

PIZZIGATO

Employee Manual

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Welcome to the Pizzicato Family

2023 marks Pizzicato Inc.'s 34th year in business. We are a family owned and run company and we strive to treat our staff that way too. We appreciate you joining our team and look forward to a long and mutually beneficial working relationship together.

Pizzicato Inc. is committed to employee advancement and consistently promotes all levels of staff from within the company. We want you to succeed and will provide you with the best training and clear expectations so you can thrive. Many of our employees have been with us for over 20 – and some 25 – years. More than a few have advanced from being dishwashers to store managers.

A Brief History of our Company

Pizzicato Inc. is a truly local success story. We have grown from a single “hole-in-the-wall” location (the Pizzicato at Sylvan) to 11 outlets in Portland. Everyone's goal is the same: serve the highest quality pizza in a warm and friendly environment that exceeds customer expectations. Genuinely caring about what we do has helped us continue to be a viable company even in difficult economic times.

Tracy and Marc Frankel founded Pizzicato Inc. and continue to manage the restaurant group as a whole. Felix Rippel is Chief Executive Officer. Each store has a General Manager overseeing store functions. The Pizzicato Inc. office at 121 S Bancroft St is where the business and administrative functions of Pizzicato Inc. are handled, including marketing, community partnerships, bookkeeping/finances, catering and human resources.

Here is a list of our locations and phone numbers:

HOME OFFICE 121 S Bancroft St, Portland OR 97239 / 503-274-0375

BEAVERTON 10719 SW Bvtn-Hillsdale Hwy. Beaverton, OR 97005 / 503-574-3115

CORNELL 14740 NW Cornell Rd. #140 Portland, OR 97229 / 503-531-8989

FOREST HEIGHTS 2025 NW Miller Rd. Portland, OR 97229 / 503-525-2800

FREMONT 4217 NE Fremont, Portland, OR 97213 / 503-493-2808

HILLSDALE 6358 SW Capitol Hwy., Portland, OR 97239 / 503-452-7166

LAKE OSWEGO 15180 SW Bangy Rd., Lake Oswego, OR 97035 / 503-670-8388

MT TABOR 6042 SE Division St, Portland, OR 97206 / 503-546-1686

MURRAY HILL 14845 SW Scholls Ferry Dr. Suite 101, Beaverton, OR 97007 / 503-579-4889

PEARL 1265 NW 10th Ave., Portland, OR 97209 / 503-224-9505

SYLVAN 1749 SW Skyline Blvd., Portland, OR 97221 / 503-221-8784

WESTMORELAND 1630 SE Bybee, Portland, OR 97202 / 503-736-0174

Introduction

The Pizzicato Inc. employee manual outlines the basic personnel policies of Pizzicato Inc., hereinafter referred to as “the Company”, and applies to all employees of Pizzicato Inc. It describes some of our philosophies and beliefs, and the basic terms and conditions of employment with the Company. Employees are expected to read this handbook carefully, and to know and understand its contents.

The Company reserves the right to make changes to this handbook and to any employment policy, practice, work rule, or benefit, at any time without prior notice. Employees are responsible for knowing about and understanding those changes once they have been disseminated. The Company also reserves the right to interpret the provisions of this handbook. For this reason, questions about personnel policies should be directed to your manager, the Chief Executive Officer or the Director of Human Resources. Except as otherwise provided in this handbook, no one has the authority to make any promise or commitment contrary to what is in this handbook.

Employees should not interpret anything in this handbook as creating a contract or guarantee of continued employment. In addition, this handbook is not intended to cover all possible situations that may arise in your employment relationship with the Company.

Many matters covered by this handbook, such as benefit plan descriptions, are also described in separate Company documents. These Company documents are always controlling over any statement made in this handbook or by any member of management.

This handbook replaces all earlier handbooks, supersedes all prior inconsistent policies, practices and procedures, is the property of the Company, and it is intended for personal use and reference by employees of the Company.

Employees must sign the acknowledgement form at the end of this handbook, tear it out, and return it to the Human Resources Department (or if delivered via an electronic format: click on the box as indicated, type their name and the date, as applicable, and hit "enter"). This will provide the Company with a record that each employee has received, read and understood this handbook.

Employment At-Will

All employment at the Company is "at-will." This means that both employees and the Company have the right to terminate employment at any time, with or without advance notice, and with or without cause. Employees also may be demoted or disciplined and the terms of their employment may be altered at any time, with or without cause, at the discretion of the Company. No one other than an officer of the Company has the authority to alter this arrangement, to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to this at-will status. Any such agreement must be in writing, must be signed by an officer of the Company, and must express a clear and unambiguous intent to alter the at-will nature of the employment relationship.

Nothing contained in this Handbook or any other documents provided to employees is intended to be, nor should it be, construed as a guarantee that employment (or any benefit) will be continued for a specific time period. For example, any salary figures provided to an employee in annual or monthly terms are stated for the sake of convenience. They are not intended to create an employment contract for one or more months. Employees should ask the Director of Human Resources if they have any questions about their status as an employee at-will.

Equal Employment Opportunity

It is the Company's policy to provide equal employment opportunity for all applicants and employees. The Company does not unlawfully discriminate on the basis of actual or perceived race (including hair texture and natural hair styles), color, religion, religious creed (including religious dress and religious grooming practices), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity (including transgender identity, status and transitioning), gender expression and sex stereotyping, national origin, ancestry, citizenship, age, physical or mental disability, legally protected medical condition or information (including genetic information), source of income, family care or medical leave status, military caregiver status, military status, veteran status, marital status, domestic partner status, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages, requesting a reasonable accommodation on the basis of disability or bona fide religious belief or practice, or any other basis protected by local, state, or federal laws. Consistent with the law, the Company also makes reasonable accommodations for disabled applicants and employees; for pregnant employees who request an accommodation with the advice of their health care providers, for pregnancy, childbirth, or related medical conditions; for employees who are victims of domestic violence, sexual assault, or stalking; and for applicants and employees based on their religious beliefs and practices.

The Company will endeavor to accommodate the sincere religious beliefs of its employees to the extent such accommodation does not pose an undue hardship on the Company's operations. If employees wish to request such accommodation, they should contact the Director of Human Resources.

The Company prohibits sexual harassment and the harassment of any individual on any of the other bases listed above. For information about the types of conduct that constitute impermissible harassment and the Company's internal procedures for addressing complaints of harassment, and the legal remedies available through and complaint procedures of the appropriate state and federal agencies and directions on how to contact these agencies, please refer to the Company's Policy Against Harassment, Discrimination, and Retaliation in this Handbook.

This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer, disciplinary action, and social and recreational programs. It is the responsibility of every manager and employee to conscientiously follow this policy. Any employee having any questions regarding this policy should discuss them with the Human Resources Department.

Workplace Fairness Act Policy

The Company prohibits unlawful discrimination and harassment. This policy defines these terms and provides a complaint procedure for prospective, current, and former employees who believe they have been the victims of prohibited conduct. This policy applies to all matters related to hiring, firing, transfer, promotion, benefits, compensation, and other terms and conditions of employment.

I. Discrimination and Workplace Harassment

It is the Company's policy to provide a work environment free from unlawful discrimination or harassment on the basis of race, color, religion, sex, sexual orientation, national origin, marital status, age, expunged juvenile record, performance of duty in a uniformed service or physical or mental disability, or any other characteristic protected by local law, regulation, or ordinance.

It is our policy that all employees, customers, clients, contractors, and visitors to the work site are entitled to a respectful and productive work environment free from behavior, action, or language that constitutes workplace

harassment or discrimination. The “workplace” includes when employees are on company premises, at a company-sponsored off-site event, traveling on behalf of the company, or conducting company business, regardless of location.

The policy prohibits any conduct at work that a reasonable person in the individual’s circumstances would consider unwelcome, intimidating, hostile, threatening, violent, abusive, or offensive. It also prohibits employment actions, including hiring, promotion, termination, and compensation decisions, to be taken based on a protected characteristic. This policy also prohibits any form of retaliatory action toward an employee for filing a complaint of discrimination or harassment, or for participation in an investigation of a complaint.

Workplace harassment can be based on national origin, age, sex, race, disability, religion, sexual orientation, gender identity, or gender expression. It may also encompass other forms of unwelcome, hostile, intimidating, threatening, humiliating, or violent behavior that is not necessarily illegal, but still prohibited by this policy.

II. Sexual Harassment Defined

Under state and federal law, sexual harassment is unwanted sexual advances, request(s) for sexual favors, or visual, verbal, nonverbal, or physical conduct of a sexual nature when

1. Submission to such conduct is made either explicitly or implicitly a term or condition of a person's employment; or
2. A person’s submission to or rejection of such conduct is used as the basis for employment decisions affecting that person; or
3. Such conduct has the purpose or effect of unreasonably interfering with a person’s work performance or creating an intimidating, hostile, or offensive working environment.

This definition includes many forms of offensive behavior. The following is a partial list:

- Unwanted sexual advances;
- Unwelcome hugging, kissing, or other offensive physical conduct of a sexual nature;
- Unwelcome discussions of sexual practices or anatomy;
- Offering employment benefits in exchange for sexual favors;
- Making or threatening reprisals after a negative response to sexual advances;
- Visual conduct such as leering, making sexual gestures, or displaying sexually suggestive objects, pictures, cartoons or posters;
- Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, or suggestive or obscene letters, notes or invitations;
- Nonverbal harassment, including but not limited to suggestive or insulting sounds, obscene gestures, leering or whistling;
- Physical conduct such as touching, assault or impeding or blocking movements; and
- Retaliation for reporting harassment or threatening to report harassment.

It is impossible to define every action or phrases that could be interpreted as harassment. The examples listed above are not intended to be a complete list of unacceptable behavior.

III. Prohibited Conduct

This policy prohibits conduct based on an individual’s protected class status. Although by no means all-inclusive, the following examples represent prohibited behavior:

- Physical harassment, including but not limited to unwelcome physical contact such as touching, impeding or blocking movement, or any physical interference with work;

- Verbal harassment, including but not limited to disparaging or disrespectful comments, jokes, slurs, innuendoes, teasing, and other sexual talk such as jokes, personal inquiries, persistent unwanted courting and derogatory insults;
- Nonverbal harassment, including but not limited to suggestive or insulting sounds, obscene gestures, leering or whistling;
- Visual harassment, including but not limited to displays of explicit or offensive calendars, circulation of derogatory content, posters, pictures, drawings or cartoons that reflect disparagingly upon a class of persons or a particular person; or
- Sexual harassment, as described above, including but not limited to unwelcome sexual advances, requests for favors in exchange for conduct of a sexual nature, submission to unwelcome conduct of a sexual nature in exchange for a term of employment, or other conduct of a sexual nature.

IV. Penalties

We will not tolerate discriminatory conduct, harassment, or sexual assault. Any individual found to have engaged in such conduct may face disciplinary action up to, and including, dismissal. The company may also subject managers and supervisors who fail to report known harassment – or fail to take prompt, appropriate corrective action — to disciplinary action, including potential dismissal.

V. Retaliation Protections

Pizzicato prohibits retaliation in any way against any employee because the employee has made a good faith complaint pursuant to this policy, has reported harassing or discriminatory conduct directed at others, or has participated in an investigation of such conduct. Anyone who believes they have been subjected to or witnessed retaliation in violation of this policy should immediately report the conduct as outlined in the complaint procedure above. Any employee who is found to have retaliated against another employee in violation of this policy will be subject to disciplinary action up to and including termination of employment.

VI. Reporting Procedure

All employees are responsible for following this policy and reporting inappropriate conduct. If you experience or witness any kind of harassment or discrimination in the workplace, report verbally or in writing it immediately to your store manager. However, if instances occur where an employee's allegations of discrimination or harassment involve a General Manager, or an employee is uncomfortable approaching their particular General Manager, the employee may elect to raise the issue initially and directly with the Operations Manager, Chief Executive Officer, or Director of Human Resources.

A prompt, thorough, and unbiased investigation of all complaints and reports will be conducted. To the fullest extent possible, consistent with the need to investigate the complaint and address the situation, the investigation of a complaint and any subsequent action taken in response to the complaint will be confidential.

Any employee, regardless of position, who is found to have engaged in harassment, discrimination or retaliation because an employee has filed a complaint or participated in an investigation is subject to disciplinary action, up to and including termination of employment. Any supervisor or manager who knows of harassment, discrimination or retaliation but takes no action to stop it or fails to report the harassment to Pizzicato Inc. management will also be disciplined.

Employees should keep in mind that allegations of harassment, discrimination, and retaliation are potentially very serious to the person charged. While such allegations should be made whenever warranted, they should be made in good

faith and with accuracy and authenticity.

VII. Nondisclosure or Non-disparagement Agreements

Under this policy, a nondisclosure agreement is any agreement by which one or more parties agree not to discuss or disclose information regarding any complaint of work-related harassment, discrimination, or sexual assault.

A non-disparagement agreement is any agreement by which one or more parties agree not to discredit or make negative or disparaging written or oral statements about any other party or the company.

A no-rehire provision is an agreement that prohibits an employee from seeking reemployment with the company and allows a company to not rehire that individual in the future.

The company will not require an employee to enter into any agreement if the purpose or effect of the agreement prevents the employee from disclosing or discussing conduct constituting discrimination, harassment, or sexual assault.

An employee claiming to be aggrieved by discrimination, harassment, or sexual assault may, however, voluntarily request to enter into a settlement, separation, or severance agreement which contains a nondisclosure, non-disparagement, or no-rehire provision and will have at least seven days to revoke any such agreement.

VII. Time Limitations

Nothing in this policy precludes any person from filing a formal grievance in accordance with a collective bargaining agreement (if applicable), the Bureau of Labor and Industries' Civil Rights Division or the Equal Employment Opportunity Commission. Note that Oregon state law requires that any legal action taken on alleged discriminatory conduct (specifically that prohibited by ORS 659A.030, 659A.082 or 659A.112) commence **no later than five years** after the occurrence of the violation. Other applicable laws may have a shorter time limitation on filing.

Workplace Accommodations

I. Disability Accommodation

We understand and appreciate the diversity of our staff, our customers and the communities in which we operate; therefore, Pizzicato Inc. is committed to providing and maintaining a welcoming and inclusive workplace environment. In some cases, we have a duty to make reasonable accommodations or provide appropriate tools for injured and/or differently abled employees to perform the essential functions of their job. Reasonable accommodation will be provided for qualified individuals with a disability unless they cause undue hardship for the company or cause a direct threat to workplace safety.

Accommodation may be short-term and temporary, or they may be for a long-term, recurring or permanent physical, medical, sensory, psychiatric or learning impairment which results in the requirement for alterations to the individual's working conditions. Additionally, preventative measures (e.g. ergonomic assessments) may also be addressed through this process.

Any request by an employee or applicant with a disability at any time during or prior to employment will be considered and resolved in the following manner:

1. Employee or applicant makes reasonable request either written or oral for need of accommodation (written documentation from physician may be required).
2. Employee or applicant will discuss the request with Pizzicato Inc. management and Human Resources.
3. If employee/applicant is eligible for reasonable accommodation, appropriate modifications or other

accommodations will be proposed to the employee/applicant and or the employee's/applicant's attending physician and an accommodation plan will be developed.

4. Both parties will participate and cooperate in accommodation efforts on an ongoing basis including communicating with Pizzicato Inc. management and Human Resources if modifications to the accommodation plan are required or if accommodation is no longer required.

Information regarding disabilities and accommodations is kept confidential in accordance with applicable laws. All parties will work diligently to ensure that all requests for workplace accommodation are dealt with in a timely fashion and that everyone involved in the process treat the employee with dignity and respect. All employees are expected to cooperate with requests for medical confirmation of the condition they believe constitutes a disability, as well as requests for medical confirmation of the current, precise limitations on their ability to perform their job duties.

II. Religious Accommodation

Pizzicato Inc. respects the religious beliefs and practices of all employees. Pizzicato Inc. will make, upon request, accommodation for such observances when reasonable accommodation is available that does not create an undue hardship on the business.

III. Pregnancy Accommodation

The Company will provide employees and applicants with a reasonable accommodation for known limitations related to pregnancy, childbirth or a related medical condition, including lactation, unless doing so would impose an undue hardship on the Company's business. Reasonable accommodations may include but are not limited to: acquisition or modification of equipment or devices; more frequent or longer break periods or periodic rest; assistance with manual labor; or modification of work schedules or job assignments. Should you require pregnancy accommodation, please advise the Office Manager or Director of Human Resources.

IV. Lactation Accommodation

Lactation accommodations, as required by law, shall provide a reasonable break time to accommodate an employee desiring to express breast milk for the employee's infant. Such break time shall, if possible, run concurrently with any break time already provided by The Company for an employee. The Company will make reasonable efforts to provide the employee with the use of a remote location, other than a toilet stall, in close proximity to the employee's work area for the purpose of expressing breast milk in a private, locked room. The room or location may include a place where the employee normally works. Should you require lactation accommodations following a return from pregnancy leave, please advise the Operations Manager or Director of Human Resources so that accommodations may be made.

Introductory Period

The Company attempts to hire the most qualified employees for each position. To ensure this, the Company provides for an introductory period of employment for the employee to assess the Company and the job content, and for the Company to evaluate the new employee and their job performance. All new employees must complete to the Company's satisfaction a 90-day introductory period beginning with the date of initial employment. Consistent with the Company's Employment At Will policy, during the introductory period, an employee may be discharged by the Company for any reason and without advance notice. Similarly, the employee may resign employment for any reason without advance notice during this period. Completion of the introductory period does not alter the employee's at-will status.

At the Company's discretion, an employee's introductory period may be extended one or more times. On successful

completion of the introductory period, an employee will become a regular employee. Successful completion of the introductory period does not, however, guarantee employment for any specific duration or change the at-will status of regular employment.

Proof of Right to Work

The Company is committed to full compliance with the federal immigration laws. The Company will not knowingly hire or continue to employ anyone who does not have the legal right to work in the United States. As a condition of employment, all employees are required to complete a DHS Employment Eligibility Verification form (Form I-9) and present acceptable documentation verifying their identity and right to work in the United States in accordance with federal and State immigration law.

Employment of Minors

For purposes of employment, a “minor” is anyone under the age of 18. Pizzicato Inc. has received certification from the State of Oregon’s Bureau of Labor and Industries (BOLI) to employ minors. A worker’s permit is not required of a minor seeking employment in Oregon.

Minors are generally subject to the same laws as adults; however, there are special provisions for minors regarding hours, the nature of the work, and meal and rest breaks.

Fourteen and fifteen year olds:

- May not work during school hours,
- May not work more than three hours on any school day,
- May not work more than eight hours on non-school days,
- May only work between the hours of 7:00 a.m. and 7:00 p.m. (and as late as 9:00 p.m. between June 1 and Labor Day), and
- May work at most 18 hours per week during the school year and 40 hours per week when school is not in session.

Sixteen and seventeen years old may work up to 44 hours per week.

Minors who are required to report to work will be provided work for at least half of their scheduled day, or in lieu of that, pay for half of their scheduled day.

Minor employees are not authorized to work hours in excess of what is allowed under the law. If a minor employee takes it upon him or herself to work over the limit, with or without his or her manager’s permission, he or she will be disciplined.

