# CLIPPER SHIP INCORPORATED
# DBA
# THE FRESH FISH COMPANY

# EMPLOYEE HANDBOOK

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## Welcome to Clipper Ship!

Starting a new job is exciting, but at times can be overwhelming. This Employee Handbook has been developed to help you become acquainted with our company and answer many of your initial questions.

As an employee of Clipper Ship, you are very important. Your contribution cannot be overstated. Our goal is to provide the finest-quality products to our customers and to do so more efficiently and economically than our competitors. By satisfying our customers' needs, we ensure they will continue to do business with us and will recommend us to others.

You are an important part of this process because your work directly influences our company's reputation.

We are glad you have joined us, and we hope you will find your work to be both challenging and rewarding.

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# The Way We Work

1

## A Word About This Handbook

1

This Employee Handbook contains information about the employment policies and practices of the company. We expect each employee to read this Employee Handbook carefully, as it is a valuable reference for understanding your job and the company. The policies outlined in this Employee Handbook should be regarded as management guidelines only, which in a developing business will require changes from time to time. The company retains the right to make decisions involving employment as needed in order to conduct its work in a manner that is beneficial to the employees and the company. This Employee Handbook supersedes and replaces any and all prior Employee Handbooks and any inconsistent verbal or written policy statements.

The company complies with federal and state law and this handbook generally reflects those laws. The company also complies with any applicable local laws, even though there may not be an express written policy contained in the handbook.

Except for the policy of at-will employment, the company reserves the right to revise, delete and add to the provisions of this Employee Handbook at any time without further notice. All such revisions, deletions or additions to the Employee Handbook must be in writing and must be signed by the vice president of the company. No oral statements or representations can change the provisions of this Employee Handbook.

The provisions of this Employee Handbook are not intended to create contractual obligations with respect to any matters it covers. Nor is this Employee Handbook intended to create a contract guaranteeing that you will be employed for any specific time period. Any agreement to employment for a specified period of time

will be put into writing and signed by the vice president of the company.

Nothing in this Employee Handbook is intended to unlawfully restrict an employee's right to engage in any of the rights guaranteed them by Section 7 of the National Labor Relations Act, including but not limited to, the right to engage in concerted protected activity for the purposes of their mutual aid and/or protection. Nothing in this Employee Handbook will be interpreted, applied or enforced to interfere with, restrain or coerce employees in the exercise of Section 7 rights.

**OUR COMPANY IS AN AT-WILL EMPLOYER. THIS MEANS THAT REGARDLESS OF ANY PROVISION IN THIS EMPLOYEE HANDBOOK, EITHER YOU OR THE COMPANY MAY TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, FOR ANY REASON, WITH OR WITHOUT CAUSE OR NOTICE. NOTHING IN THIS EMPLOYEE HANDBOOK OR IN ANY DOCUMENT OR STATEMENT, WRITTEN OR ORAL, SHALL LIMIT THE RIGHT TO TERMINATE EMPLOYMENT AT-WILL. NO OFFICER, EMPLOYEE OR REPRESENTATIVE OF THE COMPANY IS AUTHORIZED TO ENTER INTO AN AGREEMENT—EXPRESS OR IMPLIED—WITH ANY EMPLOYEE FOR EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME UNLESS SUCH AN AGREEMENT IS IN A WRITTEN CONTRACT SIGNED BY THE VICE PRESIDENT OF THE COMPANY.**

This Employee Handbook refers to current benefit plans maintained by the company. Refer to the actual plan documents and summary plan descriptions if you have specific questions regarding the benefit plan. Those documents are controlling.

Likewise, if a written contract is inconsistent with the Employee Handbook, the written contract is controlling.

## Total Quality Management



Our company is committed to Total Quality Management (TQM). We feel that not only do our customers benefit from this effort but so do our employees. All employees are expected to participate in TQM.

You are encouraged to offer ideas and/or constructive criticism to your supervisors or managers. We also encourage you to take part in project teams or problem-solving teams and cost reduction projects. Your participation in continuous improvement is essential to the success of the company.

## Equal Employment Opportunity

Our company is committed to equal employment opportunity. We will not discriminate against employees or applicants for employment on any legally-recognized basis ["protected class"] including, but not limited to: race; color; religion; genetic information; national origin; sex; pregnancy, childbirth, or related medical conditions; age; disability; citizenship status; uniform servicemember status; or any other protected class under federal, state, or local law.

In Washington, the following also are a protected class: age [40 or over]; sex; marital status; race; creed; color; national origin, including ancestry; sensory, mental or physical disability, including the results of an HIV and/or Hepatitis C test; use of a trained guide dog or service animal by a person with a disability; pregnancy and childbirth; honorably discharged veteran or military status, credit report or credit history; and sexual orientation.

You may discuss equal employment opportunity related questions with Francis Powers or any other designated member of management.

## Pregnancy Accommodation

The company will provide reasonable accommodations to female employees related to pregnancy, childbirth, or related medical conditions, to the extent the accommodation can be made without imposing an undue hardship on the business.

When an employee requests a reasonable accommodation, the company will explore with the employee the possible means of providing the reasonable accommodation, which may include, but are not limited to:

- allowing more frequent breaks or periodic rest;
- assisting with manual labor;
- modifying job duties;
- modifying work hours/schedules;
- temporary transfer to a less strenuous or less hazardous position; or
- providing a leave of absence.

The company may require the employee to provide a certification in connection with a request for reasonable accommodation that includes the following:

- the date the reasonable accommodation became medically advisable;
- the probable duration of the reasonable accommodation; and
- an explanatory statement as to the medical advisability of the reasonable accommodation.

If leave is provided as a reasonable accommodation, such leave may run concurrently with any leave where permitted by state and federal law.

For more information, or if you require an accommodation, please contact Peter Stafford.

## Americans with Disabilities Act

Our company is committed to providing equal employment opportunities to qualified individuals with disabilities. This may include providing reasonable accommodation where appropriate in order for an otherwise qualified individual to perform the essential functions of the job. It is your responsibility to notify Francis Powers of the need for accommodation. Upon doing so, Francis Powers may ask you for your input or the type of accommodation you believe may be necessary or the functional limitations caused by your disability. Also, when appropriate, we may need your permission to obtain additional information from your physician or other medical or rehabilitation professionals. The company will not seek genetic information in connection with requests for accommodation. All medical information received by the company in connection with a request for accommodation will be treated as confidential.

## A Word About our Employee Relations Philosophy



We are committed to providing the best possible climate for maximum development and goal achievement for all employees. Our practice is to treat each employee as an individual. We seek to develop a spirit of teamwork; individuals working together to attain a common goal.

In order to maintain an atmosphere where these goals can be accomplished, we provide a comfortable and progressive workplace. Most importantly, we have a workplace where communication is open and problems can be discussed and resolved in a mutually respectful atmosphere. We take into account individual circumstances and the individual employee.

We firmly believe that with direct communication, we can continue to resolve any difficulties that may arise and develop a mutually beneficial relationship.

## No Harassment

We prohibit harassment of one employee by another employee, supervisor or third party for any reason based upon an individual's race; color; religion; genetic information; national origin; sex (including same sex); pregnancy, childbirth, or related medical conditions; age; disability; or any other category protected under federal, state, or local law ("protected class").

In Washington, the following also are a protected class: age [40 or over]; sex; marital status; race; creed; color; national origin, including ancestry; sensory, mental or physical disability, including the results of an HIV and/or Hepatitis C test; use of a trained guide dog or service animal by a person with a disability; pregnancy and childbirth; honorably discharged veteran or military status, credit report or credit history; and sexual orientation.

