Each Company supervisor/manager bears the responsibility for the orientation and training of his or her employees to ensure enforcement of Company confidentiality. Such confidential information includes, but is not limited to, the following examples: Compensation data; Customer lists; Customer preferences; Financial information; Labor relations strategies; Marketing strategies; New materials research; Pending projects and proposals; Proprietary production processes; Recipes for food products; Research and development strategies; Scientific data; Scientific prototypes; Technological data; Technological prototypes; and/or Scientific formulae.

Employees who fail to follow this policy and/or who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

## **1-7: CONFLICTS OF INTEREST AND ETHICAL BUSINESS CONDUCT**

Employees have an obligation to conduct business within guidelines that are ethical and prohibit actual or potential conflicts of interest. This policy establishes only the framework within which the Company wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact your Executive Staff Member, OSC, the Company's assigned legal counsel, or the President of the Company, for more information or questions about conflicts of interest or ethical business conduct.

An employee's actions under this policy are significant indications of the individual's judgment and competence. Accordingly, those actions constitute an important element in the evaluation of the employee for position assignments and promotion. Correspondingly, insensitivity to or disregard of the principles of this policy will be grounds for appropriate management disciplinary action.

It is not possible in a general policy statement to define all the various circumstances and relationships that would be considered a conflict of interest or unethical business conduct. The list below suggests some specific types of activity that would be considered a conflict of interest or unethical business conduct. This list is intended to be illustrative and to provide guidance in conforming employee behavior to acceptable Company standards. Employment by the Company carries with it a responsibility to be constantly aware of the importance of avoiding even the appearance of a conflict of interest or unethical business conduct. Examples of behaviors that would be considered a conflict of interest and/or unethical business conduct include, but are not limited to the following:

- Simultaneous ownership, consulting, or employment by another firm, particularly if the other firm is a competitor, supplier, vendor or customer.
- Conducting Company business with a firm in which the employee, or a close relative of the employee, has substantial ownership or interest.
- Holding a substantial interest in, or participating in the management of, a firm to which the Company makes sales or from which it makes purchases.

- Borrowing money from customers or firms, other than recognized loan institutions, from which our Company buys services, materials, equipment, or supplies.
- Accepting substantial gifts or excessive entertainment from an outside organization or agency. For purposes of this policy, any gift with a value in excess of \$100 shall be reported to the OSC.
- Misusing privileged information or revealing confidential data to outsiders.
- Using one's position in the Company or knowledge of its affairs for outside personal gains.
- Engaging in practices or procedures that violate laws regulating the conduct of Company business.

**Employee must disclose any potential conflict of interest.** If an employee:

- Is a party to any actual or potential conflict of interest;
- Is a party to any actual or potential unethical business conduct situation;
- Has, or may have, any influence on transactions involving purchases, contracts, or leases;
- Has, or may have, any interest in an outside entity that may transact business with, or compete with, the Company, or;
- Receives gifts or entertainment from an outside entity or business associate with a value in excess of \$100;

that employee, or any other employee who becomes aware of this type of behavior, must disclose this to the President of the Company or the OSC as soon as possible; preferably prior to any transaction of business with the Company or on behalf of the outside entity. No "presumption of guilt" is created by the mere existence of an actual or potential conflict of interest situation, a relationship with outside people or entities, or any behaviors listed in the preceding section. The prompt and timely disclosure of the existence of any actual or potential conflict of interest promotes ethical business conduct and allows the Company to:

- Determine there is no conflict of interest or unethical business conduct;
- Waive any existing or potential conflict of interest if it is determined to be insignificant;
- Investigate the situation if appropriate;
- Establish safeguards to protect all parties;
- Counsel or discipline employees who may be violating this policy, and/or;
- Take other appropriate action to eliminate or minimize the existence of any conflicts of interest and prevent any unethical business conduct.

**Prohibition of Improper Payments.** The Company expects all employees to use only legitimate practices in commercial operations and in promoting the Company position on issues before governmental authorities. As stated below, "kickbacks" or "bribes" intended to induce or reward favorable buying decisions and governmental actions are unacceptable and prohibited.

No employee of the Company or any Controlled Affiliate acting on the Company's behalf shall, in violation of any applicable law, offer or make directly or indirectly through any other person or firm, any payment of anything of value (in the form of compensation, gift, contribution or otherwise) to:

- any person or firm employed by or acting for or on behalf of any customer, whether private or governmental, for the purpose of inducing or regarding any favorable action by the customer in any commercial transaction; or any governmental entity, for the purpose of inducing or rewarding action (or withholding of action) by a governmental entity in any governmental matter;
- any governmental official, political party or official of such party, or any candidate for political office, for the purpose of inducing or rewarding favorable action (or withholding of action) or the exercise of influence by such official, party or candidate in any commercial transaction or in any governmental matter.

## 1-8: EMPLOYMENT CATEGORIES

It is the intent of the Company to define employment classifications so that the employees understand their employment status and benefits eligibility. These classifications do not guarantee employment for any specified period of time nor do these classifications guarantee any minimum amount of hours to be worked or compensation to be earned. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and the Company.

**Hourly or salary.** Each employee is designated as either NONEXEMPT-HOURLY, EXEMPT-SALARIED or NONEXEMPT-SALARIED. NONEXEMPT-HOURLY employees are entitled to overtime pay under the specific provisions of federal and state laws. EXEMPT-SALARIED employees are excluded from specific provisions of federal and state wage and hour laws. NONEXEMPT-SALARIED are excluded from specific provisions of federal and state wage and hour laws up to a weekly hour limit set by the Company. Following this hour limit they are entitled to overtime pay under the specific provisions of federal and state laws. An employee's NONEXEMPT-HOURLY, EXEMPT-SALARIED, or NONEXEMPT-SALARIED classification may be changed only upon written notification by the OSC.

**Employment classifications.** In addition to being paid on an hourly or salary basis, each employee will belong to one or more other employment category:

**Full-time.** Full-time employees are those who are not in a temporary or leased status, and are expected to receive compensation for 30 hours or more per week. At time of hire these employees are reasonably expected to continue in employment for more than six months and/or more than 1,560 hours in 12 months. However, this expectation is not a promise of employment for any particular term and does not modify the employee's at-will status. Generally, these employees may be classified as either exempt-salaried, nonexempt-salaried, or nonexempt-hourly employees and are potentially eligible for the Company's benefits, subject to the terms, conditions, and limitations of each benefit program.

**Part-time.** Part-time employees are those who are not assigned to a temporary or leased employee status, and who are expected to be compensated for less than 30 hours per week. While they do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they are ineligible for all of the Company's other benefit programs except the Company 401(k) if working more than 20 hours per week and any Supplemental Insurance benefits (AFLAC type benefits) offered by the Company.

**Temporary or seasonal.** Temporary or seasonal employees are those who are hired to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration and are usually expected to extend no more than six months or 1,000 hours. Employment beyond any initially stated period does not in any way imply a change in employment status nor does employment in this category constitute a promise of employment for any particular term nor modify the employee's at-will status. Temporary employees retain that status unless and until notified of a change. While temporary employees receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for any of the Company's other benefit programs.

**Leased.** Leased employees are those who are placed into the Company's work force by a third party agent. Although the duties, hours and term of employment of these employees may be directed by Company management, these employees do not have an employment



relationship with the Company. Any wages, legally mandated benefits or other fringe benefits are paid directly to these employees by the third party agent that placed the employee with the Company. Leased employees are expected to comply with all Company safety and behavior rules while placed with the Company.

## **1-9: SOCIAL SECURITY NUMBER PRIVACY**

It is the policy of the Company to ensure the security of any social security numbers that the Company obtains for business purposes, such as compliance with state and federal tax laws, documenting citizenship or right to work in the United States, and conducting background checks. The Company does not request or otherwise obtain social security number without a legitimate business reason. In order to ensure the confidentiality of social security numbers, the Company does not allow the use of social security numbers, or any portion of such numbers, for any non-mandatory purpose. Non-mandatory purposes include using the number for identification badges, employee key cards, personnel files, and similar uses.

## **1-10: EMPLOYEE PERSONNEL FILES**

The Company maintains personnel files on each employee. Personnel files are the property of the Company and access to the information they contain is restricted. The personnel files include such information as the employee's job application, resume, records of training, documentation of performance appraisals, discipline, and salary increases, employment related medical records and other employment records. The Company believes that nothing should be placed in an employee's personnel file unless there is a clear business reason for doing so. The Company will comply with all applicable federal and state laws regarding employee access to personnel files.

**Only Job Related Information.** Personnel files will include only job-related information pertinent to your employment. The OSC will maintain and keep the primary files that make up the employee's personnel file. Although it is discouraged by the Company, supervisors at the various locations may keep limited records on employee performance and contact information provided such files are maintained in accordance with this policy. When asked to do so by an employee, the Company will explain its need for certain personal information.

**Employee access.** Employees may see information in their personnel files. Employees who wish to review and/or receive copies of their own file should contact their Executive Staff Member or the OSC with their request. With reasonable advance notice, employees may receive copies of all, or a portion of their personnel file and/or review their own personnel files in the Company's offices and in the presence of an individual appointed by the Company. If an employee disagrees with the information contained in her/his personnel file, he or she may submit written comments which will be included with the information.

**Third party access.** Personnel files are open only to Company personnel (other than the employee) on a business-related, need-to-know basis unless the Company is legally required to release them by court order or subpoena. Access to employment medical records is specifically denied to any managers or supervisors within the employee's chain of supervision. Access to employee medical records is restricted only to those persons within the Company, or their agents, who require access to employee medical records for the processing of insurance or workers compensation claims or for the filing of government mandated reporting.

**Employee consent to release information. Exceptions.** Employees must give their written permission, or the Company must receive a signed authorization giving permission, before

there will be external disclosure of information contained in a personnel file, with the exception of the following information which may be released without written permission by the OSC:

- **Employment Verification.** Verification of dates of employment, Company employed with, name, most recent position, original hire date, and last date employed.
- **Court or government agency required.** Personal information which the Company is legally required to reveal by court order or subpoena. In this case, current employees will be provided with a copy of the information released sent to the employee's last known address.

**Privacy and segregation of medical information.** Government regulations define standards to protect the privacy of health information. In the course of the employment relationship, an individual's health information may be used by the Company when necessary for the administration of workers' compensation benefits, or health insurance plan benefits. You may be asked to sign an authorization form to permit a Medical Provider or health plan to disclose health information to the Company. Any such disclosure will only be used for the specific purpose of the disclosure and the Company will take all reasonable precautions to protect the privacy of this information, store it securely and destroy it when appropriate. Any health information retained will be filed in a medical information file which shall be separate from the personnel file and stored in such a manner so that it will only be available to those employees administering workers' compensation benefits, or health insurance plan benefits and not available to anyone in the employees supervisory chain or anyone else in the Company. The employee may review the contents of any medical information file upon request.

## **1-11: PERSONNEL DATA CHANGES**

It is the responsibility of each employee to promptly notify the Company of any changes in personnel data. Personnel data that must be accurate and current includes, but is not limited to: personal mailing addresses; telephone numbers; number and names of dependents; the addition of, or loss of, family members or dependents; individuals to be contacted in the event of an emergency; educational accomplishments; W-4 deductions; changes in immigrant or citizenship status; changes in driver's license classifications and/or validity; and other such status reports. If an employee does not have his/her own telephone number, he/she must provide a number of an individual who can get in contact with the employee. Notification of changes must be made to the employee's supervisor and/or the OSC.

## **1-12: WORKERS' COMPENSATION**

The Company provides a comprehensive workers' compensation program at no cost to employees. This program will pay the cost of medical treatment resulting from injuries or illnesses that can be proven to have occurred during the course of employment. In addition to payment of medical treatment costs, workers' compensation may also pay a portion of wages that may be lost if an employee injured during the course of employment is restricted from returning to work by a health care provider. There may be a waiting period following an injury before these benefits are available and all reporting requirements must be met by the employee in order to be eligible for this benefit.

The Company will not be liable for the payment of workers' compensation benefits for injuries that occur during an employee's non-work related activities and/or voluntary participation in any off-duty recreational, social, or athletic activity even if that activity is sponsored by the Company.

