

EMPLOYEE HANDBOOK

Herring Networks Inc.
California Based Staff Only



One America
NEWS NETWORK

AWE
A WEALTH OF ENTERTAINMENT

Employee Records

Please fill out and return with Acknowledgment of Receipt

First Name: _____

Last Name: _____

Start Date: _____

Social Security No. _____

Mailing Address: _____

Contact Number: _____

Job Title: _____

Starting/Current Pay: _____

ACKNOWLEDGMENT
OF RECEIPT OF EMPLOYEE POLICY MANUAL,
AT WILL EMPLOYMENT AND
RIGHTS OF EMPLOYER WITH RESPECT TO
EMPLOYER FURNISHED EQUIPMENT AND SERVICES

The Employee named below acknowledges receipt of the Company's Employee Policy Manual and that such manual does not create a contract of employment between the Company and Employee. Employee acknowledges that Employment is always At Will. The Employee further acknowledges that the equipment, working areas, break areas, offices and all company property, services and technology including access to the Internet and e-mail remain at all times the property of the Company. All work produced becomes exclusive. The unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material on the Internet is expressly prohibited. The Company reserves the right to monitor the workplace, telephone conversations and Internet traffic, including e-mail, and retrieve and read any data composed, sent, or received through the Company's online connections and stored on all computer systems.

Witness

Employee's signature

Printed name

Printed name

Date signed

____-____-_____
Social Security Number

Introduction – (UPDATED 01-01-2014)

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.

At Will Employment – (UPDATED 01-01-2014)

Herring Networks personnel are employed on an at-will basis. Employment at-will means that the employment relationship may be terminated, with or without cause and with or without advance 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. Nothing in this at-will statement is intended to interfere with an employee's rights to communicate or work with others toward altering the terms and conditions of his or her employment.

Equal Employment Opportunity (UPDATED 01-01-2014)

Herring Networks 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 (including gender identity and gender expression), religion (all aspects of religious beliefs, observance or practice, including religious dress or grooming practices) marital status, registered domestic partner status, age, national origin or ancestry, physical or mental disability, medical condition (including cancer or a record or history of cancer, and genetic characteristics), sex (including pregnancy, childbirth, breastfeeding or related medical condition), genetic information, sexual orientation, veteran status 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. Discrimination can also include failing to reasonably accommodate religious practices or qualified individuals with disabilities where the accommodation does not pose an undue hardship.

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.

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 the Company determines that unlawful discrimination has occurred, effective remedial action will be taken.

Immigration Law Compliance

The Company is committed to full compliance with our nation's security requirements and the need to employ only United States citizens and aliens who are authorized to work in the United States. We comply with all laws concerning immigration. The Company does not unlawfully discriminate on the basis of citizenship or national origin. It is a condition of employment that an Employee has the legal right to work in the United States.

In accordance with federal law, all new Employees are required to comply with the I-9 requirements of the Department of Homeland Security. Should an Employee accept employment with us and then fail to meet the I-9 requirements, the offer of employment is withdrawn, or if employment has commenced, such employment is immediately terminated.

Classification of Employees

Herring Networks Inc. categorizes all employees with respect to position and federal and state regulations. Summary definitions are:

- Exempt Employee - any salaried executive, creative, learned or artistic, administrative, professional, or contracted position. These employees are exempt from both the minimum wage and overtime provisions of FLSA. Under IWC 11-2001 a person who uses creative talent, and is in a position of an "artistic or learned" profession, is classified as an exempt employee.

- Nonexempt Employee - any salaried or hourly employee who is not exempt from the minimum wage or overtime provisions of FLSA.
- Salaried Employee - employee whose wages are computed on an annual basis.
- Hourly Employee - employee whose wages are computed on an hourly basis.

Compensation / Pay Periods / Deductions and

Offsets

The Company believes that Employees should be rewarded for their contributions to the Company through appropriate and adequate wages.

We seek to properly compensate all Employees without regard to race, age, national origin and all other statuses protected by law.

The Company reviews wage rates and compensation periodically as determined by the Company's management in order to maintain an appropriate and properly compensated workforce.

The Company has established pay periods under which Employees in the various employment categories are paid. At a minimum, such pay periods are set in accordance with any applicable state law, which establishes such pay periods.

Paychecks are subject to state and federal mandated deductions, and where authorized by law, including deductions for child support and alimony and garnishment of wages.

In the event that the Company receives an order to garnish an Employee's compensation, the Employee will be promptly notified.

On occasion, an error in an Employee's paycheck may occur. In the event of such error, the Employee's next paycheck following the discovery of the error will be appropriately adjusted.

When an Employee separates from the Company, the Employee's final paycheck will have deducted from it any amount due to the Company from the Employee, unless state law prohibits such deductions.

Garnishment

The Company may be required to deduct from an Employee's pay a portion for an Employee's paid earnings as required by a court order or levy. In the event that the Company receives such an order or levy, a copy of the document will be immediately given to the Employee.

Generally, the garnishment may not exceed (a) 25% of the Employee's disposable earnings for that week, or (b) the amount by which the Employee's disposable earnings for that week exceeds thirty times the Federal minimum hourly wage specified under the federal Fair Labor Standards Act in effect at the time the earnings are payable, whichever is less.

The above limitation may not apply under the following circumstances:

- An order for the support of any person issued by a state court;
- Any order of any court of bankruptcy under the federal Bankruptcy Act;
- Any debt due for any State or Federal tax.
- As otherwise provided by State or Federal Law.

The Company cannot advise Employees on the scope of the garnishment or any exemptions that an Employee may be entitled to under State or Federal law. Employees should consult with an attorney to determine their legal rights.

Recording Time Worked

An important part of each Employee's job is to keep accurate time records of the hours worked. With respect to non-exempt Employees, this is necessary so that the Employee receives just pay for the work performed and for the Company to be in compliance with the Fair Labor Standards Act and state law.

Each non-exempt Employee is subject to the requirement of clocking-in at the designated time clock upon arrival at work and clocking-out when leaving for the day. The Company may also require non-exempt Employees to "clock-in" and clock-out" for break periods as required by state law and for lunch breaks when leaving company property.

No other person may clock in or out during the work day for any other Employee. Doing so may result in disciplinary action, including dismissal of both the Employee clocking in or out for another Employee and the Employee whose timekeeping was performed by another Employee.

The Company reserves the right to require alternate means of an Employee's timekeeping should it be appropriate. Exempt Employees are responsible for working on the schedule set forth by the Company. This includes requiring manually entered timekeeping.

Work Schedules and Overtime

Work schedules are dependent on our business needs, which may change from day to day.