**Violation of this policy will result in disciplinary action, up to and including immediate discharge.**

If you have any questions about what constitutes harassing behavior or what conduct is prohibited by this policy, please discuss the questions with a member of management or one of the contacts listed in this policy. At a minimum, the term "harassment" as used in this policy includes any of the following activities pertaining to an individual's protected class:

- Offensive remarks, comments, jokes, slurs, threats, or verbal conduct.

- Offensive pictures, drawings, photographs, figurines, writings, or other graphic images, conduct, or communications, including text messages, instant messages, websites,

voicemails, social media postings, e-mails, faxes, and copies.

- Offensive sexual remarks, sexual advances, or requests for sexual favors regardless of the gender of the individuals involved; and

- Offensive physical conduct, including touching and gestures, regardless of the gender of the individuals involved.

We also absolutely prohibit retaliation, which includes: threatening an individual or taking any adverse action against an individual for (1) reporting a possible violation of this policy, or (2) participating in an investigation conducted under this policy.

All members of management are covered by this policy and are prohibited from engaging in any form of harassing, discriminatory, or retaliatory conduct. No member of management has the authority to suggest to any applicant or employee that employment or advancement will be affected by the individual entering into (or refusing to enter into) a personal relationship with any member of management, or for tolerating (or refusing to tolerate) conduct or communication that might violate this policy. Such conduct is a direct violation of this policy.

Even non-employees are covered by this policy. We prohibit harassment, discrimination, or retaliation of our employees in connection with their work by non-employees. Immediately report any harassing or discriminating behavior by non-employees, including vendors, customers, and employees of contractors or subcontractors. Any employee who experiences or observes harassment, discrimination, or retaliation should report it using the steps listed below.

**If you have any concern that our No Harassment policy may have been violated by anyone, you must immediately report the matter. Due to the very serious nature of harassment, discrimination and retaliation, you must report your concerns to (one of) the individual(s) listed below:**

1. Francis Powers, Corporate Controller at (206) 592-0744 or 2369 S 200th St Seatac, WA 98198-5571.

2. Peter Stafford, Vice President at (206) 592-0744 or 2369 S 200th St Seatac, WA 98198-5571.

If an employee makes a report to any person listed above and that person either does not respond or does not respond in a manner the employee deems satisfactory or consistent with this policy, the employee is required to report the situation to one of the other persons on the list above to receive complaints.

**You should report any actions that you believe may violate our policy no matter how slight the actions may seem.**

We will investigate the report and then take prompt, appropriate remedial action. The company will protect the confidentiality of employees reporting suspected violations to the extent possible consistent with our investigation.

**You will not be penalized or retaliated against for reporting improper conduct, harassment, discrimination, retaliation, or other actions that you believe may violate this policy.**

We are serious about enforcing our policy against harassment. Persons who violate this or any other company policy are subject to discipline, up to and

including discharge. We cannot resolve a potential policy violation unless we know about it. You are responsible for reporting possible policy violations to us so that we can take appropriate actions to address your concerns.

## Categories of Employment

INTRODUCTORY PERIOD: Full-time employees are on an introductory period during their first 90 days of employment.

During this time, you will be able to determine if your new job is suitable for you and the warehouse manager will have an opportunity to evaluate your work performance. However, the completion of the introductory period does not guarantee employment for any period of time since you are an at-will employee both during and after your introductory period.

For purposes of this handbook, FULL-TIME EMPLOYEES regularly work at least a 40-hour workweek. For other purposes, such as eligibility for health care benefits, the definition of FULL-TIME EMPLOYEES may be different.

In addition to the preceding categories, employees are also categorized as "exempt" or "non-exempt."

NON-EXEMPT EMPLOYEES are entitled to overtime pay as required by applicable federal and state law.

EXEMPT EMPLOYEES are not entitled to overtime pay and may also be exempt from minimum wage requirements pursuant to applicable federal and state laws.

Upon hire, your supervisor will notify you of your employment classification.

## Anniversary Date

The first day you report to work will be recorded in company records as your anniversary date. This date may be used to calculate many different company benefits. If you have any questions regarding your anniversary date, please see Francis Powers.

## Driver's License/Driving Record

Employees in positions where the operation of a motor vehicle is an essential duty of the position must present and maintain a valid driver's license and acceptable driving record to our insurer. Changes in your driving record must be reported to Francis Powers immediately. Violations of this policy may result in immediate termination of your employment.

## Certification, Licensing and Other Requirements

You will be informed by Peter Stafford if there are any licensing, certification or testing requirements for your job. Failure to qualify or to maintain a certification or license may be sufficient cause for discharge.

## Immigration Reform and Control Act

In compliance with the federal Immigration Reform and Control Act of 1986 (IRCA), as amended, and any state law requirements, if applicable, our company is committed to employing only individuals who are authorized to work in the United States.

Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility.

If an employee is authorized to work in this country for a limited time period, the individual will be required to submit proof of renewed employment eligibility prior to expiration of that period to remain employed by the company.

## New Employee Orientation

Upon joining our company, you were given this copy of our Employee Handbook. After reading this Employee Handbook please sign the receipt page and return it to Francis Powers.

If you lose your copy of the Employee Handbook, or if it becomes damaged in any way, please notify Francis Powers as soon as possible to obtain a replacement copy.

The operations of your department are the responsibility of the warehouse manager. (S)he is a good source of information about the company and your job.

## Your Human Resources Department

The Human Resources department acts as an information center for both employees and management. This department plays an important part in formulating and interpreting company policy and offers help with a variety of problems and matters that concern employees and management. Human Resources staff members are available to discuss subjects such as employment/ recruitment, benefits, employee records, safety and disciplinary problems.

The Human Resources department is open 8:00 a.m. to 5:00 p.m., Monday through Friday. Appointments may be arranged for other times.

You are encouraged to contribute suggestions or questions so the staff may be more responsive to your needs.

## Suggestions and Ideas

We are always interested in your constructive ideas and suggestions for improving our operations. Your suggestions should be submitted in writing or emailed to your supervisor.

After we investigate your suggestion, you will be notified whether it is feasible to be put into practice.

Specific recognition for suggestions may be reflected in different ways, including

## Talk to Us



We encourage you to bring your questions, suggestions and complaints to our attention. We will carefully consider each of these in our continuing effort to improve operations.

If you feel you have a problem, present the situation to your supervisor so that the problem can be settled by examination and discussion of the facts. We hope that your supervisor will be able to satisfactorily resolve most matters.

If you still have questions after meeting with your supervisor or if you would like further clarification on the matter, request a meeting with the corporate accountant. (S)he will review the issues and meet with you to discuss possible solutions.

Finally, if you still believe that your problem has not been fairly or fully addressed, request a meeting with the vice president.

Your suggestions and comments on any subject are important, and we encourage you to take every opportunity to discuss them with us. Your job will not be adversely affected in any way because you choose to use this procedure.

If at any time you do not feel comfortable speaking with your supervisor or the next level of management, discuss your concern with any other member of management with whom you feel comfortable.

# Your Pay and Progress

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## Recording Your Time

Non-exempt employees must record their hours on a time clock. Record your time at the beginning and end of your shift. Do not perform any work more than five minutes before the beginning or after the end of your shift. You are expected to work until the end of your shift. Do not record the time of another employee under any circumstances.

Exempt employees may be required to accurately record their time worked in accordance with federal and state wage and hour law.

All employees subject to this policy are required to accurately record all time worked.

The workweek starts on Sunday and ends on Saturday.



## Payday

You will be paid semimonthly on the 5th of the month and the 20th of the month for the periods that have ended on the last day of the previous month and the 15th of the month.