Minors are restricted from performing certain tasks. Minors are not allowed to perform any other tasks than counter work and serving pizzas. More information about employment of minors can be found on the employment bulletin boards at each Pizzicato Inc. location. Additionally, information regarding meal and rest periods for minors can be found in the meal and rest period policy below.

Managers and leads are expected to comply with all wage and hour regulations and Child Labor provisions under the FLSA, to address any workplace violations immediately, and to seek answers from senior managers about specific questions. Any manager or lead who knowingly schedules a minor for hours in excess of what is allowed or for prohibited duties under applicable law will be disciplined.

Minor employees who have any concerns about hours, breaks, pay or any other workplace conditions are encouraged to discuss the situation with any store Manager, the Operations Manager or Human Resources.

Employment Applications

The Company relies upon the accuracy of information provided by an applicant in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentation, falsification, or material omission by an applicant in any of this information or data may result in revocation of any offer or immediate termination of employment, regardless of when it is discovered.

Business Ethics and Conflicts of Interest

As an employee of Pizzicato Inc., you are expected to conduct business in a professional and ethical manner. The services delivered by you should never be less than what is promised to or expected by clients, customers or prospects. Records and files must be maintained in accordance with company policies and procedures. Employees responsible for Pizzicato Inc. funds and assets must exercise appropriate conduct to protect such assets. Business suppliers should only be selected for their ability to fulfill company needs.

Employees must avoid situations where their interests conflict with those of the company. If an employee is involved in any situation that conflicts or appears to conflict with Pizzicato Inc.'s business ethics, the employee must report it immediately to Human Resources.

The following examples have been deemed to involve a conflict of interest that violates this policy:

- Serving as an employee, officer, director, or consultant for a customer, client, or supplier of materials or services, or competitor of Pizzicato Inc.
- Holding by an employee or an immediate family member of an employee (including father, mother, brother, sister, son, daughter, husband, or wife) any financial interest in the business of any customer, client, supplier of materials or services, or competitor of Pizzicato Inc.
- Borrowing money from or lending money to any current or prospective customer, client, supplier of materials or services, or competitor of Pizzicato Inc. other than recognized financial institutions (for example, banks, credit unions, etc.).
- Accepting gifts, entertainment, or anything of value from any current or prospective customer, client, supplier of materials or services, or competitor of Pizzicato Inc., other than minor holiday gifts, occasional meals, and entertainment of a nominal nature.
- Doing any work or providing any other assistance to a current or prospective client, supplier of materials or services, or competitor of Pizzicato Inc.

It is important to avoid not only any situation that is an obvious conflict of interest such as those listed above, but also any situation that might give the appearance of being a conflict of interest. Failure to report any questionable item and/or obtain prior written approval may have serious consequences, up to and including termination and legal action.

An employee may engage in outside employment as long as such employment does not interfere with the efficient performance of assigned duties or does not involve a conflict of interest as described in this policy. Employees must notify Human Resources in advance of accepting any outside employment.

Violations of the Business Ethics and Conflict of Interest policy, including failure to promptly disclose conflicts of interest, may result in disciplinary action, up to and including termination of employment.

Open Door Policy

The Company has a specific procedure detailed in the separate Policy Against Harassment, Discrimination and Retaliation that should be used to report concerns or complaints related to possible sexual harassment, or other forms of harassment, discrimination, or retaliation based on a protected category. Separately, the Company has an Open Door Policy that encourages employees to participate in decisions affecting them and their daily professional responsibilities. Employees who have job-related concerns or complaints are encouraged to discuss them with their manager or any other operations management representative with whom they feel comfortable. The Company believes that employee concerns are best addressed through this type of informal and open communication.

Employees are encouraged to raise work-related concerns with their immediate manager, or other management representative of their choice, as soon as possible after the events that cause the concern. Employees are further encouraged to pursue discussion of their work-related concerns until the matter is fully resolved. Although the Company cannot guarantee that in each instance the employee will be satisfied with the result, the Company will attempt in each instance to explain the result to the employee if the employee is not satisfied. The Company will also attempt to keep all such expressions of concern, the results of any investigation, and the terms of the resolution confidential. In the course of investigating and resolving the matter, however, some dissemination of information to others may be necessary or appropriate. No employee will be disciplined or otherwise penalized for raising a good-faith concern.

Employees who conclude that work-related concerns should be brought to the attention of the Company by written complaint and formal investigation may avail themselves of the "Grievance Procedure" set forth in this Handbook/Manual.

Grievance Procedure

The purpose of this Procedure for Reporting Employee Complaints is to establish a process for all employees of the Company to use to notify the Company of their work-related concerns, and to give the Company the opportunity to learn about, address, and resolve the complaint. This policy is intended to supplement the Open Door Policy set forth in this Handbook/Manual, which states the Company's philosophy that all employees have free access to their immediate supervisors or to other Company supervisors of their choice to informally express their work-related concerns. As noted in the Open Door Policy, the Company has a specific procedure detailed in its Policy Against Harassment, Discrimination, and Retaliation that should be used to report concerns or complaints related to possible sexual harassment, or other forms of harassment, discrimination, or retaliation based on a protected category.

Importantly, when the nature of the concern pertains to an actual or suspected violation of the law, or an ethical violation, including under the Company's Rules of Conduct and/or ethics and business code, all employees, directors, and officers of the Company are required to file a complaint using the procedure below. This includes reporting any activity that is considered by the person making the complaint to be illegal or dishonest. Examples of illegal and dishonest activities are violations of federal, state or local laws; billing for services not performed or for goods not delivered; and other fraudulent financial reporting. Any questions regarding whether a concern is subject to this mandatory reporting policy should be resolved in favor of filing the complaint.

Whenever you have a problem or complaint, we expect you to speak up and communicate directly with us. The following steps are known as our Grievance Procedures:

1. First, talk to your immediate manager. Your manager works closely with you and will be interested in seeing that you are treated fairly and properly. In incidents when the immediate manager is the subject of the complaint or the issue is sensitive and you feel uncomfortable, you may begin with step two.

2. If your manager cannot help you resolve the matter or you are not in agreement with his/her decision or the subject of the complaint or the issue is sensitive, and you feel uncomfortable, you may speak to Operations Manager or Human Resources.

Human Resources will date and log all written complaints and send the employee an acknowledgment that the complaint is under review.

Human Resources will conduct an investigation, consider the facts, and will involve any and all pertinent personnel in resolving the matter, including the Chief Executive Officer, if appropriate. Your concerns will be kept as confidential as possible while still permitting a complete investigation however, that in the course of investigating and resolving internal complaints some dissemination of information to others may be necessary or appropriate. Within five working days of meeting with the Director of Human Resources, you will receive a response or be notified if additional time is needed to respond. If the complaint is resolved to the employee's satisfaction, the terms of the resolution should be recorded and signed by both the employee and a representative of the Human Resources Department.

If the complaint is not resolved to the employee's satisfaction, the employee may submit a written request for review of the complaint to the Chief Executive Officer. On completion of the appeal review, the employee should receive an oral explanation of the conclusion reached and the reasons for that conclusion. Decisions resulting from appeal reviews will be final.

The Company will not tolerate retaliation against individuals for: reporting a good faith concern under this policy; participating in or cooperating in any internal investigations of reported concerns; or otherwise engaging in conduct protected by law. Prohibited retaliation can be adverse employment actions, like termination, compensation decreases, or poor work assignments, or even threats of physical harm.

Such retaliation is a separate violation of Company policy. It also may violate applicable law. (For example, a complaint may qualify as protected "whistleblowing" under an applicable law that prohibits retaliation due to whistleblowing).

Anyone who believes that they have been retaliated against for reporting a good faith concern, for participating in or cooperating in an internal investigation of a concern, or for exercising their rights, or otherwise engaging in conduct protected by law, should immediately notify the Company using the same Procedure described above.

Pursuant to the Defend Trade Secrets Act, an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If an employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the employee may disclose the trade secret to the employee's attorney and use the trade secret information in the court proceeding, if the employee (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order. In the event that disclosure of Company trade secrets was not done in good faith pursuant to the above, the employee may be subject to substantial damages, including punitive damages and attorneys' fees.

Performance and Pay Reviews

The Company will attempt to conduct periodic performance reviews for employees. Employees generally receive performance evaluations annually.

The purposes of the review are to evaluate the employee's current level of performance, to examine the progress made since the last review, and to establish goals for the employee's next review. During their performance reviews, employees are encouraged to discuss any issues raised, as well as any opportunities for advancement or career development within the Company.

After receiving their performance evaluations, employees will be required to sign the evaluation acknowledging that they have received the evaluation and are aware of its contents. A copy of the performance evaluation will then be placed in the employee's personnel file. In addition to these formal performance evaluations, the Company encourages employees and supervisors to discuss job performance on a frequent and ongoing basis.

Satisfactory performance reviews will not necessarily result in wage increases. Likewise, unsatisfactory performance reviews typically will not result in wage decreases. Rather, wage adjustments may be made at any time in the sole discretion of the Company and depend on a number of factors, including for example, performance, productivity, seniority and other lawful factors contemplated by the Company.

Employee Classifications

I. Introductory Employees

The term "introductory employees" is sometimes used in this Handbook/Manual to refer to those employees who are within their introductory period, i.e., the first 90 days of employment with the Company. At the Company's discretion, the introductory period may be extended for an additional period.

II. Regular Full-Time Employees

An employee who successfully completes the introductory period (including any extension) and is regularly scheduled to work an average of 30 or more hours per week for a period of indefinite duration, is referred to as a regular full-time employee.

III. Regular Part-Time Employees

An employee who successfully completes the introductory period (including any extension) and is regularly scheduled to work fewer than an average of 30 hours per week for a period of indefinite duration, is referred to as a regular part-time employee.

IV. Exempt/Nonexempt Employees

Exempt employees, by definition, are exempt from earning overtime compensation and generally receive the same weekly salary regardless of hours worked. Nonexempt employees are employees who are eligible to be paid for overtime work in accordance with the provisions of applicable wage and hour laws. Overtime pay requirements are set forth in the section of this Handbook/Manual entitled "Hours of Work, Overtime, and Pay Day". Employees will be informed of these classifications upon hire and informed of any subsequent changes to the classifications.

V. Salaried Employees

Salaried employees are employees who are paid a fixed amount on a periodic basis and not by the hour. Salaried employees are generally Exempt employees.

VI. Hourly Employees

Hourly employees are employees whose wages are paid by the hour. Their wages fluctuate according to the number of hours they work. Hourly employees are generally Nonexempt employees.

VII. Change in Employment Status

The Company may change the employment classification of any employee at any time based on the nature of the employment assignment.

Hours of Work, Overtime and Pay Day

I. Hours of Work

Company business hours are from 8 a.m. to 10 p.m., seven days a week. Employees will be assigned a work schedule and will be expected to begin and end work according to the schedule. To accommodate the needs of the business, at some point the Company may need to change individual work schedules on either a short-term or long-term basis.

II. Meal and Rest Periods

Managers will schedule each employee's meal and rest period. Employees are required and expected to take rest and/or meal breaks. Failure to take breaks as scheduled may result in disciplinary action. Employees may not combine or use meal and rest periods to arrive late or to leave their shift early. During all meal and rest periods, employees are fully relieved from their duties to use the time as their own. Employees may leave the premises for break(s) but must inform the manager on duty.

The Company authorizes and permits all nonexempt employees working at least two hours and one minute in a day to take a ten-minute, off-duty, uninterrupted paid rest period for each four hours worked or major fraction thereof, and an additional rest break for every four hours worked thereafter.

Employees should take their rest periods in the middle of each work period to the extent it is practicable to do so, and not combine them with meal periods or skip them to leave work early.

Employees who believe that they were not provided the opportunity to take all rest periods authorized and permitted under this policy should inform their lead or manager, and (if not corrected) Human Resources immediately.

The Company provides employees who work more than six hours in a day with an unpaid 30-minute, uninterrupted meal period. When the employee's work period is seven hours or less, the required meal period must be taken between the second and fifth hour worked. When an employee's work period exceeds seven hours, the required meal period must be taken between the third and sixth hour worked. The Company provides employees who work more than 14 hours in a day with a second unpaid 30-minute, uninterrupted meal period. Employees who work between 22 and 24 hours during a single work period are entitled to a third meal break. Whenever possible, meal periods shall be scheduled during a non-rush time period and approved by the manager.

Examples of Proper Rest and Meal Period Schedules (at least 18 years of age)

<u>Shift Worked</u>	<u>Time allotted for Breaks</u>
2 Hours or less	none
2 Hours, 1 Minute – 5 Hours, 59 minutes	10 Minute
6 Hours	10 Minute + 30 Minute Meal Break
6 Hours, 1 Minute – 10 Hours	Two 10 Minute + 30 Minute Meal Break
10 Hours, 1 Minute – 13 Hours, 59 minutes	Three 10 Minute + 30 Minute Meal Break

Minor Workers Rest and Meal Period Schedules

Minor workers (under age 18) are entitled to an unpaid, uninterrupted break of at least 30 minutes if they work more than 5 hours in a day. They are also entitled to at least a 15 minute paid rest break for each 4 hours worked. They

must be allowed a rest period no later than the end of the third hour of the shift.

Fourteen and Fifteen-year-old workers may not work more than 4 hours without a 30-minute unpaid, uninterrupted meal period. They must also receive a paid rest break of at least 15 minutes for every 2 hours worked. They must have a rest period after 2 hours for every 4 hours of work.

Employees who use a time clock must clock out for their meal periods. Employees are expected to clock back in and promptly return to work at the end of any meal period. Employees who record their time manually must accurately record their meal periods by recording the beginning and end of each work period.

III. Overtime Pay

A. Overtime Definition and Rates of Pay

All nonexempt employees who work more than forty (40) hours in one workweek will receive overtime pay at the rate of 1 ½ times the employee's regular rate of pay. Overtime will be computed on actual minutes worked.

B. Workweek and Workday

Unless otherwise provided, for purposes of calculating overtime, each workweek begins on Sunday and each workday is a 24-hour consecutive period which begins at 12:01 a.m.

C. Pre-Authorization

Nonexempt employees may not work overtime without the express prior approval of their supervisor, absent an emergency. During busy periods, the employer may require employees to work extended hours. Nonexempt employees who fail to obtain approval prior to working hours that extend beyond their normal 40-hour workweek will be subject to disciplinary action. Overtime offenses may result in termination.

IV. Other Types of Pay

A. Travel Time for Non-Exempt Employees

Non-exempt employees are paid for travel time in accordance with state law.

B. Pay Advances

In the event of financial emergency, employees may request up to two pay advances per calendar year with the approval of the store manager and the Chief Executive Officer. If the employee chooses to take the pay advance as a deduction from a check, the employee must authorize the deduction in writing. Please see your manager to fill out the appropriate advance authorization form. An employee must have worked at least 50% of the gross wage value of the advance at the time of the request.

V. Safe Harbor Policy for Exempt Employees

It is the Company's policy and practice to accurately compensate employees and to do so in compliance with all applicable state and federal laws. To ensure employees are paid properly and no improper deductions are made, employees must review their pay stubs promptly to identify and to report all errors.

If the employee believes a mistake has occurred or if the employee has any questions, the employee should use the reporting procedure outlined below.

Exempt salaried employees receive a salary which is intended to compensate for all hours worked for the Company. This salary will be established at the time of hire or when the employee becomes classified as an exempt employee.

While it may be subject to review and modification from time-to-time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work performed.

If employees believe they have been subject to any improper deductions, they should immediately report the matter to the Director of Human Resources. If the Director of Human Resources is unavailable or if employees believe it would be inappropriate to contact that person (or if they have not received a prompt and fully acceptable reply), they should immediately contact the CEO.

Every report will be fully investigated, and corrective action will be taken where appropriate, up to and including termination for any employee who violates this policy. In addition, the Company will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in the investigation of such reports. Retaliation is unacceptable, and any form of retaliation in violation of this policy will result in disciplinary action, up to and including termination.

VI. Place and Time for Payment of Wages

A. Regular Pay Days

Pizzicato Inc. employees are paid every other Friday for hours worked the previous two weeks. Pay dates are subject to change. Pay periods and payday are posted on the bulletin board of each store. If a pay day falls on a holiday, paychecks will be distributed on the preceding workday. Payroll checks will be delivered to employees at their work location. Pizzicato Inc. will not surrender a paycheck to anyone other than the employee without his or her express written request.

Employees with questions about their paychecks should first consult their managers before calling the payroll department.

Direct Deposit

Employees may sign up for direct deposit of their paychecks. Part or all of the paychecks may be automatically deposited in personal savings and/or a checking account. The direct deposit form must be filled out completely with a voided blank check attached. The direct deposit process has a one payroll cycle approval period while bank accounts and routing numbers are confirmed and authorized. Employees must inform the payroll department of changes in bank accounts prior to payroll processing. Pizzicato Inc. is not responsible for errors in deposits if payroll department is not timely notified of changes via the Direct Deposit Enrollment Form.

For employees who are not on direct deposit, checks are distributed at the employee's home store on the date assigned for payment. If the employee is absent from their home store when the paycheck is distributed, the employee may claim the paycheck from their immediate manager upon returning to work.

B. Payment on Resignation, Termination, or Completion of Assignment or Term

When employment is terminated by mutual agreement, all wages earned and unpaid are due to the employee no later than the end of the first business day after the discharge or termination. When employees quit with at least 48 hours' notice (not including weekends), all wages earned and unpaid are due to the employee on the last day of employment. When employees quit without giving 48 hours' notice, all wages earned and unpaid are due to the employee in 5 business days, or the next payday, whichever is first. When an employee quits but is regularly required to submit time records to the Company to enable the Company to determine the wages due the employee, the Company will pay the employee an estimate of all wages due within five days after the employee has quit. The Company must pay any wages still owed within five days after the employee has submitted the time records.

C. Garnishments

The Company complies with applicable state and federal laws regarding the garnishment and assignment of wages. Repeated garnishments for multiple debts can be grounds for discharge or other discipline as provided by applicable laws.

D. Payroll Deductions

Deductions for federal Income Tax, Social Security Tax, and Medicare are required by federal law. State Income Tax and State Disability Insurance deductions vary according to the state in which your work is performed. Other deductions for insurance or other benefits may be specifically authorized by the employee in writing or by electronic signature. Each paycheck stub itemizes amounts that have been withheld. It is the employee's responsibility to confirm the accuracy of payroll deductions and personal information and to notify their manager immediately of any changes. It is important that employees keep this information for tax purposes. Questions about deductions should be directed to the Human Resources.

Timekeeping Procedures

Each employee is responsible for documenting his or her own hours and for reporting tips on a computerized employee time record. Pizzicato Inc. management reserves the right to correct time records with or without notification.

Altering, falsifying or tampering with time records is prohibited and subjects the employee to discipline, up to and including discharge.

Exempt employees are required to record their daily work attendance and report full days of absence from work for reasons such as leaves of absence, sick leave or personal business.

Non-exempt employees may not start work until their scheduled starting time.

It is the employee's responsibility to sign time records to certify the accuracy of all time recorded. Any errors in the time record should be reported immediately to a manager, who will attempt to correct legitimate errors.

Attendance and Work Schedules

With regards to work schedules, clear and direct communication is stressed and encouraged by Pizzicato Inc. – from Staff to Staff, Staff to Manager, Manager to Staff, and Manager to Manager.