Your supervisor will let you know the work schedule for your job. Should the work schedule change as to starting and ending times or days and hours of work, Employees will be immediately notified.

The Company makes every effort to limit overtime work for non-exempt Employees. However, when a business need arises that requires overtime, non-exempt Employees may be requested to work either later or earlier than normal hours.

All overtime authorization requested of a non-exempt Employee and the Employee's acceptance of the overtime must be in writing on a form designated by the Company.

Employee Absenteeism

Employment with the Company is always At Will.

An Employee who has two or more consecutive days of unexcused absences from scheduled work is deemed to have voluntarily resigned from employment with the Company.

Meal Period Breaks

The Company will provide Employees who work more than 5 hours per day with a meal period of at least 30 minutes. If the total daily work period is not more than 6 hours, the Employee may waive the break with the consent of the Company. Those Employees who work more than 10 hours per day will receive a second meal period of at least 30 minutes. If the total hours worked is not more than 12 hours, the second meal period may be waived by the Employee, but only if the first meal period was taken by the Employee.

Employees will not be required to work during meal periods.

Rest Period

The work week starts on Sunday and ends on Saturday. All Employees are entitled to at least one day of rest in a work week except in cases of emergencies and in cases of work performed in the protection of life or property from destruction.

Should the nature of an Employee's job require the Employee to work 7 days in a work week, employee will receive one day's rest. In order to receive the rest day, employee must have worked 7 consecutive days in the actual work week (Sunday – Saturday). Rest day must be used in the same month the rest day was earned. Employee will not be required to work during rest periods.

The Company also provides Employees working at least 3 and ½ hours with rest periods of 10 minutes for each 4 hours or major fraction of 4 hours worked. To the greatest extent possible, the Company will schedule such rest periods in the middle of each work period.

Visitors in the Workplace

Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

All visitors to the facility need to be authorized by a supervisor, or company management.

All visitors will receive directions to be escorted to their destination. Employees are responsible for the conduct and safety of their visitors. If an unauthorized individual is observed on Herring premises, employees should immediately notify their supervisor or, if necessary, direct the individual to company management.

Maintaining Employee Records

The Company maintains Employee records for the purpose of administering our human resource function and to comply with both federal and state law. Employees may review their individual files relating to an Employee's performance or to any grievance upon a written request to the Company and with reasonable notice. The Employee's records will be made available to the Employee at the place where the Employee reports to work within a reasonable period of time following the Employee's request.

The Employee's review will be conducted in the presence of a Company representative and outside of the Employee's working hours. Should the Employee request a copy of the Employee's personnel file, the Company will make copies of the information requested by the Employee. The following records are not subject to Employee inspection:

- (1) Records relating to the investigation of possible criminal offense.
- (2) Letters of reference.
- (3) Ratings, reports, or records that were:
 - (A) Obtained prior to the Employee's employment.
 - (B) Prepared by identifiable examination committee members.
 - (C) Obtained in connection with a promotional examination.

The Company may from time to time have access to an Employee's medical information as part of the Company's Human Resource function. All such records, and the disclosure of such records, are governed by HIPAA, the federal Health Insurance Portability and Accountability Act of 1996.

Accordingly, the Company follows the privacy and security standards of HIPAA to protect the confidentiality of an individual Employee's health information.

The Company also protects the privacy of an Employee's Social Security number, and uses the number only as required to facilitate payroll, employee reports required by law or for other lawful purposes.

Safe Workplace

The Company believes in fully complying with both the letter and intent of all federal, state and local occupational safety and health laws and regulations in order to have our business operate in a safe and healthy environment, to prevent injuries and occupational illness to our Employees and damage to property.

The Company will not condone any actual or threatened acts on the part of an Employee that result in violence or threats against another Employee or visitor to our Company. Firearms, knives or other dangerous items are expressly prohibited from the Company's premises, unless state law provides otherwise. The Company adheres to a zero tolerance level for all such acts. Employees violating this policy are subject to immediate discharge.

Employees who are subject to the prohibited acts outlined in this Policy or see or hear of any of the prohibited behavior or any other out-of-the-ordinary behavior by fellow Employees, visitors to our Company or from other sources, should report such activities immediately to the Company's management. The confidentiality of notifying a senior member of the Company will be maintained to the greatest extent possible.

We cannot overstate the Company's commitment to a safe Workplace, and we encourage all Employees to act appropriately to insure such an environment.

Employee Work Related Injuries

Our Company strives to provide a safe and secure working environment for all of our employees. When a work related injury or illness occurs, the Company must be immediately notified so the injured or ill Employee can be given immediate and appropriate medical care and treatment.

Company policy requires Employees to report all injuries and work related illnesses, regardless of severity, to their supervisor and complete the necessary Company forms, including Workers' Compensation forms as soon as is reasonably possible after an occupational injury or illness. Employees must recognize that the failure to promptly report the injury or illness may result in a workers' compensation claim being denied. Any Employee who witnesses an injury of a fellow Employee must also immediately report the injury.

The Company will provide immediate first aid and/or coordinate transportation to an appropriate medical provider depending on the nature the Employee's Injury. In case of serious or life threatening injury, the Company may arrange transportation to an Emergency Room.

Our Employees who experience an injury or illness which requires care beyond first aid may be required to be seen by a designated workers' compensation provider. An Employee's supervisor or immediate manager will provide this information to the injured or ill Employee.

Injured Employees are expected to return to work as soon as is reasonably possible. The Company may require the Employee to receive certification from a medical professional that the Employee is able to return to work. An Employee who is unable to report for the Employee's regular work schedule due to an on-the-job illness or injury, must immediately notify the Employee's Supervisor or management by telephone. The injured Employee should give the Company as much notice as reasonably possible when ready to return to work so that the Employee can be placed back on the work schedule.

The Company may require an Employee who has an on-the job injury or illness and does not work the Employee's regular schedule to be examined by a medical professional designated by the Company. Failure of the Employee to be so examined may result in the Employee being denied those benefits made available to injured Employees.

As an Employee's employment with the Company is At Will, an Employee that remains absent from work after receiving medical clearance to return from an on-the-job injury, for more than three days, shall be deemed to have resigned from Employment with the Company. Likewise, failure to keep an appointment for an examination with a medical professional designated by the Company will also be deemed a resignation from employment.

Occupational Safety and Health

The Company will fully comply with both the letter and intent of all applicable federal, state and local occupational safety and health laws applicable to our operations.