When our payday is a holiday, you normally will be paid on the last working day before the holiday. If our payday is a Saturday or Sunday, you normally will be paid on Friday.

Please review your paycheck for errors. If you find a mistake, report it to the controller immediately. The controller will assist you in taking the steps necessary to correct the error.

## Paycheck Deductions

The company is required by law to make certain deductions from your paycheck each pay period. Such deductions typically include federal and state taxes and Social Security (FICA) taxes. Depending on the state in which you are employed and the benefits you choose, there may be additional deductions. All deductions and the amount of the deductions are listed on your pay stub. These deductions are totaled each year for you on your Form W-2, Wage and Tax Statement.

It is the policy of the company that exempt employees' pay will not be "docked," or subject to deductions, in violation of salary pay rules issued by the United States Department of Labor and any corresponding rules issued by the state government, as applicable. However, the company may make deductions from employees' salaries in a way that is permitted under federal and state wage and hour rules. Employees will be reimbursed in full for any isolated, inadvertent, or improper deductions, as defined by law.

Thus, exempt employees may be subject to the following salary deductions, except where prohibited by state law, but only for the following reasons:

- Absences of one or more full days for personal reasons, other than sickness or disability; or
- Absences of one or more full days due to sickness or disability, if there is a plan, policy, or practice providing replacement compensation for such absences; or
- Absences of one or more full days before eligibility under such a plan, policy, or practice or after replacement compensation for such absences has been exhausted; or

- Suspensions of one or more full days for violations of safety rules of major significance; or
- Suspensions of one or more full days for violations of written workplace conduct rules, such as rules against sexual harassment and workplace violence; or
- Payment of actual time worked in the first and last weeks of employment, resulting in a proportional rate of an employee's full salary; or
- Any unpaid leave taken under the Family and Medical Leave Act; or
- Negative paid-time-off balances, in whole-day increments only.



The company will not make deductions which are prohibited by the Fair Labor Standards Act or state laws from its exempt employees' pay.

If questions or concerns about any pay deductions arise, discuss and resolve them with the controller. If an error is found, you will receive an immediate adjustment which will be paid no later than on the next regular payday.

## Garnishment/Child Support

When an employee's wages are garnished by a court order, our company is legally bound to withhold the amount indicated in the garnishment order from the employee's paycheck. Our company will, however, honor applicable federal and state guidelines that protect a certain amount of an employee's income from being subject to garnishment.

## Performance Reviews

Your performance is important to our company. Twice each year, on or about your anniversary date, your supervisor will review your job progress within our company and help you set new job performance plans.

New employees will generally be reviewed at the end of their introductory period or more frequently.

Our performance review program provides the basis for better understanding between you and your supervisor, with respect to your job performance, potential and development within the company.

## Pay Raises

Depending upon your performance and our company's profitability, adjustments in your pay may be made when there has been an improvement in or sustainment of an already good performance during the review period.

## Overtime

There will be times when you will need to work overtime so that we may meet the needs of our customers. If you are a non-exempt employee, you must have all overtime approved in advance by your supervisor.

Non-exempt employees will be paid at a rate of time and one-half their regular rate of pay for hours worked in excess of 40 hours in a workweek, unless state law provides a greater benefit in which case, we will comply with the state law.

Only actual hours worked count toward computing weekly overtime.

If you have any questions concerning overtime pay, check with the controller.

# Time Away From Work and Other Benefits

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## Employee Benefits

Our company has developed a comprehensive set of employee benefit programs to supplement our employees' regular wages. Our benefits represent a hidden value of additional income to our employees.

This Employee Handbook describes the current benefit plans maintained by the company. Refer to the actual plan documents and summary plan descriptions if you have specific questions regarding the benefit plan. Those documents are controlling.

The company reserves the right to modify and/or terminate its benefits at any time. We will keep you informed of any changes.

## Holidays

Our company normally observes the following holidays during the year:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

Eligible employees receive a paid holiday only if the holiday falls on a day they are normally scheduled to work.

Full-time and part-time employees are eligible for paid holidays immediately upon hire.

Exempt employees will receive holiday pay in compliance with state and federal wage and hour laws.

Part-time employees are eligible for holiday pay in proportion to the number of hours they normally are scheduled to work.

## Vacation

Full-time and part-time employees are eligible for paid vacation time.

Vacation is calculated according to your anniversary date as follows:

> Immediately upon hire, you shall be entitled to no day of paid vacation annually.
>
> After one full anniversary year, you shall be entitled to one week of paid vacation.
>
> After five full anniversary years, you shall be entitled to two weeks of paid vacation.
>
> After ten full anniversary years, and each year thereafter, you shall be entitled to three weeks of paid vacation.



Part-time employees receive paid vacation time in proportion to the number of hours they normally are scheduled to work.

Submit vacation requests in writing as soon as possible to the controller. When possible, vacation requests are granted, taking into account operating requirements. Length of employment may determine priority in scheduling vacation times.

Vacation cannot be carried over from one year to the next nor is vacation pay granted in lieu of taking the actual time off.

Vacation cannot be taken from April 1 to October 1.

At the end of employment, eligible employees will be paid for earned but unused vacation.

## Sick Days

Sick days are calculated according to your anniversary date.

Full-time and part-time employees are eligible, immediately upon hire, for two paid sick days each anniversary year.

After one full anniversary year, you shall be entitled to one sick week.

After three full anniversary years, you shall be entitled to 2 sick weeks.

After five full anniversary years, and each year thereafter, you shall be entitled to 5 sick weeks.

Part-time employees are eligible for sick days in proportion to the number of hours they normally are scheduled to work.

Exempt employees will receive sick pay in compliance with state and federal wage and hour laws.

All employees who are eligible to take earned sick days or other paid time off may use this time to care for an employee's child with a health condition that requires supervision or treatment, or an employee's spouse, registered domestic partner, parent, parent-in-law or grandparent with a serious health condition or emergency condition.

Sick days cannot be carried over to the following year. Employees are not paid in lieu of taking the actual time off.

At the end of employment, employees are not paid for earned but unused sick days.

## Jury Duty

Employees summoned for jury duty are granted an unpaid leave in order to serve.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Make arrangements with the controller as soon as you receive your summons.

When permitted by state law, we expect you to return to your job if you are excused from jury duty during your regular working hours.

## Military Leave

Employees who are required to fulfill military obligations in any branch of the Armed Forces of the United States or in state military service will be given the necessary time off and reinstated in accordance with federal and state law.

The time off will be unpaid, except where state law dictates otherwise. Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Accrued vacation (if any) may be used for this leave if the employee chooses, but the company will not require the employee to use vacation. Military orders should be presented to the controller and arrangements for leave made as early as possible before departure. Employees are required to give advance notice of their service obligations to the company unless military necessity makes this impossible. You must notify the controller of your intent to return to employment based on requirements of the law. Your benefits may continue to accrue during the period of leave in accordance with state and federal law.

Additional information regarding military leaves may be obtained from the controller.

## Family Military Leave

An employee who performs an average of 20 or more hours per week and who is the spouse or registered domestic partner of a member of the U.S. Armed Forces, National Guard or Reserves, is eligible for unpaid leave during a period of military conflict. Eligible employees are entitled to 15 days of leave per deployment after the spouse has been notified of an impending call or order to active duty and before deployment or when the military spouse is on leave for deployment.

Employees must provide the company with advance notice of their intent to take leave, within five business days of receiving official notice of an impending call or order to active duty or of a leave from deployment.

Employees may choose to substitute accrued leave for unpaid leave provided under this policy.