I. Reporting Time & Work Schedules

Pizzicato Inc. expects regular and punctual attendance from all employees. Pizzicato Inc. management posts work schedules at least 3 days in advance to notify employees of their schedule. It is advisable that all employees check this schedule periodically and discuss any issues with their manager. **Work schedules are subject to change, so we strongly advise you to check your schedule daily.** Please contact your General Manager immediately if you need to change your schedule from what is posted.

The store manager has the authority to dismiss an employee from work early or request an employee to remain working based on the business of the store.

Pizzicato Inc. staff is expected to be at the appropriate worksite five minutes before his/her scheduled start time and clock in no more than 5 minutes before the scheduled shift begins and clock out no more than 5 minutes after the

scheduled shift ends. Unless requested or authorized by your manager, employees clocking in or out more than 5 minutes from their scheduled shift will be subject to corrective action.

Pizzicato Inc. management reserves the right to send an employee home due to illness or other physical or mental impairment and as required by law.

II. Missing Work

Employees who are unable to report to work at their scheduled time are expected to personally notify the store manager or MOD at least 4 hours prior to their scheduled shift regarding the reason for their absence and the expected length of the absence. Except in extreme cases or when permitted by law, notification of absence from work made by any person other than the employee is not acceptable notification. Voicemail, email, or text message are not acceptable forms of notice unless you get a confirmation that your notice message has been received from your manager. If an employee does not notify his/her manager that they are unable to work they are considered a no call/no show. Poor attendance and excessive tardiness (including leaving a shift early) are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

III. Extended Absences from Work

If you must be absent from work for an extended period of time, a written request should be made with your manager. Please contact your manager or Human Resources to request a Family or Medical Leave of Absence or a Personal Leave of Absence. Employees who are absent from work without any explanation for 1 day are considered as voluntarily abandoning their job (no show-no call). A no show-no call may lead to disciplinary action, up to and including termination of employment. If termination, they will be issued a final paycheck and will not be eligible for rehire.

Business Expense Reimbursement

The Company will reimburse employees for reasonable expenses incurred for business purposes including, but not limited to, meals, lodging, and transportation. Mileage driven in a personal automobile for business purposes will be reimbursed at the current IRS-approved rate per mile. All business travel and business purchases must be approved in advance by the employee's manager.

Employees should complete expense reimbursement reports within 30 days of incurring the expenses and submit the reports and receipts to the Controller.

Personnel Records

The information in an employee's personnel file is permanent and confidential and must be kept up to date. Employees should inform the Director of Human Resources immediately whenever there are changes in personal data such as address, telephone number, marital status, number of dependents, and person(s) to notify in case of emergency. Employees also should inform the Director of Human Resources of any specialized training or skills they acquire. Unreported changes of address, marital status, etc. can affect withholding tax and benefit coverage.

Current employees have the right to inspect and copy their personnel files that are used or have been used to determine qualification for employment, promotion, additional compensation or employment termination or other disciplinary action. Employees may request a certified copy of their own records, and the Company will comply within 45 days of the employee's request. An employee may inspect only his or her own personnel file and only in the presence of the Director of Human Resources.

Personnel files are the property of the Company and may not be removed from the Company's premises without written authorization from the Director of Human Resources.

Record Retention

A personnel file is maintained by Pizzicato Inc. for each current employee and for at least sixty days after the termination of employment. Time records for each employee will be maintained for at least two years after termination of employment and payroll records will be maintained for at least three years after termination of employment.

The Company acknowledges its responsibility to preserve information relating to litigation, audits and investigations. Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the Company and its employees and possible disciplinary action against responsible individuals (up to and including discharge of the employee). Each employee has an obligation to contact the CEO to inform them of potential or actual litigation, external audit, investigation or similar proceeding involving the Company that may have an impact on record retention protocols.

Termination, Discipline, and Rules of Conduct

I. Termination

A. Voluntary Termination

An employee may resign from Pizzicato Inc. by presenting their resignation to the Pizzicato Inc. owners and/or a manager of their home store. Voluntary resignation forms are available at www.pizzicatostaff.com. To resign in good standing, non-management employees must give a minimum of two weeks' notice in writing. To resign in good standing, management staff must give a minimum of 3 weeks' notice in writing. Pizzicato Inc. reserves the right to shorten the length of any employee's notice period.

The Company will consider an employee to have voluntarily terminated their employment if an employee does any of the following:

- 1) Elects to resign from the Company;
- 2) Fails to return from an approved leave of absence on the date specified by the Company; or
- 3) Fails to report for work without notice to the Company for one (1) shift.

B. Involuntary Termination

An employee may be terminated involuntarily for reasons that may include poor performance, misconduct, or other violations of the Company's rules of conduct as set forth below. Notwithstanding this list of rules, the Company reserves the right to discharge or demote any employee with or without cause and with or without prior notice.

C. Termination Due to Reorganizations, Economics, or Lack of Work

From time to time, the Company may need to terminate an employee as a consequence of reorganizations, job eliminations, economic downturns in business, or lack of work. Should the Company consider such terminations necessary, the Company will attempt to provide all affected employees with advance notice when practical. Layoff benefits associated with such terminations, if any, will be as specified in the notice.

D. Eligibility for Rehire

An employee may be rehired if he or she left Pizzicato Inc. employment 'in good standing.' 'In good standing' is defined as leaving employment with required notice as defined in this manual and with satisfactory job performance. 'Rehired' does not apply to employees returning from an approved leaves of absence within the mutually agreed time.

* *Employment at Pizzicato Inc. is at-will. While Pizzicato Inc. values the experience and commitment of former Pizzicato Inc. employees, rehiring is not guaranteed, is at the discretion of Pizzicato Inc. management, and is based on availability of positions. As job positions become available, Pizzicato Inc. will strive to hire the most qualified candidates.*

II. Discipline and Rules of Conduct

Employees are expected to observe certain standards of job performance and good conduct. When performance or conduct does not meet Company standards, the employee will be subject to discipline up to and including termination.

The rules set forth below are intended to provide employees with notice of what is expected of them. Necessarily, however, such rules cannot identify every type of unacceptable conduct and performance. Therefore, employees should be aware that conduct not specifically listed below but which the Company determines adversely affects or is otherwise detrimental to the interests of the Company, other employees, or customers, may also result in disciplinary action.

A. Job Performance

Employees may be disciplined for poor job performance, including but not limited to the following:

- 1) Unsatisfactory work quality or quantity;
- 2) Excessive absenteeism, tardiness, or abuse of rest break and meal period policies;
- 3) Failure to follow instructions or Company procedures; or
- 4) Failure to follow established safety regulations.

B. Misconduct

The following are examples of some, but not all, conduct which can be considered unacceptable:

- 1) Obtaining employment on the basis of false or misleading information.
- 2) Disorderly conduct during working hours or on premises owned or occupied by Pizzicato Inc.
- 3) Discourtesy to Customers.
- 4) Stealing cash, equipment and/or food and/or beverages, removing or defacing Company property or a co-worker's property, and/or disclosure of confidential information.
- 5) Completing another employee's time records.
- 6) Using Pizzicato Inc. products or services for personal gain
- 7) Conducting non-Pizzicato Inc. business (personal) while on Pizzicato Inc. time (other than during a scheduled break)
- 8) Any action that, in the opinion of the Management, is inconsistent with Pizzicato Inc.'s desire to provide superior product and service
- 9) Violation of safety rules and policies.
- 10) Violation of the Company's Drug and Alcohol-Free Workplace Policy.
- 11) Fighting, threatening or disrupting the work of others or other violations of the Company's Workplace Violence Policy.
- 12) Possession of and/or use of firearms or other weapons on company premises owned or operated by Pizzicato Inc.
- 13) Failure to cooperate with internal investigations or failure to respond in a timely manner, without reasonable cause
- 14) Failure to follow lawful instructions of a manager.
- 15) Failure to perform assigned job duties.
- 16) Violation of the Punctuality and Attendance Policy, including but not limited to irregular attendance, habitual lateness or unexcused absences.

- 17) Failure to provide a physician's certificate for employment purposes when requested or required to do so within a reasonable time
- 18) Gambling on Company property.
- 19) Willful or careless destruction or damage to Company assets or to the equipment or possessions of another employee.
- 20) Wasting work materials.
- 21) Performing work of a personal nature during working time.
- 22) Performing unauthorized work or services for a Pizzicato Inc. competitor
- 23) Working for a Pizzicato Inc. competitor while employed with us, or breaching confidentiality of company information
- 24) Violation of the Solicitation and Distribution Policy.
- 25) Violation of the Company's Harassment or Equal Employment Opportunity Policies.
- 26) Violation of the Communication and Computer Systems Policy.
- 27) Unsatisfactory job performance.
- 28) Illegal activity on or off the job (such as violation of state, local, or federal law.
- 29) Consuming any alcohol on company premises.
- 30) Any other violation of Company policy.

Obviously, not every type of misconduct can be listed. Note that all employees are employed at-will, and the Company reserves the right to impose whatever discipline it chooses, or none at all, in a particular instance. The Company will deal with each situation individually and nothing in this handbook should be construed as a promise of specific treatment in a given situation. However, the Company will endeavor to utilize progressive discipline but reserves the right in its sole discretion to terminate the employee at any time for any reason.

The observance of these rules will help to ensure that our workplace remains a safe and desirable place to work.

C. Attendance

In addition to the general rules stated above, employees may be disciplined for failing to observe the following specific requirements relating to attendance:

- 1) Reporting to work on time, observing rest break and meal period policies, recording all time worked, and obtaining approval to leave work early; and
- 2) Notifying the supervisor in advance of anticipated tardiness or absence.

D. Discipline Procedure

Except as set forth below, discharge or demotion for poor performance ordinarily will be preceded by an oral warning and a written warning.

The Company reserves the right to proceed directly to a written warning, demotion, or termination for misconduct or performance deficiency, without resort to prior disciplinary steps, when the Company deems such action appropriate.

III. Exit Interview

Employees who leave the Company for any reason may be asked to participate in an exit interview. This interview is intended to permit terminating employees the opportunity to communicate their views regarding their work with the Company, including job duties, job training, job supervision, and job benefits. At the time of the interview, employees are expected to return all Company-furnished property, such as uniforms, tools, equipment, I.D. cards, keys, credit cards, documents, and handbooks. Arrangements for clearing any outstanding debts with the Company and for receiving final pay also will be made at this time.

IV. Employment at Will

Nothing in this Guideline is intended to alter the at-will status of employment with the Company. Either you or the Company may terminate the employment relationship at any time with or without cause and with or without prior notice. The Company reserves the right to terminate any employment relationship, to demote, or to otherwise discipline an employee without resort to the above disciplinary procedures.

Job Abandonment Policy

The Company expects employees to report for work on time for every scheduled shift. An employee who is unable to report to work at the designated time is required to notify their supervisor as soon as practicable but no later than the employee's scheduled start time in accordance with the sick leave policy. Employees who fail to report to work for one shift without notifying the company of the absence will be considered as having voluntarily resigned as a result of job abandonment.

If the employee is unable to contact the company for any absence, they should ask a representative (such as a family member or friend) to do so on the employee's behalf. If the employee or a representative is unable to contact the Company due to extreme circumstances (such as a medical emergency or natural disaster that prohibits the employee or their representative from contacting the company within one day), the employee or their representative must contact the Company as soon as practicable to explain the situation. In extreme circumstances, the Company will consider the explanation and its timing before determining if the voluntary resignation will be upheld.

Food Handler Illness Reporting Policy

Pizzicato Inc. must follow all public health regulations related to employee health. Each employee, regardless of their position, is expected to read this policy and understand the requirements concerning the responsibilities under state food service regulations. Failure to comply with the terms of this policy could lead to action that could jeopardize employment.

All employees are required to notify their manager when they experience any of the conditions listed below. This will assist management to take appropriate steps to prevent the transmission of foodborne illnesses. **Employees may not return to work until 24 hours post symptoms.**

We expect you to report the following symptoms and conditions to your manager immediately:

Symptoms and Conditions

1. Abdominal cramps
2. Diarrhea
3. Fever
4. Prolonged loss of appetite (more than 3 days)
5. Vomiting
6. Yellow skin or eyes (jaundice)
7. Skin sores on the hand, wrist, or an exposed body part (such as boils and infected wounds, however small)
8. Acute respiratory infection (cough or runny nose)
9. Sore throat with fever

Medically Diagnosed Illnesses

If you have been diagnosed as being ill with Salmonellosis, Amebiasis, Escherichia coli O157:H7 infection, Hepatitis A or Cholera, Shigella, Norovirus please notify your General Manager. We may require medical certification from your

attending physician before you may return to work.

High Risk Conditions

- A household member who attends or works in a setting with a case of Salmonellosis, Amebiasis, Shigellosis, Escherichia coli O157:H7 infection, Hepatitis A or Cholera, Norovirus.
- A household member diagnosed with Salmonellosis, Amebiasis, Shigellosis, Escherichia coli O157:H7 infection, Hepatitis A or Cholera, Norovirus.
- Exposure to or suspicion of causing any confirmed outbreak of Salmonellosis, Amebiasis, Shigellosis, Escherichia coli O157:H7 infection, Hepatitis A or Cholera, Norovirus.
- Travel outside the United States within the last 50 days.

The following are preventative methods of spreading diseases:

- **Good hygiene practices, especially hand washing after using restroom facilities.**
- Covering your nose and mouth with a tissue when coughing or sneezing and washing your hands before returning to work.
- Reporting requirements specified above involving symptoms, diagnoses, and high-risk conditions.
- Work restrictions or exclusions that apply to you.

If everyone does their part by doing what is necessary to ensure workplace health and safety, we all benefit. No job is so important that we cannot take time to do it safely.

Drug-Free Workplace

I. Purpose of Guideline

It is the intent of the Company to maintain a workplace that is free of drugs and alcohol and to discourage drug and alcohol abuse by its employees. Employees who are under the influence of a drug or alcohol on the job compromise the Company's interests and endanger their own health and safety and the health and safety of others. Substance abuse in the workplace can also cause a number of other work-related problems, including absenteeism and tardiness, substandard job performance, increased workloads for co-workers, behavior that disrupts other employees, and inferior quality in products or service.

To further its interest in avoiding accidents, to promote and maintain safe and efficient working conditions for its employees, and to protect its business, property, equipment, and operations, the Company has established this Guideline concerning the use of alcohol and drugs. As a condition of continued employment with the Company, each employee must abide by this Guideline.

II. Definitions

For purposes of this Guideline:

- "Illegal drugs or other controlled substances" means *any* drug or substance that (a) is not legally obtainable; or (b) is legally obtainable but has not been legally obtained; or (c) has been legally obtained but is being sold or distributed unlawfully.
- "Legal drug" means any drug, including any prescription drug or over-the-counter drug, that has been legally obtained and that is not unlawfully sold or distributed.
- "Abuse of any legal drug" means the use of any legal drug (a) for any purpose other than the purpose for which it was prescribed or manufactured; or (b) in a quantity, frequency, or manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.
- "Reasonable suspicion" includes a suspicion that is based on specific personal observations such as an

employee's manner, disposition, muscular movement, appearance, behavior, speech or breath odor; information provided to management by an employee, by law enforcement officials, by a security service, or by other persons believed to be reliable; or a suspicion that is based on other surrounding circumstances.

- "Possession" means that an employee has the substance on their person or otherwise under their control.

III. Prohibited Conduct

A. Scope

The prohibitions of this section apply whenever the interests of the Company may be adversely affected, including any time an employee is:

- 1) On Company premises;
- 2) Conducting or performing Company business, regardless of location;
- 3) Operating or responsible for the operation, custody, or care of Company equipment or other property; or
- 4) Responsible for the safety of others in connection with, or while performing, Company-related business.

B. Alcohol

The following acts are prohibited and will subject an employee to discharge:

- 1) The unauthorized use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of alcohol; or
- 2) Being under the influence of alcohol from unauthorized consumption.

C. Illegal Drugs

The following acts are prohibited and will subject an employee to discharge:

- 1) The use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of any illegal drug or other controlled substance; or
- 2) Being under the influence of any illegal drug or other controlled substance.

Despite many states' recent legalization of medical and/or recreational marijuana, the Company's zero tolerance policy prohibits any employee from having marijuana in their system while working and also prohibits any employee from possessing marijuana while on company property.

D. Legal Drugs

The following acts are prohibited and will subject an employee to discharge:

- 1) The abuse of any legal drug;
- 2) The purchase, sale, manufacture, distribution, transportation, dispensation, or possession of any legal prescription drug in a manner inconsistent with law; or
- 3) Working while impaired by the use of a legal drug whenever such impairment might:
 - a. Endanger the safety of the employee or some other person;
 - b. Pose a risk of significant damage to Company property or equipment; or
 - c. Substantially interfere with the employee's job performance or the efficient operation of The Company's business or equipment.

IV. Consequences

Any employee who violates any provision of this policy or tests positive for or is found to be under the influence of alcohol or any controlled substance in violation of this policy will be subject to disciplinary action, up to and including termination of employment.

Any employee who refuses to submit to or cooperate with testing for alcohol or controlled substances or who subverts or attempts to subvert the testing process in any way will be subject to immediate suspension or termination of employment.

V. Drug-Free Awareness

A. Management Awareness

Managers and supervisors should be attentive to the performance and conduct of those who work with them and should not permit an employee to work in an impaired condition or to otherwise engage in conduct that violates this Guideline. When management has reasonable suspicion to believe that an employee or employees are working in violation of this Guideline, prompt action will be taken. If the employee occupies a designated safety-sensitive position, such action may include drug testing in accordance with the procedures outlined in this policy.

B. Criminal Convictions

Employees must notify the Company of any conviction under a criminal drug statute for a violation occurring in the workplace or during any Company-related activity or event. Employees must notify the Company within five days after any such conviction. When required by federal law, the Company will notify any federal agency with which it has a contract of any employee who has been convicted under a criminal drug statute for a violation occurring in the workplace.

VI. Use of Legal Drugs

The Company recognizes that employees may, from time to time, be prescribed legal drugs that, when taken as prescribed or according to the manufacturer's instructions, may result in impairment. Employees may not work while impaired by the use of legal drugs if the impairment might endanger the employee or someone else, pose a risk of significant damage to Company property, or substantially interfere with the employee's job performance. If an employee is so impaired by the appropriate use of legal drugs, they may not report to work. To accommodate the absence, the employee may use accrued sick leave, personal leave, or vacation time. The employee may also contact the Director of Human Resources to determine whether or not they qualify for an unpaid leave of absence, such as family care or medical leave. Nothing in this Guideline is intended to sanction the use of accrued sick leave, personal leave, or vacation time to accommodate absences due to the abuse of legal drugs. Further, nothing in this Guideline is intended to diminish the Company's commitment to employ and reasonably accommodate qualified disabled individuals. The Company will reasonably accommodate qualified disabled employees who must take legal drugs because of their disability.

VII. Unregulated or Authorized Conduct

A. Customary Use of Over-the-Counter Drugs

Nothing in this Guideline is intended to prohibit the customary and ordinary purchase, sale, use, possession, or dispensation of over-the-counter drugs, so long as that activity does not violate any law or result in an employee being impaired by the use of such drugs in violation of this Guideline.