All of our operations are to be conducted in a safe manner in order to prevent accidents, injuries and occupational illnesses. Employees are to avoid acting in any manner that may pose a danger of injury or illness to themselves or fellow employees. Every Employee is to do the utmost to create an environment where both injuries and occupational illnesses are non-existent or reduced to a minimum.

However, in the event of an injury or occupational illness, an Employee is required to follow the Company policy on “Employee Work Related Injuries.”

Workforce Conduct

The Company believes that proper workforce conduct among our Employees contributes to a more productive and successful working environment and better serves the companies and people we deal with.

Proper conduct starts with dressing appropriately, being properly groomed and following commonly accepted personal hygiene practices for the work you are doing. “Dress for Success” should be on everyone’s mind when dressing for the workplace.

The Company also expects courtesy to fellow Employees and the people and companies we serve. Joking around, off-color jokes, ridiculing other Employees or using offensive language will not be condoned in the workplace. Condensing remarks among Employees and between supervisory personnel and those who are being supervised must be avoided. Reprimanding fellow Employees in public is to be avoided.

The Company desires to maximize a secure, safe and pleasant work environment. Following the above guidelines will be of benefit to all of us.

Anti - Harassment

Herring Networks is committed to providing a work environment free of harassment, disrespectful or other unprofessional conduct. Company policy prohibits conduct that is disrespectful, unprofessional as well as harassment based on sex (including pregnancy, childbirth, breastfeeding or related medical conditions), race, religion (including religious dress and grooming practices), color, gender (including gender identity and gender expression), national origin or ancestry, physical or mental disability, medical condition, genetic information, 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 conduct violates company policy. The Company's anti-harassment policy applies to all persons involved in the operation of the Company and prohibits harassment, disrespectful or unprofessional conduct by any employee of the Company, including supervisors and managers, as well as vendors, customers, independent contractors and any other persons. It also prohibits harassment, disrespectful or unprofessional conduct 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 harassment, disrespectful or unprofessional conduct 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;
- Retaliation for reporting or threatening to report harassment; and
- Communication via electronic media of any type that includes any conduct that is prohibited by state and/or federal law, or by company policy.

If you believe that you have been the subject of harassment or other prohibited conduct, bring your 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. It would be best to communicate your complaint in writing, but this is not mandatory. Supervisors will refer all complaints involving harassment or other prohibited conduct 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 allegations.

If the Company determines that harassment or other prohibited conduct has occurred, effective remedial action will be taken in accordance with the circumstances involved. Any employee determined by the Company to be responsible for harassment or other prohibited conduct 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 or other prohibited conduct 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.

Drug-free Workplace

The Company is a drug- and alcohol-free workplace and has adopted a substance-abuse testing program to assure that the workplace remains drug and alcohol free. All offers of employment are subject to the satisfactory testing. Refraining from working under the influence of drugs and alcohol is required and is a condition of employment.

The Company will test Employees based on a reasonable suspicion that an Employee is impaired by drugs or alcohol.

The Company will provide, on a confidential basis to those Employees requesting the information, the names and addresses of local rehabilitation and employee assistance programs.

Employees who have been found to test positive for substance or alcohol abuse and have failed to enter a rehabilitation program, or having entered a rehabilitation program, and continue to test positive for substance abuse as well as those Employees convicted of drug-related offenses or who refuse testing will be subject to disciplinary action by the Company, including termination of employment.

Telephone, Cell Phone, Computer, E-mail, Social Networking, and Mail Usage

The use of cell phones during an Employee's working hours is strictly prohibited except in case of emergency.

When such an emergency exists, and absent an Employee having a cell phone, the Company's telephone system may be used.

Employees must receive prior approval before making a personal long distance call on Company telephones. Personal long-distance calls should be collect or charged to the employee's personal credit card.

All computers, files on the computers, our e-mail system and software furnished for use by Employees are the property of the Company and are intended for business use only. The software, which is either proprietary or subject to licensing from third parties, may not be copied.

Internet access to the worldwide web is provided by the Company to assist Employees only with work-related material.

Personal use of the Internet, including social networking sites such as Twitter and Facebook, and blogging, is strictly prohibited. Employees should always ensure that the business information contained in e-mail messages is entirely appropriate.

Employees' internet and e-mail usage must not contain content or comments that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any Employee or other person. Examples of unacceptable content are pornography, derogatory comments involving race, age, sex, religious or political beliefs, national origin, disability, sexual orientation, or any other comment that may be offensive to fellow Employees or the public.

Internet users should take the necessary anti-virus precautions before downloading or copying any file from the Internet. All downloaded files are to be checked for viruses; all compressed files are to be checked before and after decompression using the Company's anti-virus software.

All of these systems are Company property subject to monitoring by the Company and disclosure to third parties including law enforcement agencies. No privacy rights can be assumed by Employees in the content of e-mails, computer and telephone usage.

While employment with the Company is always At Will, Employees must recognize that abuse of these policies will result in disciplinary action, up to and including termination of employment. Should the Company suffer a financial or property loss as a result of an Employee's abuse of these policies, the Employee may be held personally liable for all such losses.

Personal Property

The Company's property, including desks and lockers, is furnished by the Company as part of the workplace and for the convenience of Employees in performing their

jobs. The Company has the right to monitor the workplace and to inspect, with or without notice to Employees, all Company property.

Employees should not bring any personal property into the workplace that they do not want to have subject to inspection.

Employees are responsible for their own belongings. Those Employees taking the property of others will be subject to disciplinary action, including termination.

Smoking

The Company maintains a smoke-free environment.

Those Employees who must smoke should do so only before and after business hours or during breaks, outside the workplace. Smoking in the workplace is strictly prohibited.

Jury Duty - Updated 01/14/14

The Company will pay up to 3 days of Jury Duty if the employee has been with the company for at least 6 months. Employees must get a jury duty slip signed 2 weeks prior to the summons date. The employee also must bring back the time card punch from the court as documentation in order to be paid.

The Company recognizes the importance of our Employee's civic obligation to serve on jury duty.

The Company is in compliance with all state laws relating to jury duty and the service by our Employees to meet such obligation. Exempt Employees will receive their full salary less any payment received from the state for serving on jury duty during the pay period in which the Employee served on jury duty.

Should an Employee's absence from work while serving on jury duty cause the Company an unreasonable hardship, the Company may request a delay of the Employee's jury service. It is therefore important that you inform the Company as soon as you receive a notice to serve on jury duty.

Employee Socializing

The Company recognizes that from time to time Employees may socialize with one another. The Company does not prohibit Employees from socializing with one another outside of the workplace, provided that such socializing does not adversely affect job performance. Employees should be well aware of the strong Company policy against sexual harassment and harassment of fellow Employees.

