

Employee Handbook

Company

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Required Policies

Introductory Statement

Welcome! As an employee of the Company (the “Company”), you are an important member of a team effort. We hope that you will find your position with the Company rewarding, challenging, and productive.

Because our success depends upon the dedication of our employees, we are highly selective in choosing new members of our team. We look to you and the other employees to contribute to the success of the Company.

This employee handbook is intended to explain the terms and conditions of employment of all full- and part-time employees and supervisors. Written employment contracts between the Company and some individuals may supersede some of the provisions of this handbook.

This handbook summarizes the policies and practices in effect at the time of publication. This handbook supersedes all previously issued handbooks and any policy or benefit statements or memoranda that are inconsistent with the policies described here. Your supervisor or manager will be happy to answer any questions you may have.

Right to Revise

This employee handbook contains the employment policies and practices of the Company in effect at the time of publication. All previously issued handbooks and any inconsistent policy statements or memoranda are superseded.

The Company reserves the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this handbook or in any other document, except for the policy of at-will employment. However, any such changes must be in writing and must be signed by the president of the Company.

Any written changes to this handbook will be distributed to all employees so that employees will be aware of the new policies or procedures. No oral statements or representations can in any way alter the provisions of this handbook.

This handbook sets forth the entire agreement between you and the Company as to the duration of employment and the circumstances under which employment may be terminated. Nothing in this employee handbook or in any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee.

At-Will Employment Status

The Company personnel are employed on an at-will basis. Employment at-will may be terminated with or without cause and with or without notice at any time by the employee or the Company. Nothing in this handbook shall limit the right to terminate at-will employment. No manager, supervisor, or employee of the Company has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment on other than at-will terms. Only the _____ [insert president or other title] of the Company has the authority to make any such agreement, which is binding only if it is in writing.

Equal Employment Opportunity

The Company is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available persons in every job. Company policy prohibits unlawful discrimination based on race, color, creed, gender, religion, marital status, registered domestic partner status, age, national origin or ancestry, physical or mental disability, medical condition including genetic characteristics, sexual orientation, or any other consideration made unlawful by federal, state, or local laws. It also prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. All such discrimination is **unlawful**.

The Company is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to **all** persons involved in Company operations and prohibits unlawful discrimination by any employee of the Company, including supervisors and coworkers.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, the Company will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result.

Any applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact a Company representative with day-to-day personnel responsibilities and request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job. The Company then will conduct an investigation to identify the barriers that interfere with the equal opportunity of the applicant or employee to perform his or her job. The Company will identify possible accommodations, if any, that will help eliminate the limitation. If the accommodation is reasonable and will not impose an undue hardship, the Company will make the accommodation.

If you believe you have been subjected to any form of unlawful discrimination, submit a written complaint to your supervisor or the individual with day-to-day personnel responsibilities. Your complaint should be specific and should include the names of the individuals involved and the names of any witnesses. If you need assistance with your complaint, or if you prefer to make a complaint in person, contact _____. [insert name of contact person]

The Company will immediately undertake an effective, thorough, and objective investigation and attempt to resolve the situation.

If the Company determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense. Appropriate action also will be taken to deter any future discrimination. The Company will not retaliate against you for filing a complaint and will not knowingly permit retaliation by management employees or your coworkers.

Unlawful Harassment

The Company is committed to providing a work environment free of unlawful harassment. Company policy prohibits sexual harassment and harassment based on pregnancy, childbirth or related medical conditions, race, religious creed, color, gender, national origin or ancestry, physical or mental disability, medical condition, marital status, registered domestic partner status, age, sexual orientation or any other basis protected by federal, state or local law or ordinance or regulation. **All such harassment is unlawful.** The Company's anti-harassment policy applies to all persons involved in the operation of the Company and prohibits unlawful harassment by any employee of the Company, including supervisors and managers, as well as vendors, customers, and any other persons. It also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

Prohibited unlawful harassment includes, but is not limited to, the following behavior:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work because of sex, race or any other protected basis;
- Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss and offers of employment benefits in return for sexual favors; and
- Retaliation for reporting or threatening to report harassment.

If you believe that you have been unlawfully harassed, submit a written complaint to your own or any other Company supervisor, the president or the personnel administrator of the Company as soon as possible after the incident. You will be asked to provide details of the incident or incidents, names of individuals involved and names of any witnesses. Supervisors will refer all harassment complaints to the personnel administrator, investigative officer or the president of the Company. The Company will immediately undertake an effective, thorough and objective investigation of the harassment allegations.