Important responsibilities all employees must comply with include:

- All injuries or illnesses occurring in the course of employment must be immediately reported to a supervisor no matter how minor an injury or illness may appear.
- Employees are free to choose any health care provider that they wish. However, to the extent allowed by state law, the Company will only pay the costs of health care providers that are selected by the Company. The cost of services for health care providers not selected by the Company will be paid by the employee. See an Appendix at the end of this handbook for state specific information regarding an employee's Workers' Compensation rights and responsibilities in selecting medical treatment.
- The Company is concerned about the health and safety of its employees and obtaining a complete recovery and prompt return to work for any employee who has suffered a work related injury or illness. The primary source for information about an employee's condition is from the employee. In order to speed the recovery of an employee who has experienced a work related injury or illness, employees are expected to keep their supervisor, and the OSC promptly advised of all aspects of their work related injury and illness including but not limited to: Diagnosis, treatment requirements, appointment scheduling, work restrictions, referrals, testing proposed or scheduled, etc. Employees are expected to schedule treatments and/or appointments with health care providers outside of normal work hours or at times to minimize the employee's absence from performing work for the Company. In addition, employees are required to keep all scheduled appointments with health care providers.
- In most cases employees who receive treatment are released to return to work. In some cases these releases to return to work may be with restrictions. Employees are to assume that they are to return to work following treatment if treatment occurred during their shift, or at the next shift if treatment occurred after their shift. The Company will provide a limited amount of work, within health care restrictions (light-duty work), for employees who have a work related injury. Light duty work will extend for no more than thirty days without review and authorization by the OSC for any extension beyond thirty days. The determination of the nature and extent of light-duty work that will be made available is within the sole discretion of the Company. If an employee is restricted from all work, the employee must make arrangements to have that information delivered to the employee's supervisor, and/or the OSC before they are next due to return to work.
- Employees are expected to provide timely, truthful and accurate information during the reporting of a work related injury and/or during the course of treatment of any work related injury to any Company employee or representative and/or to any health care provider.

### **1-13: RETURN TO WORK AFTER SERIOUS ILLNESS OR INJURY**

As a joint protection to the employee and the Company, employees who have been absent from work because of a serious illness or injury, not caused by or related to work, may be required to obtain a doctor's release specifically stating that the employee is capable of performing her/his normal duties or assignments and the requirements of the job. A serious injury or illness is defined as one that: results in the employee being absent from work for more than two consecutive work days and/or required in-patient hospital confinement for more than 24 hours; caused a restriction or limitation in the employee's ability to function; caused a limit in the employee's future performance of regular duties or assignments; and/or, the Company, in its sole discretion, has determined that the nature of the injury or condition may be worsened or aggravated in the normal course of the employees regular duties or assignments.

Employees who return to work after a serious injury or illness must demonstrate, to the satisfaction of the Company, that they are physically capable of performing their duties or assignments without risk of re-injury or relapse. In some cases this may require additional information from the employee's medical care provider.

## **1-14: LEAVES OF ABSENCE**

Except as provided elsewhere in this section, leaves of absence not required by law are not favored and generally will not be granted. In some circumstances, in order to meet both the Company's and an employee's scheduling needs, the Company may consider allowing an employee to delay a termination of employment, negotiate a return to work date, or negotiate a start work date and/or to schedule such an event for the first or last day of the month. In such a circumstance the employee must be in good standing with the Company, not have any pending employment termination for cause, or significant record of discipline and the scheduling accommodation cannot exceed 45 days. The Company reserves sole discretion to determine: if such an accommodation shall be granted; the length of such an accommodation; the terms of such accommodation; and, consistent with the terms of the Company benefit programs, which if any benefits would continue during this period of accommodation.

In no event will any absence from work be allowed from all combined sources (including vacation pay, Family Medical Leave, lay off, reduction in force, disability and/or leave of absences) exceed 120 days unless the employee is expected to return to full employment without restrictions within 28 days following the 120 day absence. In the event an employee has been allowed, by mutual agreement between the Company and the employee, to be absent from work duties for 120 days, employment with the Company will automatically terminate at midnight on the 120<sup>th</sup> day without further notice unless the Company has reviewed the situation and provided a written agreement to the employee to allow extension of the absence beyond the 120<sup>th</sup> day for no more than 28 additional days.

## **1-15: FAMILY MEDICAL LEAVE ACT BENEFITS**

In compliance with the Federal Family Medical Leave Act (FMLA) the Company provides FMLA leaves of absence without pay to eligible employees who wish to take time off from work duties to attend to their own serious health condition or to fulfill family obligations relating directly to childbirth, adoption, or placement of a foster child; or to care for a child, spouse, or parent with a serious health condition. A serious health condition is defined by Federal law and generally includes illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential medical care facility; or continuing treatment by a health care provider.

Employees to be eligible for FMLA leave as described in this policy must have worked for the Company for at least 12 months and have worked at least 1,250 hours during the 12 months prior to the start of the FMLA leave.

Eligible employees should make requests for family leave to their Executive Staff Member or to the OSC at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events. Employees requesting family leave related to a serious health condition may be required to submit a health care provider's statement verifying the existence of a serious health condition, the need for FMLA leave to attend to this condition, its beginning and expected ending dates, and the estimated time required. All such requests for FMLA leave, and information supporting the request, will be confidential.

An eligible employee may request, and if in fact eligible must be given up to a total of 12 weeks of unpaid leave during any 12 month period for one or more of the following reasons:

- For the birth and care of a newborn child of the employee;
- For placement with the employee of a son or daughter for adoption or foster care;
- To care for a spouse, son, daughter, or parent with a serious health condition;
- To take medical leave when the employee is unable to work because of a serious health condition; or

- For qualifying exigencies arising out of the fact that the employee's spouse, son, daughter, or parent is on active duty or call to active duty status as a member of the National Guard or Reserves in support of a contingency operation.

An eligible employee who is a spouse, son, daughter, parent, or next of kin of a current member of the Armed Forces, including a member of the National Guard or Reserves, with a serious injury or illness, may request, and if in fact eligible must be given up to a total of 26 weeks of unpaid leave during a single 12 month period to care for the service member.

The applicable 12 month period for calculating FMLA leave will begin with the first day of FMLA leave. Leave taken may be continuous or intermittent depending on the need and the ability of the Company to schedule intermittent leave for the employee and still meet the business needs of the Company. Employees qualifying for FMLA leave will be required to use any accrued vacation and/or any holiday pay and/or any workers compensation benefit concurrent with any unpaid FMLA leave. Married employee couples may be restricted to a combined total of 12 weeks FMLA leave within any 12 month period for childbirth, adoption, or placement of a foster child; or to care for a parent with a serious health condition.

Subject to the terms, conditions, and limitations of the applicable plans, the Company will continue to provide health insurance benefits for the full period of the approved FMLA leave. Benefit accruals, such as Company vacation pay programs, if any, will not continue during the approved FMLA leave period. So that an employee's return to work can be properly scheduled, an employee on family leave is requested to provide the Company with at least two weeks advance notice of the date the employee intends to return to work. When a FMLA leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified unless the employee's position was subject to lay-off or reduction in hours during the period of FMLA leave. In the event of a lay-off or reduction in hours that would affect an employee on FMLA leave, the employee will be notified of the lay-off or reduction in hours and the effect it would have on the employee's return to employment following FMLA leave.

If an employee fails to report to work promptly at the end of the approved leave period, the Company will assume that the employee has resigned and the employee will be considered to have voluntarily terminated the employment relationship.

For additional information regarding FMLA leave including the definition of "serious health condition", certifications that may be required, service member family eligibility, or anything else, contact the OSC and/or see information at the Department of Labor, Wage and Hour Division website which is located at [www.dol.gov](http://www.dol.gov).

## **1-16: MILITARY LEAVE**

**Military leave policy.** It is the policy of the Company to grant leaves of absence to certain eligible employees serving in the uniformed services, including but not limited to the United States Armed Forces or National Guard and Reserves, for periods of active service (including voluntary or involuntary service). It is also Company policy to comply with the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA) and any applicable state laws.

**Notice of leave.** Notice of uniformed service and the need for leave must be given in writing to the OSC at the earliest possible date, but must be given prior to the beginning of the service. This notification requirement also applies to employees who serve in the National Guard and/or Reserves and who will miss work for regular monthly training. National Guard and Reserve employees should provide notification of their monthly training schedule for the year as soon as it is available.

**Health insurance.** Subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible, and if the employee is already enrolled, group health insurance benefits will be provided by the Company for those on military leave of absence. If an employee chooses, health insurance coverage may continue in one of two ways. Coverage can continue under the federal law known as COBRA. Coverage can also continue under the federal law known as USERRA. COBRA generally provides coverage for 18 months, although this period can be extended in certain circumstances. USERRA is available only for individuals who qualify under this military leave policy. USERRA provides for up to 24 months of coverage after the uniformed service leave commences. If both COBRA and USERRA are elected, they run concurrently (i.e., at the same time) and not consecutively (i.e., not back-to-back). For the first 30 days of uniformed service, employees will be required to pay their normal employee share of any premium. For uniformed service of 31 days or more, employees will be required to pay 102% of the total cost of coverage (employer share plus employee share), if the employee elects to continue coverage.

Employees on uniformed service leave of 31 days or more must notify the OSC prior to the commencement of their uniformed service that (1) they will be out on uniformed service; and (2) whether they elect to continue health insurance coverage. If an employee fails to satisfy both requirements because advance notice was not possible, was unreasonable, or was prevented by military necessity, plan coverage will be reinstated retroactively upon the employee's election to continue coverage and payment of all amounts due. In this situation, an employee's election and payment must occur within 30 days after it becomes possible for the employee to make the election. Employees on leave of up to 30 days may have their health insurance coverage continued without the need for notification. If health insurance coverage for an employee is cancelled because of uniformed service leave, such coverage may be reinstated upon the employee's reemployment.

**Reinstatement.** The Company will comply with all federal and state military and/or uniformed service leave laws and reinstate employees who have been on a uniformed service leave of absence, provided:

- Employees provide advance notice of their service;
- Employees return to work or apply for reemployment in a timely manner after conclusion of service;
- Employees have five years or less of cumulative uniformed service while with the Company; and
- Employees have not been separated from service with disqualifying discharge or under other than honorable conditions.

Whenever possible, reinstated employees will return to their former positions. In some circumstances, such as if the positions no longer exist, employees will be given positions comparable in status and pay to their previous positions. Employees will retain seniority rights as if employment had been continuous and had not been interrupted by uniformed service. Employees will be eligible to participate in all benefit programs in which they would have participated had they not been on leave of absence. In certain instances, employees may be required to undergo fitness-for-duty examinations prior to returning to work. Time limits for returning to work depend, with the exception of fitness-for-duty examinations, on the duration of the employee's uniformed service.

- Service of 1 to 30 days - Employees must report to work by the beginning of the first regularly scheduled work day that would fall eight hours after the end of the calendar day on which service ended.
- Service of 31 to 180 days - Employees must submit an application for reemployment no later than 14 days after completion of uniformed service.
- Service of 181 or more days - Employees must submit an application for reemployment no later than 90 days after completion of uniformed service.

**Additional Information.** The Regulations under the Uniformed Services Employment and Reemployment Rights Act of 1994 address the issue of time that an employee might require prior to beginning service. The applicable rule is provided below.

§1002.74 *Must the employee begin service in the uniformed services immediately after leaving his or her employment position in order to have USERRA reemployment rights?*

*No. At a minimum, an employee must have enough time after leaving the employment position to travel safely to the uniformed service site and arrive fit to perform the service. Depending on the specific circumstances, including the duration of service, the amount of notice received, and the location of the service, additional time to rest, or to arrange affairs and report to duty, may be necessitated by reason of service in the uniformed services. The following examples help to explain the issue of the period of time between leaving civilian employment and beginning of service in the uniformed services:*

- (a) If the employee performs a full overnight shift for the civilian employer and travels directly from the work site to perform a full day of uniformed service, the employee would not be considered fit to perform the uniformed service. An absence from that work shift is necessitated so that the employee can report for uniformed service fit for duty.*
- (b) If the employee is ordered to perform an extended period of service in the uniformed services, he or she may require a reasonable period of time off from the civilian job to put his or her personal affairs in order, before beginning the service. Taking such time off is also necessitated by the uniformed service.*
- (c) If the employee leaves a position of employment in order to enlist or otherwise perform service in the uniformed services and, through no fault of his or her own, the beginning date of the service is delayed, this delay does not terminate any reemployment rights.*

## **1-17: PERFORMANCE EVALUATIONS**

Executive Staff Members are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis with their Staff Members. The Company encourages Executive Staff Members to conduct formal performance evaluations at regular intervals, not less than annually. The date of the performance evaluation may be based on the employee's anniversary date or upon another date selected by the supervisor. Performance appraisals may, or may not, be tied to compensation. Whether or not performance evaluations are tied to compensation, evaluations may be conducted to provide both Executive Staff Members and employees the opportunity to discuss job tasks, identify and correct weakness, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals. Executive Staff Members interested in conducting performance evaluations should contact the OSC for assistance in preparing a performance evaluation system that is effective, motivating and compliant with law and Company policies.

## **1-18: EMPLOYMENT SEPARATION**

Separation from employment is an inevitable part of employment within any Company, and many of the reasons for separation are routine. Below are examples of some of the most common separating events under which employment is terminated:

**RESIGNATION:** Voluntary employment termination initiated by an employee.

**DISCHARGE:** Involuntary employment termination initiated by the Company.

**LAYOFF:** Involuntary employment termination initiated by the Company for non-disciplinary reasons. Lay-off may be permanent, in which case there is no intention by the Company to recall the employee to work within 90 days following the lay-off. Lay-offs may also be with an anticipated call-back date within 90 days of separation. If known, the employee would be advised of the approximate date when the Company may call him/her back to work.