The Company does not permit Employees with a supervisory role to date Employees who are their subordinates or where one of the Employees approves the wages, overtime or expense accounts of the other Employee involved in the relationship.

Non-solicitation

The Company welcomes visitors and guests into our workplace, provided that the visit is work-related.

The Company does not allow Employees, visitors or guests, to solicit or distribute literature in our workplace at any time. The Company recognizes that our Employees do participate in activities outside of the workplace, and the distribution of non-work-related materials is limited to non-working hours and outside the workplace.

The Company bulletin boards are reserved for the Company's communications with its Employees and for displaying any notices required by governmental agencies. The bulletin boards are not to be used for solicitation.

This policy of non-solicitation may be varied only where required by federal or state law.

Business Ethics

The Company is steadfast in its complying with all applicable laws and regulations and expects its Employees to act in accordance with all laws which apply to our business. Any Employee engaging in unlawful acts or activities will be immediately

dismissed from employment.

Should you become aware of any improper or unlawful conduct of another Employee, or need to discuss decisions or actions you plan to take in regard to Company business, you should immediately inform an appropriate member of the Company's management. We will protect your confidentiality to the greatest extent possible.

Conflict of Interests and Outside Activities

Each Employee should have no business interest outside of the Company which in any way conflicts with, could be construed to conflict or have the potential to conflict with, the individual Employee's duties to the Company.

No company equipment, software or other property should be used for anything but company business.

We encourage you to avoid any situation which could affect your undivided loyalty and the fiduciary duty you owe to the Company or which would reflect upon the integrity of this Company or your relationship or the integrity of you as an Employee.

All Employees will be judged by the same performance standards and will be subject to our scheduling demands, regardless of any existing outside work requirements.

If the Company determines that an Employee's outside work interferes with the Employee's performance or the ability to meet our job requirements, including any future changes in the requirements, the Employee may be asked to terminate the outside employment if the Employee wishes to remain employed by the Company.

Nondisclosure and Confidentiality of Company

Information

One of the greatest assets of the Company is its business information. For this reason we require that as part of the hiring process, all Employees sign a Nondisclosure Agreement as a condition of employment. We consider this Nondisclosure policy to be of utmost importance, so that any violation of this policy may result in immediate termination of employment or other discipline.

Among the type of information which is considered by this Company as a trade secret and subject to the nondisclosure requirements of this policy are formulas, methods, devices, programs, marketing plans, price information, financial information, vendor and customer lists, e-mail addresses and Employee personal information.

Your obligation of not disclosing our trade secrets and confidential information extends to you even after your employment with the Company ceases.

Suggestions

Our Company seeks to obtain a competitive advantage over our competition. One way of doing this is for the Company and its Employees to seek better and more efficient ways to carry on the business and to do each person's job.

The Company counts on Employees bringing to the Company's attention all suggestions and improvements which improve the way we do things or our products and services.

All such improvements and suggestions remain the Company's property and are deemed "Works Made for Hire." The Company may in its sole discretion award an Employee recognition for the Employee's efforts.

Company forms are available to Employees for their submissions.

Military Service

The Company is in full compliance with the Uniformed Services Employment and Reemployment Rights Act known as “USERRA” which offers Employees the ability to become reemployed after their military service obligations are completed.

USERRA defines “Uniformed Services” as the Army, Navy, Marine Corps, Air Force, Coast Guard, Public Health Service Commission Corp, the Army National Guard and the Air National Guard. Reservists of each of the services are also included.

The law covers a number of items including time off, wages, a Company’s responsibility with respect to the Employees in military service and reemployment upon return from military service.

The Employee must notify the Company as soon as possible when the Employee receives notice of a military leave requirement. Should the Employee fail to notify the Company, the Employee may not be entitled to USERRA protection.

The Company is required to allow Employees time off to fulfill their military obligation. We are permitted to contact a particular Employee’s Commander in order to seek a rescheduling of duty or to have someone else perform the duty if the Employee’s service causes an undue hardship for our business.

Employees on military duty are deemed under law to be on a leave of absence. Accordingly, wages may not be paid.

USERRA also provides for the reemployment of Employees after conclusion of military service.

According to law, a former Employee is eligible for reemployment after military service where:

- The Employee has given notice to the Company that the Employee is leaving his job for service in the Armed Forces, unless giving such notice was precluded by military necessity or otherwise impossible or unreasonable to give.
- The period of service must not have exceeded five years.
- The Employee must not have been dishonorably discharged or separated from the armed services under other punitive conditions, and
- The Employee must report back to the Company in a timely manner or have given the Employer an application for reemployment in a timely manner.

The time limits specified in USERRA for the Employee's return to work or applying for reemployment are as follows:

- Less than 31 days of military service: the beginning of the first regularly-scheduled work period after the end of the calendar day of duty, plus time required to safely return home.
- 31 to 181 days: The Employee must apply for reemployment with the Company no later than 14 days after completion of the military service obligation. If this is impossible or unreasonable, then as soon as possible.
- 181 days or more: The Employee must seek reemployment no later than 90 days after completion of military service.
- If the Employee is suffering from an illness or injury connected with the Employee's service, the application for reemployment or reporting for reemployment extends up to two years for those persons who are hospitalized or convalescing.

If it is impossible or unreasonable for the Employee to meet the above guidelines, the Employee must seek reemployment within a reasonable amount of time or as soon as possible.

The Company offers equal opportunity to those Employees who apply for reemployment outside of the above dates. We apply the same rules as are applied to any other leaves of absence from the Company.

USERRA provides that service members activated for duty on or after December 10, 2004 may elect to extend their Employer-sponsored health coverage for up to 24 months. Service members activated prior to December 10, 2004 can elect to extend coverage for up to 18 months.

USERRA applies to all positions except positions where there is "no reasonable expectation that employment will continue indefinitely or for a significant period." For example, temporary Employees. USERRA prohibits employment discrimination against a person on the basis of past military service, current military obligations, or intent to serve. The United States Department of Labor, Veterans Employment and Training each are authorized to investigate and resolve complaints filed under USERRA.

Military Family Leave

An Employee who is a spouse of a member of the Armed Forces of the United States, National Guard, Reserves and has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States, or is a member of the National Guard who has been deployed during a period of military conflict or is a member of the Reserves and has been deployed during a military conflict is entitled to take up to 10 days of unpaid leave during a qualified leave period.

An Employee working for the Company for an average of 20 or more hours per week is eligible for this leave, provided that the Company is given notice by the Employee within 2 business days after receiving official notice that the member of the Armed Forces will be on leave from deployment of the Employee's intention to take sick leave.