If the Company determines that unlawful harassment has occurred, effective remedial action will be taken in accordance with the circumstances involved. Any employee determined by the Company to be responsible for unlawful harassment will be subject to appropriate disciplinary action, up to, and including termination. A Company representative will advise all parties concerned of the results of the investigation. The Company will not retaliate against you for filing a complaint and will not tolerate or

permit retaliation by management, employees or co-workers.

The Company encourages all employees to report any incidents of harassment forbidden by this policy **immediately** so that complaints can be quickly and fairly resolved. You also should be aware that the Federal Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing investigate and prosecute complaints of prohibited harassment in employment. If you think you have been harassed or that you have been retaliated against for resisting or complaining, you may file a complaint with the appropriate agency. The nearest office is listed in the telephone book.

Leaves of Absence

Pregnancy Disability Leave

Pregnancy, childbirth, or related medical conditions will be treated like any other disability, and an employee on leave will be eligible for temporary disability benefits in the same amount and degree as any other employee on leave.

Any female employee planning to take pregnancy disability leave should advise the personnel department as early as possible. The individual should make an appointment with the personnel manager to discuss the following conditions:

- Employees who need to take pregnancy disability must inform the Company when a leave is expected to begin and how long it will likely last. If the need for a leave or transfer is foreseeable, employees must provide notification at least 30 days before the pregnancy disability leave or transfer is to begin. Employees must consult with the personnel manager regarding the scheduling of any planned medical treatment or supervision in order to minimize disruption to the operations of the Company. Any such scheduling is subject to the approval of the employee's health care provider;
- If 30 days' advance notice is not possible, notice must be given as soon as practical;
- Upon the request of an employee and recommendation of the employee's physician, the employee's work assignment may be changed if necessary to protect the health and safety of the employee and her child;
- Requests for transfers of job duties will be reasonably accommodated if the job and security rights of others are not breached;
- Temporary transfers due to health considerations will be granted when possible. However, the transferred employee will receive the pay that accompanies the job, as is the case with any other temporary transfer due to temporary health reasons;
- Pregnancy leave usually begins when ordered by the employee's physician. The employee must provide the Company with a certification from a health care provider. The certification indicating disability should contain:
 - The date on which the employee became disabled due to pregnancy;
 - The probable duration of the period or periods of disability; and
 - A statement that, due to the disability, the employee is unable to perform one or more of the essential functions of her position without undue risk to herself, the successful completion of her pregnancy, or to other persons.
- Leave returns will be allowed only when the employee's physician sends a release;
- An employee will be _____ [e.g., required or allowed] to use accrued sick time (if otherwise eligible to take the time) during a pregnancy disability leave. An employee will be allowed to use accrued vacation or personal time (if otherwise eligible to take the time) during a pregnancy disability leave; and
- Duration of the leave will be determined by the advice of the employee's physician, but employees disabled by pregnancy may take up to four months. Part-time employees are

entitled to leave on a pro rata basis. The four months of leave includes any period of time for actual disability caused by the employee's pregnancy, childbirth, or related medical condition. This includes leave for severe morning sickness and for prenatal care.

Leave does not need to be taken in one continuous period of time and may be taken intermittently, as needed. Leave may be taken in increments of _____. [insert the shortest period of time that the payroll system uses to account for absences or use of leave]

Under most circumstances, upon submission of a medical certification that an employee is able to return to work from a pregnancy disability leave, an employee will be reinstated to her same position held at the time the leave began or to an equivalent position, if available. An employee returning from a pregnancy disability leave has no greater right to reinstatement than if the employee had been continuously employed.

Family/Medical Leave

State and federal family and medical leave laws provide up to 12 workweeks of unpaid family/medical leave within a 12-month period, under the following conditions:

- The employee has more than 12 months of service;
- The employee has worked at least 1,250 hours during the previous 12-month period before the need for leave; and
- The employee is employed at a work site where there are 50 or more employees within a 75-mile radius.

Leave may be taken for one or more of the following reasons:

- The birth of the employee's child, or placement of a child with the employee for adoption or foster care;
- To care for the employee's spouse, registered domestic partner, child, or parent who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform his or her job.

For purposes of calculating the 12-month period during which 12 weeks of leave may be taken, the Company uses _____. [insert time period, such as calendar year]

Under most circumstances, leave under federal and state law will run at the same time and the eligible employee will be entitled to a total of 12 weeks of family and medical leave in the designated 12-month period.