**Notice of Resignation:** Resignation is a voluntary act initiated by the employee to terminate employment with the Company. Although advance notice is not required, the Company requests at least two weeks resignation notice to a supervisor or the OSC from all employees. If the Company determines that an employee did not provide adequate advance notice of a resignation, the failure to provide adequate advance notice will be considered adversely in any application for employment with any Company in the Heart of America Group® Family of Companies.

**Exit Interview:** Either the Company, or an employee, may request an exit interview in person or by questionnaire at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to the Company, or return of Company-owned property. Suggestions, complaints, and questions can also be voiced.

**Benefits/Return of Company Property:** Employment with the Company is based on mutual consent also known as employment at-will. Either the employee or the Company has the right to terminate employment, with or without cause, at any time. Employee benefits will be affected by employment termination in the following manner:

**Vacation time:** Any vacation time that is accumulated and accrued to the employee's benefit at the time of termination of employment will be paid to the employee at its full value.

**Group Insurance:** Group medical/health insurance and/or group dental insurance will terminate per group contract and the Company reserves the right to withhold such amounts from the employee's compensation (whether wages, vacation time, or other amounts owed by the Company to the employee) that will pay the employee's share of the premium costs for such benefits until the end of the month in which the separating event occurred. Employee, by signing the acknowledgment of having received this handbook, acknowledges that acceptance of employment by the employee and the employee's signature on the acknowledgment regarding this handbook is an irrevocable consent on the part of the employee to this premium cost withholding. Following the termination of group medical/health insurance, the employee (if eligible) will receive a COBRA notice explaining other rights the employee, and/or the employee's dependents, may have to continue group medical/health insurance.

**Return of Company Property:** Upon either the Company, or the employee, becoming aware of an impending or transpired separating event any and all property belonging to the Company, in the possession of the employee, including but not limited to uniforms, motor vehicles, keys, tools, phones, credit cards, documents, customer lists, and product information, must be immediately returned to the Company unless the Company, in writing, allows the employee permission to possess any property for a longer period of time.

**Final Pay Check:** Unless state law provides otherwise, upon termination of employment, a Staff Member's final pay will be processed at the next regularly scheduled pay period and will be mailed to the Staff Member's last home address on file with the Company. Therefore, it is important for separating employees to provide the Heart of America Group® with their current mailing address.

**Failure to Report for Work:** Employees who fail to report to work for three scheduled work days in a row or, who are unavailable by telephone for a call-in to work for three work days in a row, without calling in to report their absence or without prior arrangements for approved leave, will be considered, by the close of business on the third day, to have voluntarily resigned through no fault of the Company. The Company shall have no obligation to contact, or attempt to contact, an employee who fails to report for work.

## **1-19: DISABILITY ACCOMODATION**

In accordance with Title I of the Americans with Disabilities Act and any subsequent amendments (ADA), the Company will provide employees with a means for requesting reasonable accommodations to overcome barriers to employment or job performance. The Company prohibits discrimination based on a person's disability in all employment practices, including job application procedures, hiring, firing, advancement, compensation, training and other terms, conditions and privileges of employment.



**Definition of a disabled person.** An individual is considered to have a disability if they have a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such impairment. Persons who may be subject to discrimination because they have a known association or relationship with an individual with a disability are also protected.

**Interactive process.** When a person believes that they have a disability that affects their ability to perform the essential functions of their job, that person shall contact the supervisor or the OSC to identify the nature of their disability, the affect it has on their ability to perform the essential functions of their job, and the reasonable accommodation that the person is requesting to allow them to perform the essential functions of their job.

If a supervisor is contacted by an employee regarding an accommodation of a disability, or if a supervisor observes, or has information that would suggest, that an employee may have a disability that affects the person's ability to perform the essential functions of their job, the supervisor shall immediately contact, and refer the matter to, the OSC.

Once notification of a possible need for disability accommodation has been received, the OSC will obtain additional information that may include discussions with the possibly disabled employee, discussions with the supervisor regarding the nature of the work and the essential functions of the job, information from the possibly disabled person's health care provider, and/or assessment of accommodation options offered by the possibly disabled employee or the supervisor, if any.

The OSC will then discuss with the possibly disabled employee the following matters:

- Whether the employee is disabled under the provisions of the ADA and any subsequent amendments;
- What the essential functions of the job include and whether the employee's disability is preventing performance of the essential functions;
- What accommodation(s), if any employee is requesting;
- Whether the requested accommodation(s), if any, is/are reasonable, impose an undue hardship on the Company, and/or will allow the employee to perform the essential functions of the job; and
- Whether there are alternate reasonable accommodations that the Company can offer to allow the employee to perform essential functions of the job.

At the close of this discussion the OSC will propose the reasonable accommodation that the Company is offering, if any, to allow the employee to perform the essential functions of his/her job. Some examples of reasonable accommodations include, but are not limited to: Restructuring a job; Modifying work schedules; Acquiring or modifying equipment; Providing qualified readers, interpreters, or assistive devices; Appropriately modifying the work space; and/or, Training or other programs.

## **1-20: LACTATION ACCOMODATION**

It is the policy of the Company to support breast feeding mothers by accommodating their desire or need to express milk during the workday. The Fair Labor Standards Act (FLSA) provides that employees who are not exempt from overtime must be provided with reasonable break time to express breast milk for a nursing child for one year after the child's birth each time such employee has need to express the milk. Employees who are exempt from overtime may be provided with such breaks as required by state law (if applicable) or at the direction of the Company.

**The Company's obligation.** The Company must provide a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by an employee to

express breast milk. The Company is required to provide a reasonable amount of break time and a space to express milk as frequently as needed by the nursing mother.

**Scheduling of breaks.** Because the length of time necessary to express milk varies from woman to woman, the frequency of breaks as well as the duration of each break will likely vary. The Department of Labor (DOL) expects that nursing mothers typically will need breaks to express milk two or three times during an eight-hour shift. The amount of time provided and the number of breaks needed will be determined on an individual basis.

**Compensation during breaks.** The FLSA does not require nursing mothers to be paid during lactation accommodation breaks. However, where employees already have paid break periods, an employee who uses that break time to express milk must be compensated in the same way that other employees are compensated for break time. The employee may agree (or the Company may request) that the employee make up for lost working time due to lactation breaks.

**Location and use of break areas.** The area provided will contain a place for the nursing mother to sit and a flat surface, other than the floor, on which to place the pump. Ideally, the space will have access to electricity to plug in an electric pump.

**Visits to customer facilities.** If the employee is off-site, the Company will make arrangements with the client or other location to allow the employee to use a space at the client's site.

**State specific requirements.** In addition to the requirements of the FLSA, many states have state specific requirements. The Company operates in many states and will review state specific requirements, and comply with those requirements, based on the location of the lactation accommodation request.

## **SECTION 2: EMPLOYEE BENEFITS**

### **2-1: EMPLOYEE BENEFITS**

Eligible employees at the Company are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors including work location, your department, employee classification, the provisions of the summary plan descriptions and other documents relating to benefit offerings, and the compensation package negotiated with an employee. Details of many of these programs can be found in the following sections and more detailed information can be found elsewhere in the employee handbook or in plan documents such as specific Summary Plan Descriptions. Your Executive Staff Member or the OSC can identify the programs for which you are eligible and assist you in obtaining additional information. This section is intended to provide a complete menu of possible benefits offered to the Staff Members at the Heart of America Group®.

### **2-2: VACATION**

The Heart of America Group® strongly believes that all Staff Members need time away from work for purposes of rest and relaxation, and/or to tend to personal needs that may arise from time to time. We therefore provide all full-time Staff Members with vacation time after the completion of one full year of service. Vacation pay is pay while away from work and encompasses all forms of pay for times when the

employee is not at work for reasons other than a work related injury. There will be no policies allowed for paid personal time, sick time, bereavement time or any other form of Company funded pay when the employee is not at work with the exception of any specifically authorized employee benefits found elsewhere in this handbook.

**Staff Member Vacation Pay.** Our Staff Member Vacation policy works as follows: Full-time Staff Members become eligible for vacation pay after the completion of one year of service. The amount of vacation pay awarded on the Staff Member's anniversary date is as follows:

- After one (1) year of service, 40 hours or one average calendar week of hours worked, whichever is less;
- After the second (2<sup>nd</sup>) year of service, 40 hours or two average calendar week of hours worked, whichever is less;
- After the third (3<sup>rd</sup>) year of service, 80 hours or two average calendar week of hours worked, whichever is less;
- After the fourth (4<sup>th</sup>) year of service, 80 hours or two average calendar week of hours worked, whichever is less;
- After the fifth (5<sup>th</sup>) year of service, 80 hours or two average calendar week of hours worked, whichever is less;
- After the sixth (6<sup>th</sup>) year of service, 120 hours or three average calendar week of hours worked, whichever is less;
- After the seventh (7<sup>th</sup>) year through the fourteenth (14<sup>th</sup>) year of service, 120 hours or three average calendar week of hours worked, whichever is less on each anniversary date;
- After the fifteenth (15<sup>th</sup>) year of service, and each year thereafter, 160 hours or four average calendar week of hours worked, whichever is less on each anniversary date.

In determining the "average calendar week of hours" the Company accounting/payroll department will determine a calculation in their sole discretion, to be applied uniformly to all employees, to create a meaningful average of regular hours worked based on regular hours actually worked by the individual Staff Member. Overtime pay, holiday pay, and other forms of payment while not at work will not be included in calculating an average number of regular hours worked.

All Vacation pay is paid at the Staff Member's regular rate of pay. In determining the "regular rate of pay" for employees whose compensation includes tips or gratuities, the Company accounting/payroll department will determine a calculation in their sole discretion, to be applied uniformly to all such employees in a particular class of employees defined by work duties and location. This calculation will create a meaningful regular hourly rate at the time vacation pay is used, based on all issues required to be considered by the Department of Labor and the Fair Labor Standards Act in setting an average hourly rate. Vacation pay is a benefit that pays compensation when the employee is not at work or contributing services to the Company. As such, use of vacation, by itself, shall not result in an overtime calculation during the pay period in which vacation is used.

Vacation pay is awarded on the anniversary date and is not accrued (unless required to be accrued by state or local law). It must be used in the subsequent 12 month period after it is awarded, and cannot be carried over into the following time period. (I.e., It is "use or lose" in the 12 months after it is awarded.) In the unlikely event that a request for vacation toward the end of a service year must be denied due to business needs, the Company, in its sole discretion may allow limited carry over of the denied vacation request into the next service year provided the amount carried over is used within the 1<sup>st</sup> three months of the next service year. Any such request must be made by a Staff Member's Executive Staff Member and approved by the President of the Company.

Requests to use vacation pay should be made in writing to your Executive Staff Member and submitted at least two (2) weeks in advance. Requests less than two weeks will be considered in the event of a request related to illness, injury, family emergency, FMLA usage, etc. However, if two (2) weeks' advance notice cannot be given, the Company may be unable to grant your request. In any event, regardless of advance notice, the Company reserves the right to grant or deny any request for vacation based upon the needs of the business. Where requests for vacation between two Staff Members conflict, consideration may be given to the employee with the greater length of service.

Any awarded, unused vacation pay will be paid out when a Staff Member separates from employment, regardless of the reason for the separation.

**Salaried Executive Vacation Pay.** Vacation pay for the salaried executive is based on a calendar year, with an accrual beginning on the first day of the first full calendar month following the hire date, through the end of the year of hire. After that, vacation pay will be prospectively available for use, prior to actual accrual, on January 1<sup>st</sup> of each year based on a full calendar year at the applicable accrual rate. Vacation pay for the salaried executive is accrued according to the following schedule:

- Vacation pay will accrue at the rate of .833 days per full calendar month for a maximum vacation pay accrual of 10 days per calendar year.
- Beginning on January 1<sup>st</sup> following 5 continuous, full calendar years of service, vacation pay will accrue at the rate of 1.25 days per full calendar month for a maximum vacation pay accrual of 15 days per calendar year.
- Beginning on January 1<sup>st</sup> following 15 continuous, full calendar years of service, vacation pay will accrue at the rate of 1.66 days per full calendar month for a maximum vacation pay accrual of 20 days per calendar year.

Vacation pay is available for use on January 1<sup>st</sup> of each year based on a prospective accrual for the calendar year, even though it has not accrued. It must be used in the current calendar year and cannot be carried over into the following calendar year. (I.e., It is "use or lose" in the calendar year in which it is made available and accrues.) In the unlikely event that a request for vacation pay toward the end of a service year must be denied due to business needs, the Company, in its sole discretion may allow limited carry over of the denied vacation pay into the next calendar year provided the amount carried over is used within the 1<sup>st</sup> three months of the next calendar year. Any such request must be made by a salaried executive's Executive Staff Member and approved by the President of the Company.