The Company also provides the following Leave for every officer and enlisted member of the California National Guard who, in order to undertake active military duty in the service of the state when the Governor has issued a proclamation of a state of insurrection, or a proclamation of a state of extreme emergency or when the California National Guard is on active duty, or a service member called to active service or duty provided the Employee:

- receives a certificate of satisfactory service in the California National Guard or equivalent
- is still qualified to perform the duties of the position held with the Company and
- makes application within 40 days after release from service.

Our Employees qualifying for the above leave will be considered as on a leave of absence during that period and will be restored position previously held or to a position of similar seniority, status, and pay without loss of retirement or other benefits, unless the Company's circumstances have so changed as to make it impossible or unreasonable to do so. An Employee on such leave will not be discharged from the position without cause within one year after being restored to the position.

Every officer and enlisted member who has left a part-time position with the Company for purposes of service provided above and receives a certificate of satisfactory service in the California National Guard or an equivalent and is still qualified to perform the duties of that position, and makes application within five days after release from service will be considered as on leave of absence during that period.

Our policy on Military Family Leave is in addition to any other leaves that the Employee is entitled to take under California and federal law.

Family and Medical Leave

The Company is in full compliance with the federal Family and Medical Leave Act.

Under the Act, and provided that an Employee has worked at least 12 months and at least 1250 hours during the previous 12-month period, and at a location where at least 50 Employees are employed at the location or within 75 miles of the location, an Employee is eligible for leave.

An eligible Employee may take leave under any one of the following circumstances:

- Birth of a child, and placement of a child for adoption or foster care.
- Provide care for an Employee's own parent, including individuals who exercise parental responsibility under applicable state law, a child or spouse with serious health condition.
- Employee's own serious health condition which is an illness, injury, impairment or physical or mental condition involving incapacity or treatment connected with inpatient care in a hospital, hospice or residential medical/care facility or continuing treatment by health care provider.
- Arising out of the fact that a spouse, son, daughter, parent or next of kin of an Employee is on active duty (or has been notified of an impending call or order to active duty) in the armed forces ("Service member Leave") or due to a Service member's service related injuries. Service member Leave is described below.

The Company provides up to a total of 12 weeks during a 12-month period of unpaid leave due to a birth, adoption, foster care or to care for a parent with a serious health condition. The leave must be shared by spouses working for us. Either the Employee or the Company may elect to require the Employee to use accrued paid leave.

Service member Leave

The Company provides two types of Service member Leave. The first is for an Employee's spouse, daughter, son or parent who is a Service member and suffers a serious illness or injury and where such Service member is a:

- member of the Armed Forces (including a member of the National Guard or Reserves) who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness or
- veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of 5 years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.

This Leave is available where the serious injury or illness occurred on Covered Active Duty, which means:

- in the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country; and
- in the case of a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a call or order to active duty under a provision of Federal law

Our Employees entitled to Service member's Leave may take up to an additional 26 weeks of unpaid leave in a single 12 month period to care for a Service members with a serious injury or illness incurred on Covered Active Duty. This Leave is in addition to non-Service members Leave described earlier in this Policy

For purposes of this Policy, Serious Injury or Illness of a Service member means:

- In the case of a member of the Armed Force(including a member of the National Guard or Reserves), an injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in line of duty on active duty in the ArmedForces) and that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating; and
- in the case of a veteran who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during a period of 5 years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy means a qualifying injury or illness (as defined by the Secretary of Labor) that was incurred by the Servicemember in line of duty on active duty in the Armed Forces (or existed before the beginning of the Servicemember's active duty and was aggravated by service in line of duty on active duty in the Armed Forces) and that manifested itself before or after the Servicemember became a veteran.

Service Member's Exigency Leave

Service member Leave is also available for qualifying exigency leave where the spouse, son, daughter or parent of the Employee has one of the following qualifying exigencies:

- short-notice deployment;
- military events and related activities;
- childcare and school activities
- financial and legal arrangements
- counseling;
- rest and recuperation;
- post-deployment activities or
- additional activities where the Company and Employee agree to the leave.

This exigency leave applies where an Employee's spouse, son, daughter or parent:

- is a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country and in the case of a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a call or order to active duty.

The Company may require certification as provided for by law of those Employees seeking to take leave under this policy.

With respect Servicemember's Leave, and when such Leave is foreseeable, whether because the spouse, or a son, daughter, or parent, of the employee is on covered active duty, or because of notification of an impending call or order to Covered Active Duty, the Employee must provide such notice to the Company as is reasonable and practicable under the circumstances.

Return to Work

When an Employee returns from leave, the Employee will be restored to the same position or one equivalent to it with all benefits. There are certain exceptions involving key Employees that may apply when a key Employee seeks to return to the Company. Key Employees should discuss with their supervisor an anticipated leave.

With the birth or adoption of a child, an Employee can take an intermittent leave or reduced leave schedule, subject to the requirements of the Company. An Employee may take an intermittent leave for a serious health condition if medically necessary.

Family Care and Medical Leave

Employee Eligibility

To be eligible for this leave, an Employee must be a full or part time Employee with more than 12 months (52 weeks) of service at any time, and who has actually worked for the Company at least 1,250 hours during the 12-month period immediately prior to the Employee's request for leave under this policy or when leave is to commence under our Family Medical Leave Policy, which is provided under the federal Family Medical Leave Act ("FMLA"). The Company will choose any of the methods allowed in the federal Family Medical Leave Act regulations for determining the "12-month period" in which the 12 weeks of leave entitlement occurs.

Where leave is common to both this policy and our Family Medical Leave Policy which is established under the FMLA, this 12-month period will run concurrently with the 12-month period under FMLA except for leave taken under the FMLA for disability on account of pregnancy, childbirth or related medical conditions. The aggregate amount of leave taken under this policy or the FMLA policy, or both, for disability on account of pregnancy, childbirth, or related medical conditions, is not to exceed 12 workweeks in a 12-month period

Once an Employee meets the above two eligibility criteria and takes a leave for a qualifying event listed in this policy, the Employee does not have to requalify, in terms of the numbers of hours worked, in order to take additional leave for the same qualifying event during the Employee's 12-month leave period.

Family Care and Medical Leave

"Family care leave" under this policy means either:

- Leave of up to a total of 12 workweeks in a 12-month period for reason of the birth of a child of the Employee, the placement of a child with an Employee in connection with the adoption or foster care of the child by the Employee, and a guarantee of employment, made at the time the leave is granted, in the same or a comparable position upon termination of the leave; or
- Leave of up to a total of 12 workweeks in a 12-month period to care for a child, parent or spouse of the Employee who has a serious health condition, and a guarantee of employment, made at the time the leave is granted, in the same or a comparable position upon termination of the leave; or

- "Medical leave" of up to a total of 12 workweeks in a 12-month period because of an Employee's own serious health condition that makes the Employee unable to work at all or unable to perform any one or more of the essential functions of the position of that Employee.