B. Off-the-Job Conduct

Unless an employee is in a designated safety-sensitive position, this Guideline is not intended to regulate off-the-job conduct, so long as the employee's off-the-job use of alcohol or drugs does not result in the employee being under the influence of or impaired by the use of alcohol or drugs in violation of this Guideline. If an employee is in a designated safety-sensitive position, they will be subject to drug testing as described in Section X of this Guideline.

C. Authorized Use of Alcohol

The Company may provide alcohol for consumption at certain events, such as social functions. The consumption of alcohol at these events does not violate this Guideline.

VIII. Confidentiality

Disclosures made by employees to the Human Resources Manager concerning their use of legal drugs will be treated confidentially and will not be revealed to managers or supervisors unless there is an important work-related reason to do so in order to determine whether it is advisable for the employee to continue working. Disclosures made by employees to the Human Resources Manager concerning their participation in any drug or alcohol rehabilitation program will be treated confidentially.

IX. Professional Assistance

Generally, employees who voluntarily request assistance in dealing with a personal drug and/or alcohol problem may do so without jeopardizing employment as long as this assistance is sought before work performance is affected or disciplinary problems have begun. Employees who seek assistance before their drug or alcohol problem leads to performance problems or disciplinary action will be supported in their efforts to seek help; employees who delay seeking help will not be excused from the consequences of their performance deficiencies. Treatment programs may be available through Pizzicato Inc.'s health insurance coverage. Employees are responsible for any medical costs not covered through Pizzicato Inc.'s health insurance.

Where, in Pizzicato Inc.'s sole discretion, it appears that rehabilitation is likely, Pizzicato Inc. may require an employee to be evaluated by a professional alcohol and drug counselor and participate in any education or rehabilitation programs as recommended by the counselor as an alternative to discipline or termination of employment. If Pizzicato Inc. schedules an evaluation, Pizzicato Inc. will pay the cost. Pizzicato Inc. reserves the right to deal with each case under this policy in its discretion in light of the specific circumstances involved, including, but not limited to, the conduct at issue and whether an employee should be given the opportunity to participate in a drug or alcohol program. Such a decision will be based partly on the circumstances of the employee, the manner Pizzicato Inc. obtained the information, and the seriousness and frequency of other policy violations.

Pizzicato Inc. reserves the right to require all employees who seek treatment to sign and comply with a return to work agreement as a condition of continued employment. The return to work agreement may require the employee to be evaluated and referred to successfully participate in an appropriate treatment or education program, submit to random or periodic testing for alcohol and/or drug use for a specified period of time upon reemployment, and meet various standards that are imposed as a condition of continued employment. Any return to work agreement shall be in addition to and not a substitute for otherwise applicable standards of performance and behavior. Nothing in this policy is to be interpreted as a waiver of Pizzicato Inc.'s right to impose disciplinary action or terminate employment in the case of poor performance, misconduct, or violations of Pizzicato Inc. policy.

X. Drug Testing

Pizzicato Inc. may require drug and/or alcohol testing, including without limitation urinalysis and/or blood screens, under any of the following circumstances:

A. Pre-Employment

Pizzicato Inc. does not require applicants to undergo pre-employment testing at this time. Pizzicato Inc., however, reserves the right to institute such a requirement at a later time.

B. Reasonable Suspicion

Where Pizzicato Inc. has a reasonable suspicion that an employee is in violation of this policy, or that an employee may be under the influence of alcohol or a controlled substance, the employee will be required to submit to testing to determine the presence, use or any involvement with drugs or other substances which could potentially impair performance. Reasonable suspicion may be based on any specific observation that suggests an employee's possible involvement with alcohol or controlled substances, including the employee's performance, appearance (including, for example, noticeable odor of an alcoholic beverage), behavior, speech, self-reports, or credible third-party reports. Pizzicato Inc. reserves the sole right to determine whether reasonable suspicion exists.

C. On-the-Job Accidents

Any employee involved in a job-related accident resulting in property damage or physical injury to any person requiring off-site medical attention may be subject to testing for the presence, use, or any involvement with drugs. Pizzicato Inc. will determine at its sole discretion whether drug use caused, or contributed to, the accident.

D. Random

Pizzicato Inc., in its sole discretion, may require employees to participate in periodic or random drug testing when requested by the company.

Information received through Pizzicato Inc.'s drug and alcohol testing program will be treated as confidential, consistent with applicable federal, state, and local laws and regulations. Individuals taking a drug and/or alcohol test must sign a consent form for the test that allows release of the test results to Pizzicato Inc. Employees who refuse to sign a consent form will be subject to immediate suspension or termination of employment.

Employees may ask that their sample be split into two parts, with one part retained for retesting in the event of a positive result. Employees who test positive for drug use, and who believe the test was in error, may request a re-test of the split sample at a laboratory approved by Pizzicato Inc. The request must be made within 24 hours of receiving the positive test result. The employee will be responsible for paying the full cost of the retesting. The lab will require payment in advance. If the retest is negative, Pizzicato Inc. will reimburse the employee for the cost of the retest. If the retest is positive, the employee will not be reimbursed. Pizzicato Inc. will pay for all initial tests.

E. Procedures for Drug Testing

The Company will refer the applicant or employee to an independent, National Institute on Drug Abuse (NIDA)-certified medical clinic or laboratory, which will administer the test. The Company will pay the cost of the test and reasonable transportation costs to the testing facility. The employee will have the opportunity to alert the clinic or laboratory personnel to any prescription or non-prescription drugs that they have taken that may affect the outcome of the test. All drug testing will be performed by urinalysis. Initial screening will be done by EMIT II. Positive results will be confirmed by gas chromatography/mass spectrometry.

The clinic or laboratory will inform the Company as to whether the applicant passed or failed the drug test and may include a detailed testing report. If an employee fails the test, they will be considered to be in violation of this Guideline and will be subject to discipline accordingly.

F. Acknowledgment and Consent

Any employee subject to testing under this policy will be asked to sign a form acknowledging the procedures governing testing and consenting to (1) the collection of a urine sample for the purpose of determining the presence of alcohol or drugs, and (2) the release to the Company of medical information regarding the test results. Refusal to sign the

agreement and consent form, or to submit to the drug test, will result in the revocation of an applicant's job offer, or will subject an employee to discipline up to and including termination.

G. Confidentiality

All drug testing-records will be treated as confidential.

Business Related Events and Functions

Alcoholic beverages may be available for consumption at certain business-related events, meetings and social occasions, as well as industry meetings and conferences, which an employee may attend in the course and scope of their employment. In addition, alcohol may be available for consumption at certain business-related special events and functions that are authorized or sponsored by the Company. The purchase and/or consumption of alcohol at these events does not violate the Company's Drug and Alcohol Use policy. However, being under the influence of alcohol such that judgment and/or job performance is impaired, which results in offensive and/or unprofessional conduct, and/or behavior that endangers and/or compromises the welfare and/or safety of the employee or others, or is harmful to the Company's business relationships, is specifically prohibited by this policy. Violation of the above rules and standards of conduct will not be tolerated. Employees may be disciplined, up to and including discharge, for violating these policies without prior notice or warning. The Company also may bring the matter to the attention of appropriate law enforcement authorities.

Inspections and Searches on Company Premises

I. Purpose of the Guideline

Company believes that maintaining a workplace that is free of drugs, alcohol, and other harmful materials is vital to the health and safety of its employees and to the success of the Company's business. The Company also intends to protect against the unauthorized use and removal of Company property. In addition, the Company intends to assure its access at all times to Company premises and Company property, equipment, information, records, documents, and files. At times, it may be necessary for the Company to provide records, information or assistance to a government entity in accordance with the terms of a warrant, court order, or other order issued by law. Accordingly, the Company has established this Guideline concerning inspections and searches on Company premises. This Guideline applies to all employees of the Company.

II. Definitions

For purposes of this Guideline:

- 1) "Prohibited materials" means firearms or other weapons; explosives and/or hazardous materials or articles; illegal drugs or other controlled substances as defined in the Company's Drug-Free Workplace Guideline; drug-related paraphernalia; the unauthorized use or consumption of alcoholic beverages on Company property; or Company property and/or proprietary and confidential information belonging to a third party that an employee is not authorized to have in their possession.
- 2) "Company property" includes all documents, records, software, electronic codes, data, and files, in both hard copy and electronic form, relating to the Company's business; and all equipment, hardware, and other property of any kind, whether owned, leased, rented, or used by the Company.
- 3) "Company premises" includes all premises and locations owned or leased by the Company or under the control of the Company, including parking lots, lockers, and storage areas.
- 4) "Reasonable suspicion" includes a suspicion that is based on specific personal observations such as an employee's manner, disposition, muscular movement, appearance, behavior, speech or breath odor; information provided to management by an employee, by law enforcement officials, by a security service, or by other persons believed to be reliable; or a suspicion that is based on other surrounding circumstances.

- 5) "Possession" means that an employee has the prohibited material or Company property on their person or otherwise under their control.

III. Inspections and Searches

A. Access to Company Property

- 1) In order to ensure access at all times to Company property, and because employees properly in possession of Company property or information related to Company business may not always be available to produce the property or information when needed in the ordinary course of the Company's business, the Company reserves the right to conduct a routine inspection or search at any time for Company property on Company premises. In addition, the Company reserves the right to access at all times information and communications stored in Company computer files, on Company mobile devices and in employee voicemail boxes and electronic-mail systems.
- 2) Routine searches or inspections for Company property may include an employee's office, desk, file cabinet, closet, computer files, voice mail, electronic mail, Company-issued mobile device or similar places where employees may store Company property or company-related information, whether or not the places are locked or protected by access codes and/or passwords.
- 3) Because even a routine search for Company property might result in the discovery of an employee's personal possessions, all employees are encouraged to refrain from bringing into the workplace any item of personal property that they do not wish to reveal to the Company.

B. Inspections and Searches for Prohibited Materials

- 1) Inspections or searches for prohibited materials in or on Company premises also will be conducted whenever the Company has reasonable suspicion to believe that a particular employee or group of employees may be in possession of materials in violation of this Guideline.
- 2) Inspections or searches for prohibited materials may be conducted by an independent security service or by Company personnel.
- 3) Inspections or searches for prohibited materials may be conducted on a regular or random basis at locations where employees enter or exit Company premises, without regard to whether there is reasonable suspicion that any employee may be in possession of prohibited materials in violation of this Guideline.
- 4) Inspections or searches for prohibited materials may be conducted from time to time even when there is no immediate reason to suspect the presence of the materials. In such cases, the Company may announce the inspection in advance, *except* for inspections or searches conducted at locations where employees enter or exit Company premises.
- 5) Inspections or searches for prohibited materials may include an employee's office, desk, file cabinet, closet, computer, company-issued mobile device or similar places where employees may place personal possessions or information, whether or not the places are locked, or password protected. Inspections or searches for prohibited materials also may include an employee's locker, or an employee's pockets, purse, briefcase, lunch box, or other item of personal property that is being worn or carried by the employee while on Company premises.
- 6) In cases involving an inspection or search of an employee's pockets, purse, briefcase, or other item of personal property that is being worn or carried by the employee, the employee will be requested to conduct a self-search (i.e., by turning out or emptying pockets, purses, etc.) in the presence of an observer who will be a person of the same gender.
- 7) Employees who refuse to cooperate during an inspection or search will not be forcibly detained or searched. They will be informed, however, that the Company will base any disciplinary decision on the information that is available, including their refusal to consent to the search as well as the information that gave rise to a reasonable suspicion that the employees were in possession of prohibited materials, if applicable, and that their

failure or refusal to cooperate could deprive the Company of information that may clear them of suspicion. In addition, the Company reserves the right to take appropriate action to prevent the unauthorized removal from Company premises of Company property.

IV. Approvals for Inspections

- 1) In instances in which the inspection or search is conducted because there is reasonable suspicion that a particular employee or group of employees may be in possession of prohibited materials in violation of this Guideline or may be using Company property in an unauthorized manner, and in instances in which an item of the employee's personal property will be searched, the inspection or search will be approved in advance by the highest ranking member of management in the Division who is available at the time the inspection or search is to be conducted and by the Human Resources Manager or their designated alternate(s) in the event of unavailability.
- 2) All inspections or searches that are conducted as part of the Company's program of periodic (and unannounced) inspections will be approved in advance by the Human Resources Manager, who will inform the Division Manager of the impending inspection prior to its occurrence.

V. Disciplinary Action

Employees who are found to be in possession of prohibited materials in violation of this Guideline and/or in violation of Company Property; Proprietary and Confidential Information Guideline, the Technology Use and Privacy Guideline, and the Drug-Free Workplace Guideline, or employees who are found to have used Company property in an unauthorized manner, will be subject to discipline, up to and including discharge, regardless of the Company's reason for conducting the search or inspection.

VI. Confidentiality

Managers will make their best effort to restrict communications concerning a violation or possible violation of this Guideline to persons who have an important work-related reason to know.

Workplace Violence

I. Statement of Policy

The Company recognizes that workplace violence is a concern among employers and employees across the country. The Company is committed to providing a safe, violence-free workplace. In this regard, the Company strictly prohibits employees, consultants, customers, visitors, or anyone else on Company premises or engaging in a Company-related activity from behaving in a violent or threatening manner. Moreover, the Company seeks to prevent workplace violence before it begins and reserves the right to address certain behaviors, even in the absence of violent behavior.

The Company believes that prevention of workplace violence begins with recognition and awareness of potential early warning signs and has established procedures within Human Resources for responding to any situation that presents the possibility of violence.

II. Workplace Violence Defined

Workplace violence includes, but is not limited to, the following:

- 1) Threats of any kind;
- 2) Threatening, physically aggressive, or violent behavior, such as intimidation of or attempts to instill fear in others;
- 3) Other behavior that suggests a propensity towards violence, which can include belligerent speech, excessive

arguing or swearing, sabotage, or threats of sabotage of Company property, or a demonstrated pattern of refusal to follow Company policies and procedures;

- 4) Defacing Company property or causing physical damage to the facilities; or
- 5) With the exception of security personnel, bringing weapons or firearms of any kind on Company premises, in Company parking lots, or while conducting Company business.

III. Reporting

If any employee observes or becomes aware of any of the above-listed actions or behavior by an employee, customer, consultant, visitor, or anyone else, they should notify Human Resources immediately.

Further, employees should notify Human Resources and their manager if any restraining order is in effect, or if a potentially violent nonwork-related situation exists that could result in violence in the workplace. No adverse employment action will be taken against an employee because they notify the Company of a potentially violent non-work situation.

IV. Investigation

All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. In appropriate circumstances, the Company will inform the reporting individual of the results of the investigation. To the extent possible, the Company will maintain the confidentiality of the reporting employee and of the investigation. The Company may, however, need to disclose results in appropriate circumstances, for example, in order to protect individual safety. The Company will not tolerate retaliation against any employee who reports workplace violence.

V. Corrective Action and Discipline

If the Company determines that workplace violence in violation of this policy has occurred, the Company will take appropriate corrective action and will impose discipline on offending employees. The appropriate discipline will depend on the particular facts but may include written or oral warnings, probation, reassignment of responsibilities, suspension, or termination. If the violent behavior is that of a non-employee, the Company will take appropriate corrective action in an attempt to ensure that such behavior is not repeated.

Under certain circumstances, the Company may forego disciplinary action on the condition that the employee takes a medical leave of absence. In addition, the Company may request that the employee participate in counseling, either voluntarily or as a condition of continued employment.

Inclement Weather and Emergency Closures

Weather conditions, particularly during the winter months, or other emergencies may require us to adjust or cancel workdays to accommodate dangerous driving conditions or other situations. Our guideline is to operate our locations to the extent possible, but not in a way that may adversely affect the safety of employees. You are expected to make every reasonable effort to be at work on days involving snow, other inclement weather or other emergencies.

Employees who arrive reasonably close to the normal starting time on an inclement weather day (as determined by Pizzicato Inc.) will not be subject to a reduction in pay. If a non-exempt employee is unable to make it to work on a day that the company is open for business, the employee may choose to take this day as a PTO day, or unpaid if PTO is not available.

Safety & Security

At Pizzicato Inc., no phase of our operation is considered more important than injury and illness prevention. It is our

policy to provide and maintain safe working conditions and to enforce operating practices that will safeguard all employees and customers. No job will be considered properly completed unless it is performed in a safe manner. Equipment safety & hazard communication training is provided to each new employee within their first days of work.

Safety is considered everyone's responsibility because workplace injuries and illnesses are not selective about whom they affect. Please report any and all hazardous situations to your store manager immediately. **All workplace injuries MUST be reported to the store manager or manager on duty immediately.**

Each Pizzicato Inc. location has a safety committee with a chairperson who conducts monthly safety meetings. The purpose is to administer and share safe working practices, raise awareness of safety concerns, and to ensure that all safety guidelines are being followed and understood. We welcome your participation in the safety of the Pizzicato Inc. workplace. If you are interested in serving on your store's safety committee, please inform your store manager or safety committee chairperson.

Each employee, regardless of their position, is expected to cooperate in all aspects of the company's health and safety program. Some major points of our company health and safety program require that:

- Accidents must be reported immediately to your supervisor.
- Appropriate shoes and clothing must be worn by all employees. Any issues will be dealt with by management staff.
- Hazardous conditions or other health and safety concerns must be reported to your supervisor immediately.
- Employees participate in Safety Committee activities, and support Safety Committee membership.
- Employees participate in required training and use PPE (Personal Protection Equipment) as required by management.

I. Emergency Action Plan & Hazards Communication Plan

Each Pizzicato Inc. location has prepared an Emergency Action Plan to carry out in the event of an emergency evacuation. All new employees or transfers are trained on the specific plan for their specific work location. To further maintain the safety of our employees, each Pizzicato Inc. location has a specific Hazards Communication Plan. Each new employee will be trained and certified in the proper labeling, storage, handling, and use of the various hazardous materials at their specific Pizzicato Inc. workplace. Fire extinguisher training and general fire prevention is provided to all employees at hire and reviewed on an annual basis. The safety committee chairperson, members, and Pizzicato Inc. management share the responsibility of training employees on workplace safety and injury prevention.

II. Safety Guidelines

Pizzicato Inc. is dedicated to providing a safe and secure environment for our customers and staff. Please follow the safety and security guidelines listed below:

1. Watch for unusual activities and individuals in and around your store. Please tell your manager if you suspect a problem.
2. Keep all doors closed and locked after the last customer has left the building. Check in with your co-workers before clocking out and leaving the store.
3. If you drive to work, move your car as close to the store exit as possible a few minutes before closing time for safe departure.
4. If your vehicle is not nearby the store location or if you are taking public transportation to work and would like a safe escort to the bus or train, please request this from your manager or a co-worker.
5. Report any and all potentially unsafe conditions at your workplace to your manager or the corporate office regardless of whether it is in your work area.
6. Participate in your store's safety committee or safety program. If you have CPR or First Aid certification, inform

your managers and co-workers.

7. Inform your manager of any allergies or health conditions that may affect you at the workplace.
8. To help guarantee a safe and healthy work environment, take rest and meal breaks, work safely and encourage teamwork.

Infectious Disease Control Policy

The Company will ensure a clean workplace, including the regular cleaning of objects and areas that are frequently used, such as bathrooms, break rooms, conference rooms, door handles and railings. A committee will be designated to monitor and coordinate events around an infectious disease outbreak, as well as to create work rules that could be implemented to promote safety through infection control.