Executive Staff Members are responsible for preparing vacation schedules for salaried executives that will ensure meeting all business requirements, while giving consideration to the salaried executive's vacation preferences. Vacation Request Forms, or written requests, should be filled out as far in advance as possible, approved by the Property Chief Operating Executive, and forwarded to the OSC. In granting vacation pay Executive Staff Members should avoid advancing excessive, unearned vacation to a Staff Member.

## **2-3: HOLIDAY PAY**

Due to the nature of the restaurant, hotel, and service industry in general, holidays are busy times for the Company and the recognition of holidays as paid days off from work varies throughout the Heart of America® Group of companies based on the industry and needs and culture of the various locations. Employees should consult their Executive Staff Member for information regarding what, if any, holidays are recognized and what compensation if any would be paid for the holiday.

## **2-4: GROUP MEDICAL/HEALTH INSURANCE COVERAGE**

The Company provides group medical/health insurance to eligible employees. A separate document called a Summary Plan Description as well as various policies of insurance; all provided to eligible employees provide advice to employees about the benefits available under the group medical/health insurance plan. All categories of eligible employees become eligible for this benefit on the first day of the month after a 60 day waiting period following entry into an eligible employee classification. A portion of the premium cost for the Group Medical/Health Insurance benefit is paid by the Company. The eligible employee must pay a portion of the cost of the premium in order to have this benefit. The employee contribution rates per month for this insurance coverage are listed in the application forms for these benefits.

Employees who choose not to apply for this benefit or who elect to discontinue this benefit are required to complete and sign a document acknowledging this decision. No compensation will be paid to employees who decline this benefit. Please note that if an employee chooses not to apply for this benefit for the employee or any dependent at the initial eligibility period, a later enrollment will be considered a late enrollment and may be subject to a waiting or disqualification period before benefits will begin. Additional restrictions may also apply. A change in family composition due to death, marriage, birth or adoption or a loss in coverage through another insurer may allow enrollment without a waiting period and with fewer restrictions. If any of these events occur, **the employee must submit a written application to the OSC within 30 calendar days following the event** in order to avoid a waiting or disqualification period, late enrollment limitations or other restrictions. In most cases, a timely enrollment within 30 days following the event will allow coverage retroactively to the date of the event. Questions about the Company group insurance plan should be directed to the OSC.

## **2-5: BENEFITS CONTINUATION (COBRA)**

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health and/or dental insurance coverage under the Company's group health and/or dental plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, lay-off, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at the Company's group rates plus an administration fee. The Company provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under the Company's health and/or dental insurance plan and when a qualifying event occurs. The notice contains important information about the employee's rights and obligations.

## **2-6: HIPAA PRIVACY**

The Company, which sponsors a health care plan, is committed to protecting the medical information of its plan participants. The Company is required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) to maintain the privacy of this medical information, and abide by the terms of that notice. To that end, all members of the Company's workforce who have access to protected health information (PHI) must comply with this Privacy Policy. For purposes of this Policy, the Company's workforce includes individuals who would be considered part of the workforce under HIPAA such as employees, volunteers, trainees, and other persons whose work performance is under the direct control of the Company, whether or not they are paid by the Company.

Additional information regarding HIPAA Privacy can be consulted in the Summary Plan Description for the employee benefit programs.

## **2-7: OTHER GROUP COVERAGE**

The Company may, in its sole discretion, provide other group coverage options under its cafeteria plan including but not limited to Life Insurance, Accidental Death and Dismemberment, Disability Insurance and various form of Supplemental Insurance. In this event, employees would be notified and given opportunities to attend informational meetings about additional benefit offerings. More information about these plans, if any, is included in the Summary Plan Description or by contacting the OSC.

## **2-8: 401(K) RETIREMENT PLAN**

The Company has established a 401(k) plan for all eligible employees of the Company if you are at least 21 years of age. A 401(k) plan allows employees to prepare for their retirement by putting their own money into a range of investment options that are tax deferred. Money that employees voluntarily put into a 401(k) is deducted from wages pre-tax providing additional tax savings.

In order to encourage employees to plan for their retirement, upon enrollment in the plan, the Company will match a portion of the employee's contributions to the plan. Money contributed by employees, and the earnings on that money, are 100% vested with the employee from the beginning. Money contributed by the Company and the earnings on that money, vest by percentage each year based a schedule stated in the summary plan description.

Employees are eligible to enter the 401(k) plan after one year of service and at least 1,000 hours of work following entry into an eligible employee classification in either January or July. Once enrolled, employee wage allocations can be changed and be effective on the beginning of the next calendar quarter after submitting a change form to the OSC.

A summary plan description describing the 401(k) plan is available and distributed to all eligible employees. This plan can be modified at any time in the Company's sole discretion. If there are any changes in the plan all employees would be notified. If you have questions regarding this plan, contact the OSC.

## **SECTION 3: TIMEKEEPING, PAYROLL & RECORD KEEPING**

### **3-1: TIMEKEEPING**

Accurately recording time worked is the responsibility of every hourly employee and nonexempt salaried employee. Federal and state laws require the Company to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Time keeping records are an important part of the employment relationship between the individual employee and the Company. As such, unauthorized individuals will not be allowed to access, handle, or examine time keeping records of another individual without specific permission to do so.

Hourly employees should affirm that time worked is accurately recorded including the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also affirm accurate recording of the beginning and ending time of any split shift or departure from work for any reason. Overtime work must always be approved before it is performed. Employees shall not record a starting time more than six (6) minutes prior to their assigned start time each day.

Altering, falsifying, tampering with time records, unauthorized handling or reviewing of time records or unauthorized recording of time on another employee's time record is prohibited.

It is the Executive Staff Member's responsibility to review and approve the time records of the employees they supervise or, if not possible, to delegate this responsibility to the highest level of supervision available, or to acknowledge in some other appropriate manner the entries on the time records to certify the accuracy of all time recorded. In addition, if corrections or modifications are made to the time record, both the employee and the Executive Staff Member must verify the accuracy of the changes.

Failure to comply with any of the requirements in this section may result in disciplinary action, up to and including termination of employment, being taken against the person recording the time, the employee on whose behalf the time was recorded and/or the supervisor.

### **3-2: TIP REPORTING REQUIREMENTS**

All cash and non-cash tips an employee receives are income and are subject to Federal income taxes. All cash tips received by an employee in any calendar month are subject to social security and Medicare taxes and must be reported to the employer, unless the tips received by the employee during a single calendar month while working for the employer total less than \$20. Cash tips include tips received from customers, charged tips (e.g., credit and debit card charges) distributed to the employee by his or her employer, and tips received from other employees under any tip-sharing arrangement.

#### Employee Responsibilities

- As an employee who receives tips, you must do three things:
- Keep a daily tip record.
- Report tips to the employer, unless less than \$20.
- Report all tips on an individual income tax return.

As a general rule, employee responsibilities listed here are fulfilled by the Company's point of service operations and accounting department. Employees are of course responsible for the filing of their own tax returns and compliance with state and federal individual tax laws.

### **3-3: TIPPED EMPLOYEES AND RESTRICTIONS ON WAITSTAFF DUTIES**

Tipped employees are those who customarily and regularly receive more than \$30 per month in tips. Tips are the property of the employee. The employer is prohibited from using an employee's tips for any reason other than as a credit against its minimum wage obligation to the employee ("tip credit") or in furtherance of a valid tip pool. Only tips actually received by the employee may be counted in determining whether the employee is a tipped employee and in applying the tip credit.

**Tip Credit:** Section 3(m) of the FLSA permits an employer to take a tip credit toward its minimum wage obligation for tipped employees equal to the difference between the required cash wage (which must be at least \$2.13) and the federal minimum wage. Thus, the maximum tip credit that an employer can currently claim under the FLSA is \$5.12 per hour (the minimum wage of \$7.25 minus the minimum required cash wage of \$2.13). NOTE: Some state's laws eliminate the need for tip credit. If you have questions about your state of employment, talk to your Executive Staff Member or contact the OSC.

**Tip Pool Requirements:** The requirement that an employee must retain all tips does not preclude a valid tip pooling or sharing arrangement among employees who customarily and regularly receive tips, such as waiters, waitresses, bellhops, counter personnel (who serve customers), bussers, and service bartenders.

A valid tip pool may not include employees who do not customarily and regularly received tips, such as dishwashers, cooks, chefs, and janitors.

**Required Notification to Employees:** The employer must provide the following information to a tipped employee before the employer may use the tip credit:

1. The amount of cash wage the employer is paying a tipped employee, which must be at least \$2.13 per hour.
2. The additional amount claimed by the employer as a tip credit, which cannot exceed \$5.12 (the difference between the minimum required cash wage of \$2.13 and the current minimum wage of \$7.25).
3. That the tip credit claimed by the employer cannot exceed the amount of tips actually received by the tipped employee.
4. That all tips received by the tipped employee are to be retained by the employee except for a valid tip pooling arrangement limited to employees who customarily and regularly receive tips.
5. That the tip credit will not apply to any tipped employee unless the employee has been informed of these tip credit provisions.

**Dual Jobs:** When an employee is employed by one employer in both a tipped and a non-tipped occupation, such as an employee employed both as a maintenance person and a waitperson, the tip credit is available only for the hours spent by the employee in the tipped occupation. The FLSA permits an employer to take the tip credit for some time that the tipped employee spends in duties related to the tipped occupation, even though such duties are not by themselves directed toward producing tips. For example, a waitperson who spends some time cleaning and setting tables, making coffee, and occasionally washing dishes or glasses is considered to be engaged in a tipped occupation even though these duties are not tip producing.

### **3-4: DELIVERY OF WAGES TO EMPLOYEES**

**Work Weeks and Pay Periods.** All Employees are paid wages twice each month on a regular schedule. Employees should ask their Executive Staff Member, or the OSC to determine when their pay period begins and/or ends if they do not know.

**Delivery of wages to employees.** The Company makes every effort to comply with all federal and state laws regarding the delivery of wages to employees. Following is the general company practice for delivery of wages. This practice may be modified to comply with local or state laws. For all employees, routine paychecks will be delivered in only one of following methods ranked in order of preference:

- **Direct Deposit.** For those employees who voluntarily elect in writing to have their wages deposited each pay period directly into a bank or credit union account, said deposit will be made as quickly as practical following the close of the pay period. Be advised that holidays may delay the recording of the direct deposit.
- **Delivery by hand delivery.** For employees who do not voluntarily elect in writing to have their wages delivered by direct deposit, checks for wages will be sent to the employee at their worksite address where the payroll check must be hand delivered personally to the employee. Hand delivery of paychecks is not available until after 2:00 PM on the day of delivery. Checks may not be given to anyone other than the employee.
- **Delivery by regular mail.** Checks will be mailed to an address provided by the employee at either the employee's residence or post office box. Designation of mailing address must be in writing and may only be changed in writing. It is presumed that checks mailed to employees will be received within five business days following the date of mailing. In the event an employee reports that a mailed check was not received, the Company will take no action to stop payment and/or reissue the check until the 6<sup>th</sup> business day following the date of mailing. The Company will pay the cost to stop payment and reissue a check once each year per employee. Subsequent charges in the



same calendar year to stop payment and/or reissue a check shall be paid by the employee and the employee's acknowledgement of receiving this handbook shall serve as the employee's irrevocable authorization to deduct \$35.00 or the actual cost of the stop payment order and check reissuance, whichever is less, from the employee's wages.

**Pay Deductions and Setoffs.** The law requires that the Company make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. The Company also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." The Company contributes an additional amount of Social Security taxes on behalf of each employee. The Company offers programs and benefits beyond those required by law. If part of a Company offered program or benefit requires a contribution from the employee, an eligible employee may voluntarily authorize deductions from their pay checks to cover the costs of participation in these programs or benefits. Certain federal laws allow employee payments for group benefit programs and/or pension participation to be deducted from employee wages pre-tax. This means that these deductions are made from the employee's pay before state and federal income tax withholding calculations. The result of this is that the amounts deducted are not reported as income on the employees W-4 and there is no withholding for income tax payment done on these deductions. This is a benefit to the employee that provides the group insurance coverage and/or a pension and reduces an employee's tax liability. These deductions can only be done pre-tax if the Company strictly follows the rules and guidelines in the plan descriptions for both the group insurance programs and the pension program.

**Garnishments/Child Support/Etc.** From time to time an employee may be subject to a wage deduction or garnishment as a result of a court judgment, court order, or demand by a governmental unit to withhold a portion of an employee's wages. These orders may be for child support or an employee's failure to timely pay a debt owed. The Company will honor all court ordered wage deductions or garnishments as required by law. Employees cannot be disciplined, or have their employment terminated, because the Company received a court ordered wage deductions or garnishment. The Company will not honor requests by employees, or creditors of employees, for voluntary wage deductions in the absence of a court order. If you have questions concerning why deductions were made from your pay check or how they were calculated, the payroll administrator can answer your questions.

### **3-5: OVERTIME**

When operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime hours. Employees must perform this work when requested. In cases of conflict with any outside activity, the employee's obligations to the Company must be given priority. All overtime work must receive the supervisor's prior authorization.