In the event that both parents entitled to leave under this policy are Employees of the Company, both parents together May not have more than a total of 12 work weeks in any 12-month period for leave in connection with the birth, adoption or foster care of a child.

For purposes of this policy, the following definitions apply:

"Parent" means a biological, foster, or adoptive parent, a stepparent, a legal guardian, or other person who stood in loco parentis to the Employee when the Employee was a child. A biological or legal relationship is not necessary for a person to have stood in loco parentis to the Employee as a child. Parent does not include a parent-in-law.

"Pregnancy disability leave" means a leave taken for disability on account of pregnancy, childbirth, or related medical conditions.

"Serious health condition" means an illness, injury (including on-the-job injuries), impairment, or physical or mental condition of the Employee or a child, parent or spouse of the Employee which involves either. A "Serious Health Condition includes inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential health care facility, or

"Spouse" means a Partner in marriage.

Notice by Employee

The Company requires that Employees provide at least 30 days advance notice before leave is to begin if the need for the leave is foreseeable based on an 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 Company will consult with the Employee and make a reasonable effort to schedule any planned medical treatment or supervision so as to minimize disruption to the operations of the Company. Any such scheduling, however, will be subject to the approval of the health care provider of the Employee or the Employee's child, parent or spouse.

In the event that 30 days notice is not practicable, because of a lack of knowledge of approximately when leave will be required to begin, a change in circumstances, or a medical emergency, notice must be given as soon as practicable.

The Company will respond to the leave request as soon as practicable as and in any event no later than ten calendar days after receiving the request. The Company will

attempt to respond to the leave request before the date the leave is due to begin. Once given, approval shall be deemed retroactive to the date of the first day of the leave.

As a condition of granting an Employee leave under this policy, the Employee is to submit the following certifications with 15 days after the Employee's notice of intent to take leave is given:

Leave for the serious health condition of the Employee's child, parent or spouse. The health care provider for the child, parent or spouse must certify in writing (a) the date leave is to start, (b) the date leave is to end, (c) the date the serious health condition started, if known and (d) a statement that the serious health condition requires the Employee to provide care during a period of treatment or supervision of the child, parent or spouse.

Leave for an Employee's serious health condition. The Employee's health care provider must certify in writing (a) the date leave is to start, (b) the date leave is to end, (c) the date the serious health condition started, if known and (d) a statement that because of the serious health condition of the Employee, the Employee is unable to work at all or is unable to perform any one or more of the essential functions of the Employee's position.

In the event that the Company has reason to question the validity of the certification, the Company may require, at the Company's own expense, that the Employee obtain the opinion of a second health care provider, designated or approved by the Company. Should the certification obtained by the Company differ from that of the Employee's, both the Employee and Company will select a third health care provider to provide such certification, at the Company's expense. This third certification is final.

Benefits to be Maintained During Leave

The Company will continue to maintain and pay for coverage under a group health plan for those Employees participating in such plan on the commencement of leave under this policy for the duration (or such longer period should the Company elect to do so) commencing on the date leave taken under the FMLA commences, at the level and under the conditions coverage would have been provided if the Employee had continued in employment continuously for the duration of the leave.

The Company may recover the premium that is paid for maintaining coverage for the Employee under the group health plan if:

A-The Employee fails to return from leave after the period of leave has expired.

B-The Employee's failure to return from leave is for a reason other than the continuation, recurrence, or onset of a serious health condition which entitles the Employee to leave under this Policy or other circumstances beyond the control of the Employee.

Our Employees taking leave under this Policy are entitled to continue participate in: Employee health plans for any period during which coverage is not provided by the Company under this Policy; Employee benefit plans (including life, short-term or long-term disability or accident insurance, pension and retirement plans) and supplemental unemployment benefit plans to the same extent and conditions as apply to an unpaid leave taken by the Employee for any purpose other than those described in this Policy. In the absence of these conditions, an Employee is entitled to participate in these plans and, in the case of health and welfare Employee benefit plans, including life, short-term or long-term disability or accident insurance, or other similar plans, the Company may, the Company's discretion, require the Employee to pay premiums, at the group rate, during the period of leave not covered by any accrued vacation leave, or other accrued time off, or any other paid or unpaid time off negotiated with the Company, as a condition of continued coverage during the leave period. However, the nonpayment of premiums by an Employee does not constitute a break in service, for purposes of longevity, seniority or any Employee benefit plan.

In the event that an Employee is covered under a Company pension and retirement plan prior to taking leave under this Policy, the Company is not required to make plan payments for an Employee during the leave period, and the leave period is not required to be counted for purposes of time accrued under the plan. However, an Employee covered by a pension plan may continue to make contributions in accordance with the terms of the plan during the period of the leave.

Employee Status During Leave

During a Family Care and Medical Leave period under this policy, the Employee retains Employee status and the leave does not constitute a break in service, for purposes of longevity, seniority, or any Employee benefit plan. An Employee returning from leave will return with no less seniority than the Employee had when the leave commenced, for purposes of layoff, recall, promotion, job assignment, and seniority-related benefits such as vacation.

Returning to Work After Leave-Employee Requirements

All Employees' seeking to return to work return from medical leave must provide the Company with a written statement from the Employee's health care provider that the Employee is able to resume work.

Reinstatement After Leave

The Company will reinstate an Employee to the position held prior to leave being taken except under the following circumstances:

A-The Employee is a salaried Employee who is among the highest paid 10 percent of the Company's Employees who are employed within 75 miles of the worksite at which that Employee is employed; and

B-The refusal to reinstate the Employee is necessary to prevent substantial and grievous economic injury to the operations of the Company; and

C-The Company notifies the Employee of the intent to refuse reinstatement at the time the employer determines the refusal is necessary under the immediate preceding paragraph B.

In any case in which the leave has already commenced, the Company will give the Employee a reasonable opportunity to return to work following the notice specified under the immediate preceding paragraph C.

Our Family Care and Medical Leave policy is in accordance with the California law establishing such Leave. This policy is a summary of the Company's and Employees' rights under such law. The actual provisions of California law shall govern the eligibility, application, reinstatement and leave to be taken under this policy.