## Emergency Volunteer Leave

An employee who serves as a volunteer firefighter, reserve officer, or civil air patrol member engaged in an emergency service operation is permitted unpaid leave when responding to, working at, or returning from a fire alarm or an emergency call, but not participating in training or other nonemergency activities.

The employee must make every effort to notify the company that (s)he may be absent from work due to being dispatched to an emergency. If notification is not possible, the employee may be asked to provide the company with a written explanation of the absence due to emergency from the chief of the volunteer fire department.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

## Witness Leave

Employees are given the necessary time off without pay to attend or participate in a court proceeding in accordance with state law. We ask that you notify the controller of the need to take witness leave as far in advance as is possible.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

## Bereavement Leave

Full-time and part-time employees who have completed their introductory period are eligible for three paid days for the death of an immediate family member. Members of the immediate family include spouses, domestic partners, parents, brothers, sisters, children, children of domestic partners, grandchildren, grandparents, parents-in-law and parents of domestic partners.

Full-time and part-time employees who have completed their introductory period are eligible for three paid days to attend the funeral of aunts, uncles, nieces and nephews.

Part-time employees are eligible for bereavement pay in proportion to the number of hours they normally are scheduled to work.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Requests for bereavement leave should be made to the controller as soon as possible.

## Victims of Crime Leave

The company will allow employees who are victims of domestic violence, sexual assault, or stalking or have immediate family members who are the victims of such crimes to take a reasonable amount of unpaid leave to:

- Obtain legal assistance or remedies to ensure their own or their family members' health and safety, including preparation for or participation in legal proceedings;
- Seek medical treatment or mental health counseling for related physical or mental injuries to themselves or their family members;
- Obtain or assist family members in obtaining services from a domestic violence shelter, rape crisis center, or social services program for relief from domestic violence, sexual assault or stalking; or
- Participate in safety planning or other activities, including temporary or permanent relocation, to guard against future incidents of domestic violence, sexual assault, or stalking.

Covered family members include employees' children, spouse, state registered domestic partner, parents, parents-in-law, grandparents, or persons with whom employees have a dating relationship.

Covered employees may substitute accrued paid time off for unpaid leave time.

Employees may take leave intermittently as a reduced work schedule, or in a single block of time. The employee must provide advance notice of his or her need to take crime victim leave. If advance notice is impossible, the employee must notify the company of the need for leave no later than the end of the first day of

leave. The employee must abide by the company's policies that require advance notice of need to take leave.

The company may require verification of the employee's need to take crime victim leave; this will not include information that might compromise the employee's safety or the safety of their family members. The employee must provide such verification to the company in a timely manner; if advance notice of need to take crime victim leave is impossible, the employee must provide such verification to the company within a reasonable time period during or after leave.

The company will keep all information provided by an employee concerning crime victim leave confidential, including the employee's request and approval for leave and verification documentation for leave. The company will only disclose such information if requested or consented to by the employee, ordered by a court or administrative agency, or otherwise required by state or federal law.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

## Medical Insurance

Eligible full-time employees may enroll in an employee only, an employee plus children, or a family contract on the first of the month following thirty days of employment. Eligibility may be defined by state law and/or by the insurance contract.

Information and enrollment forms may be obtained from the controller.

To assist you with the cost of this insurance, our company pays a portion of an employee only, an employee plus children, or a family contract. You are responsible for paying the balance through payroll deduction.

Participating employees are also covered under our medical insurance plan's life insurance and prescription drug programs.

A booklet containing the details of the plan and eligibility requirements may be obtained from the controller.

Refer to the actual plan document and summary plan description if you have specific questions regarding your eligibility for coverage or other aspects of this benefit plan. Those documents are controlling.

At the end of employment you may be entitled to continuation or conversion of the group medical insurance plan in accordance with the terms of the policy and/or applicable state and federal law. For more information, contact the controller.

## Dental Insurance

Eligible full-time employees may enroll in an employee only, an employee plus children or a family contract on the first of the month following thirty days of employment.

Information and enrollment forms may be obtained from the controller.

To assist you with the cost of this insurance, our company pays a portion of an employee only, an employee plus children or a family contract. You are responsible for paying the balance through payroll deduction.

A booklet containing the details of the plan and the eligibility requirements may be obtained from the controller.

Refer to the actual plan document and summary plan description if you have specific questions regarding this benefit plan. Those documents are controlling.

At the end of employment you may be entitled to continuation or conversion of the group dental insurance plan in accordance with the terms of the policy and/or applicable state and federal law. For more information, contact the controller.

## COBRA

You and/or your covered dependents will have the opportunity to continue medical and/or dental benefits for a period of up to 36 months under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) when group medical and/or dental coverage for you and/or your covered dependents would otherwise end due to your death or because:

- your employment terminates, for a reason other than gross misconduct; or
- your employment status changes due to a reduction in hours; or
- your child ceases to be a "dependent child" under the terms of the medical and/or dental plan; or
- you become divorced or legally separated; or
- you become entitled to Medicare.

In the event of divorce, legal separation, or a child's loss of dependent status, you or a family member must notify the plan administrator within 60 days of the occurrence of the event.

The plan administrator will notify the individuals eligible for continuation coverage of their right to elect COBRA continuation coverage.

For more information regarding COBRA, you may contact the controller.

## Temporary Disability Leave

Employees are eligible for a reasonable amount of an unpaid temporary disability leave due to short-term non-occupational illness, injury or pregnancy-related medical conditions. This includes, but is not limited to, pregnancy, the potential to become pregnant and related conditions, such as miscarriages, pregnancy termination, and other complications.

Employees requesting leave under this policy must provide written notice of the need for leave, and provide a doctor's certificate stating the nature of the condition requiring leave and the anticipated return to work date. The company will not seek genetic information in connection with requests for temporary disability leave. All medical information received by the company in connection with a request for leave under this policy will be treated as confidential.



To the extent allowed by the insurance contract and applicable laws, we will continue to provide medical and dental coverage for employees on authorized temporary disability leave for the first month of leave. During this time you will be responsible for paying your portion of the monthly premium(s). When the above period expires, you may continue your medical and dental coverage by making arrangements with the controller to pay the entire monthly premium in advance each month.

One-week prior to the expiration of your requested leave period, you must notify us in writing whether you are able to return to work. If you are able to return to work, you must provide a doctor's certificate stating that you are able to return to your regular, essential job duties. If you are unable to return to work, you must provide a doctor's certificate providing an updated anticipated return to work date. The amount of leave permitted

under this policy is subject to the business needs of the company.

We will return you to the same or similar position you held prior to the temporary disability leave, subject to our staffing and business requirements. Failure to timely contact the company prior to the expiration of leave requested by your physician or failure to return from leave upon the expiration date, may be deemed a voluntary discharge of your employment.

You may use accrued, but unused paid sick leave and vacation in lieu of unpaid leave. The company may require you to use accrued paid leave before taking unpaid time off.

## Family Care Leave

Pursuant to the Washington State Family Care Act, all employees who are eligible for paid sick leave or other paid time off, including time allowed under certain disability policies, may use the time for family care leave. Family care leave may be used to care for a child with a health condition that requires supervision or treatment, or a spouse, registered domestic partner, parent, parent-in-law or grandparent with a serious health condition or emergency condition.

Employees taking family care leave can use any earned leave provided for sickness, vacation or personal holidays. The amount of leave is limited to actually earned leave or time off; employees cannot take advances on their paid sick leave or time off benefits to use for family care.

## Social Security

During your employment, you and the company both contribute funds to the federal government to support the Social Security program. This program is intended to provide you with retirement benefit payments and medical coverage once you reach retirement age.

## Unemployment Insurance

Upon separation from employment, you may be entitled to state and federal unemployment insurance benefits. Information about unemployment insurance can be obtained from the controller.