However, leave because of the employee's disability for pregnancy, childbirth or related medical condition is not counted as time used under California law (the California Family Rights Act). Time off because of pregnancy disability, childbirth or related medical condition does count as family and medical leave under federal law (the Family and Medical Leave Act). Employees who take time off for pregnancy disability and who are eligible for family and medical leave will also be placed on family and medical leave that runs at the same time as their pregnancy disability leave. Once the pregnant

employee is no longer disabled, she may apply for leave under the California Family Rights Act, for purposes of baby bonding.

Any leave taken for the birth, adoption, or foster care placement of a child does not have to be taken in one continuous period of time. California Family Rights Act leave taken for the birth or placement of a child will be granted in minimum amounts of two weeks. However, the Company will grant a request for a California Family Rights Act leave (for birth/placement of a child) of less than two weeks' duration on any two occasions. Any leave taken must be concluded within one year of the birth or placement of the child with the employee.

The following procedures shall apply when an employee requests family leave:

Please contact _____ [insert name] as soon as you realize the need for family/medical leave.

If the leave is based on the expected birth, placement for adoption or foster care, or planned medical treatment for a serious health condition of the employee or a family member, the employee must notify the Company at least 30 days before leave is to begin. The employee must consult with his or her supervisor regarding scheduling of any planned medical treatment or supervision in order to minimize disruption to Company operations. Any such scheduling is subject to the approval of the health care provider of the employee or the health care provider of the employee's child, parent, or spouse.

If the employee cannot provide 30 days' notice, the Company must be informed as soon as is practical.

If the Family and Medical Leave Act/California Family Rights Act request is made because of the employee's own serious health condition, the Company may require, at its expense, a second opinion from a health care provider that the Company chooses. The health care provider designated to give a second opinion will not be one who is employed on a regular basis by the Company.

If the second opinion differs from the first opinion, the Company may require, at its expense, the employee to obtain the opinion of a third health care provider designated or approved jointly by the employer and the employee. The opinion of the third health care provider shall be considered final and binding on the Company and the employee.

The Company requires the employee to provide certification within 15 days of any request for family and medical leave under state and federal law, unless it is not practicable to do so. The Company may require recertification from the health care provider if additional leave is required.

If the leave is needed for to care for a sick child, spouse, or parent, the employee must provide a certification from the health care provider stating:

- Date of commencement of the serious health condition;
- Probable duration of the condition;
- Estimated amount of time for care by the health care provider; and
- Confirmation that the serious health condition warrants the participation of the employee.

When both parents are employed by the Company, and request simultaneous leave for the birth or placement for adoption or foster care of a child, the Company will not grant more than a total of 12 workweeks of family/medical leave for this reason.

If an employee cites his/her own serious health condition as a reason for leave, the employee must provide a certification from the health care provider stating:

- Date of commencement of the serious health condition;
- Probable duration of the condition; and
- Inability of the employee to work at all or perform any one or more of the essential functions of his/her position because of the serious health condition.

The Company will require certification by the employee's health care provider that the employee is fit to return to his or her job.

Failure to provide certification by the health care provider of the employee's fitness to return to work will result in denial of reinstatement for the employee until the certificate is obtained.

An employee taking family medical leave will be allowed to continue participating in any health and welfare benefit plans in which he/she was enrolled before the first day of the leave (for a maximum of 12 workweeks) at the level and under the conditions of coverage as if the employee had continued in employment for the duration of such leave. The Company will continue to make the same premium contribution as if the employee had continued working. The continued participation in health benefits begins on the date leave first begins under Family and Medical Leave Act (for pregnancy disability leaves) or under the Family and Medical Leave Act/California Family Rights Act (for all other family care and medical leaves). In some instances, the Company may recover from an employee premiums paid to maintain health coverage if the employee fails to return to work following family/medical leave.

Employees on family/medical leave who are not eligible for continued paid coverage may continue their group health insurance coverage through the Company in conjunction with the federal COBRA guidelines by making monthly payments to the Company for the amount of the applicable premium. Employees should contact their supervisor for further information.

[from the following list, insert the one payment option that applies to your company and delete the rest]

- Payment is due when it would be made by payroll deduction.
- Payment is due on the same schedule as payments that are made under COBRA.
- Payment is to be prepaid pursuant to a cafeteria plan, under which employees choose coverages that best suit them. The amount to be prepaid is _____, [insert amount] and prepayment will begin on _____. [insert date]
- Payment is to be made _____.
[insert existing rules for payment by employees on leave without pay]

Paid leave **will be** substituted for unpaid leave in the following circumstances: [insert the circumstance(s) when your company **requires** the use of paid leave]

- Accrued sick leave is required to be used during Family and Medical Leave Act/California Family Rights Act leave for the employee's own serious health condition, or, up to a limit of that which is accrued over six months, to attend to the illness of a child, parent, or spouse of the employee.
- Vacation and other accrued time (other than sick leave) is required to be used for any

family/medical leave qualifying event, except leave that is also pregnancy disability leave.