School Visit Leave

An Employee who is a parent, guardian, or grandparent having custody, of one or more children in kindergarten or grades 1 to 12, inclusive, or attending a licensed child day care facility may take "School Visit Leave" for up to 40 hours each year, not exceeding eight hours in any calendar month of the year, to participate in activities of the school or licensed child day care facility of any of his or her children provided that the Employee, prior to taking the time off, provided the Employee gives the Company reasonable notice of the Employee's planned absence.

If both parents of a child are employed by the Company at the same worksite, the School Visit Leave applies to the parent who first gives notice to the Company. The Company may permit the other parent to also take School Visit Leave simultaneously provided that such simultaneous Leave is not disruptive to the Company in the Company's sole discretion and a good reason is shown by the parent seeking to take simultaneous School Visit Leave.

Employees are to utilize existing vacation, personal leave, or compensatory time off for purposes of taking School Visit Leave. An Employee also may utilize time off without pay for this purpose, with the prior written approval of the Company.

Permanent, full-time Employees who are afforded vacation leave during the same period of time in the calendar year may not utilize accrued vacation time at any other time for purposes of the planned absence authorized by this policy.

Employees are to provide written documentation from the school or licensed child day care facility as proof that the Employee participated in school or licensed child day care facility activities on the specific date and time that the Employee took School Visit Leave under this policy.

Our School Visit Leave policy is in accordance with the California law establishing such Leave. This policy is a summary of the Company's and Employees' rights under such law. The actual provisions of California law shall govern the eligibility, application, reinstatement and leave to be taken under this policy.

Pregnancy Disability Leave

Basics of Leave

The Company provides a leave of up to four months, as needed, for the period or periods of time a woman is actually disabled by pregnancy. A "four month leave" means the number of days the Employee would normally work within four months. For a full time Employee who works five eight-hour days per week, "four months" means 88 working and/or paid eight-hour days of leave entitlement, based on an average of 22 working days per month for four months.

For Employees who work more or less than five days a week, or who work on alternative work schedules, the number of working days which constitutes "four months" is calculated on a pro rata or proportional basis.

For example, for an Employee who works half time, "four months" may mean 44 eight-hour days or 88 four-hour days, or four months of whatever is the Employee's normal half time work schedule. For an Employee who normally works six eight-hour days in a week, "four months" means 104 working and/or paid days of leave entitlement.

Should an Employee take leave on an intermittent leave or a reduced work schedule, only the amount of leave actually taken will be counted toward the four months of leave to which the Employee is entitled. For example, if an Employee misses two hours of work in a morning because of morning sickness, only two hours would be charged against her pregnancy disability leave entitlement.

If a holiday falls within a week taken as a pregnancy disability leave, the week is nevertheless counted as a week of pregnancy disability leave. If, the Company's business activities have temporarily ceased for some reason and Employees generally are not expected to report for work for one or more weeks, the days our activities have ceased do not count against the Employee's pregnancy disability leave entitlement.

To the extent that the Company has a temporary disabilities leave policy affording Employees more leave time than this policy, the policy affording the greater time off will govern the amount of days of pregnancy disability leave an Employee is entitled to take.

There is no length of service requirement before an Employee disabled by pregnancy is entitled to a pregnancy disability leave.

Minimum Leave Duration

Leave may be taken intermittently or on a reduced work schedule when medically advisable, as determined by the health care provider of the Employee. The Company may limit leave increments to the shortest period of time that our payroll system uses to account for absences or use of leave.

Notice Requirements of Intent to Take Leave

An Employee is to provide at least verbal notice sufficient to make the employer aware that the Employee needs a pregnancy disability leave or transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties, and the anticipated timing and duration of the leave or transfer.

An Employee must provide the employer at least 30 days advance notice before pregnancy disability leave or transfer is to begin if the need for the leave or transfer is foreseeable because of pregnancy. The Employee is to consult with the Company and make a reasonable effort to schedule any planned medical treatment or supervision so as to minimize disruption to the Company's operations. Any such scheduling will be subject to the approval of the health care provider of the Employee. If 30 days advance notice is not practicable, notice must be given as soon as practicable.

The Company will respond to an Employee's leave or transfer request as soon as practicable as and in any event no later than ten calendar days after receiving the request. The Company will attempt to respond to the leave request before the date the leave is due to begin. Approval is retroactive to the date of the first day of the leave.

Medical Certification

As a condition of granting a pregnancy disability leave or transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties, the Company requires medical certification from the Employee's health care provider which states:

- The date on which the Employee became disabled due to pregnancy;
- The probable duration of the period or periods of disability, and

-An explanatory statement that, due to the disability, the employee is unable to work at all or is unable to perform any one or more of the essential functions of her position without undue risk to herself, the successful completion of her pregnancy, or to other persons.

The certification indicating the medical advisability of the transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties should contain:

- The date on which the need to transfer became medically advisable;
- The probable duration of the period or periods of the need to transfer;
and
- An explanatory statement that, due to the Employee's pregnancy, the transfer is medically advisable.

Upon expiration of the time period which the health care provider originally estimated that the Employee needed, the Company will require the Employee to obtain recertification if additional leave time is requested.

Release to Return to Work

As a condition of an Employee's return from pregnancy disability leave or transfer, the Employee must obtain a release to "return-to-work" from her health care provider stating that the Employee is able to resume her original job duties.

Leave under this policy is in accordance with the California law establishing such Leave. This policy is a summary of the Company's and Employees' rights under such law. The actual provisions of California law shall govern the eligibility, application, reinstatement and leave to be taken under this policy.

Nursing Mothers

The Company will provide a reasonable amount of break time to accommodate an employee desiring to express breast milk for the Employee's infant child. If at all possible, the break time will run concurrently with any break time already provided by the Company.

The Company will make reasonable efforts to provide the Employee with the use of a room or other location, other than a toilet stall, in close proximity to the Employee's work area, for the Employee to express milk in private.

Vacation (UPDATED 09-02-2016)

The Company has a vacation policy in order to allow eligible Employees to take time off from work for rest and personal reasons. Our vacation benefits are available to our regular full-time Employees under the following schedule:

- After the first anniversary of employment, eligible Employees receive 5 vacation days each year.
- After two years of eligible service, eligible Employees receive 10 vacation days each year.
- Effective January 1, 2017, Employees with five or more years of eligible service receive 10 vacation days each year.

Eligibility for vacation days has a waiting period of 180 calendar days (6 months). Within such time, no vacation is accrued. Once an Employee has completed the 180-day waiting period, Employees begin to accrue the vacation period at the rate necessary to bring the Employee within the appropriate vacation schedule. After the 180-day period, Employees may request use of the accrued vacation time.