## Workers' Compensation

On-the-job injuries are covered by our Workers' Compensation insurance policy. If you are injured on the job, no matter how slightly, report the incident immediately to the controller. Consistent with applicable state law, failure to report an injury within a reasonable period of time could jeopardize your claim. We ask for your assistance in alerting management to any condition that could lead to or contribute to an employee accident.

## 401(k) Qualified Retirement Plan

Our company provides eligible employees with a 401(k) Qualified Retirement plan which is an excellent means of long-term savings for your retirement. The company's contribution, if any, is determined by the employer on an annual basis.

You can obtain a copy of the Summary Plan Description which contains the details of the plan including eligibility and benefit provisions from the controller. In the event of any conflict in the description of any plan, the official plan documents, which are available for your review, shall govern. If you have any questions regarding this plan, see the plan administrator.

## Employee Assistance Program

Eligible full-time and part-time employees may participate in our employee assistance program after completing thirty days of employment.

Our Balance*Works*®, Employee Assistance Program (EAP), and Work/Life Benefit help eligible employees and their immediate families with a wide range of problems. Situations addressed by the EAP include marriage and family problems, emotional problems, alcoholism and alcohol abuse, drug abuse and dependency, financial problems, compulsive gambling and eating disorders. Your conversations and all records are strictly confidential.

The administrative cost of this program is fully paid by the company.

Additional information regarding this program is available at www.eniweb.com or by calling 1-800-EAPCALL. Complete details of this program may be obtained from the controller.



## Company Discounts

Full-time and part-time employees may purchase products at reduced prices. Any products purchased on this discount program must be for your personal use.

You may charge your purchases to your employee account. Purchases can also be paid for in cash, by check or by credit card.

# On the Job

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## Conduct at Customer's Location

The nature of our company may require that employees perform work connected with a customer's assignment at the customer's location. The importance of professional conduct when working in a customer's location cannot be emphasized enough. Professional conduct is a broad term that is open to many interpretations. The following guidelines describe appropriate conduct when working at a customer's location:

- Limit discussions with customer employees to matters that concern their department and level of responsibility. Long, personal discussions with customer personnel are discouraged during working hours at the customer's location. Such disruptions of work will only offend customer executives and customer employees.

- Do not discuss internal affairs with customer personnel during working hours at the customer's location.

- Avoid comments or criticisms involving other companies and their particular work or fees.

- Refrain from discussing shortcomings or idiosyncrasies of customer employees.

- Avoid conversations involving customer matters in all places that would violate customer confidentiality.

- Avoid discussing procedural problems with management while customer employees are present.

- Purchase items from a customer at regular sale prices.

- Do not borrow money from a customer unless the customer's business involves lending

- Do not solicit customers for charitable donations.

## Confidentiality of Customer Matters

Our professional ethics require that each employee maintain the highest degree of confidentiality when handling customer matters.

To maintain this professional confidence, no employee shall disclose customer information to other customers, friends, or members of one's own family.

Questions concerning customer confidentiality may be addressed with the controller.

## Discussions with Customers

When working with a customer, you may be asked to offer specific suggestions or comments regarding his or her practices.

Prior to discussing any suggestions with a customer, your recommendations must first be approved by the controller.

## Attendance and Punctuality

Attendance and punctuality are important factors for your success within our company. We work as a team and this requires that each person be in the right place at the right time.

If you are going to be late for work or absent, notify the controller as far in advance as is feasible under the circumstances, but before the start of your workday.

If you are absent for three days without notifying the company, it is assumed that you have voluntarily abandoned your position with the company, and you will be removed from the payroll.

## Business Hours

Because of the nature of our business, your work schedule may vary depending on your job and department. Our normal business hours are:

Sunday through Friday: 6:00 a.m. to 4:00 p.m. Warehouse
Sunday through Friday: 7:30 a.m. to 4:00 p.m. Office
Every day: 9:00 a.m. to 7:30 p.m. Retail

Check with the controller if you have questions about your hours of work.

## Working Hours

Our company's workweek is Sunday through Saturday. We operate three shifts:

| | |
|---|---|
| First Shift: | The workday begins at 6:00 a.m. and ends at 2:00 p.m. |
| Second Shift: | The workday begins at 7:00 a.m. and ends at 3:00 p.m. |
| Third Shift: | The workday begins at 9:00 a.m. and ends at 7:00 p.m. |

## Meal Time

A 30-minute, unpaid meal break should be taken each day. Approving the scheduling of this time is the responsibility of the controller.

Employees are not permitted to eat at their work spaces during their meal break. Employees remaining on work premises during their meal break may eat in the break room. Please speak to the controller for additional information.

## Breaks

Employees will receive one 10-minute paid break for every four hours worked. This time must be approved by the controller each day.

## On The Job Training

The initiation of all on-the-job training for employees within your department is the responsibility of the controller. This may include safety training, participation in off-site training and continuing education when necessary for job safety and work performance. Training will be conducted during regular working hours whenever possible.

The company will pay for any required training programs. Employees may be tested from time to time to evaluate the effectiveness of the training program.

If you have any questions regarding training, please see the controller.

## Clean Up

At the end of the workday, time is designated for cleaning the work area and washing up. This time is paid.

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## Standards of Conduct (All Other Employees)

Each employee has an obligation to observe and follow the company's policies and to maintain proper standards of conduct at all times. If an individual's behavior interferes with the orderly and efficient operation of a department, corrective disciplinary measures will be taken.

Disciplinary action may include a verbal warning, written warning, suspension with or without pay, and/or discharge. The appropriate disciplinary action imposed will be determined by the company. The company does not guarantee that one form of action will necessarily precede another.

Among other things, the following may result in disciplinary action, up to and including discharge: violation of the company's policies or safety rules; insubordination; unauthorized or illegal possession, use or sale of alcohol or controlled substances on work premises or during working hours, while engaged in company activities or in company vehicles; if you hit another vehicle or person while driving a company vehicle: unauthorized possession, use or sale of weapons, firearms or explosives on work premises; theft or dishonesty; inappropriate physical contact; harassment; discrimination or retaliation; performing outside work or use of company property, equipment or facilities in connection with outside work while on company time; poor attendance or poor performance. These examples are not all inclusive. We emphasize that discharge decisions will be based on an assessment of all relevant factors.

Nothing in this policy is designed to limit an employee's rights under Section 7 of the National Labor Relations Act.

Nothing in this policy is designed to modify our employment-at-will policy.

## Access to Personnel Files

Employees may inspect their own personnel files annually, within a reasonable time period after the request. Employees may place a statement in the file if they disagree with a document in the file. Personnel files exclude information relating to a criminal investigation and records compiled in preparation for an impending lawsuit that would not be available to another party.

For more information, contact the controller.

## Customer and Public Relations

Our company's reputation is built on excellent service and quality work. To maintain this reputation requires the active participation of every employee.

The opinions and attitudes that customers have toward our company may be determined for a long period of time by the actions of one employee. It is sometimes easy to take a customer for granted, but if we do we run the risk of losing not only that customer, but his or her associates, friends or family who may also be customers or prospective customers.

Each employee must be sensitive to the importance of providing courteous treatment in all working relationships.

## Non-Solicitation

The company believes employees should have a work environment free from interruptions of a non-work related nature, as work time is for work. When you are to be working you should focus on your duties and not engage in activities that would interfere with your own work or the work of others. For the purpose of this policy, solicitation includes, but is not limited to, for collection of any debt or obligation, for raffles of any kind or chance taking, or for the sale of merchandise or business services, the attempt to sell any product or service (e.g. selling or collecting for Tupperware®, Avon® products, churches, schools, Girl Scout cookies, etc.). Such interruptions can be both detrimental to the quality of work and efficiency, and may not be respectful of others job responsibilities and right not to be interrupted.