We ask all employees to cooperate in taking steps to reduce the transmission of infectious disease in the workplace. The best strategy remains the most obvious—frequent hand washing with warm, soapy water; covering your mouth whenever you sneeze or cough; and discarding used tissues in wastebaskets. We will also install alcohol-based hand sanitizers throughout the workplace and in common areas.

Unless otherwise notified, our normal attendance and leave policies will remain in place. Individuals who believe they may face particular challenges reporting to work during an infectious disease outbreak should take steps to develop any necessary contingency plans. For example, employees might want to arrange for alternative sources of child care should schools close and/or speak with supervisors about the potential to work from home temporarily or on an alternative work schedule.

I. Staying Home When Ill

Many times, with the best of intentions, employees report to work even though they feel ill. We provide certain time off benefits to compensate employees who are unable to work due to illness. Information on time off benefits can be found in the time off policies in this handbook.

During an infectious disease outbreak, it is critical that employees do not report to work while they are ill and/or experiencing the following symptoms: Examples include fever, cough, sore throat, runny or stuffy nose, body aches, headache, chills and fatigue. Currently, the Centers for Disease Control and Prevention recommends that people with an infectious illness such as the flu remain at home until at least 24 hours after they are free of fever (100 degrees F or 37.8 degrees C) or signs of a fever without the use of fever-reducing medications. Employees who report to work ill will be sent home in accordance with these health guidelines.

II. Requests for Medical Information and/or Documentation

If you are out sick or show symptoms of being ill, it may become necessary to request information from you and/or your health care provider. In general, we would request medical information to confirm your need to be absent, to show whether and how an absence relates to the infection, and to know that it is appropriate for you to return to work. As always, we expect and appreciate your cooperation if and when medical information is sought.

III. Confidentiality of Medical Information

Our policy is to treat any medical information as a confidential medical record. In furtherance of this policy, any disclosure of medical information is in limited circumstances with managers, first aid and safety personnel, and government officials as required by law.

IV. Social Distancing Guidelines for Workplace Infectious Disease Outbreaks

In the event of an infectious disease outbreak, the Company may implement these social distancing guidelines to minimize the spread of the disease among the staff.

A. During the workday

Employees are requested to:

- 1) Avoid meeting people face-to-face. Employees are encouraged to use the telephone, online conferencing, e-mail or instant messaging to conduct business as much as possible, even when participants are in the same building.
- 2) If a face-to-face meeting is unavoidable, minimize the meeting time, choose a large meeting room and sit at least one yard from each other if possible; avoid person-to-person contact such as shaking hands.
- 3) Avoid any unnecessary travel and cancel or postpone nonessential meetings, gatherings, workshops and training sessions.
- 4) Do not congregate in work rooms, pantries, copier rooms or other areas where people socialize.
- 5) Bring lunch and eat at your desk or away from others (avoid lunchrooms and crowded restaurants).
- 6) Encourage members and others to request information and orders via phone and e-mail in order to minimize person-to-person contact. Have the orders, materials and information ready for fast pick-up or delivery.

B. Outside activities

Employees might be encouraged to the extent possible to:

- 1) Avoid public transportation (walk, cycle, drive a car) or go early or late to avoid rush-hour crowding on public transportation.
- 2) Avoid recreational or other leisure classes, meetings, activities, etc., where employees might come into contact with contagious people.

Personal Visits and Telephone Calls

Disruptions during work time can lead to errors and delays. Therefore, personal telephone calls must be kept to a minimum, and only be made or received after working time, or during lunch or break time.

For safety and security reasons, employees are prohibited from having personal guests visit or accompanying them anywhere in Company facilities other than the reception areas.

Company Property; Confidential and Personal Information

It is very important to Pizzicato Inc. that we protect our confidential business information and trade secrets.

Confidential information includes, but is not limited to, the following examples:

- Recipes, proposed menu items, and techniques of service
- Customer lists, vendor lists and pricing information
- Operations and financial information
- Business strategies and business development plans
- Company manuals and training materials
- Any proprietary information gained during employment with Pizzicato Inc.

Confidential information does not include any information, documentation, or item that:

- Is already known to you before its disclosure by Pizzicato Inc. to you,
- Is or becomes generally available to the public as disclosed by Pizzicato Inc.,

- Is rightfully received by you from a third party, without any restriction on disclosure or use,
- Is approved for release or disclosure by written agreement with Pizzicato Inc., or
- Can be demonstrated by written or other convincing evidence to have been developed by you in good faith and independent of the use of confidential information outside your employment with Pizzicato Inc.

Following receipt of confidential information from Pizzicato Inc. or another source, employees shall:

- Not disclose the confidential information, directly or indirectly, to any third person without the express consent of Pizzicato Inc.
- Hold and maintain confidential information in trust and confidence for the benefit of Pizzicato Inc.
- Not copy, transmit, reproduce, summarize, quote, use or make any commercial or other use of any confidential information, except for the benefit of Pizzicato Inc.
- Disclose confidential information to other employees on a need to know basis.
- Inform all persons having access to confidential information of the confidential nature thereof and of the obligations herein, and take reasonable security precautions and such other actions as may be necessary to insure that there is no use or disclosure of confidential information in violation of this policy.
- Not remove any confidential information from Pizzicato Inc.'s premises during employment or after termination without express written permission, except for the benefit of Pizzicato Inc.

All confidential information is and shall continue to remain the exclusive property of Pizzicato Inc. (or the third party that disclosed it to Pizzicato Inc.), whether prepared in whole or in part by employees and whether disclosed to employees or entrusted to the custody of any employee in connection with employment by Pizzicato Inc.

I. Confidential and Personal Information

"Confidential Information" means all information, not generally known, belonging to, or otherwise relating to the business of the Company or its clients, customers, suppliers, vendors, affiliates or partners, regardless of the media or manner in which it is stored or conveyed, that the Company has taken reasonable steps to protect from unauthorized use or disclosure. Confidential Information includes but is not limited to trade secrets as well as other proprietary knowledge, information, and know-how; non-public intellectual property rights, including business plans and strategies; manufacturing techniques; formulae; processes; designs; drawings; discoveries; improvements; ideas; conceptions; test data; compilations of data; and developments, whether or not patentable and whether or not copyrightable.

"Personal Identification Information" includes individually identifiable information about employees, customers, consultants, or other individuals, such as Social Security numbers, background information, credit card or banking information, health information, or other non-public information entrusted to the Company regarding an individual's personal identity. There are laws in the United States and other countries that protect certain types of Personal Identification Information, and employees should not disclose such protected Personal Identification Information that has been acquired and retained by the Company about other individuals to any third party or from one country to another without prior managerial approval.

Given the nature of the Company's business, protecting Confidential Information and Personal Identification Information is of vital concern to the Company. This information is one of the Company's most important assets. It enhances the Company's opportunities for future growth, and indirectly adds to the job security of all employees.

Failure to take reasonable measures to protect the Company's Confidential Information may jeopardize its status as a trade secret. While employed by the Company, employees must not use or disclose any Confidential Information or Personal Identification Information that they produce or obtain during employment with the Company, except to the

extent such use, or disclosure is required in connection with performing their jobs. Employees may not use or disclose Confidential Information or Personal Identification Information for any reason after the employment relationship with the Company ends. Misuse or unauthorized disclosure of Confidential Information or Personal Identification Information may result in immediate termination, as well as potential personal and criminal liability. Nothing in this Guideline restricts an employee from discussing their wages or other terms and conditions of employment with coworkers or others, to the extent protected by law.

II. Obligations on Termination

On termination of employment, whether voluntary or involuntary, all tangible and intangible Company property must be returned to the Company immediately. This includes documents, materials, data files, and records of any kind, including any that contain Confidential Information or Personal Information, and any copies thereof. Also, the terminating employee must immediately notify the Company if the employee has Confidential Information or Personal Information stored in the employee's personal computer, or in a mobile, cloud, or other storage medium, and work with the Company to identify all such Information and its location and help ensure it is retrieved and/or permanently deleted by the Company (or the Company's designated agent).

III. Security

To avoid loss of Company property, the Security Department maintains and promulgates security procedures, which include maintaining control of entrances, exits, restricted areas, document control, and record keeping. Specific procedures regarding the protection of Company property, traffic throughout the facilities, and designation of restricted areas are issued by the Security Department and posted on Company bulletin boards. In addition, employees are expected to comply with Company policies regarding the authorized and secure use of the Company's computer technology. Employees are expected to abide by all of the company's security procedures.

Avoiding loss or theft of Confidential Information or Personal Identification Information is an important part of each employee's job. Accordingly, employees must observe good security practices. Employees are expected to keep Confidential Information secure from outside visitors and all other persons who do not have legitimate reason to see or use such information. Employees are not to remove Company property without authorization. Failure to adhere to Company policies regarding Confidential Information and Personal Identification Information will be considered grounds for dismissal.

Given the sensitivity of Confidential Information and Personal Identification Information, employees may only dispose of such information by secure methods approved by the Company. If an employee has any doubt or question about how to handle Confidential Information or Personal Identification Information, the employee should consult with the Company's Security Department.

Treatment of Property

Pizzicato Inc. tools and equipment, including computer equipment, phones, documents and files, are provided for company use only. Any property issued to an employee must be returned in good condition to Human Resources or their supervisor upon request or upon termination of employment. Employees are responsible for company property and must immediately report any damage or loss to Human Resources and their manager. The company is not responsible for damage or loss to employees' personal property on company premises or job sites. Employees must take precautions to safeguard any personal valuables they bring to work.

Telephone / Computer Use

Pizzicato Inc.'s computers, fax machines, telephones (including cell phones) and other related communications

equipment are needed for effective communication with our customers and business associates. To keep these items available for business needs, incoming and outgoing personal telephone calls or faxes should be limited. Personal phone calls for emergencies will be acceptable. Please silence all non-Pizzicato Inc. electronic devices (pagers, cell phones) during work hours, and limit your personal cell phone use to your breaks.

Using company computers for personal use is prohibited (i.e. 'web surfing,' sending and or receiving personal emails.) Pizzicato Inc. reserves the right to enter, search and/or monitor internet usage, email, computer file or voice mail (including personal email or files) on any company equipment without advance notice, for any reason. Any exceptions to this policy must be requested by you and authorized by your manager. Violation of our telephone/computer use policy can lead to corrective action, including termination.

In general, use of personal electronic entertainment devices with headsets (MP3 players, iPods, etc.) while on duty is not permitted. Pizzicato Inc. is not responsible for the security of your personal electronic devices or other valuable belongings. Therefore, you are strongly advised not to bring valuables to the workplace. If you bring a bag, pack or purse to work, please ask your manager where the safest location is to secure it.

Violators of this policy may be subject to disciplinary action, up to and including termination.

Use of Social Media

The Company respects the right of any employee to maintain a blog or web page or to participate in a social networking, Twitter or similar site, including but not limited to Facebook and LinkedIn. However, to protect Company interests and ensure employees focus on their job duties, employees must adhere to the following rules:

Employees may not post on a blog or web page or participate on a social networking platform, such as Twitter or similar site, during work time or at any time with Company equipment or property.

All rules regarding confidential and proprietary business information apply in full to blogs, web pages and social networking platforms, such as Twitter, Facebook, LinkedIn or similar sites. Any information that cannot be disclosed through a conversation, a note or an e-mail also cannot be disclosed in a blog, web page or social networking site.

Whether the employees are posting something on their own blog, web page, social networking, Twitter or similar site or on someone else's, if the employee mentions the Company and also expresses either a political opinion or an opinion regarding the Company's actions that could pose an actual or potential conflict of interest with the Company, the poster must include a disclaimer. The poster should specifically state that the opinion expressed is their personal opinion and not the Company's position. This is necessary to preserve the Company's good will in the marketplace.

Any conduct that is impermissible under the law if expressed in any other form or forum is impermissible if expressed through a blog, web page, social networking, Twitter or similar site. For example, posted material that is discriminatory, obscene, defamatory, libelous or violent is forbidden. Company policies apply equally to employee social media usage.

The Company encourages all employees to keep in mind the speed and manner in which information posted on a blog, web page, and/or social networking site is received and often misunderstood by readers. Employees must use their best judgment. Employees with any questions should review the guidelines above and/or consult with their manager. Failure to follow these guidelines may result in discipline, up to and including discharge.

Telecommuting/Work from Home Policy

Telework requests will be handled on a case-by-case basis. While not all positions will be eligible, all requests for

telecommuting should be submitted to your manager for consideration.

I. Overview

Telecommuting at the Company is not an employee benefit, nor is it intended to be available to all employees; rather it is a privilege and may be revoked at any time in the sole discretion of the company. The selection of individuals for a telecommuting arrangement is not based on any employee's race, color, national origin, age, sex, marital status, sexual orientation, disability, or any other legally protected status. The only basis for a decision is whether it will be beneficial for the Company.

- The home office (including the home itself) is considered an extension of the company's main office. All company policies and procedures including those governing employee conduct, performance, and safety are in full force and effect during your home work hours.
- This telecommuting arrangement can be withdrawn or terminated with or without notice by either party. If it is terminated, you will be required to return to your job at your office location. In addition, if your work performance suffers while you are participating in a telecommuting arrangement and/or your manager decides it is in the best interest of the Company for you to return to the office, you will be required to do so. If you choose not to return on the expected date, you will be subject to disciplinary action or considered to have voluntarily resigned and your employment status will be treated as such under the Company policies. The Company can revoke the telecommuting arrangement whether or not your performance has suffered.
- This telecommuting arrangement will have no effect on your salary, benefits, job responsibility, career opportunities and/or promotability.

II. Hours of Work

- Your total number of work hours are not expected to change during the period in which you telecommute, and you will be responsible for tracking your hours according to standard Company policy. Telecommuters may be required to work overtime as needed. (Note: Non-exempt employees require approval of their manager prior to working overtime.)
- You understand while working at home you are required to log into the Company system via Terminal Services. Access to Terminal Services must be confirmed from your home office prior to your telecommuting being effective. The Company has the right to monitor your log-in and log-out times of Terminal Server, and your productivity during the workday. You understand this information can be used to amend or terminate this agreement.
- Your daily work schedule is subject to negotiation with, and approval by, your manager. Your manager will require that you work certain "core hours" during which you would be accessible by telephone or e-mail. You understand that management has the right to modify this agreement on a temporary basis as a result of business necessity.
- Business requirements, i.e.: training programs, special projects or meetings, may require that you spend more time in the office than usual during a particular week or other period. You will have to make arrangements accordingly and be flexible with your hours in order to meet the business need. You are not entitled to necessarily "make up" a telecommuting day during the week if business requirements require you to be in the office on a normal telecommuting day.
- You should set up a system with your manager for checking in with the office on a daily basis in the event that an emergency arises, i.e.: a pressing need for information, a change of project deadline, or a change in business conditions.

III. Equipment Repair/Security

- The Company may provide the necessary computer, modem, software and other equipment that it

determines is necessary to do your job. All items will remain the property of the Company and must be returned to the Company in good working condition upon request, including but not limited to such cases as your extended illness, resignation, transfer, termination, or if the telecommuting arrangement ceases.

- The Company may choose to allow you to use personal equipment. The decision as to the type, nature, function, and/or quality of the equipment shall rest entirely with the Company. The Company will reimburse you for the reasonable wear and tear or use of applicable equipment. For example, if you use your own copy machine, the Company will reimburse you for the cost of paper and toner. You should contact your homeowner's insurance carrier to find out to what extent your policy covers your property.
- Company equipment is for business purposes only. The equipment must not be used by family or friends. Company owned software may not be duplicated except as formally authorized and provided you agree to comply with all terms and conditions of software licensing agreements.
- The security of company property in your home is as important as in the office. You are expected to take reasonable precautions to protect the equipment from theft or damage.
- In the event of company equipment failure or malfunction, you must notify your manager to ensure immediate repair or replacement of such equipment. In the event of delay in repair or replacement of company or personal equipment, or any other circumstances in which it would be impractical for you to work at home, you will be assigned to work in the office.
- Should you lose your internet connection to the terminal server and reconnection cannot be made within 30 minutes, you are required to contact your manager immediately and return to the office.
- You understand that your personal vehicle will not be used for company business unless specifically authorized by the manager.

VI. Expenses

- Office supplies as needed will be provided by the Company. Any out-of-pocket expenses for other supplies will be reimbursed only with the prior approval of your manager and in accordance with company normal expense reimbursement procedures.
- The Company will not reimburse you for travel expenses to and from the office, nor for any home-related expenses including but not limited to heat, air conditioning, electricity, insurance or personal monthly phone bills.

V. Confidentiality of Proprietary Information

- You are to keep confidential all information regarding the business of the Company, its customers products, services, systems, business plans, or other proprietary information. It is your responsibility to safeguard such information and ensure that it is not accessible to others.

VI. Safety of Home Work Area

- The Company strongly recommends you set up a separate area for work in your home, "the home office."
- The Company has the right to visit your home office to be sure it meets company standards for safety, security, and working conditions. Such visits would be scheduled in advance.
- It is your responsibility to ensure that equipment is placed where it is adequately physically supported. Electronic equipment should be plugged into properly grounded electrical outlets. Your designated work area must be free of potential tripping hazards and unnecessary clutter.
- In your home work area, you shall abide by all safety and health guidelines applicable to the office. Smoke detectors must be properly located and maintained in working order. Such purchase and maintenance costs will be your responsibility.
- You are required to provide your own furniture. Your work environment should be adjustable or subject to

modification to meet minimum ergonomic guidelines. If you cannot work on your existing furniture, your options are to return to the office or purchase the proper furniture that meets these requirements. If the purchasing of such furniture is required, the company will reimburse you for such expenditures, but you must get advance approval from your manager prior to making any such purchase. You may opt to purchase the equipment at your own expense and keep the property once the telecommute arrangement ends either as a result of termination of your employment or for any other reason. If the company pays for the equipment, you must remit the equipment to the company once the telecommute arrangement ends.

VII. Liability for Injuries

- You must immediately report to your manager in writing any injuries sustained as a result of performing work for the Company in your home and home office work area. If you are injured in your home in the course and scope of your employment, you may be eligible for workers' compensation benefits. The Company assumes no responsibility for any injuries to third persons and/or members of your household that occur in the designated home work area. Injuries that occur to third persons and/or members of your household in your home, but outside the designated work area, will not be the responsibility of the Company.

VIII. Job Performance

- All Human Resources policies, those described in the Company Employee Handbook, including those relating to job performance, remain in effect. That means that your performance will be monitored by your manager, and you will be expected to comply with any and all productivity and quality standards that are applicable to you in the office. Disciplinary action, up to and including termination of employment, may result for failure to meet established performance standards.

IX. Miscellaneous Provisions

- It is expected that you will not use telecommuting as a substitute for dependent care. It is your responsibility to ensure that you are fully able to complete your work assignments in an acceptable and timely manner. Dependent care is also not an acceptable reason to "switch" your telecommuting days during the week.
- It is your responsibility to determine any income tax implications of maintaining a home office. The Company will not provide tax guidance nor assume any additional tax liabilities.
- It is your responsibility to comply with all applicable local laws including zoning ordinances/regulations regarding using your home as a workplace.
- A change in your weekly schedule must be submitted and approved by your manager.