Once accrued, vacation time can be used in minimum increments of ½ day.

The vacation time off is paid at the Employee's base compensation at the time of the vacation and does not include overtime or any special forms of compensation such as commissions, bonuses or shift differentials.

In order to appropriately schedule our workforce, the Company would like as much notice as possible as to the use of any vacation that has been accrued by Employees.

Sick Leave – Updated 09/02/2016

Effective July 1st, 2015, with the enactment of the Healthy Workplaces, Healthy Families Act of 2014 (“the Act”) and City of San Diego’s Earned Sick Leave Ordinance, effective July 11, 2016, California employers are mandated to provide paid sick leave. Effective September 1, 2016 Herring Networks will front load 40 hours of sick leave after the Employee’s probationary period. The maximum sick leave allowed to be accumulated by an employee is 80 hours. There is no cash out option available.

Please see below all the details for the new benefit:

- Employees will receive 40 hours of paid sick leave effective September 2, 2016.
- The maximum sick leave allowed to be accrued is 80 hours.
- Employees are capped at using no more than 40 hours of sick leave every 12 months
- Paid sick leave may be used by employees who have been working for the company for at least 90 days.
- Employees can make use of sick leave in the following cases:
 - For employee’s own use;
 - Domestic violence, sexual assault, stalking; and
 - Care for “family member” – “Family member” – child, spouse, parent, registered domestic partner, grandparent, grandchild and sibling; Note: this is more expansive than kin care.
- All employees must make a written request specifying the use of paid sick leave.

***** A poster advising all employees of their new paid sick leave rights has been posted in the breakroom for everybody’s review.*****

Holidays – Updated 07/01/2016

Herring Networks, Inc. observes the following holidays each year:

- New Year Day
- 4th of July
- Memorial Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Non-exempt Employees must have a minimum of six (6) months with Herring Networks, Inc. to be eligible for holiday pay.

All employees will get paid double if they are scheduled to work on a holiday.

Bereavement

The Company permits full-time Employees to take time off due to the death of a family member.

Herring Networks grants leave of absence to employees in the event of the death of the employee's current spouse, registered domestic partner, child, parent, legal guardian, brother, or sister. An employee with such a death in the family may take up to 3 consecutive scheduled workdays off with pay with the approval of the Company. The employee's supervisor may approve additional unpaid time off.

Crime Victim Leave

The Company has established a policy to make leave available to our Employees who are victims of certain crimes. Employees will be granted a leave in accordance with this policy:

- To seek medical attention for injuries caused by domestic violence or sexual assault.
- To obtain services from a domestic shelter, program or rape crisis center as the result of domestic violence or sexual assault.
- To obtain psychological counseling related to an experience of domestic violence or sexual assault.
- To participate in safety planning and to take other actions to increase safety from future domestic violence or sexual assault, including temporary or permanent relocation.

As a condition of taking time off for the above purposes, the Employee must give the Company reasonable advance notice of the Employee's intention to take time off, unless advance notice is not feasible. Should an unscheduled absence occur because of any of the above situations, the Company will take no adverse action against the Employee if within a reasonable time after the absence, the Employee provides the Company with a certification, and includes any of the following:

- A police report indicating that the Employee was a victim of domestic violence or sexual assault.
- A court order protecting or separating the Employee from the perpetrator of an act of domestic violence or sexual assault, or other evidence from the court or prosecuting attorney that the Employee appeared in court.
- Documentation from a medical professional, domestic violence advocate or advocate for victims of sexual assault, health care provider, or counselor that the Employee was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence or sexual assault.

The Company will maintain all information relative to a particular Employee and the application of this policy confidential, except as otherwise required by law.

An Employee may use vacation, personal leave, or compensatory time off that is otherwise available to the Employee under our policies for crime victim leave. Crime victim leave does not allow for the Employee to take any unpaid leave that exceeds the unpaid leave time allowed under the federal Family and Medical Leave Act.

Performance Reviews

We believe that affording both the Company and an Employee the opportunity to discuss job performance is critical to the Employee having appropriate input into the Employee's job and for the Company to review how the Employee is performing.

The performance review may either be formal or informal. A formal job review will be scheduled so that the Employee and the Company will have an opportunity to prepare for the review.

Informal reviews may occur after a particular project has been completed or during such project, or as the Company believes is appropriate in order to discuss issues which may arise from the day-to-day operations of the Company.

Reviews may be conducted by the Company should an issue arise which may lead to discipline of an Employee for either violating any of the policies in this Manual or other work-related matters.

Although certain policies in this Handbook may discuss discipline, including termination of employment, the availability to an Employee of the disciplinary process or performance reviews do not vary the At Will nature of the employment between the Company and Employee.

COBRA

Our Employees covered by Employee benefit plans and have enrolled in such plans are permitted to continue coverage under such plans should the Employee be separated from employment for any reason (except gross misconduct) including a reduction in force or the number of hours worked. Such continuation is always subject to the provisions of the Consolidated Omnibus Budget Reconciliation Act, known as COBRA, and similar state law.

There are strict requirements that Employees must follow in order to qualify for COBRA, and once qualified, to maintain such Coverage.

In the event of separation of Employment with the Company, Employees will be notified of the steps necessary for continuation of Coverage.

Exiting Employment, Return of Company Property,

On-Going Responsibility and Future References

When an Employee's employment ends, there are certain procedures that are followed.

As all Company property is entrusted to the Employee solely for the purpose of the Company's business, all such property must be immediately returned to the Company. Employees may not take any Company documents, software, copies of e-mail, or computer files with them when employment ends.

Provided that the Company has an Employee's written permission, the Company may withhold from an Employee's final paycheck or periodic paycheck the cost of items that are not returned to the Company and to offset any money owed by the Employee to the Company, subject to applicable law.

Separation from employment, regardless of the reason, does not allow an Employee to use at another employer or in the Employee's own business the Company's confidential, proprietary and trade secret information which was learned or developed while employed with us. After employment ends, the Employee has the continued obligation to keep all such information confidential and not to discuss or reveal such information to another employer.

Should another employer desire information on a former Employee, the Company will only provide the Employee's hire date, date of separation and final position unless the Employee authorizes the Company in writing to give out other information.

The Company would like to have an exit interview with you to discuss the reasons for your leaving.

Right to Revise

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

Herring Networks 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 Robert Herring Sr.

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 Herring Networks 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's descriptions, creates or is intended to create a promise or representation of continued employment for any employee.

Nothing in this at-will statement is intended to interfere with an employee's rights to communicate or work with others toward altering the terms and conditions of his or her employment.