Overtime compensation is paid to all hourly employees and non-exempt salaried employees in accordance with federal and state wage and hour laws. Overtime pay is based on actual hours worked. Paid or unpaid time while not at work performing duties, holiday pay, jury duty pay, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations. Overtime hours are defined as hours worked in excess of 40 hours per pay period week only and not hours worked in excess of an eight hour day.

## **SECTION 4: WORK CONDITIONS**

### **4-1: SAFETY**

To assist in providing a safe and healthful work environment for employees, customers, and visitors, the Company has established a workplace safety expectations. The success of any safety program depends on the alertness and personal commitment of all.

The Company's responsibilities:

- Provide and maintain a safe workplace and appropriate safety equipment for performing the work.
- Train all employees at hire, upon assignment to new or different job duties, and throughout their employment regarding safe work techniques and practices and compliance with all rules and regulations regarding safe work.
- Manage employees in a manner to ensure that expectations regarding safe work techniques and behaviors are clearly communicated and enforced.
- Provide instruction or training in safe work practices whenever an employee is assigned to do unfamiliar job duties.
- Continuously look for ways to improve the work environment to enhance safety and encourage employee suggestions to improve the work environment and enhance safety.
- Provide or arrange for quality medical care for any work related injuries.

The employee's responsibilities:

- Maintain the workplace in a safe manner and select appropriate equipment and use the equipment appropriately to safely perform job duties.
- Attend all training on safety issues; comply with all rules and regulations regarding safe work.
- Promptly correct any unsafe conditions or report any unsafe conditions to a supervisor.
- Instruct co-workers in safe work techniques whenever unsafe acts are seen and report any unsafe acts or violations of safety rules to a supervisor.
- Ask for assistance and/or training in safe practices whenever doing unfamiliar job duties.
- Continuously look for ways to improve the work environment to enhance safety.
- Report all injuries, suspected injuries or near misses promptly to supervisor(s).

Any employee who is concerned that the Company, or any supervisor, is not complying with the Company's responsibilities should raise those concerns with the supervisor, someone within the employee's supervisory chain, or the OSC who can provide access to a number of OSC key staff members for assistance. Such concerns will be taken seriously and remedial action will be taken if appropriate. Employees will not be disciplined for raising any legitimate concern regarding the Company's responsibilities listed above. Any employee who is not complying with the employee's responsibilities listed above may be subject to discipline up to and including termination of employment.

## **4-2: WORKPLACE VIOLENCE**

**No workplace violence policy.** The Company prohibits violence in the workplace, and makes every attempt to maintain a safe workplace. The workplace is not limited to Company premises, but includes all environments where work-related activities are performed, such as off-site meeting locations and business travel. For purposes of this policy, "violence" includes physically harming another, shoving, pushing, harassing, intimidating, coercing, brandishing weapons, and threatening or talking of engaging in those activities. Violence will not be tolerated. This policy applies to all employees, all non-employees including customers/clients, visitors, suppliers, vendors, contractors, temporary workers, and other individuals with whom Company employees come into contact with during work duties. Any of these individuals may be a victim or a violator under Company policy.

If any such situations occur, employees are expected to promptly and accurately report the incident, whether or not physical injuries have resulted. The Company will not tolerate any form of retaliation toward

an employee who reports workplace violence incidents. Any retaliatory incident must be reported to the OSC. Retaliatory incidents will result in disciplinary action, up to and including termination.

**Reporting procedure.** It is everyone's responsibility to help prevent workplace violence. Employees are encouraged to immediately report all violations of the Company's policies, incidents of verbal threats, harassment, or physical violence to their supervisor or the OSC. All reports will be investigated by the OSC or at the direction of the OSC and the information will be kept confidential. The OSC may involve, or may authorize involvement of, local law enforcement authorities as necessary.

#### **4-3: RESERVED**

#### **4-4: WORK SCHEDULES**

It is the Staff Member's responsibility to check with your supervisor or your trainer for when and where schedules are posted. From time to time mandatory meetings will be scheduled and it is your responsibility to attend these meetings. Failure to attend mandatory meetings may result in discipline up to and including termination of employment.

**Qualified Replacement:** In the event you are unable to report to work, or in the event you wish to trade hours with another person, it is your responsibility to find a **qualified replacement**. A qualified replacement is another Staff Member who is adequately skilled and qualified to function as your replacement for a particular shift. In other words, if you are an experienced person, do not trade with an inexperienced person who cannot perform your level of service. Also, be aware that such trades are unlikely to be approved/allowed if it will result in a Staff Member working overtime hours. Any such changes in the schedule must be approved and initialed by an authorized supervisor as far in advance as possible.

#### **4-5: COMPANY EQUIPMENT**

Staff Members are responsible for the proper use, protection and maintenance of all equipment and property furnished or made available to them by the Company. Unauthorized or abusive use of such property is prohibited.

Certain Staff Members will be issued keys, uniforms, name tags, and other equipment during their employment to enable them to carry out their job duties. This equipment remains the property of the Company and keys/fobs/entry cards may not be duplicated. All equipment and any other Company property must be returned on the last day of employment, or sooner, if requested. Violation of this provision may result in disciplinary action, up to and including discharge.

#### **4-6: MOBILE TELEPHONES AND RELATED DEVICES POLICY**

**Compliance with all laws.** Some employees may own a mobile phone. Employees are required to familiarize themselves, and comply at all times, with the laws of the state/locality in which they work regarding the use of mobile phones. For example, where a local law prohibits the use of a mobile phone by anyone operating a moving vehicle, employees are also prohibited by this policy from using a mobile phone.

**Use of mobile phones in vehicles and equipment.** With regard to automobiles, or pick-up trucks (while not towing), whether Company owned or personally owned and used in the course of the Company's business, employees are encouraged to utilize hands free devices that allow the driver to keep both hands on the applicable steering device during any conversation. Even with a hands free device, mobile phone use should be kept to a minimum, conversations should be as brief as possible and employees should

refrain from making unnecessary calls. Where possible and even with a hands free device, mobile phone calls should be made when the vehicle an employee is operating is not in motion. Reading, typing or sending any text messages or email while an employee is operating any vehicle or rolling stock is strictly prohibited at any time.

**Personal use of mobile phones during work time.** Personal use of mobile phones should be restricted to break time or such other times so as not to interfere with the operation of the business.

**Use of mobile phone camera.** Some cell phones have the capability to take photographs. Because this capability could allow for theft of trade secrets, exposure of confidential information, or violation of the privacy of individuals, employees are prohibited from taking photographs anywhere on Company property without the express consent of a supervisor and/or the person(s) being photographed.

**Confidential information on mobile phones.** Employees using mobile phones should always remember not to discuss confidential issues with others present who do not have a need to know such information. Mobile phone courtesy should be practiced at all times. For example, do not talk loud or in a manner that would be offensive to others.

#### **4-7: SMOKING**

**Prohibited smoking in buildings and Company owned vehicles.** In keeping with the Company's intent to provide a safe and healthful work environment, smoking in any Company owned, leased or occupied building is prohibited. In addition to office, restaurant and hotel buildings, this includes, but is not limited to: sheds, garages, trailers and warehouse types of structures. Smoking is allowed only in those locations that have been specifically designated as smoking areas by Company supervisors. To maintain a smoke-free environment and as a courtesy to other users/passengers, smoking in Company owned vehicles is prohibited. Smokers must exercise good housekeeping and dispose of trash and remnants of smoking in appropriate receptacles and not on the ground. This policy applies equally to all employees, customers, and visitors.

#### **4-8: PARKING**

If Staff Member parking is provided, it will be in designated areas as instructed by an executive Staff Member. As a general rule, park your car as far away from the entrance as possible, to allow our guests the convenience of parking. Heart of America Group will not, under any circumstances, be responsible for any loss or damage that may occur to a Staff Member's vehicle while parked on the Company's premises

#### **4-9: COMPUTER, INTERNET AND E-MAIL USAGE**

**Computers are Company property and employees have no expectation of privacy.** The computers and computer accounts given to employees are to assist them in performance of their jobs and are Company property intended for business use. Employees should not have any expectation of privacy in anything they create, store, send, or receive on the computer system. Use of the internet via the Company's computer system constitutes consent by the user to all of the terms and conditions of this policy.

**Monitoring computer use and disclaimer of liability for use of Internet:** The Company has the right, but not the duty, to monitor any and all of the aspects of its computer system without notice, including, but not limited to, monitoring sites visited by employees on the internet, monitoring chat groups and news groups, reviewing material downloaded or uploaded by users of the Internet, and reviewing e-mail sent and received by users. Employees acknowledge that the e-mail and internet systems are not considered private and that by using these systems, employees consent to the Company's access to them.

The Company is not responsible for material viewed or downloaded by users from the internet. The internet is a worldwide network of computers that contains millions of pages of information. Users are cautioned that many of these pages include offensive, sexually explicit, and inappropriate material. In general, it is difficult to avoid at least some contact with this material while using the Internet. Even innocuous search requests may lead to sites with highly offensive content. In addition, having an e-mail address on the Internet may lead to receipt of unsolicited e-mail containing offensive content. Users accessing the Internet do so at their own risk.

The Company may use software to identify inappropriate or sexually explicit internet sites. Such sites may be blocked from access by Company networks. In the event you nonetheless encounter inappropriate or sexually explicit material while browsing on the Internet, immediately disconnect from the site, regardless whether the site was subject to Company blocking software.

**Prohibited activities and required responsibilities:** The Company strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, the Company prohibits the use by employees of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale. Material that is fraudulent, embarrassing, sexually explicit, profane, obscene, intimidating, defamatory, or otherwise unlawful, inappropriate, offensive (including offensive material concerning sex, race, color, national origin, religion, age, disability, gender sexual preference, or other characteristic protected by law), attempts by employees to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters or is violative of the Company's equal employment opportunity policy and its policies against sexual or other harassment may not be transmitted, sent, downloaded from the internet, or displayed or stored in Company computers by employees. Employees encountering or receiving this kind of material should immediately report the incident to their supervisors or the OSC. The Company's equal employment opportunity policy and its policies against sexual or other harassment apply fully to the use of the Internet, computers and e-mail systems.

**Prohibited activities include, but are not limited to:**

- Employees shall not use a password, access or copy files, or retrieve any stored communication without authorization. In addition, supervisor's approval is required to take files from the work premises or to access files from a remote location.
- Employees shall not do non-work related data streaming on company equipment and/or over the Company's internet connection. Examples of non-work related data streaming include utilizing applications, software, or websites such as Pandora, Spotify, Youtube, Hulu, etc.
- Employees may not use the Company's Internet connection to download games or other entertainment software, including wallpaper and screen savers, or to play games over the Internet.
- Employees may not update or install any programs, games, applications, plug-ins, wallpaper, or other software from any source on a Company owned computer without the express, prior permission of the IT department.
- The Company takes many steps to ensure the security and confidentiality of electronic data, utilizing firewalls, passwords, and other measures. In order to ensure the security of the network system and electronic data, the use of personal electronic devices and/or storage devices connected to the Company network or any Company computer or peripheral is prohibited. Personal electronic device includes laptop computers, PDAs, net books, tablets, or similar devices. Personal storage device includes disks, USB storage drives, and other devices which could be used to download or store confidential Company information. In the event an employee has a need to connect any device or storage medium to a Company owned computer, either by tether, wireless, or similar technology, in order to perform their job duties, prior permission must be given by the Company IT department.
- Files obtained from sources outside the Company, including drives or other storage devices brought from home; files downloaded from the Internet, newsgroups, bulletin boards, or other online

services; files attached to e-mail; and files provided by customers or vendors may contain dangerous computer viruses that may damage the Company's computer network. Employees should never download files from the Internet, accept e-mail attachments from outsiders, or use storage devices from non-Company sources, without first scanning the material with Company-approved virus checking software. If you suspect that a virus has been introduced into the Company's network, notify your supervisor and the Company IT Department immediately.

- Security and confidentiality of Company information can only be ensured when Company data, documents, information, emails, and other forms of electronic storage and transmissions are maintained within the IT systems operated and maintained by the Company IT Department. All information that passes through or is stored in the IT systems operated and owned by the Company, regardless of its form, is the sole and exclusive property of the Company. Employees are prohibited from emailing or otherwise transmitting in any form this information belonging to the Company to their personal email system or inbox, or to any other location or entity that does not have a legitimate business purpose for receipt of such information sent.
- Email is used for communicating information related to our business. As a result, Staff Members should compose emails as if they were prepared on letterhead, knowing that everything the email contains is a reflection of the company – as well as a documented business record that may be discoverable in litigation.

**Illegal copying.** The Company purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, the Company does not have the right to reproduce such software for use on more than one computer. Employees may only use software on local or wide area networks or multiple machines according to the software license agreement. The Company prohibits the illegal duplication of software and its related documentation.

**Loss of access to Internet.** Certain employees may be provided with access to the internet to assist them in performing their jobs. The internet can be a valuable source of information and research. Use of the internet, however, must be tempered with common sense and good judgment. If you abuse your right to use the internet, it will be taken away from you. If access to the internet is a requirement of your job, loss of the use of the internet may result in your inability to perform your job and therefore require termination of your employment.