Electronic Surveillance

The Company reserves the right to install security cameras in work areas for specific business reasons, such as security, theft protection or protection of proprietary information. The Company may find it necessary to monitor work areas with security cameras when there is a specific job or business-related reason to do so. The Company will do so only after first ensuring that such action is in compliance with state and federal laws. Employees should not expect privacy in work-related areas. Employee privacy in nonwork areas will be respected to the extent possible. The Company's reasonable suspicion of an onsite drug use, physical abuse, theft or similar circumstances would be possible exceptions. Employees should contact their supervisor or Human Resources if they have questions about this policy.

External Communications

Occasionally employees may be contacted by outside sources requesting information about Company matters, including information regarding current or former employees, Company projects, or other workplace issues. In order

to avoid providing inaccurate or incomplete information to outside sources, and the possible negative exposure that may result from providing information about the Company to outside sources, any employee asked to speak for or on behalf of the Company by any outside source should immediately contact the appropriate Company official, as detailed below.

Employees violating this policy may be subject to discipline, up to and including termination of employment.

This policy is in no way intended to prohibit an employee from documenting and speaking with outside third parties regarding perceived or alleged unacceptable or illegal working conditions. The policy is also in no way intended to deter any employee from speaking with any individual regarding labor organizing.

I. Media Contacts

The Company will respond to media inquiries in a timely and professional manner only through the designated spokesperson. If an employee is contacted by a representative from any media organization (e.g., television, radio, or newspaper reporters) to speak for or on behalf of the Company, the employee should notify the media representative that they are not authorized to make a public comment on behalf of the Company and immediately refer the media representative to the President/CEO. No employee may communicate with media agents on behalf of the Company without prior authorization from the President/CEO.

II. Outside Attorneys and Investigators

If an employee is contacted by an outside attorney or investigator regarding Company business, including information regarding current or former employees, Company projects, or other workplace issues, the employee should inform the inquiring party that they are not authorized to speak on behalf of the Company and immediately obtain the individual's name and telephone number. The individual's name and telephone number should then be provided to the Human Resources Department. Nothing in this policy restricts an employee from discussing their wages or other terms and conditions of employment with coworkers or others, to the extent protected by law.

III. Employment References and Verifications

Employees contacted by outside sources requesting an employment reference or employment verification for a current or former employee should not provide any information to the requesting individual or organization. Instead, employees should refer the requesting individual or organization to the Human Resources Department. No employee, other than the Director of Human Resources, is authorized to provide employment references or employment verifications for any current or former employee. The Company's authorized representative(s) may verify dates of employment and last position held but will not disclose any other information unless the current or former employee provides written authorization to the Company to provide additional detail.

Personal Appearance Policy

Pizzicato Inc. strives to present a clean, neat and professional appearance, appropriate for a gourmet restaurant, while still allowing staff to dress casually and comfortably. Our personal appearance policy is intended to reflect our professionalism and present a positive image to our customers and will be strictly and consistently enforced. All uniform items must be clean and free of rips or stains, excessive wrinkles, tears, or worn or frayed areas. Any specific questions about appearance should be directed to the store manager.

Any trends or styles that counteract Pizzicato Inc.'s policy of projecting a professional appearance will be prohibited and addressed on a case by case basis. Pizzicato Inc. management and owners reserve the right to address any issues

regarding appearance and to send an employee home to change their appearance in order to comply with these policies.

Nothing in this dress code is intended or should be construed to violate, restrict or discriminate against any employee's actual or perceived race (including hair texture and natural hair styles), religion, religious creed, sex, sexual orientation, gender, gender identity or status, gender expression, national origin, ancestry, age, nursing mothers, or any other basis protected by local, state, or federal laws. If any employee believes that their protected rights based upon a protected class are being restricted or violated in some manner by the dress code, please contact your manager or human resources so that these concerns can be addressed. Any employee who needs medical or religious accommodation to the Company's dress and grooming standards should contact the Human Resources Department.

I. Clothing

Depending on which position you work (front of the house or back of the house), or at which type of Pizzicato Inc. location you work (counter or full service), requirements of our dress code will vary. However, the image we project as described above shall not vary.

A. All Pizzicato Positions

Managers, leads and team members:

Top: A clean Pizzicato logoed T-shirt, short or long sleeve. A short or long sleeve logoed T-shirt may be worn by kitchen managers and other managers.

Pants & Jeans: Solid color (no patterns) black pants and jeans worn around the waist are acceptable for men and women. Kitchen staff may wear other solid color pants and jeans. Athletic, leather, baggy or stretch style materials are prohibited for all staff.

Skirts: Skirts may be worn by female employees. The length of the skirt may be no higher than 4" above the middle of the knee. Skirts with a high cut slit that rises above the knees in the front, back and/or side are prohibited. Athletic, leather, baggy or stretch style materials are also prohibited.

Shorts: Solid color (no patterns) black shorts may be worn. Shorts must be no shorter than 4" above the middle of the knee and no longer than the bottom of the knee. Athletic, leather, excessively baggy, or stretch style materials are prohibited.

Aprons: Aprons supplied by Pizzicato Inc. are to be worn at all times by wait and kitchen staff. Counter staff and managers are expected to wear 4-way black aprons. White aprons are to be worn at all times by kitchen staff. Aprons should be clean. All four panels of aprons may be rotated to insure maximum usage.

Shoes: Footwear should provide support, comfort and safety. The soles of the shoes should be slip resistant. Please refer to Pizzicato Inc. Safe Footwear policy on page 43 of this manual. Shoes should be clean and in good condition. Close-toed loafers, oxford lace-ups, work style shoes, flats or sport shoes are acceptable. For safety and health reasons, high heel (more than one and a half inch) shoes, sandals or boots, opened-toe sandals or other opened-toe shoes (such as sports sandals or espadrilles) are not allowed while working at the stores or on deliveries. Shoes with excessive decoration or patterns are also not allowed. At full service locations, black colored (no patterns) shoes must be worn by all staff except kitchen staff, who may wear other solid color (no patterns) shoes.

Hosiery: Natural color hose or socks in good condition are required and must be worn. Fishnet or patterned hose

are not allowed.

Caps: All Pizzicato Inc. kitchen staff including any staff during a shift primarily performing kitchen duties is required to wear a clean cap. Caps may not be worn backwards, sideways, or inside out. One cap will be issued to each kitchen employee.

Personal Grooming: Hair must be clean, professional looking and tied back off the shoulders if longer than shoulder length. Any ponytails longer than 6" must kept up above the shoulder, up in a bun, a tight braid or up in a hat of some sort. Hair will be kept off the face. 'Bangs' should be kept off the eyes, and may not be excessively long or short. Employees with visible tattoos that are obscene, objectionable or discriminatory will be asked to cover them while at work.

Staff must be neatly shaven when coming to work, with beards or mustaches trimmed and neat. Length of beard, mustache, and/or sideburns must not exceed ¾" from the face, except when protected by law. Fingernails must be trim, clean and may be polished in natural or non-distracting solid colors. Make-up must be natural and non-distracting. Strong smelling shaving lotions, perfumes and fragrances are not allowed as they may be distracting or offensive to customers or coworkers. Chewing gum is not allowed on shift.

Jewelry: All piercings must be tasteful. The company will be relying on the General Manager to be the initial judge with the Chief Executive Officer as a second and final judge if needed.

Office Staff:

Office staff is expected to project a neat, professional appearance and dress in professional attire.

Management has the right to alter company personal appearance guidelines – at any time, in full or in part – to meet company standards, varying business situations or in response to non-compliance with these guidelines. If you have any questions about whether an item of clothing or jewelry is acceptable, please inquire with your manager, operations manager, or the company's Human Resources department. All appearance policies will be enforced at management's discretion. Appropriate corrective action will be taken for any violations of this policy i.e., written up in personnel file, loss of shifts, suspension, or termination.

Safe Footwear Policy

Due to the nature of our work at Pizzicato Inc., employees are exposed to slip and fall hazards throughout the workday. Pizzicato Inc. management, safety committees and staff will work diligently to minimize slip and fall exposures. Some of these hazards are apparent with the use of stairs, freshly mopped floors, uneven floor surfaces, including the presence of rugs, and other elements at the workplace. One key aspect to reducing slips and falls is proper footwear. To promote the reduction of slip and fall risks, we have developed this safety footwear policy for the benefit of our employees and will expect compliance with the requirements listed below.

Employees are encouraged to wear footwear identified by the manufacturer as "slip resistant." The words "slip resistant" is often incorporated by the manufacturer into the sole of the shoe or printed on the shoe box. "Oil resistant" and "skid resistant" is not the same thing as "slip resistant." Remember footwear must also meet Pizzicato Inc.'s dress requirements.

Here is a partial list of footwear vendors who provide slip resistant shoes:

- The Shoe Mill
- Shoes for Crews

- Payless Shoes
- Sears
- JCPenney

Pizzicato Inc. has a partnership with Shoes for Crews, a reputable company specializing in slip resistant shoes. Employees may order footwear from Shoes for Crews and Pizzicato Inc. will pay for the direct shipping to your location. A catalog and ordering form may be obtained from your manager or Human Resources. Additionally, discount coupons for Payless Shoes stores are available at your location. Please ask your manager for one. Again, slip resistant shoes are recommended for your safety, but are not required by Pizzicato.

Smoking/Chewing Tobacco

Pizzicato Inc. is non-smoking restaurants, including in all indoor spaces and in the areas immediately outside of its locations. Smoking is not permitted within 10 feet of a building entrance, window or air vent. Employees are not permitted to use tobacco anywhere on company premises, including the parking lot, any area adjacent to the restaurant, or in the immediate area. Employees that have used tobacco must wash their hands before returning to work. Employees who report for duty smelling of cigarette smoke or other offensive or noxious odors will not be permitted to work.

With regards to smoking/chewing tobacco, we ask employees to respect our customers, neighbors and fellow workers when arriving and departing from work. This policy will be strictly enforced at all times. Pizzicato Inc. does not discriminate against off-duty tobacco users in any employment or business practice.

No Solicitation/No Distribution

In an effort to minimize disruptions, Pizzicato Inc. prohibits people who are not Pizzicato Inc. employees from either soliciting or distributing literature on Pizzicato Inc. premises at any time for any purpose. Employees may not solicit for or distribute literature of any kind during working time. Whether on working time or not, employees may not distribute non-work related literature of any kind in any working areas. Employees may not solicit another employee during either employee's working time. For purposes of this policy, working time is that time which the employee is scheduled to be on duty and for which the employee is being paid, excluding rest periods, meal periods, and time before or after the employee's working day.

Bulletin Boards

The Company has bulletin boards located throughout the facility for the purpose of communicating with employees. Postings on these boards are limited to items posted by the Company, including statutory and legal notices, safety and disciplinary rules, Company policies, memos of general interest relating to the Company, local operating rules, and other Company items. All postings require the prior approval of the Operations Manager or the Human Resources representative. No postings will be permitted for any other purpose.

Driving

To be eligible to drive for work-related purposes, an employee must prove that he/she has a valid driver's license which is not suspended or revoked in any state and must authorize a background check, including for criminal and driving histories. Failure to authorize a background check may result in termination of employment or restriction of driving privileges. The company's insurance carrier must also approve the employee to be covered under the company's insurance policy. All employees are required to report to Human Resources any tickets, charges, indictments, arrests, and/or convictions relating to the operation of a motor vehicle. Failure to report such information may result in

discipline, up to and including termination.

I. Driver Responsibilities

Employees driving for work purposes are responsible for driving in a safe and reliable manner. While operating any vehicle for work purposes, employees must drive defensively and obey all traffic laws, including maintaining a valid driver's license. Every precaution shall be taken to prevent accidents by driving defensively. A defensive driver is one who is fearful not to commit any driving errors and is continually responsive to the faulty driving of others.

Employees must abide by state law regarding cell phone use while driving. If permitted by law, employees who must make or take a call while driving are required to use a hands-free device at all times. If you do not have a hands-free device available, or if weather or other driving conditions warrant extra caution even with a hands-free device, you must safely pull off the road and have the vehicle in park before taking or making a call. Texting and emailing of any kind, reading, and taking notes (including writing down phone numbers or any other information) are all strictly prohibited while driving, regardless of whether you have a hands free device.

It is mandatory that seat belts be used by all occupants at all times, without exception. Pizzicato Inc. prohibits employees from driving under the influence of drugs or alcohol, including prescription drugs that can impair an individual's ability to drive or operate machinery.

II. Traffic Violations

All traffic violations and parking tickets should be reported to Human Resources immediately. Under no circumstances are traffic or parking fines to be paid by the company.

III. What to do in Case of an Accident

Should you be involved in an accident, take these steps to protect yourself and the interests of the company:

- Stop immediately.
- Take the necessary precautions to prevent any further accident by using proper warning devices.
- Render all possible assistance to injured persons. Movement of an injured person should be avoided since this often compounds the injury.
- Call the police if necessary.
- Avoid moving the vehicles until the police arrive, if at all possible.
- Complete the proper accident report immediately.
- **DO NOT MAKE ANY STATEMENTS TO ANYONE OTHER THAN AN AUTHORIZED REPRESENTATIVE OF THE COMPANY OR A POLICE OFFICER.**
- Do not discuss details of the accident and do not express any opinions to anyone about who was at fault or how the accident happened.
- Exchange insurance information with the involved drivers.
- **NEVER** offer to settle any claim or damages regardless of the circumstances or apparent smallness of the claim.
- Report **ALL ACCIDENTS TO HUMAN RESOURCES IMMEDIATELY**. Cooperate with the company in completing all required paperwork related to the accident, including DMV reports and workers' compensation forms (if applicable), and in processing all claims arising from the accident.
- Be sure to take photos of both your vehicle, the other vehicle involved in the accident, the surrounding area and anything else you think might be important. If you do not have a camera in your vehicle, call your location and ask for a camera to be delivered to the accident scene.

IV. Portable Communication Device Use While Driving

Employees who drive on Company business must abide by all state or local laws prohibiting or limiting portable communication device (PCD) use, including cell phones or personal digital assistants, while driving. Further, even if use is permitted, employees may choose to refrain from using any PCD while driving. "Use" includes, but is not limited to, talking or listening to another person or sending an electronic or text message via the PCD.

Regardless of the circumstances, including slow or stopped traffic, if any use is permitted while driving, employees should proceed to a safe location off the road and safely stop the vehicle before placing or accepting a call. If acceptance of a call is absolutely necessary while the employees are driving, and permitted by law, they must use a hands-free option and advise the caller that they are unable to speak at that time and will return the call shortly.

Under no circumstances should employees feel that they need to place themselves at risk to fulfill business needs.

Since this policy does not require any employee to use a PCD while driving, employees who are charged with traffic violations resulting from the use of their PCDs while driving will be solely responsible for all liabilities that result from such actions.

Texting and e-mailing while driving are prohibited in all circumstances.

Holidays

The Company observes the following standard holidays each year: Thanksgiving Day & Christmas Day

Paid Time Off for Managers

One of Pizzicato's most valued and rewarding benefits for managers is Paid Time Off (PTO). Pizzicato believes that managers should have opportunities to enjoy time away from work to help balance their lives. Pizzicato has established this PTO policy to meet those needs.

Eligibility & Rules of Benefit

- Full-time employees who are employed by Pizzicato in the position of manager or director are eligible for paid time off. MODs and leads are excluded.
- PTO may be taken for holiday, vacation, illness or disability, appointments, personal time or other needs that require time off from work.
- PTO begins accruing from the first day of employment pursuant to the attached chart.
- Managers in their first year of employment will accrue PTO at the rate of 1 hour for every 30 hours actually worked up to the limit in the attached chart.
- PTO requests must be made in writing on the standard company time-off request form. Verbal requests are accepted for unforeseeable leave for a qualifying absence under Oregon's Sick Time law, OFLA or FMLA leave, or as otherwise required by law.
- PTO is reviewed and authorized by the Operations Manager, and Chief Executive Officer.
- PTO requests are generally granted on a first-request/first-granted basis and according to business and staffing needs, except for unforeseeable leave for a qualifying absence under Oregon's Sick Time law, OFLA or FMLA leave, or as otherwise required by law. Exceptions may be made on a case-to-case basis and approved by Pizzicato Inc. management.
- Pizzicato management reserves the right to decline a PTO request, except as required by law.
- PTO must be available in order to be granted. Employees may not 'borrow' against future PTO.
- PTO may be used in increments of one hour and may be used to cover all or part of a shift.

- It is the employee's responsibility to inform Pizzicato if he or she is unable to return to work on the stated return date or time.

Employee Benefits During Leave

- Employees do not 'accrue' PTO while on a Personal Leave of Absence.
- Employees serving as managers on Family Leave under the Oregon Family Leave Act and/or federal Family Leave Act must use available PTO during their Family Leave before taking the leave as unpaid.
- Employee's medical and dental insurance is maintained during his or her PTO.

Unpaid PTO Time

- If an employee has used all PTO allowed, and wishes to take unpaid leave, the same rules of request and approval apply (see above).
- In the event of unpaid time off, Pizzicato Inc. will prorate the manager's salary by the number of full days absent from work, not including regular days off.

Unused PTO Time

- A maximum of 5 days (40 hours) PTO can be carried over to the next calendar year. The total number of days carried over from one year to the next can never exceed 5 days. Any PTO in excess of 5 days will be lost if it is unused in the employment year.
- The PTO year is based on an employee's manager anniversary date (month & day he or she became a manager).
- The only time when unused PTO may be cashed out is when employees leave the company in good standing and with a minimum of 3 weeks' notice.
- If an employee is being terminated by Pizzicato, they are not eligible to receive unused PTO pay.
- Employees who are discharged from employment for misconduct are not eligible to receive unused PTO pay at termination.

Compliance with Oregon Sick Time Law

- This PTO policy complies with Oregon's requirements for protected sick time. In the event of any conflict between this policy and applicable law, the law will be followed. The first 40 hours of PTO used each year are protected by Oregon's sick time law. Any additional PTO used in the year is not protected leave under the law, no matter whether the employee chooses to use his or her first 40 hours for vacation or a qualifying absence under Oregon's sick time law.
- No employee will suffer discrimination or retaliation for requesting, using, or complaining that they are not receiving sick time as required by law. Employees may file a complaint with the Bureau of Labor and Industries if they feel protected sick time has been denied or if they believe they have suffered retaliation for requesting or taking protected sick time. Employees are also encouraged to bring any concerns to Human Resources about the use of protected sick time or possible retaliation.
- For more information on PTO or Oregon's sick time law, please see Human Resources or the posted Notice.

Paid Sick Leave

I. Eligibility

Employees who are not eligible for PTO are eligible for paid sick time. An employee qualifies to accrue paid sick leave under this policy upon the start of the employee's employment. In addition, employees may take paid sick leave accrued under this policy if they have worked for the Company for at least 90 calendar days.

II. Leave Benefit

Employees accrue one hour of paid sick leave for every 30 hours of work performed. Exempt employees are presumed to work 40 hours in each workweek for purposes of sick time accrual unless their normal workweek is less than 40 hours, in which case sick time is accrued based upon the employee's normal workweek.

Employees may not accrue more than 40 hours or five regularly scheduled workdays of paid sick leave, whichever is greater, at any given time. Employees who reach the applicable cap will cease to accrue further paid sick leave hours until paid sick leave is used, at which point the employee will continue to accrue additional paid sick leave up to the cap. Paid sick leave not used in a year otherwise carries over from year to year.