Employees may not engage in solicitation for any purpose during his/her work time, which includes the working time of the employee who seeks to solicit and the employee who is being solicited. Although solicitation is not encouraged, it is permitted as long as it is limited to the employee's break and lunch time and kept out of active working areas. Nothing in this policy is intended to restrict an employee's statutory rights, including discussing terms and conditions of employment.

## Distribution

Distribution by employees of any type (materials, goods, paper) is prohibited in work areas at any time, whether or not the employees are on working time. Electronic distribution is subject to the company's Electronic Mail and Monitoring Policy, and may not occur during the employee's working time. Non-employees are prohibited from distributing materials to employees on company premises at any time. Literature that violates the company's EEO and No Harassment policies, includes threats of violence, or is knowingly and recklessly false is never permitted. Nothing in this policy is intended to restrict an employee's statutory rights, including discussing terms and conditions of employment.

## Changes in Personal Data

To aid you and/or your family in matters of personal emergency, we need to maintain up-to-date information.

Changes in name, address, telephone number, marital status, number of dependents or changes in next of kin and/or beneficiaries should be given to the controller promptly.

## Care of Equipment

You are expected to demonstrate proper care when using the company's property and equipment. No property may be removed from the premises without the proper authorization of management. If you lose, break or damage any property, report it to the controller at once.

## Company Vehicles

Operators of company vehicles are responsible for the safe operation and cleanliness of the vehicle.

Accidents involving a company vehicle must be reported to the controller immediately.

Employees are responsible for any moving and parking violations and fines that may result when operating a company vehicle.

Company vehicles should be operated by the employee only. Company vehicles may only be used for job-related travel.

The use of seat belts is mandatory for operators and passengers of company vehicles.

Employees are encouraged to take appropriate safety precautions when using their cellular telephone. The use of cellular telephones, including texting, while driving is prohibited. Employees are expected to comply with applicable state laws, including the use of cellular telephones.

## Identification Badges

You will be issued an identification badge upon hire. It must be worn where it can be seen at all times when you are working.

## Severe Weather

Severe weather is to be expected during certain months of the year. Although driving may at times be difficult, when caution is exercised the roads are normally passable. Except in cases of severe storms, we are all expected to work our regular hours. Time taken off due to poor weather conditions while the business remains open is to be used as vacation or is unpaid.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

If extreme weather conditions require closing of the building, you will be notified by their supervisor.

## Acceptable Use of Electronic Communications

This policy contains guidelines for Electronic Communications created, sent, received, used, transmitted, or stored using the company's communication systems or equipment and employee provided systems or equipment used either in the workplace, during working time or to accomplish work tasks. "Electronic Communications" include, among other things, messages, images, text data or any other information used in e-mail, instant messages, text messages, voice mail, fax machines, computers, personal digital assistants (including Blackberry, iPhone, iPad or similar devices), pagers, telephones, cellular and mobile phones including those with cameras, Intranet, Internet, back-up storage, information on a memory or flash key or card, jump or zip drive or any other type of internal or external removable storage drives. In the remainder of this policy, all of these communication devices are collectively referred to as "Systems."

Acceptable Uses of Our Systems: Employees may use our Systems to communicate internally with co-workers or externally with customers and other business acquaintances for business purposes.

Company Control of Systems and Electronic Communications: All Electronic Communications contained in Company Systems are Company records and/or property. Although an employee may have an individual password to access our Systems, the Systems and Electronic Communications belong to the company. The Systems and Electronic Communications are accessible to the company at all times including periodic unannounced inspections. Our Systems and Electronic Communications are subject to use, access, monitoring, review, recording and disclosure without further notice.

Employee communications on our system are not confidential or private.

The company's right to use, access, monitor, record and disclose Electronic Communications without further notice applies equally to employee-provided systems or equipment used in the workplace, during working time, or to accomplish work tasks.

Personal Use of Our Systems: Personal communications in our Systems are treated the same as all other Electronic Communications and will be used, accessed, recorded, monitored, and disclosed by the company at any time without further notice. Since all Electronic Communications and Systems can be accessed without advance notice, employees should not use our Systems for communication or information that employees would not want revealed to third parties. Personal use of our System should be limited to non-working time. Personal use of our System must be conducted in such a manner that it does not affect smooth System operation or use a disproportional amount of the System's functional capacity.

Proprietary Business Information: Proprietary business information means confidential and proprietary information related to the company's trade secrets, business models, business services, sales agreements, pricing information, drawings, designs, blue prints, manufacturing processes, customer lists, inventions, recipes, formulas, vendor agreements, patient records, strategic business or marketing plans, expansion plans, contracts, non-public financial performance information and other information that derives economic value by being protected from public consumption or competitors may only be used on Company Systems. Proprietary business information may not be downloaded, saved, or sent to a personal laptop, personal storage device, or personal email account under any circumstances without

advance written approval from a member of management. Proprietary business information does not restrict employee rights to discuss their wages, hours or other terms of employment.

Prohibited Uses of Our Systems: Employees may not use Company Systems in a manner that is unlawful, wasteful of Company resources, or unreasonably compromises employee productivity or the overall integrity or stability of the company's systems. These tools are provided to assist employees with the execution of their job duties and should not be abused. Examples of prohibited uses include, among other things, sexually explicit messages, images, cartoons, or jokes; propositions or love letters; ethnic or racial slurs; or any other message or image that may be in violation of Company policies.

In addition, employees may not use our Company Systems:

- To download, save, send or access any discriminatory, obscene, or malicious or knowingly false material;
- To download, save, send or access any music, audio or video file unless business related;
- To download anything from the internet (including shareware or free software) without the advance written permission of the systems supervisor;
- To download, save, send or access any site or content that the company might deem "adult entertainment;"
- To attempt or to gain unauthorized or unlawful access to computers, equipment, networks, or Systems of the company or any other person or entity;

- In connection with any infringement of intellectual property rights, including but not limited to copyrights;
- In connection with the violation or attempted violation of any law; and
- To transmit proprietary business information or client material such as pricing information or trade secrets.

Electronic Forgery: An employee may not misrepresent, disguise, or conceal his or her identity or another's identity in any way while using Electronic Communications; make changes to Electronic Communications without clearly indicating such changes; or use another person's account, mail box, password, etc. without prior written approval of the account owner and without identifying the actual author.

Intellectual Property Rights: Employees must always respect intellectual property rights such as copyrights and trademarks.

System Integrity, Security, and Encryption: All Systems passwords and encryption keys must be available and known to the company. You may not install password or encryption programs without the written permission of the controller. Employees may not use the passwords and encryption keys belonging to others.



Applicable Laws: Numerous state and federal laws apply to Electronic Communications. The company complies with applicable laws. Employees also must comply with applicable laws and should recognize that an employee could be personally liable and/or subject to fine and imprisonment for violation of applicable laws.

Consequences of Policy Violations: Violations of this Policy may result in disciplinary action up to and including immediate termination of an employee's

employment as well as possible civil liabilities or criminal prosecution. Where appropriate, the company may advise legal officials or appropriate third parties of policy violations and cooperate with official investigations. We will not, of course, retaliate against anyone who reports possible policy violations or assists with investigations.

If you have questions about the acceptable use of our Systems or the content of Electronic Communications, ask the controller for advance clarification.

## Social Media

"Social media" includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with the company.