**Reporting violations and consequences for violation of this policy.** Employees should notify their immediate supervisor or any member of management upon learning of violations of this policy. Violation of this policy by performing any of the prohibited acts will result in discipline that may include termination of employment.

## **SECTION 5: EMPLOYEE CONDUCT AND DISCIPLINARY ACTION**

### **5-1: OPEN DOOR POLICY**

We believe that communication is a critical aspect of the success of any company, including ours. We therefore encourage you or any other employee of Heart of America Group® to come forward with any questions you may have about the information in this handbook or any other aspect of your employment. We also welcome and encourage any suggestions, feedback or comments you may have about your employment and working conditions.

Where a conflict arises with a specific individual, please attempt to peacefully resolve the conflict with that individual first. However, if this is not fruitful, please speak with your immediate supervisor about the issue. If necessary, your supervisor may ask you to take the issue to another member of the management staff to ensure the resolution of any situation. It is important that any issues be resolved in this manner before they become larger, more difficult problems.

## 5-2: PROGRESSIVE DISCIPLINE

The Company is committed to managing problem employee performance and/or behaviors and/or rule violations through a system of progressive instruction, training and discipline. The methods that will be used by supervisors to deal with problem employee performance and/or behaviors and/or rule violations are listed below. The Company reserves the right to impose the actions listed here in the order listed or to skip any action and impose any of the actions listed depending on: the seriousness of the employee's conduct; the effect of that conduct on the workplace, business or customers; the appropriateness of a consequence based on the nature of the employee's conduct; the effect of the action imposed on the workplace, business or customers; and the likelihood of the success of any action in modifying the employee's conduct.

- **Counseling.** A supervisor may discuss the inappropriate or undesirable performance, behavior or rule violation with the employee. This discussion should include a description of the performance, behavior and/or rule violation; the adverse effect that this has in the workplace, on the employer or on a customer; the expectations that the supervisor has; any rules that are applicable to the situation; and suggestions as to how the employee may improve to meet the supervisor's expectations or the requirements of any applicable rules. Counseling is not to be considered discipline. However, if the employee fails to improve following counseling, the existence of counseling may be used to determine the appropriateness of any level of discipline to be imposed.
- **Verbal warning.** This may include all or part of the information described in counseling and will also include the warning to the employee, "Should you continue with this performance/behavior/rule violation there will be additional discipline up to and including termination of your employment."
- **Written warning.** This will include all elements of a verbal warning but will be reduced to writing in note, memo or letter form with a copy being given to the employee at the time the supervisor discusses the matter with the employee or within a reasonable period of time following the discussion.
- **Suspension and/or loss of privilege.** This will include all elements of a written warning. In addition the supervisor may restrict the employee from reporting to work and/or earning compensation while being restricted from work for up to no more than five days. These days may be continuous or may be scheduled by the supervisor one day, or several days at a time, at the convenience of the Company. The supervisor may in addition, or in the alternative, take away privileges that the employee has enjoyed such as position on any work call or assignment list, work assignment, equipment assigned, or any other aspects of the employee's job. The supervisor may in addition, or in the alternative, impose additional conditions on the employee's continued employment with the Company including, but not limited to, additional notice or reporting requirements or restrictions on use of vacation pay. All adverse action taken by a supervisor against an employee must be designed to be an appropriate consequence for the employee's behavioral choices and give the employee, either through the consequence or upon completion of the consequence, an opportunity to improve behavior and/or performance.
- **Termination of employment.**

## 5-3: WORK RULES

Heart of America Group® expects all Staff Members to conduct themselves in a professional manner, reflecting positively on the Company, our staff and customers. Although it is impossible for us to list all forms of unacceptable behavior and prohibited conduct, the following actions are prohibited and will result in discipline, up to and including discharge:

- Falsification of timekeeping records or knowingly entering or providing inaccurate timekeeping information;
- Knowingly giving false, incomplete or incorrect information to the Company or on a Company document or a document provided to the Company including, but not limited to: employment application; medical information; driving record information; requests for reimbursement; justifications for absence from

work; workers compensation injuries or claims; naturalization/immigration information; social security numbers; etc.

- Failure to report for work when scheduled;
- Failure to report absences prior to the start of shift;
- Absences that adversely affect the ability of the Company to meet customer needs, that adversely affect any customer and/or that cause work or employee scheduling difficulties for the Company;
- Unauthorized absence from work station during the workday;
- Failure to work safely, productively or efficiently, including but not limited to: sleeping while on duty; remaining on the work premises before beginning or after ending duties without recording an accurate work duty beginning or ending time; failing to wear appropriate personal protective equipment during duty time, etc.
- Any violation of any Company Alcohol and Drug Free Workplace policy;
- Working while appearing to be impaired and under the influence of: alcohol; illegal drugs; prescription drugs without a valid prescription in the name of the employee and/or in excess of label directions; look-alike drugs or synthetic drugs, whether legal or illegal; or over the counter drugs in excess of label directions.
- Operating a vehicle or piece of equipment in the course of employment, whether or not the vehicle or piece of equipment is owned or leased by the Company, while under the influence of: alcohol; illegal drugs; prescription drugs without a valid prescription in the name of the employee and/or in excess of label directions; look-alike drugs or synthetic drugs, whether legal or illegal; or over the counter drugs in excess of label directions.
- Smoking in prohibited areas;
- Fighting, threatening any harm or injury to any person, knowingly causing injury or harm to any person, negligently causing harm or injury to any person, or unpermitted touching or contact, in the workplace or on the job;
- The use of obscene, abusive, offensive or derogatory language or gestures.
- Sexual, verbal, physical or other unlawful or unwelcome harassment directed toward any employee, or anyone at the workplace or in any vehicle owned or operated by the Company.
- Boisterous or disruptive activity in the workplace or on the job that adversely effects the interests of the Company, the morale of the workforce, the safety of the workplace or the interests of any person;
- The unauthorized possession of property that belongs to the company, a co-worker, vendor or customer, regardless of its value. (Theft)
- Violation or disregard of safety and security policies, rules, or procedures.
- Insubordination or failure to follow a request, direction or order of a supervisor or any employee with authority to direct work;
- Dishonesty.
- Failure to maintain confidentiality confidential business information.
- Any violation of the company Computer, Internet, and E-mail Usage Policy.
- Engaging in conduct inconsistent with workers compensation related medical restrictions or limitations, whether on or off the job.
- Not meeting job performance expectations.
- Intentionally or negligently destroying, damaging company property/equipment.
- Violation of personnel policies including, but not limited to, failure to attend mandatory Company meetings; failure to sign and return documents within time frames set by the Company; failing to promptly report an accident, personal injury, illness or vehicular accident; violating any of the rules or policies in the employee handbook, posted at the workplace or distributed to employees, etc.
- Unsatisfactory performance or conduct.

The above rules are only examples of the types of conduct that will generally result in discipline. As such, they are not intended to constitute an exclusive list of all forms of prohibited behavior. The Company



reserves the right to issue any discipline it deems necessary or appropriate under the circumstances, up to and including discharge. Discipline may involve written warning, suspension without pay, demotion or discharge. All employment is at will and either party can terminate at any time. Due to the requirements of the Fair Labor Standards Act, exempt (salaried) employees may only be suspended without pay in increments of one full work day.

#### **5-4: DRUG AND ALCOHOL FREE WORKPLACE POLICY**

The Company is committed to providing a safe, healthy, and productive work environment. Therefore, to meet this objective the Company has a drug-free workplace policy and program that provides the Company with reasonable measures to ensure that an employee drug or alcohol problem does not jeopardize the successful operation of our business, or otherwise negatively affect the Company, our employees, or the general public.

While it is not the Company's intention to intrude into the private lives of its employees, the Company does expect employees to report to work in fit condition to perform their duties. We realize that employees with drug and alcohol problems make up only a small percentage of the workforce, and also recognize that having a drug-free workplace policy will benefit all employees.

**Who Is Covered?** The drug-free workplace policy covers all employees, temporary employees, seasonal employees, leased employees, part-time employees, and full-time employees. When used throughout this policy, the term "employee" refers collectively to all of these employee types.

**Prohibited Conduct.** The following lists prohibited employee conduct while an employee is on Company property, on Company business, and/or in Company-supplied vehicles, or vehicles being used for Company business, or during working hours. The following are *only examples* of such prohibited conduct:

- Use, possession, manufacture, distribution, sale, or being "under the influence" of illicit drugs;
- Conviction for any criminal drug or alcohol statute for a violation occurring in the workplace, while conducting Company business or which adversely affects the Company;
- Failing to notify the Company of any conviction for a violation of any criminal drug or alcohol law within 24 hours or by the next working day;
- Taking a prescription drug that is not their own prescription, not taken according to their physician's direction, as well as not following manufacturers' directions when taking over-the-counter drugs.

**Note:** Employees must report to his/her supervisor the use of a prescription drug that may alter the employee's physical or mental ability to perform his/her job function. The Company may request a letter from the prescribing physician authorizing the employee's ability to continue performing his/her job function. The type of drug being taken and the purpose for taking the drug need not be reported. If such a letter is requested the employee must comply with the request within a reasonable time period specified by the Company. The OSC will determine whether the employee's job assignment should be temporarily changed while the prescription is being administered.

- Unauthorized use or possession of alcohol;
- Leaving Company property during work hours to consume alcohol if they will be returning to work (e.g. meals and breaks) with the exception of allowable consumption in the section defining permitted conduct;
- Failure to notify a designated supervisor or manager when the employee is on-call and is contacted to report for duty and the employee believes that he/she may be under the influence of drugs and/or alcohol.

**Inspections.** Should the Company have reason to believe that an employee may be in possession of alcohol, drugs, or drug paraphernalia on Company property, the Company may search Company property, vehicles parked on Company property, or may request that the employee empty the contents of his or her personal effects or personal vehicle on Company property.

## **Intervention and Voluntary Treatment**

**Intervention by a supervisor or manager:** Due to the fact that substance abuse often involves denial of the problem, many abusers do not voluntarily seek treatment. In such cases, the Company reserves the right to intervene. Whenever a supervisor or manager believes an employee's behavior and/or action(s) may be related to the use of drugs or alcohol, the supervisor or manager will take appropriate action, which may include directing the employee to stop work and may require that the employee be transported by the supervisor or another employee at the direction of the supervisor to home or a treatment facility.

**Intervention by an employee:** Whenever an employee has reasonable suspicion that the questionable behavior and/or action(s) of a fellow employee, supervisor, or manager may be related to the use of drugs or alcohol, the employee should contact any member of management or the OSC. The information provided by the employee is confidential. Response to the situation will be based on appropriate procedures.

**Support for Voluntarily Seeking Help.** When treatment is necessary, coverage is based on the parameters set forth in the medical benefits plan. Employees who participate in another provider's plan should refer to that plan to determine what coverage is available. Employees are responsible for all costs of treatment that are not covered by their applicable medical benefits plan.

Employees who undergo voluntary counseling or treatment and continue to work are subject to the same job performance and behavior standards as other employees. As is the case for all employees, those seeking voluntary counseling or treatment who fail to meet performance standards will be subject to disciplinary action.

**Permitted Conduct.** Possession of containers of alcohol will be seen as a violation of the policy unless expressly permitted as follows: Storage of unopened, sealed alcohol containers which are not visible and are locked in an employee's vehicle, or Company-supplied vehicle authorized for personal use, while the vehicle is on Company property, being used for Company business or during working hours is permitted. Storage of unsealed containers of alcohol is a violation of the policy.

**Consequences:** Any violation of the Drug-Free Workplace Policy, even a first offense, may be a basis for disciplinary action, up to and including termination. However, particularly serious violations, such as selling drugs at the Company, will result in immediate termination.

**Reservation of Rights.** The Company reserves the right to interpret, change, or rescind the policy in whole or in part, with or without notice. In addition, changes to applicable federal or state laws or regulations may require the Company to modify or supplement the policy. This policy does not create a binding employment contract.

## 5-5: WORKPLACE HARASSMENT

The Company promotes a productive and safe work environment and does not tolerate any verbal or physical conduct by an employee which harasses, disrupts, or interferes with another's work performance or which creates an intimidating, offensive or hostile environment, especially if such conduct concerns race, color, gender, pregnancy, religion, age, disability, national origin, sexual orientation or veteran status. It is the responsibility of all employees, whether managers, supervisors or co-workers, to maintain an environment free of harassment. This policy applies to all employees and officers as well as non-employees such as, but not limited to: vendors, contractors, customers and visitors.

We believe that communication is a critical aspect of the success of any company, including ours. We therefore encourage you or any other employee of Heart of America Group® to come forward with any concerns you may have about harassment or any other issues in the workplace. No adverse action will be taken against you for expressing any concern about workplace harassment. We have an open door policy at all levels of the company regarding your concerns. You are encouraged to attempt to peacefully resolve any conflict that you have in the workplace with that individual first. However, if this is not fruitful, please speak with your immediate supervisor about the issue. If necessary, your supervisor may ask you to take the issue to another member of the management staff to ensure the resolution of any situation. If you are not comfortable speaking with your immediate supervisor about your concern, you are welcome to contact the OSC and speak with the Vice President of Operations, or the Marketing Director, or the Director of Risk Management, or the Chief Financial Officer, and/or the President of the Company or his assistant.