III. Leave Usage

Employees may take up to 40 hours or five regularly scheduled workdays' worth of paid sick leave per leave year for any of the qualifying reasons discussed below, as well as any reasons allowed for under an applicable local paid sick leave ordinance. For the purposes of this policy, the leave year is the employee's anniversary year.

Accrued sick and safe time may be used for the following purposes:

- An employee's or family member's mental or physical illness, injury or health condition; need for medical diagnosis, care or treatment of a mental or physical illness, injury or health condition; or need for preventive medical care;
- Any purpose specified in the Oregon Family Leave Act, including:
 - Caring for an infant, a newly adopted child or a newly placed foster child under 18 years of age, or for an adopted or foster child older than 18 if the child is incapable of self-care because of a mental or physical disability (leave must be completed within 12 months of the child's birth, adoption or placement);
 - Caring for a family member with a *serious health condition*, which includes pregnancy disability, prenatal care and donation of a body part, tissue or organ;
 - Recovering from or seeking treatment for a serious health condition of the employee, if the serious health condition renders the employee unable to perform at least one of the essential functions of the job;
 - Caring for the employee's child who is suffering from an illness, injury or condition that is not considered a serious health condition, but requires home care; and
 - Dealing with the death of a family member by attending a funeral, making arrangements necessitated by the death or grieving (leave must be taken within 60 days from the date the employee receives notice of the death);
- For reasons necessitated by domestic violence, harassment, sexual assault or stalking, including:
 - Seeking legal or law enforcement assistance to ensure the health and safety of the employee or the employee's minor child or dependent;
 - Seeking medical treatment for or recovering from injuries to the eligible employee or the employee's minor child or dependent;
 - Obtaining or assisting a minor child or dependent in obtaining counseling from a licensed mental health professional or services from a victim service provider;
 - Relocating or taking steps to secure an existing home for the employee or the employee's minor child or dependent; and

- Preparing for or participating in protective order proceedings or other civil or criminal legal proceedings related to domestic violence, harassment, sexual assault or stalking;
- In the event of a public health emergency, including:
 - Closure of the employee's workplace or a child's school or daycare by order of a public health official;
 - A determination by a public health authority or health care professional that the presence of the employee or a family member in the community would jeopardize others' health, such that the employee must provide self-care or care for the family member; and
 - Exclusion of the employee from the workplace for health reasons, as required by any law or rule.

A family member includes a child, parent, parent-in law or parent of domestic partner, spouse, domestic partner, grandparent, grandchild, or sibling. For purposes of this policy, a "child" means a biological or adopted child, a foster child, a step-child, a legal ward, or a child to whom the employee stands in loco parentis. Similarly, a "parent" under this policy means a biological or adoptive parent, a foster parent, a step-parent, an employee's legal guardian, a legal guardian of an employee's spouse or domestic partner, or a person who stood in loco parentis when the employee was a minor child.

Employees using paid sick leave must do so in minimum increments of one hour. Employees will be paid for sick leave not later than the payday for the next regular payroll period after the sick leave was taken. Finally, an employee will not be required to search for or find a replacement if the employee is taking paid sick leave under this policy.

IV. Compensation for Sick Leave

Paid sick days ordinarily are paid at the employee's normal rate of pay earned during regular work hours. Accrued, unused paid sick leave is not paid out upon termination or resignation. However, employees separating from employment who are rehired within one year from the date of separation will have their previously accrued and unused paid sick days reinstated. The employee also will begin accruing paid sick leave upon re-hire (assuming the employee's bank is below the applicable cap). In addition, if the employee is re-hired within one year from the date of separation, any number of days that the employee previously worked for the Company will be credited toward the 90 calendar days that an employee must have worked for the Company before being eligible to use paid sick leave under this policy.

V. Approval

For planned sick leave, the employee must notify the Store Manager or his or her director manager 10 days prior to the date the leave will commence or as soon as practicable, but at least 4 hours prior to the start of the scheduled shift. If possible, the employee must include the anticipated duration of the sick time requested. The employee must make a reasonable attempt to schedule the use of sick time in a manner that does not unduly disrupt operations, including attempting to avoid scheduling sick time during peak work hours, when work is time-sensitive, or when mandatory meetings are scheduled.

When sick leave is unforeseeable, the employee must verbally notify the manager of the need for sick leave at least 4 hours before the start of the scheduled work shift, or as soon as practicable, and, if possible, state the anticipated duration of the sick time requested. The employee also must submit a written sick leave request form to Human Resources within 3 days of returning to work.

VI. Employee Documentation

If an employee uses more than three consecutive scheduled workdays of sick time, Pizzicato may request reasonable documentation verifying the employee is out for a qualifying reason.

VII. Interaction with Other Leave

An employee's use of sick time may run concurrently with other leave under state or federal law, including leave taken pursuant to the Oregon Family Leave Act or the Family Medical Leave Act.

VIII. Non-Retaliation or Discrimination

The Company strictly prohibits any form of retaliation or discrimination against an employee for attempting to use or using paid sick leave under this policy, and for any other reason prohibited by applicable law. Employees who believe they have been discriminated or retaliated against should report their concerns to Human Resources.

Leaves of Absence

I. Family and Medical Leave Act (FMLA)

(Includes qualifying exigency and military caregiver leave)

The Company will provide Family and Medical Leave to its eligible employees. The company posts the mandatory FMLA Notice and upon hire provides all new employees with notices required by the U.S. Department of Labor (DOL) on Employee Rights and Responsibilities under the Family and Medical Leave Act at each store on the bulletin board.

The function of this policy is to provide employees with a general description of their FMLA rights. In the event of any conflict between this policy and the applicable law, employees will be afforded all rights required by law.

If you have any questions, concerns, or disputes with this policy, you must contact Director of Human Resources in writing.

A. General Provisions

Under this policy, the Company will grant up to 12 weeks (or up to 26 weeks of military caregiver leave to care for a covered servicemember with a serious injury or illness) during a 12-month period to eligible employees. The leave may be paid, unpaid or a combination of paid and unpaid leave, depending on the circumstances of the leave and as specified in this policy.

B. Eligibility

To qualify to take family or medical leave under this policy, the employee must meet all of the following conditions:

- 1) The employee must have worked for the company for 12 months or 52 weeks. The 12 months or 52 weeks need not have been consecutive. Separate periods of employment will be counted, provided that the break in service does not exceed seven years. Separate periods of employment will be counted if the break in service exceeds seven years due to National Guard or Reserve military service obligations or when there is a written agreement, including a collective bargaining agreement, stating the employer's intention to rehire the employee after the service break. For eligibility purposes, an employee will be considered to have been employed for an entire week even if the employee was on the payroll for only part of a week or if the employee is on leave during the week.
- 2) The employee must have worked at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave. The 1,250 hours do not include time spent on paid or unpaid leave. Consequently, these hours of leave should not be counted in determining the 1,250 hours eligibility test for an employee under FMLA.
- 3) The employee must work in a worksite where 50 or more employees are employed by the company within 75 miles of that office or worksite. The distance is to be calculated by using available transportation by the

most direct route.

C. Type of Leave Covered

To qualify as FMLA leave under this policy, the employee must be taking leave for one of the reasons listed below:

- 1) The birth of a child and in order to care for that child.
- 2) The placement of a child for adoption or foster care and to care for the newly placed child.
- 3) To care for a spouse, child or parent with a serious health condition (described below).
- 4) The serious health condition (described below) of the employee.

An employee may take leave because of a serious health condition that makes the employee unable to perform the functions of the employee's position.

A serious health condition is defined as a condition that requires inpatient care at a hospital, hospice or residential medical care facility, including any period of incapacity or any subsequent treatment in connection with such inpatient care or a condition that requires continuing care by a licensed health care provider.

This policy covers illnesses of a serious and long-term nature, resulting in recurring or lengthy absences.

Generally, a chronic or long-term health condition that would result in a period of three consecutive days of incapacity with the first visit to the health care provider within seven days of the onset of the incapacity and a second visit within 30 days of the incapacity would be considered a serious health condition. For chronic conditions requiring periodic health care visits for treatment, such visits must take place at least twice a year.

Employees with questions about what illnesses are covered under this FMLA policy or under the company's sick leave policy are encouraged to consult with the Human Resource Manager.

If an employee takes paid sick leave for a condition that progresses into a serious health condition and the employee requests unpaid leave as provided under this policy, the company may designate all or some portion of related leave taken as leave under this policy, to the extent that the earlier leave meets the necessary qualifications.

- 5) Qualifying exigency leave for families of members of the National Guard or Reserves or of a regular component of the Armed Forces when the covered military member is on covered active duty or called to covered active duty.

An employee whose spouse, son, daughter or parent either has been notified of an impending call or order to covered active military duty or who is already on covered active duty may take up to 12 weeks of leave for reasons related to or affected by the family member's call-up or service. The qualifying exigency *must be one of the following*:

- a. *short-notice deployment*
- b. *military events and activities*
- c. *child care and school activities*
- d. *financial and legal arrangements*
- e. *counseling*
- f. *rest and recuperation*
- g. *post-deployment activities, and*
- h. *additional activities that arise out of active duty, provided that the employer and employee agree, including agreement on timing and duration of the leave.*

Eligible employees are entitled to FMLA leave to care for a current member of the Armed Forces, including a member of the National Guard or Reserves, or a member of the Armed Forces, the National Guard or Reserves who is on the temporary disability retired list, who has a serious injury or illness incurred in the line of duty on active duty for which he or she is undergoing medical treatment, recuperation, or therapy; or otherwise in outpatient status; or otherwise on the temporary disability retired list. Eligible employees may not take leave under this provision to care for former members of the Armed Forces, former members of the National Guard and Reserves, and members on the

permanent disability retired list.

In order to care for a covered servicemember, an eligible employee must be the spouse, son, daughter, or parent, or next of kin of a covered servicemember.

- a) A “son or daughter of a covered servicemember” means the covered servicemember's biological, adopted, or foster child, stepchild, legal ward, or a child for whom the covered servicemember stood in loco parentis, and who is of any age.
- b) A “parent of a covered servicemember” means a covered servicemember's biological, adoptive, step or foster father or mother, or any other individual who stood in loco parentis to the covered servicemember. This term does not include parents “in law.”
- c) Under the FMLA, a “spouse” means a husband or wife, including those in same-sex marriages, which were made legal in all 50 United States as of June 26, 2015.
- d) The “next of kin of a covered servicemember” is the nearest blood relative, other than the covered servicemember's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the servicemember by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered servicemember has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave under the FMLA. When no such designation is made, and there are multiple family members with the same level of relationship to the covered servicemember, all such family members shall be considered the covered servicemember's next of kin and may take FMLA leave to provide care to the covered servicemember, either consecutively or simultaneously. When such designation has been made, the designated individual shall be deemed to be the covered servicemember's only next of kin. For example, if a covered servicemember has three siblings and has not designated a blood relative to provide care, all three siblings would be considered the covered servicemember's next of kin. Alternatively, where a covered servicemember has a sibling(s) and designates a cousin as his or her next of kin for FMLA purposes, then only the designated cousin is eligible as the covered servicemember's next of kin. An employer is permitted to require an employee to provide confirmation of covered family relationship to the covered servicemember pursuant to § 825.122(k).

“Covered active duty” means:

- (a) “Covered active duty” for members of a regular component of the Armed Forces means duty during deployment of the member with the Armed Forces to a foreign country.
- (b) (2) Covered active duty or call to covered active duty status in the case of a member of the Reserve components of the Armed Forces means duty during the deployment of the member with the Armed Forces to a foreign country under a Federal call or order to active duty in support of a contingency operation, in accordance with 29 CR 825.102.

The leave may commence as soon as the individual receives the call-up notice. (Son or daughter for this type of FMLA leave is defined the same as for child for other types of FMLA leave except that the person does not have to be a minor.) This type of leave would be counted toward the employee's 12-week maximum of FMLA leave in a 12-month period.

- 6) Military caregiver leave (also known as covered servicemember leave) to care for an injured or ill servicemember or veteran.

An employee whose son, daughter, parent or next of kin is a covered servicemember may take up to 26 weeks in a single 12-month period to take care of leave to care for that servicemember.

Next of kin is defined as the closest blood relative of the injured or recovering servicemember.

The term “covered servicemember” means:

- (a) 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
- (b) a 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.

The term “serious injury or illness means:

- (a) in the case of a member of the Armed Forces (including a member of the National Guard or Reserves), means an injury or illness that was incurred by the member in 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 Armed Forces) and that may render the member medically unfit to perform the duties of the member’s office, grade, rank, or rating; and
- (b) 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 when the person was a covered servicemember, means a qualifying (as defined by the Secretary of Labor) injury or illness incurred by a covered servicemember in the line of duty on active duty that may render the servicemember medically unfit to perform the duties of his or her office, grade, rank or rating.
- (c) Outpatient status, with respect to a covered servicemember, means the status of a member of the Armed Forces assigned to either a military medical treatment facility as an outpatient; or a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients.

D. Amount of Leave

An eligible employee can take up to 12 weeks for the FMLA circumstances (1) through (5) above under this policy during any 12-month period. The company will measure the 12-month period as a rolling 12-month period measured backward from the date an employee uses any leave under this policy. Each time an employee takes leave, the company will compute the amount of leave the employee has taken under this policy in the last 12 months and subtract it from the 12 weeks of available leave, and the balance remaining is the amount the employee is entitled to take at that time.

An eligible employee can take up to 26 weeks for the FMLA circumstance (6) above (military caregiver leave) during a single 12-month period. For this military caregiver leave, the company will measure the 12-month period as a rolling 12-month period measured forward. FMLA leave already taken for other FMLA circumstances will be deducted from the total of 26 weeks available.

If spouses both work for the company and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent (but not a parent "in-law") with a serious health condition, the spouses may only take a combined total of 12 weeks of leave. If spouses both work for the company and each wishes to take leave to care for a covered injured or ill servicemember, the spouses may only take a combined total of 26 weeks of leave.

E. Employee Status and Benefits During Leave

While an employee is on leave, the company will continue the employee's health benefits during the leave period at the same level and under the same conditions as if the employee had continued to work.

If the employee chooses not to return to work for reasons other than a continued serious health condition of the employee or the employee's family member or a circumstance beyond the employee's control, the Company will require the employee to reimburse the Company the amount it paid for the employee's share of the health insurance premium during the leave period.

Under current company policy, the employee pays a portion of the health care premium. While on paid leave, the employer will continue to make payroll deductions to collect the employee's share of the premium. While on unpaid leave, the employee must continue to make this payment, either in person or by mail. The payment must be received in the Accounting Department by the 1st of each month. If the payment is more than 30 days late, the employee's health care coverage may be dropped for the duration of the leave.

The employer will provide 15 days' notification prior to the employee's loss of coverage.

If the employee contributes to a life insurance or disability plan, the employer will continue making payroll deductions while the employee is on paid leave. While the employee is on unpaid leave, the employee may request continuation of such benefits and pay his or her portion of the premiums, or the employer may elect to maintain such benefits during the leave and pay the employee's share of the premium payments. If the employee does not continue these payments, the employer may discontinue coverage during the leave. If the employer maintains coverage, the employer may recover the costs incurred for paying the employee's share of any premiums, whether or not the employee returns to work.

F. Employee Status After Leave

An employee who takes leave under this policy may be asked to provide a fitness for duty (FFD) clearance from the health care provider. This requirement will be included in the employer's response to the FMLA request. Generally, an employee who takes FMLA leave will be able to return to the same position or a position with equivalent status, pay, benefits and other employment terms. The position will be the same or one which is virtually identical in terms of pay, benefits and working conditions. The company may choose to exempt certain key employees from this requirement and not return them to the same or similar position.

G. Use of Paid and Unpaid Leave

An employee who is taking FMLA leave because of the employee's own serious health condition or the serious health condition of a family member must use all paid vacation, personal or sick leave prior to being eligible for unpaid leave. Sick leave may be run concurrently with FMLA leave if the reason for the FMLA leave is covered by the established sick leave policy.

Disability leave for the birth of the child and for an employee's serious health condition, including workers' compensation leave (to the extent that it qualifies), will be designated as FMLA leave and will run concurrently with FMLA. For example, if an employer provides six weeks of pregnancy disability leave, the six weeks will be designated as FMLA leave and counted toward the employee's 12-week entitlement. The employee may then be required to substitute accrued (or earned) paid leave as appropriate before being eligible for unpaid leave for what remains of the 12-week entitlement. An employee who is taking leave for the adoption or foster care of a child must use all paid vacation, personal or family leave prior to being eligible for unpaid leave.

An employee who is using military FMLA leave for a qualifying exigency must use all paid vacation and personal leave prior to being eligible for unpaid leave. An employee using FMLA military caregiver leave must also use all paid vacation, personal leave or sick leave (as long as the reason for the absence is covered by the company's sick leave policy) prior to being eligible for unpaid leave.

H. Intermittent Leave or a Reduced Work Schedule

The employee may take FMLA leave in 12 consecutive weeks, may use the leave intermittently (take a day periodically when needed over the year) or, under certain circumstances, may use the leave to reduce the workweek or workday, resulting in a reduced hour schedule. In all cases, the leave may not exceed a total of 12 workweeks (or 26 workweeks to care for an injured or ill servicemember over a 12-month period).

The company may temporarily transfer an employee to an available alternative position with equivalent pay and benefits if the alternative position would better accommodate the intermittent or reduced schedule, in instances of when leave for the employee or employee's family member is foreseeable and for planned medical treatment, including recovery from a serious health condition or to care for a child after birth, or placement for adoption or foster care.

For the birth, adoption or foster care of a child, the company and the employee must mutually agree to the schedule before the employee may take the leave intermittently or work a reduced hour schedule. Leave for birth, adoption or foster care of a child must be taken within one year of the birth or placement of the child.

If the employee is taking leave for a serious health condition or because of the serious health condition of a family member, the employee should try to reach agreement with the company before taking intermittent leave or working a reduced hour schedule. If this is not possible, then the employee must prove that the use of the leave is medically necessary.

I. Certification for the Employee's Serious Health Condition

The company will require certification for the employee's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. Medical certification will be provided using the DOL Certification of Health Care Provider for Employee's Serious Health Condition.

The company may directly contact the employee's health care provider for verification or clarification purposes using a health care professional, an HR professional, leave administrator or management official. The company will not use the employee's direct supervisor for this contact. Before the company makes this direct contact with the health care provider, the employee will be given an opportunity to resolve any deficiencies in the medical certification. In compliance with HIPAA Medical Privacy Rules, the company will obtain the employee's permission for clarification of individually identifiable health information.

The company has the right to ask for a second opinion if it has reason to doubt the certification. The company will pay for the employee to get a certification from a second doctor, which the company will select. The company may deny FMLA leave to an employee who refuses to release relevant medical records to the health care provider designated to provide a second or third opinion. If necessary to resolve a conflict between the original certification and the second opinion, the company will require the opinion of a third doctor. The company and the employee will mutually select the third doctor, and the company will pay for the opinion. This third opinion will be considered final. The employee will be provisionally entitled to leave and benefits under the FMLA pending the second and/or third opinion.

J. Certification for the Family Member's Serious Health Condition

The company will require certification for the family member's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. Medical certification will be provided using the DOL Certification of Health Care Provider for Family Member's Serious Health Condition.