You are more likely to resolve work related complaints by speaking directly with your co-workers or by utilizing our problem solving policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as maliciously false, obscene, threatening or intimidating, that defames customers, competitors, vendors or employees or that might constitute harassment or bullying. Examples of such conduct might include posts meant to put someone in fear for their physical safety or psychological well-being; posts designed to cast someone in a false light to the public; posts that invade a person's reasonable expectation of privacy; or posts that could contribute to a hostile work environment on the basis of race, age, gender, national origin, color, disability, religion or other status protected by federal, state or local law.



Make sure you are always truthful and accurate when posting information or news. If you make a mistake, correct it quickly. Be open about any previous posts you have altered. Use privacy settings when appropriate. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. The Internet is immediate; nothing that is posted ever truly "expires." Never post any information or rumors that you know to be false about the company, fellow employees,

customers, and people working on behalf of the company or competitors.

Do not create a link from your blog, website or other social networking site to the company's website without identifying yourself as a company employee. Express only your personal opinions. Never represent yourself as a spokesperson for the company or make knowingly false representations about your credentials or your work. If the company is a subject of the content you are creating, be clear and open about the fact that you are an employee and make it clear that your views do not represent those of the company. It is best to include a statement such as "The postings on this site are my own and do not necessarily reflect the views of the company." You must refrain from using social media while on working time.

Employees are encouraged to report violations of this policy. The company prohibits retaliation against any employee for reporting a possible deviation from this policy or for cooperating in an investigation.

Where applicable, the company complies with state laws concerning access to an employee's personal social networking account, including restrictions concerning employer requests for an employee's username and/or password.

Nothing in this policy is designed to limit an employee's right under Section 7 of the National Labor Relations Act, including discussing wages or other terms of employment.

If you have questions or need further guidance, please contact the controller.

## Dress Policy

Employees are expected to maintain the highest standards of personal cleanliness and present a neat, professional appearance at all times.

Our customers' satisfaction represents the most important and challenging aspect of our business. Whether or not your job responsibilities place you in direct customer contact, you represent the company with your appearance as well as your actions. The properly-attired individual helps to create a favorable image for the company, to the public and fellow employees.

The company maintains a business casual environment. All employees should use discretion in wearing attire that is appropriate for their job.

## Personal Hygiene

Maintaining a professional, business-like appearance is very important to the success of our company. Part of the impression you make on others depends on your choice of dress, personal hygiene and courteous behavior. A daily regimen of good grooming and hygiene is expected of everyone. Please ensure that you maintain good personal hygiene habits. While at work, you are required to be clean, dressed appropriately and well groomed.

## Reference Checks

Our company will not honor any oral requests for references. All requests must be in writing and on company letterhead. Generally, we will only confirm our employees' dates of employment, salary history, and job title.

Under no circumstances should an employee provide another individual with information regarding current or former employees of our company. If you receive a request for reference information, please forward it to the controller.

## Protecting Company Information

Protecting our company's information is the responsibility of every employee. Do not discuss the company's confidential business or proprietary business matters, or share confidential, personal employee information (such as social security numbers, personal banking or medical information) with anyone who does not work for us such as friends, family members, members of the media, or other business entities.

Confidential information does not include information pertaining to the terms and conditions of an employee's employment, including wages. Nothing in this policy is designed to limit an employee's rights under Section 7 of the National Labor Relations Act.

All telephone calls regarding a current or former employee's position/compensation with our company must be forwarded to the controller.

The company's address shall not be used for the receipt of personal mail.

## Conflict of Interest/Code of Ethics

A company's reputation for integrity is its most valuable asset and is directly related to the conduct of its officers and other employees. Therefore, employees must never use their positions with the company, or any of its customers, for private financial gain, to advance personal financial interests, to obtain favors or benefits for themselves, members of their families or any other individuals, corporations or business entities, or engage in activities, investments or associations that compete with the company, interferes with an employee's business judgment concerning the company's best interests, or exploits an employee's position with the company for personal gain.

The company adheres to the highest legal and ethical standards applicable in our business. The company's business is conducted in strict observance of both the letter and spirit of all applicable laws and the integrity of each employee is of utmost importance.

Employees of the company shall conduct their personal affairs such that their duties and responsibilities to the company are not jeopardized and/or legal questions do not arise with respect to their association or work with the company.

This policy will not be enforced to prevent employees from discussing their wages or other terms of employment.

## Outside Employment

We hope that you will not find it necessary to seek additional outside employment. However, if you are planning to accept an outside position, you must notify the controller.

Outside employment must not conflict in any way with your responsibilities within our company. You may not work for competitors nor may you take an ownership position with a competitor.

Employees may not conduct outside work or use company property, equipment or facilities in connection with outside work while on company time.

## Parking

Parking is on "first come, first served" basis. You are required to park within the designated areas.

The company is not responsible for loss, damage or theft of your vehicle. Therefore, we suggest that you lock your vehicle doors.



## Lunch Room

A lunch room is available for your use. Although the company provides general custodial care, you are expected to clean up after eating. This room should be kept clean for the next person's use.

## Cellular Telephones

Employees in certain positions are issued company cellular telephones so they may maintain contact with customers and co-workers.

The company is committed to ending the epidemic of distracted driving. While driving on company time, employees may not use a hand-held cell phone or tablet – whether the vehicle is in motion or stopped at a traffic light. This includes, but is not limited to, answering or making phone calls, engaging in phone conversations, and reading or responding to emails, instant messages, and text messages.

The use of cellular telephones is not a work requirement for most employees. Employees who are not issued a company cellular telephone will not be reimbursed for the use of their personal cellular telephones.

Employees are expected to demonstrate proper care of their cellular telephones. If you lose, break or damage your company cellular telephone, report it to the controller at once. All cellular telephones issued by the company must be returned upon leaving our company or upon transferring to a position that does not require a company cellular telephone.

A violation of this policy may result in disciplinary action.

## If You Must Leave Us

Should you decide to leave your employment with us, we ask that you provide the controller with as much advance notice as possible. Your thoughtfulness is appreciated and will be noted favorably should you ever wish to reapply for employment with the company.

Employees, who are rehired following a break in service, other than an approved leave of absence, must serve a new initial introductory period whether or not such a period was previously completed. Such employees are considered new employees from the effective date of their reemployment for all purposes, including the purposes of measuring benefits.

Generally, we will confirm upon request our employees' dates of employment, salary history, and job title.

All company property, including this Employee Handbook, must be returned at the end of employment. Otherwise, the company may take action to recoup any replacement costs and/or seek the return of company property through appropriate legal recourse.

You should notify the company if your address changes during the calendar year in which discharge occurs so that your tax information will be sent to the proper address.

# Safety in the Workplace

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## Each Employee's Responsibility

Safety can only be achieved through teamwork at our company. Each employee, supervisor and manager must practice safety awareness by thinking defensively, anticipating unsafe situations and reporting unsafe conditions immediately.

Please observe the following precautions:

1. Notify your supervisor of any emergency situation. If you are injured or become sick at work, no matter how slightly, you must inform your supervisor immediately.

2. The use of alcoholic beverages or illegal substances during working hours will not be tolerated. The possession of alcoholic beverages or illegal substances on the company's property is forbidden.

3. Use, adjust and repair machines and equipment only if you are trained and qualified.

4. Know the proper lifting procedures. Get help when lifting or pushing heavy objects.

5. Understand your job fully and follow instructions. If you are not sure of the safe procedure, don't guess; just ask your supervisor.

6. Know the locations, contents and use of first aid and fire-fighting equipment.

7. Comply with OSHA standards and/or applicable state job safety and health standards as written in our safety procedures manual.

A violation of a safety precaution is in itself an unsafe act. A violation may lead to disciplinary action, up to and including discharge.