The Company prohibits all managers and supervisors from implicitly or explicitly making or permitting acquiescence in or submission to sexual harassment a term or condition of employment or the basis for any employment decision affecting an employee. This means that managers and supervisors are strictly prohibited from using their official authority to make sexual advances toward an employee; from taking, recommending or refusing to take or recommend personnel action against an employee because of sexual harassment or sexual favors; or from taking or failing to take any personnel action against an employee as a reprisal for rejecting or reporting a sexual advance or sexual harassment.

Harassment includes, but is not limited to:

- Verbal or physical conduct that denigrates or shows hostility or aversion towards an individual and that
  - Has the purpose of affecting or creating an intimidating, hostile, or offensive working environment;
  - Has the purpose or effect of unreasonably interfering with an individual's work performance;
  - Otherwise adversely affects an individual's employment opportunities.

Examples of harassment might include, but are not limited to, threats, insults, racial or religious slurs, unwelcome comments, jokes, pranks, gestures or physical contact, and display or circulation of derogatory or inappropriate written or other physical materials, cartoons or pictures.

- Sexual Harassment is specifically defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:
  - Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
  - Submission to or rejection of such conduct by an individual is used as the basis for an employment decision affecting that person; or
  - Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive environment.

Sexual harassment can take many forms, including but not limited to these examples:

**Verbal:** Sexual innuendo and other suggestive comments, humor and jokes about sex or gender-specific traits, offensive written notes, sexual advances or propositions, insults, or threats;

**Nonverbal:** Leering, whistling, suggestive or insulting looks, sounds, gestures, pictures, cartoons, or calendars; or

**Physical:** Intentional touching of the body (e.g., brushing, patting, pinching), kissing, inappropriate display of body parts, or coerced acts of a sexual nature.

Any employee who experiences and/or observes the actions or words of another employee and believes that those actions or words constitute harassment is advised to:

- Tell the harasser that the behavior is unwelcome or offensive, explaining how it made you feel and/or how it has affected your work.
- If the problem continues despite these efforts, the employee has the responsibility to report or make a complaint as soon as possible to the appropriate supervisor.
  - It should be emphasized that you are not required to report harassment to a supervisor who has engaged in harassment against you, or who is a close associate of the person who has engaged in the harassment in question. If such situations would otherwise prevent you from reporting harassment, such reports may be directed to the OSC and/or any of the Company officials who can be reached through the OSC.

An investigation will be promptly undertaken and appropriate disciplinary actions and corrective measures will be instituted if the employee allegations warrant such action. Persons, who commit acts of intimidation or other harassing behavior of any type, will be warned to discontinue such conduct, and will be disciplined according to the severity of the case. Discipline may include actions up to and including termination of employment.

Employees are assured that this policy has been established for their benefit and to allow them the freedom of expressing their feelings and/or complaints. The privacy of individuals who make complaints will be respected to the greatest extent possible. No employee needs fear that he or she will be penalized for registering a harassment complaint or for participating in the investigation of a complaint.

Retaliation against employees that report harassment or who participate in the investigation of harassment reports is prohibited. Retaliation in violation of this policy may result in discipline up to and including termination of employment.

## **5-6: ATTENDANCE AND PUNCTUALITY**

Regular attendance and punctuality are critical to the success of our operation. Staff Members are expected to be available for work, properly dressed, and to begin and end their work day as scheduled. We recognize that circumstances beyond your control sometimes may cause you to be absent from or late to work. However, if you are going to be late or absent, you must call your supervisor in advance and notify him/her of the reason for your absence or tardiness. Excessive absenteeism or tardiness in connection with your scheduled work time, breaks and meal periods will result in disciplinary action, up to and including discharge.

Staff Members who are unable to report to work due to illness must notify their supervisor as soon as possible, but not later than one hour before their scheduled starting time. Failure to properly notify the Company will result in an unexcused absence. Giving advance notice does not guarantee the absence will be excused.

Staff Members are required to **PERSONALLY CALL** an Executive Staff Member unless they are physically unable to call in due to an emergency, in which case another person may notify the Staff Member's supervisor as soon as possible.

Staff Members who are absent from work for three consecutive work days without calling in or otherwise notifying the Company of their absence will be considered to have abandoned their employment, which will be considered to have resigned voluntarily, and will be issued their final paycheck on the next regular payday.

## 5-7: PERSONAL APPEARANCE AND DEMEANOR

Discretion in style of dress and behavior is essential to the efficient operation of the Company. Staff Members are therefore required to dress in appropriate business attire and behave in a professional, businesslike manner. Staff Members, in a location where no specific dress code exists, should use judgment in their choice of work clothes and should remember to conduct themselves at all times in a way that best represents themselves and the Company.

In some locations or job assignments uniforms may be provided to Staff Members to wear during work hours. We expect you to come to work in a clean, wrinkle-free uniform with no tears, missing buttons, etc. We firmly believe that a clean and pressed uniform shows you have a more professional attitude toward your commitment to being the best you can be. Check with an executive Staff Member for specific information regarding uniform charges, uniform life expectancy, etc.

In some locations or job assignments uniforms may not be required but appropriate and required dress may be specified by that Company. In these situations you may be required to purchase (at your own expense) and wear specified, fairly standard, ordinary clothing, of a specified style and/or color. In some cases this may include slip-resistant shoes. Check with an executive Staff Member for specific information regarding clothing that may be required for your job.

In your work and in your conduct towards others while at work you should:

- Project a professional personal appearance;
- Maintain a clean and organized work area;
- Conduct face-to-face, telephone, and written business in a cooperative manner with a positive, helpful attitude.

Staff Members failing to adhere to proper Company standards with respect to appearance and demeanor are subject to disciplinary action up to and including discharge.

## 5-8: THEFT

*Theft costs the company a lot of money every month.* A lot of people feel it is not their place to confront a fellow employee who is stealing or to inform an executive Staff Member. We spend thousands of dollars every month on dinnerware, glassware, silverware, food supplies, hotel supplies, and restaurant supplies. By letting someone continue to steal, you are stealing the opportunity from people who work in the business to get paid more and to develop more of a future. Knowing of a thievery problem and ignoring it is really just another form of stealing, and also steals your honesty and integrity from you.

**Remember, Staff Members may not take any company property out of the building for personal use without written authorization from an Executive Staff Member.** This includes our dinnerware, glassware, silverware, software, amenities, cleaning supplies, food supplies, hotel supplies, and restaurant supplies. Violation of this rule will result in discipline up to and including termination; and the possibility of prosecution.

## 5-9: BLOGGING AND SOCIAL NETWORKING WEBSITES

**Personal blogging and message boards.** It is the policy of the Company to respect the creativity and freedom of speech that employees may engage in through personal blogs or similar mediums (internet message boards, text groups, etc.). The Company is aware of an employee's right to use certain internet

forums for communication of concerted activity and nothing in this policy is intended to discourage or inhibit such activity. However, limits as to what may be posted and when blogging can occur will be enforced.

- Blogging may not occur on Company property (computers or PDAs) and may not occur during normal work hours.
- If an employee engages in blogging or other internet postings outside of the workplace, he or she shall not represent that they are a representative of the Company. The postings within an employee's blog must not contain confidential Company information, trade secrets, harassment of another coworker, or otherwise indicate improper conduct.
- The Company reminds employees that future customers, competitors, or others may read their blogs, so employees are advised to use discretion in such activities.
- Violations of this policy may result in disciplinary action, up to and including termination of employment.

**Social networking websites.** The Company recognizes that employees may use social networking websites or similar media including, but not limited to, blogs, chat rooms, Facebook, MySpace, Twitter, etc. (hereinafter referred to as "personal websites"). The Company is aware of an employee's right to use certain internet forums for communication of concerted activity and nothing in this policy is intended to discourage or inhibit such activity. However, limits as to what may be posted on personal websites will be enforced.

- **Restrictions on postings.** Employees who use personal websites at work or on their own time are expected to refrain from harassing or discriminating other employees on these sites. Employees should not represent themselves as representatives of the Company on personal social networking sites. Personal websites which indicate the individual's place of employment should include disclaimers that the opinions provided do not represent the views of the Company. Be aware that some mentions of Company products or services by employees may require the employee who does mention a Company product or service to disclose the employee's relationship to the Company, per Federal Trade Commission guidelines. Employees are reminded that information posted on personal websites can be viewed by members of the public, by others in the Company, by customers or clients of the Company, or by competitors. Employees are expected to use good judgment and discretion when using personal websites and to respect the privacy of other employees, customers, and clients.
- **Prohibited postings.** The publication of confidential information is prohibited. If employees are uncertain whether information is confidential, they should consult their Executive Staff Member or the OSC. Employees are expected to comply with copyright laws and avoid plagiarism. Company logos, photos, and trademarks may not be used without prior written consent. Employees shall not divulge trade secrets, business strategies, or post copyright information on personal websites. These restrictions apply not only to employees' personal websites, but to postings on other websites, including the personal websites of non-employees.
- **Consequences.** Failure to adhere to the established Company policies and procedures will result in disciplinary action, up to and including termination.

## **5-9: BULLETIN BOARD / POSTING AREA / SOLICITATION**

Heart of America Group® will designate an area or areas in each work site for the posting of schedules, emergency procedures, business related information, and legally required posters and notices. It is the responsibility of each Staff Member to check the area(s) daily to become familiar with any required information. The posting of written solicitations on Company bulletin boards is prohibited. Bulletin boards are reserved for official Company communications.

In an effort to assure a productive and harmonious work environment, persons not employed by the Company may not solicit or distribute literature in the workplace at any time for any purpose. Employees

may not solicit other employees of the Company for the purchase of items or services or charitable contributions without the express knowledge and consent of the employee's supervisor.

The Company recognizes that employees may have interests in events and organizations outside the workplace. However, employees may not promote, or distribute, literature about non-work related interests, causes or concerns during working time. Any such activities must be restricted to official break periods, or any other periods in which employees are not on duty and must exclude any employees who are on duty or who have requested to be excluded.

Any personal information regarding employees' home or personal phone numbers, e-mail addresses or home addresses gained in the course of employment may not be used, without the express knowledge and consent of the employee, for purposes of solicitation, promotion or distribution of literature as described at any time.

Examples of solicitations, promotions or distribution of literature intended to be included by this section, include but are not limited to:

- The collection of money, goods, or gifts for community, religious, political, or charitable groups;
- The sale of goods, services, or subscriptions outside the scope of official Company business;
- The circulation of petitions;
- The distribution of any literature not approved by a supervisor;
- The solicitation of memberships, fees, or dues.

## **5-10: WORKPLACE SEARCHES**

In order to ensure the safety and security of our work environment, Heart of America Group® reserves the right to conduct searches of persons or property on our premises. Staff Members should not have an expectation of privacy as to any property that belongs to the company (e.g., lockers, desks, computers, etc.), or is brought on to the premises (e.g., briefcases, purses, vehicles, laptops, flash drives, etc.). Accordingly, we reserve the right to:

- Inspect any property carried to or from the premises by an employee or third party, including packages, parcels, purses, handbags, briefcases, lunchboxes, electronic equipment or other possessions.
- Search company property, including an employee's locker, office, desk, files, computer, laptop, flash drive, electronic organizer, cell phone, or any other electronic devices.
- Search any vehicle on our premises, including company cars and personal vehicles.

Searches and inspections may be conducted at any time at the discretion of the company, regardless of whether the property sought to be searched is locked or unlocked, password protected or encrypted, and/or whether the lock belongs to the company or employee.

Any Staff Member that refuses to permit, obstructs or fails to cooperate with any search requested under this policy will be subject to discipline, up to and including immediate termination. The company also reserves the right to request the intervention of law enforcement personnel in the event it has reason to believe a crime has been or is in the process of being committed.

# APPENDIX FOR STATE SPECIFIC REQUIREMENTS

## ILLINOIS RESIDENTS

### Additional Notice regarding Workplace Harassment/Sexual Harassment:

The Illinois Human Rights Act protects employees on the job from harassment/sexual harassment. The law is enforced by the Illinois Department of Human Rights. All residents of the State of Illinois shall contact the following address and/or telephone number to pursue an alleged harassment charge:

Department of Human Rights  
James R. Thompson Center  
100 West Randolph Street, Suite 10-100  
Chicago, IL 60601  
(321) 814-6200  
(312) 263-1579 (TDD)

It is a civil rights violation to retaliate against a person because her or she has opposed that which he or she reasonably and in good faith believes to be unlawful discrimination or harassment, or because he or she has made a charge, filed a complaint, testified, assisted, or participated in an investigation, proceeding a hearing under the Illinois Human Rights Act.