Paid leave **may be** substituted for unpaid leave in the following circumstances: [\[insert the circumstance\(s\) when your company allows the use of paid leave\]](#)

- Accrued sick leave may be used by the employee for the employee's own serious health condition.
- Accrued sick leave may be used for the care of a family member if mutually agreed upon by the Company and the employee.
- Vacation and other accrued time (other than sick leave) may be used for any family/medical leave qualifying event.

Under most circumstances, upon return from family/medical leave, an employee will be reinstated to his or her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if he or she had been continuously employed rather than on leave. For example, if an employee on family/medical leave would have been laid off had he or she not gone on leave, or if the employee's job is eliminated during the leave and no equivalent or comparable job is available, then the employee would not be entitled to reinstatement. In addition, an employee's use of family/medical leave will not result in the loss of any employment benefit that the employee earned before using family/medical leave.

Reinstatement after family/medical leave may be denied to certain salaried "key" employees under the following conditions:

- An employee requesting reinstatement was among the highest-paid 10 percent of salaried employees employed within 75 miles of the work site at which the employee worked at the time of the leave request;
- The refusal to reinstate is necessary because reinstatement would cause substantial and grievous economic injury to the Company's operations;
- The employee is notified of the Company's intent to refuse reinstatement at the time the Company determines the refusal is necessary; and
- If leave has already begun, the Company gives the employee a reasonable opportunity to return to work following the notice described previously.

For additional information about eligibility for family/medical leave, contact _____ [\[insert name\]](#)

Option: Time Accrual

Employees on Family and Medical Leave Act/California Family Rights Act leave _____ [\[insert will or will not\]](#) continue to accrue _____ [\[e.g., choose vacation, sick leave, or paid time off\]](#) during unpaid Family and Medical Leave Act/California Family Rights Act leave.

Option: Carryover

Leave granted under any of the reasons provided by state and federal law will be counted as family/medical leave and will be considered as part of the 12-workweek entitlement in a 12-month period. The 12-month period is measured forward from the date any employee's first Family and Medical Leave Act leave begins. Successive 12-month periods commence on the date of an employee's first use of such leave after the preceding 12-month period has ended. No carryover of unused leave from one 12-month period to the next 12-month period is permitted.

Option: Intermittent Leave

Employees may take Family and Medical Leave Act/California Family Rights Act leave intermittently (in blocks of time, or by reducing their normal weekly or daily work schedule) if the leave is for the serious health condition of the employee's child, parent, or spouse, or of the employee, and the reduced leave schedule is medically necessary as determined by the health care provider of the person with the serious health condition. The smallest increment of time that can be used for such leave is _____[. \[insert the shortest period of time that your payroll system uses to account for absences or use of leave\]](#)

Coordination of PDL with Family/Medical Leave

If you take pregnancy disability leave and are eligible under the federal or state family and medical leave laws, the Company will maintain group health insurance coverage for up to a maximum of 12 workweeks (if such insurance was provided before the leave was taken) on the same terms as if you had continued to work. Leave taken under the pregnancy disability policy runs concurrently with family and medical leave under federal law, but not family and medical leave under California Law. If you are ineligible under the federal and state family and medical leave laws, while on pregnancy disability you will receive continued paid coverage on the same basis as other medical leave that the Company may provide and for which you are eligible. In some instances, the Company may recover premiums it paid to maintain health coverage for you if you fail to return to work following pregnancy disability leave.

If you are on pregnancy disability leave and are not eligible for continued paid coverage, or if paid coverage ceases after 12 workweeks, you may continue your group health insurance coverage through the Company in conjunction with federal COBRA guidelines by making monthly payments to the Company for the amount of the relevant premium. Contact the personnel manager for further information.

Confirmation of Receipt

I have received my copy of the Company's employee handbook. I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures contained in the handbook.

I understand that except for employment at-will status, any and all policies or practices can be changed at any time by the Company. Company reserves the right to change my hours, wages, and working conditions at any time. I understand and agree that other than the president of Company, no manager, supervisor, or representative of the Company has authority to enter into any agreement, express or implied, for employment for any specific period of time, or to make any agreement for employment other than at-will; only the president has the authority to make any such agreement and then only in writing, signed by the president.

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

Employee's Signature _____

Date _____