## Workplace Violence

Violence by an employee or anyone else against an employee, supervisor or member of management will not be tolerated. The purpose of this policy is to minimize the potential risk of personal injuries to employees at work and to reduce the possibility of damage to company property in the event someone, for whatever reason, may be unhappy with a company decision or action by an employee or member of management.

If you receive or overhear any threatening communications from an employee or outside third party, report it to the controller at once. Do not engage in either physical or verbal confrontation with a potentially violent individual. If you encounter an individual who is threatening immediate harm to an employee or visitor to our premises, contact an emergency agency (such as 911) immediately.

All reports of work-related threats will be kept confidential to the extent possible, investigated and documented. Employees are expected to report and participate in an investigation of any suspected or actual cases of workplace violence and will not be subjected to disciplinary consequences for such reports or cooperation.

Violations of this policy, including your failure to report or fully cooperate in the company's investigation, may result in disciplinary action, up to and including discharge.

## Workplace Searches

To protect the property and to ensure the safety of all employees, customers and the company, the company reserves the right to conduct personal searches consistent with state law, and to inspect any packages, parcels, purses, handbags, brief cases, lunch boxes or any other possessions or articles carried to and from the company's property. In addition, the company reserves the right to search any employee's office, desk, files, locker, equipment or any other area or article on our premises. In this regard, it should be noted that all offices, desks, files, lockers, equipment, etc. are the property of the company, and are issued for the use of employees only during their employment. Inspection may be conducted at any time at the discretion of the company.

Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy may not be permitted to enter the premises. Employees working on or entering or leaving the premises who refuse to cooperate in an inspection, as well as employees who after the inspection are believed to be in possession of stolen property or illegal substances, will be subject to disciplinary action, up to and including discharge, if upon investigation they are found to be in violation of the company's security procedures or any other company rules and regulations.

## Hazard Communication

Our company may use some chemicals (e.g., cleaning compounds, inks, etc.) in some of its operations. You should receive training and be familiar with the handling, use, storage and control measures relating to these substances if you will use or likely be exposed to them. Safety Data Sheets (SDS) are available for inspections in your work area. You must follow all labeling requirements.

Please consult with the designated safety coordinator prior to purchasing chemicals for the company or bringing them on to our premises. For additional information, please refer to our company's written Hazard Communication Program. If you have any questions, ask the controller or the safety coordinator.

## Good Housekeeping

Good work habits and a neat place to work are essential for job safety and efficiency. You are expected to keep your place of work organized and materials in good order at all times. Report anything that needs repair or replacement to the controller.

## Smoking in the Workplace

Our company is committed to providing a safe and healthy environment for employees and visitors. Smoking is allowed only in designated areas outside the building.

Violations of this policy may result in disciplinary action, up to and including discharge.

## No Weapons in the Workplace

Possession, use or sale of weapons, firearms or explosives on work premises, while operating company machinery, equipment or vehicles for work-related purposes or while engaged in company business off premises is forbidden except where expressly authorized by the company and permitted by state and local laws. This policy applies to all employees, including but not limited to, those who have a valid permit to carry a firearm.

If you are aware of violations or threats of violations of this policy, you are required to report such violations or threats of violations to your supervisor immediately.

Violations of this policy will result in disciplinary action, up to and including discharge.

## Substance Abuse

The company has vital interests in ensuring a safe, healthy and efficient working environment for our employees, their co-workers and the customers we serve. The unlawful or improper presence or use of controlled substances in the workplace presents a danger to everyone. For these reasons, we have established as a condition of employment and continued employment with the company the following substance abuse policy.

Employees are prohibited from reporting to work or working while using illegal or unauthorized substances. Employees are prohibited from reporting to work or working when the employee uses any controlled substance, except when the use is pursuant to a doctor's orders and the doctor advised the employee that the substance does not adversely affect the employee's ability to safely perform his or her job duties.

In addition, employees are prohibited from engaging in the unlawful or unauthorized manufacture, distribution, sale or possession of illegal or unauthorized substances in the workplace including: on company paid time, on company premises, in company vehicles, or while engaged in company activities. Our employees are also prohibited from reporting for duty or remaining on duty with any alcohol in their systems. Employees are further prohibited from consuming alcohol during working hours, including meal and break periods.

Your employment or continued employment with the company is conditioned upon your full compliance with the foregoing substance abuse policy. Any violation of this policy may result in disciplinary action, up to and including discharge.

Consistent with its fair employment policy, the company maintains a policy of non-discrimination and reasonable accommodation with respect to recovering addicts and alcoholics, and those having a medical history reflecting treatment for substance abuse conditions. We encourage employees to seek assistance before their substance use renders them unable to perform their essential job functions or jeopardizes the health and safety of themselves or others. The company will attempt to assist its employees through referrals to rehabilitation, appropriate leaves of absence and other measures consistent with the company's policies and applicable federal, state or local laws.

The company further reserves the right to take any and all appropriate and lawful actions necessary to enforce this substance abuse policy including, but not limited to, the inspection of company issued lockers, desks or other suspected areas of concealment.

This policy represents management guidelines. For more information, please speak to the controller.

## Receipt of Employee Handbook and Employment-At-Will Statement

This is to acknowledge that I have received a copy of the Clipper Ship Incorporated dba The Fresh Fish Company Employee Handbook and I understand that it contains information about the employment policies and practices of the company. I agree to read and comply with this Employee Handbook. I understand that the policies outlined in this Employee Handbook are management guidelines only, which in a developing business will require changes from time to time. I understand that the company retains the right to make decisions involving employment as needed in order to conduct its work in a manner that is beneficial to the employees and the company. I understand that this Employee Handbook supersedes and replaces any and all prior Employee Handbooks and any inconsistent verbal or written policy statements.

I understand that except for the policy of at-will employment, the company reserves the right to revise, delete and add to the provisions of this Employee Handbook at any time without further notice. All such revisions, deletions or additions to the Employee Handbook will be in writing and will be signed by the controller of the company. I understand that no oral statements or representations can change the provisions of this Employee Handbook.

I understand that this Employee Handbook is not intended to create contractual obligations with respect to any matters it covers and that the Employee Handbook does not create a contract guaranteeing that I will be employed for any specific time period.

**THIS COMPANY IS AN AT-WILL EMPLOYER. THIS MEANS THAT REGARDLESS OF ANY PROVISION IN THIS EMPLOYEE HANDBOOK, THE COMPANY OR I MAY TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, FOR ANY REASON, WITH OR WITHOUT CAUSE OR NOTICE. NOTHING IN THIS EMPLOYEE HANDBOOK OR IN ANY DOCUMENT OR STATEMENT, WRITTEN OR ORAL, SHALL LIMIT THE RIGHT TO TERMINATE EMPLOYMENT AT-WILL. NO OFFICER, EMPLOYEE OR REPRESENTATIVE OF THE COMPANY IS AUTHORIZED TO ENTER INTO AN AGREEMENT—EXPRESS OR IMPLIED—WITH ME OR ANY EMPLOYEE FOR EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME. ANY AGREEMENT TO EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME WILL BE PUT INTO WRITING AND SIGNED BY THE CONTROLLER OF THE COMPANY.**

I understand that this Employee Handbook refers to current benefit plans maintained by the company and that I must refer to the actual plan documents and summary plan descriptions as these documents are controlling.

I have read and understand the Vacation Policy in this Employee Handbook.

Initials _____ Date _____

I also understand that if a written contract is inconsistent with the Employee Handbook, the written contract is controlling.

If I have questions regarding the content or interpretation of this Employee Handbook, I will ask my supervisor or a member of management.

NAME _____

DATE _____

EMPLOYEE
SIGNATURE _____

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