### Additional Notice Regarding Pregnancy and your Rights in the Workplace:

Are you pregnant, recovering from childbirth, or do you have a medical or common condition related to pregnancy: If so, you have the right to:

- Ask your employer for a reasonable accommodation for your pregnancy, such as more frequent bathroom breaks, assistance with heavy work, a private space for expressing milk, or time off to recover from your pregnancy.
- Reject an accommodation offered by your employer for your pregnancy that you do not desire.
- Continue working during your pregnancy if a reasonable accommodation is available which would allow you to continue performing your job.

Your employer cannot:

- Discriminate against you because of your pregnancy.
- Retaliate against you because you requested a reasonable accommodation.

It is illegal for your employer to fire you, refuse to hire you or to refuse to provide you with a reasonable accommodation because of your pregnancy. For more information regarding your rights, download the Illinois Department of Human Rights fact sheet from our website at [www.illinois.gov/dhr](http://www.illinois.gov/dhr).

Es ilegal que su empleador la despida, se niegue a contratarla o a proporcionarle una adaptación razonable a causa de su embarazo. Para obtener información sobre el embarazo y sus derechos en el lugar de trabajo en español, visite: [www.illinois.gov/dhr](http://www.illinois.gov/dhr)

For immediate help or if you have questions regarding your rights, call (312) 814-6200 or (217) 785-5100 or (866) 740-3953 (TTY).

Chicago Office  
100 W. Randolph Street  
10<sup>th</sup> Floor, Intake Unit  
Chicago, IL 60601  
(312) 814-6200

Springfield Office  
222 South College  
Room 101-A, Intake Unit  
Springfield, IL 62704  
(217) 785-5100

Marion Office  
2309 West Main Street  
Suite 112, Intake Unit  
Marion, IL 62959  
(618) 993-7463

The charge process may be initiated by completing the form at: <http://www.illinois.gov/dhr>  
Additional Notice Regarding Workers Compensation Requirements by State

Illinois Residents



Generally, the employee may choose the provider where he or she seeks treatment. However, there may be some limitations both on the number of providers seen by the employee or on which particular providers that an employee may choose. The employee must choose carefully so that he or she does not end up becoming personally responsible for medical bills.

The employee's choice of provider will be limited to a selected network of providers if an employer has established what is called a Preferred Provider Program or "PPP." If there is a PPP, the employee has a choice of two physicians from the network within the PPP.

If an employer does not have a PPP, then the employee has a choice of any two providers. This does not include referrals from those two providers. First aid and emergency care are not considered to be one of the employee's two choices. Nonemergency care obtained before the employee reports the injury to the employer does not count as one of the two choices.

#### Iowa Residents

The employer has the right to choose the medical care and must provide medical care reasonably suited to treat the injured employee's injury. If the injured employee is dissatisfied with the care, he/she should discuss the problem with the employer (or its insurance carrier). The injured employee can request alternate care, and if the employer (or its carrier) does not allow that care, the injured employee may file a petition for alternate medical care before the Iowa Workers' Compensation Commissioner. If an employer-retained physician gives a rating of permanent impairment that the injured employee feels is too low, the employee may have another examination by a doctor of his/her choice at the employer's expense.

#### Kansas Residents

An employer is required to furnish all necessary medical treatment and has the right to designate the treating physician. If the employee seeks treatment from a doctor not authorized by the employer, the employer or its insurance carrier is only liable up to \$500.00 dollars for the unauthorized medical treatment.

#### Minnesota Residents

You may choose your own health care provider under most circumstances. The insurer may designate a pharmacy or pharmacies that you must use to obtain medicine for your injury, if the pharmacy is within 15 miles of your home. However, some employers participate in a workers' compensation certified managed care plan. A certified managed care plan is an organization that has been certified by the state to manage health care for injured workers. An employer must tell an employee if they are covered by a certified managed care plan. Some employers or insurers have contracted with a managed care plan or network of doctors who are not certified by the department. Injured employees are not required to receive treatment from a doctor in a plan or network that is not certified.

If you are covered by a workers' compensation certified managed care plan:

- your employer must post a notice that shows how to get treatment using the managed care plan and provide the name and phone number of a contact person;
- you may ask the employer, the insurer or the certified managed care plan staff for a list of providers in the plan; and
- a medical case-manager might be assigned to coordinate the delivery of health care for your injury.

You must go to a provider in the certified managed care plan *unless*:

- you need emergency medical care;
- you want to be receive care from another health care provider who is able to treat your injury and has treated you at least twice in the past two years or who has a documented history of treating you; or

- you live or work too far from a health care provider in the plan. (There is a 30-mile limit in the seven-county Twin Cities area and a 50-mile limit in all other areas.)

#### Wisconsin Residents

When a worker reports an injury, the employer shall offer the worker **the right to select a doctor of the worker's choice for treatment**. The employee may select any physician, psychologist, chiropractor or podiatrist licensed to practice in Wisconsin. If the injury creates an emergency situation, the employer may make whatever arrangements are necessary for immediate treatment. Once the emergency passes, the worker has the right to select a doctor for future treatment.

The law recognizes that if the employee does not have confidence in the first doctor, recovery may be delayed. If the employee is not satisfied with the first doctor s/he chooses, **a second choice is allowed**. While the worker must notify the employer of this second choice, the employer may not object to it.

After changing doctors once, any further change may be made only by mutual agreement between the employee, employer and insurance carrier. If the attending doctor refers the employee to a specialist or a series of specialists, this referral is still considered to be treatment by one doctor. If several doctors in one partnership or clinic are seen, these are all considered one doctor.

Failure to notify the employer of the initial selection or of a change of doctors can lead to a disputed claim and the possibility of the injured employee having to pay for the entire cost of treatment.

In an emergency situation, an employee can go to any doctor for treatment. The employer should be notified as soon as possible thereafter.

**EMPLOYEE ACKNOWLEDGMENT FORM  
HEART OF AMERICAN GROUP OF COMPANIES**

The employee handbook describes important information about the Company, and I understand that I should consult my supervisor regarding any question not answered in the handbook. I have entered into my employment relationship with the Company voluntarily and acknowledge that there is no specified length of employment. ACCORDINGLY, EITHER I OR THE COMPANY CAN TERMINATE THE RELATIONSHIP AT WILL, WITH OR WITHOUT CAUSE, AT ANY TIME, SO LONG AS THERE IS NO VIOLATION OF APPLICABLE FEDERAL OR STATE LAW.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions to the handbook may occur, except to the Company's policy of employment-at-will. All such changes will be communicated through notices issued by the Company, and I understand that revised information may supersede, modify, or eliminate existing policies.

I have received a copy of the employee handbook dated May, 2017; I understand that my employment is contingent on my agreeing to the rules and policies herein and I do agree to abide and comply with the rules and policies herein. I have read and specifically agreed to the portions cited below:

*Initial each section below*

**Regarding Conflicts of Interest, Section 1-7, page 12:** I understand that the Company has a Conflicts of Interest and Ethical Business Conduct policy. I acknowledge that I am not aware of any actual or potential conflict of interest or unethical business conduct that is described in this section and/or is required to be disclosed by this section. I understand that signing the acknowledgment of having received this handbook without disclosing any actual or potential conflict of interest or unethical business conduct that I am aware of, whether such failure to disclose is intentional or unintentional, may result in discipline, up to and including termination of my employment.

**Regarding Group Insurance Premium Deductions, Section 1-18, page 21:** I acknowledge that acceptance of employment by me and my signature on this acknowledgment is an irrevocable consent on my part to the premium cost withholding as described in Section 1-18.

**Regarding Return of Property, Section 4-5, page 33:** I acknowledge that my continued employment after receipt of a copy of this handbook and my signature acknowledging receipt of this handbook shall be consent and authorization by me to the deduction or withholding from my paycheck or final paycheck, or any other amounts due to me from the Company, the actual value or cost of any items that are not returned when required including but not limited to uniforms and nametags.

**Regarding Complaints of Discrimination, Legal Compliance, Harassment, and Sexual Harassment, Sections 1-3, 1-5, and 5-5 at pages 9, 11, and 41 respectively:** I acknowledge, and I am aware of, the Company's policies regarding these matters and I am aware that I may contact any one in my chain of command or any executive in the OSC to express a concern or complaint regarding these policies.

**Regarding Computer, Internet, and Email Usage, Section 4-9, page 34:** I acknowledge that I am aware of the Company's policies regarding my use of my computer, the company provided internet, and email while working on the company computers. I am familiar with this policy and I understand that any violation of this policy by me may result in discipline, up to and including termination of my employment.

FURTHERMORE, I ACKNOWLEDGE THAT THIS HANDBOOK IS NEITHER A CONTRACT OF EMPLOYMENT NOR A LEGAL DOCUMENT. I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions to it.

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**EMPLOYEE'S SIGNATURE**

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**DATE**

**TURN OVER AND SIGN ON BACK ALSO**

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**EMPLOYEE'S NAME, PRINTED**

**EMPLOYEE NON-DISCLOSURE AGREEMENT  
HEART OF AMERICA GROUP® OF COMPANIES  
Handbook dated May, 2017**

I understand that in its business, the Heart of America Group® of Companies has developed and used, and continues to develop and use, commercially valuable, technical and non-technical information. To guard the legitimate interests of the Company, it is necessary for the Company to further protect certain information, whether or not it has been patented or copyrighted, as confidential and a trade secret. I recognize and understand that:

- Information concerning past, present or future business activities and other materials developed by the Company, including but not limited to: plans; pricing; methods; processes; financial data; lists; statistics; customers and prospective customers; product or systems development; recipes; or related information, are subject to the proprietary rights of the Company.
- The Company regards this information as valuable and that its use and disclosure must be carefully controlled.
- The Company in some cases may use information provided by others under agreements restricting disclosure.
- The information mentioned above is important to the success of the Company's business, and that I through my employment, may become acquainted with that information, and may contribute to that information through inventions, discoveries, improvements, recipes, or in some other manner.

Therefore, in consideration of my employment, or continued employment by the Company, as well as in consideration of the mutual promises contained in my at-will employment agreement with the Company, all of which shall be adequate consideration for this Non-Disclosure Agreement, I hereby agree as follows:

1. Except as may be required by my employment with the Company, I will not, without the Company's prior written consent, disclose to any person or entity outside of the Company, or use for any purposes outside of my employment with the Company, at any time either during or subsequent to my employment by the Company, any information described in this agreement belonging to the Company or to any third party doing business with the Company.

2. I will promptly disclose to the Company any and all inventions, discoveries and improvements conceived of or made by me during the period of employment and related to the business or activities of the Company. I will assign and hereby agree to assign all my interests therein to the Company or its nominee. Whenever I am requested to do so by the Company, I will execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and attain copyright or patent coverage by the United States or any foreign country or to protect otherwise the Company's interests therein. These obligations shall continue beyond the termination of my employment with respect to inventions, discoveries and improvements conceived or made by me during the period of employment, and shall be binding upon my assigns, executors, administrators and other legal representatives.

3. Upon termination of my employment either by me or by the Company for any reason, I will promptly deliver to the Company all blue prints, correspondence, customers lists, customer location and/or contact information, designs, drawings, equipment, flow-charts, letters, manuals, notes, notebooks, programs, proposals, price lists, pricing formulas, recipes, reports, tools, financial data, vehicles, or any other documents and/or items concerning the Company's customers, products, business, or processes.

4. I understand that this agreement shall be effective when signed by me and that the terms of this agreement shall remain in full force and effect both during my employment by the Company and after the termination of my employment by either me or the Company for any reason.

5. I have carefully read and considered the provisions of this entire agreement and having done so, I agree that the restrictions set forth in all of the preceding paragraphs, including but not limited to, the time period of the restrictions and the scope of the restrictions, are fair and reasonable, and are reasonably required for the protection of the interests of the Company. I further acknowledge that I am under no threat or duress to sign this agreement and I have been given an opportunity to carefully read the terms and provisions herein.

6. I agree that the confidential information described herein that will be disclosed to me, or conceived and developed by me, as a result of this employment are of a special and unique value to the Company and the unauthorized use of said information would cause a loss to the Company which could not be readily and adequately compensated by an action at law. In the event of a breach or threatened breach by me of any of the provisions of this agreement, the Company, in addition to and not in limitation of any other rights, remedies or damages available to the Company at law or in equity, shall be entitled to a temporary and/or permanent injunction in order to prevent or restrain any such breach by me, or by my partners, agents, representatives, servants, employers, employees and/or any and all persons directly or indirectly in action for or with me.

7. This agreement shall be interpreted according to the laws of the State of Illinois and I agree that the state court of Rock Island County, Illinois shall be the venue for any legal action necessary to enforce or interpret the provisions of this agreement. I agree to submit to the jurisdiction of the state court in Rock Island County, Illinois in the event that any legal action is necessary to enforce or interpret the provisions of this agreement.

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**EMPLOYEE'S SIGNATURE**

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**DATE**

**TURN OVER AND SIGN ON BACK ALSO**

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**EMPLOYEE'S NAME, PRINTED**