The company may directly contact the employee's family member's health care provider for verification or clarification purposes using a health care professional, an HR professional, leave administrator or management official. The company will not use the employee's direct supervisor for this contact. Before the company makes this direct contact with the health care provider, the employee will be given an opportunity to resolve any deficiencies in the medical certification. In compliance with HIPAA Medical Privacy Rules, the company will obtain the employee's family member's permission for clarification of individually identifiable health information.

The company has the right to ask for a second opinion if it has reason to doubt the certification. The company will pay for the employee's family member to get a certification from a second doctor, which the company will select. The company may deny FMLA leave to an employee whose family member refuses to release relevant medical records to the health care provider designated to provide a second or third opinion. If necessary to resolve a conflict between the original certification and the second opinion, the company will require the opinion of a third doctor. The company and the employee will mutually select the third doctor, and the company will pay for the opinion. This third opinion will be considered final. The employee will be provisionally entitled to leave and benefits under the FMLA pending the second and/or third opinion.

K. Certification of Qualifying Exigency for Military Family Leave

The company will require certification of the qualifying exigency for military family leave. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification of Qualifying Exigency for Military Family Leave.

L. Certification for Serious Injury or Illness of Covered Servicemember for Military Family Leave

The company will require certification for the serious injury or illness of the covered servicemember. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification for Serious Injury or Illness of Covered Servicemember.

M. Recertification

The company may request recertification for the serious health condition of the employee or the employee's family member no more frequently than every 30 days unless circumstances have changed significantly, or if the employer receives information casting doubt on the reason given for the absence, or if the employee seeks an extension of his or her leave. Otherwise, the company may request recertification for the serious health condition of the employee or the employee's family member every six months in connection with an FMLA absence. The company may provide the employee's health care provider with the employee's attendance records and ask whether need for leave is consistent with the employee's serious health condition.

N. Procedure for Requesting FMLA Leave

All employees requesting FMLA leave must provide verbal or written notice of the need for the leave to the HR manager. Within five business days after the employee has provided this notice, the HR manager will complete and provide the employee with the DOL Notice of Eligibility and Rights.

When the need for the leave is foreseeable, the employee must provide the employer with at least 30 days' notice. When an employee becomes aware of a need for FMLA leave less than 30 days in advance, the employee must provide notice of the need for the leave either the same day or the next business day. When the need for FMLA leave is not foreseeable, the employee must comply with the company's usual and customary notice and procedural requirements for requesting leave, absent unusual circumstances.

O. Designation of FMLA Leave

Within five business days after the employee has submitted the appropriate certification form, the HR manager will complete and provide the employee with a written response to the employee's request for FMLA leave using the DOL Designation Notice.

P. Intent to Return to Work From FMLA Leave

On a basis that does not discriminate against employees on FMLA leave, the company may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work.

II. Oregon Family Leave Act (OFLA)

Like the federal Family and Medical Leave Act (FMLA), Oregon's Family Leave Act (OFLA) provides up to 12 weeks of unpaid, job-protected leave in a 12-month period for eligible employees.

A. Reasons for Leave

OFLA leave is available for the following reasons or circumstances:

- *Parental Leave:* Employees, both male and female, may take parental leave for the birth of the employee's child or to care for a newborn child, newly adopted child or newly placed foster child. A qualifying newly adopted or placed foster child may be either under 18 years of age or 18 and older but incapable of self-care because of a physical or mental impairment. Parental leave includes any time needed for legal processes required for the adoption or placement of a foster child.
- *Pregnancy Disability Leave:* An employee is entitled to pregnancy disability leave for prenatal care or a disability relating to pregnancy or childbirth, whether it occurs before, during or after the birth of the child. Pregnancy disability leave is considered a form of serious health condition leave).
- *Sick Child Leave:* An eligible employee can take sick child leave to care for the employee's child who has an illness, injury or condition that requires home care but does not amount to a serious health condition. Sick child leave includes absences to care for an employee's child whose school or childcare provider has been closed in conjunction with a statewide public health emergency declared by a public health official. It does not include absences for routine medical or dental appointments.
- *Military family leave:* An eligible employee can take up to 14 days if their spouse is a service member who has been called to active duty or is on leave from active duty.
- *Bereavement Leave:* Eligible employees may take up to two weeks of leave per death of a family member, up to a maximum of 12 weeks per calendar year, to attend the funeral or memorial service, make arrangements necessitated by the death and grieve the death.
- *Serious Health Condition Leave:* Eligible employees may take OFLA leave for their own or a family member's serious health condition. This form of leave includes leave because of the employee's pregnancy-related inability to work and leave for the donation of a body part, an organ or tissue, including preoperative or diagnostic services, surgery, post-operative treatment and recovery.
- *Public Health Emergency:* Eligible employees may take time off under OFLA to care for their child whose school or childcare provider is closed due to COVID-19, using "sick child leave."

The list of qualifying family members is broader under the OFLA than the FMLA and includes:

- A spouse or same-sex registered domestic partner;
- A parent (whether biological, adoptive, foster, step, custodial or noncustodial);
- A parent-in-law or a parent of a same-sex registered domestic partner;
- A grandparent or grandchild of the employee; or
- A child (either minor or adult) of the employee or the employee's same-sex domestic partner (including a

biological, adopted, foster or stepchild), or a person with whom the employee was or is in an *in loco parentis* relationship.

B. Eligibility

To be eligible, an employee must be employed for the 180-day calendar period immediately preceding the leave and have worked at least an average of 25 hours per week during the 180-day period. Additionally, eligible employees include those who have been re-employed or are returning within 180 days who were eligible for OFLA leave at the time of their separation or beginning of temporary cessation of work, and employee who have been re-employed or are returning within 180 days who were not yet eligible for OFLA prior to their break in service will receive credit for time served.

There are 4 exceptions outline below:

- Exception 1: For parental leave, workers are eligible after being employed for 180 calendar days, without regard to the number of hours worked.
- Exception 2: For Oregon Military Family Leave, workers are eligible if they have worked at least an average of 20 hours per week, without regard to the duration of employment.
- Exception 3: For compensable Workers Compensation injuries, for certain Workers Compensation injuries involving denied and then accepted claims and for certain accepted claims involving more than one employer.
- Exception 4: When an employee is caring for a family member with a serious health condition and the same family member dies, the employee need not requalify with the 25-hour per week average to be eligible for bereavement leave.

C. Amount of Leave

- Employees are generally entitled to a maximum of 12 weeks of family leave within the employer's 12-month leave year.
- A woman using pregnancy disability leave is entitled to 12 additional weeks of leave in the same leave year for any qualifying OFLA purpose.
- A man or woman using a full 12 weeks of parental leave is entitled to take up to 12 additional weeks for the purpose of sick child leave.
- Employees are entitled to 2 weeks of bereavement leave to be taken within 60 days of the notice of the death of a covered family member.
- A spouse or same gender domestic partner of a service member is entitled to a total of 14 days of leave per deployment after the military spouse has been notified of an impending call or order to active duty and before deployment and when the military spouse is on leave from deployment.

Employees may be required to give 30 days' notice in advance of leave, unless it is taken for an emergency. The Company may require written notice. If an emergency, employees must give verbal notice within 24 hours of starting leave.

Employees may use any accrued paid time off/vacation/sick time.

D. Employee Status and Benefits During Leave

While an employee is on leave, the company will continue the employee's health benefits during the leave period at the same level and under the same conditions as if the employee had continued to work.

If the employee chooses not to return to work for reasons other than a continued serious health condition of the employee or the employee's family member or a circumstance beyond the employee's control, the company will require the employee to reimburse the company the amount it paid for the employee's health insurance premium

during the leave period.

Under current company policy, the employee pays a portion of the health care premium. While on paid leave, the employer will continue to make payroll deductions to collect the employee's share of the premium. While on unpaid leave, the employee must continue to make this payment, either in person or by mail. The payment must be received in the Accounting Department by the 1st of each month. If the payment is more than 30 days late, the employee's health care coverage may be dropped for the duration of the leave.

The employer will provide 15 days' notification prior to the employee's loss of coverage.

If the employee contributes to a life insurance or disability plan, the employer will continue making payroll deductions while the employee is on paid leave. While the employee is on unpaid leave, the employee may request continuation of such benefits and pay his or her portion of the premiums, or the employer may elect to maintain such benefits during the leave and pay the employee's share of the premium payments. If the employee does not continue these payments, the employer may discontinue coverage during the leave. If the employer maintains coverage, the employer may recover the costs incurred for paying the employee's share of any premiums, whether or not the employee returns to work.

III. Oregon Paid Family Leave

Oregon Paid Family Leave contributions is starting January 1, 2023. Oregon Paid Family Leave benefits will begin on September 3, 2023.

A. Eligibility and Duration of Leave

A *covered individual* under the PFML law means an eligible employee, self-employed individual or an employee of a tribal government who qualifies to receive PFML benefits.

An *eligible employee* means:

- An employee who has earned at least \$1,000 in wages during the *base year* (i.e., the first four of the last five completed calendar quarters preceding the *benefit year*, which means a period of 52 consecutive weeks (or in certain cases of overlap with respect to a previously filed claim, 53 consecutive weeks) that starts on the Sunday immediately before the date on which family, medical or safe leave begins); or
- If an employee has not earned at least \$1,000 in wages during the base year, an employee who has earned at least \$1,000 in wages during the *alternate base year* (i.e., the last four completed calendar quarters preceding the benefit year); and
- An employee who:
 - During the base year or alternate base year contribute to the PFML insurance fund; and
 - Submit a claim for benefits as required under the PFML law.

A covered individual may qualify for up to 12 weeks of PFML per benefit year.

An employee who has taken any amount of PFML may take a total of 16 weeks of leave in the benefit year in any combination of up to 12 weeks of PFML and four weeks of unpaid leave under the Oregon Family Leave Act (OFLA). Leave may be taken for any qualifying reason under the respective leave laws.

In addition, a covered employee may qualify for up to two additional weeks of benefits under the PFML law for a limitation related to pregnancy, childbirth or a related medical condition, including lactation.

The total amount of leave taken for any of the above reasons may not exceed 18 weeks per benefit year.

Employees may qualify for only 12 weeks of paid leave per child while bonding with and caring for the new child. If a new benefit year begins during the first year after the child's birth or placement, the employee is still limited to 12 weeks total.

Leave may be taken consecutively or nonconsecutively. It may be taken in increments that are equivalent to one workday or one work week. If an employee takes leave in increments that are equivalent to one workday or one work week, the employee must take leave from any other employers or self-employment during that time in order to receive benefits.

B. Benefits Amounts

An eligible employee's weekly benefit amount depends on whether the employee's average weekly wage is equal to, greater than or less than 65 percent of the state's average weekly wage.

If the eligible employee's average weekly wage is equal to or less than 65 percent of the average weekly wage to be set by the State, then the employee's weekly benefit amount will be 100 percent of the employee's average weekly wage.

If the eligible employee's average weekly wage is greater than 65 percent of the average weekly wage, then the employee's weekly benefit amount is the sum of:

- 65 percent of the average weekly wage; and
- 50 percent of the employee's average weekly wage that is greater than 65 percent of the average weekly wage.

Maximum and minimum weekly benefit amounts are established by the State.

An employee's wages will be used to make determinations under this law, when the wages are earned for service:

- Performed entirely within the state; or
- Performed both within and outside this state, but the service performed outside this state is incidental to the employee's service within the state.

PFML benefits are available to eligible employees in addition to any paid sick time, vacation leave or other paid leave earned by an employee to replace an employee's wages up to 100 percent of the employee's average weekly wage during a period of PFML.

Employees who take leave under the law do not lose any employment benefits, including seniority or pension rights that accrued before PFML began. An employer must maintain any health care benefits the employee had prior to taking leave for the duration of the leave, as if the employee had not taken the leave.

However, an employee is not entitled to accrue employment benefits during a leave period or to obtain a right, benefit or position of employment other than that to which the employee would have been entitled had the employee not taken leave. Further, an employee is disqualified from receiving PFML benefits during any week in which an employee is eligible to receive workers' compensation or unemployment benefits.

C. Qualifying Reasons for Leave

PFML benefits are available to covered individuals during a period of family leave, medical leave or safe leave.

Family leave means leave from work taken:

- To care for and bond with a child during the first year after the child's birth, adoption or placement for foster care; or
- To care for a family member with a serious health condition.

Medical leave means leave taken because of the individual's own serious health condition.

Safe leave means leave taken for any purpose as set forth in the leave related to domestic violence.

Family member means:

- The spouse or domestic partner of a covered individual;
- The child of a covered individual or the child's spouse or domestic partner;
- The parent of a covered individual or the parent's spouse or domestic partner;
- A sibling or stepsibling of a covered individual or the sibling's or stepsibling's spouse or domestic partner;
- A grandparent of a covered individual or the grandparent's spouse or domestic partner;
- A grandchild of a covered individual or the grandchild's spouse or domestic partner; or
- Any individual related by blood or affinity whose close association with a covered individual is the equivalent of a family relationship.

Child means:

- A biological, adopted, foster or stepchild of a covered individual or the covered individual's spouse or domestic partner;
- A person who is or was a legal ward of a covered individual or the covered individual's spouse or domestic partner; or
- A person who is or was in a relationship of *in loco parentis* with a covered individual or the covered individual's spouse or domestic partner.

Parent means:

- A biological, adoptive, foster or stepparent of a covered individual;
- A person who has a foster parent of a covered individual when the covered individual was a minor;
- A person designated as the legal guardian of a covered individual when the covered individual was a minor or required a legal guardian;
- A person with whom a covered individual was or is in a relationship of *in loco parentis*; or
- A parent of a covered individual's spouse or domestic partner.

D. Benefit Amounts

An eligible employee's weekly benefit amount depends on whether the employee's average weekly wage is equal to, greater than or less than 65 percent of the state's average weekly wage.

If the eligible employee's average weekly wage is equal to or less than 65 percent of the average weekly wage to be set by the State, then the employee's weekly benefit amount will be 100 percent of the employee's average weekly wage.

If the eligible employee's average weekly wage is greater than 65 percent of the average weekly wage, then the employee's weekly benefit amount is the sum of:

- 65 percent of the average weekly wage; and
- 50 percent of the employee's average weekly wage that is greater than 65 percent of the average weekly wage.

Maximum and minimum weekly benefit amounts are established by the State.

An employee's wages will be used to make determinations under this law, when the wages are earned for service:

- Performed entirely within the state; or
- Performed both within and outside this state, but the service performed outside this state is incidental to the employee's service within the state.

PFML benefits are available to eligible employees in addition to any paid sick time, vacation leave or other paid leave earned by an employee to replace an employee's wages up to 100 percent of the employee's average weekly wage during a period of PFML.

Employees who take leave under the law do not lose any employment benefits, including seniority or pension rights that accrued before PFML began. An employer must maintain any health care benefits the employee had prior to taking leave for the duration of the leave, as if the employee had not taken the leave.

However, an employee is not entitled to accrue employment benefits during a leave period or to obtain a right, benefit or position of employment other than that to which the employee would have been entitled had the employee not taken leave. Further, an employee is disqualified from receiving PFML benefits during any week in which an employee is eligible to receive workers' compensation or unemployment benefits.

E. Company Notice Requirements

A covered employer must provide written notice to each eligible employee of PFML duties and rights in the language the employer typically uses to communicate with the employee. At a minimum, the notice must advise the employee of the following:

- The right to claim and receive PFML benefits;
- The procedure for filing a benefits claim;
- That the employee must provide notice to the employer before the employee begins leave, and a description of the penalties for failure to do so;
- The right to job protection and benefits continuation;
- The right to appeal a decision or determination made by the Director;
- That discrimination and retaliation against an employee for inquiring about the family and medical leave insurance program, giving notification of leave under the program, taking leave under the program or claiming PFML benefits are prohibited;
- The right to bring a civil action or to file a complaint for retaliation or discrimination under the law; and
- That any health information related to family, medical or safe leave provided to an employer by an employee is confidential and may not be released without the employee's permission, unless state or federal law or a court order permits or requires disclosure.

The State model notice is being posted at all stores.

F. Recordkeeping Requirements

Employers must maintain payroll records related to the PFML law for the current calendar year and the three prior calendar years. This includes:

- Account records that document employee contributions and expenses; and
- Employment records reflecting:
 - Total hours worked by all employees; and
 - The amount of leave taken by employees under this law.

The State may inspect payroll and employment records for the purpose of administering the law. Employers must provide the State with all pertinent records upon request.

When an employment agency is acting as an employer, the agency must maintain and produce the documents.

G. Employee Notice Requirements

An employer may require an eligible employee to give written notice at least 30 days before a period of PFML begins. The employer may require the employee to include an explanation of the need for leave.

An eligible employee may begin leave without 30 days' advance notice if the leave is not foreseeable, for circumstances including:

- An unexpected serious health condition of the employee or a family member;
- A premature birth or an unexpected adoption or foster care placement by or with the employee; or

- Safe leave (employee must give reasonable advance notice, unless giving advance notice is not feasible).

An employee who begins leave without 30 days' notice must give oral notice to the employer within 24 hours of the beginning of the leave. The employee must also provide the written notice required above within three days after the leave begins.

Oral notice may be given by any other person on the employee's behalf.

Written notice may be given by the person named as the employee's emergency contact person, or any other person otherwise designated by the employee, as reflected in the employer's records.

An employer may require written notice to include:

- The employee's first and last name;
- The type of leave needed;
- An explanation of the need for leave; and
- The anticipated timing and duration of the leave.

If an employee fails to give the required notice, the State may reduce the first weekly benefit amount payable to the employee by up to 25 percent. An employer must notify the State of an employee's failure to provide the required notice. An employer also must provide notifications to temporary workers and to employees who are temporarily reassigned.

H. Reinstatement

After a period of leave under the PFML law, an eligible employee is entitled to be restored to the position of employment held when the leave began, if the position still exists.

Reinstatement is required regardless of whether the employer filled the position with a replacement worker during the leave period. If the position no longer exists, then the employee is entitled to be restored to any available equivalent position with equivalent employment benefits, pay and other terms and conditions of employment.

Temporary workers. Employers are not required to retain a temporary worker who was hired to replace an eligible employee taking family, medical or safe leave after the eligible employee has returned to work.

Further, a civil action may not be filed against an employer for taking the following actions in restoring an eligible employee:

- Terminating a worker who was hired solely to temporarily replace an eligible employee during a period of leave; or
- Removing an employee from a position to which the employee was transferred to temporarily replace an eligible employee while the eligible employee was on leave, and returning the employee to the position originally held prior to the transfer at the salary or rate of pay and benefits associated with the position.

An employer is required to inform a temporary worker or an employee who is temporarily reassigned of the limitations above:

- At the time of hire; or
- Before reassignment.

I. Prohibited Actions

An employer may not discriminate against an employee who has taken leave or obtained benefits under this law.

It is an unlawful employment practice for an employer to:

- Violate an employee's reinstatement and benefit rights;

- Deny leave or interfere with any other right to which an eligible employee is entitled under the law; or
- Retaliate or in any way discriminate against an employee with respect to hire or tenure or any other term or condition of employment because the employee has inquired about the rights or responsibilities under the law.

An employee who alleges a violation of these provisions may bring a civil action or file a complaint with the Commissioner of the Bureau of Labor and Industries.

Further, an employer may not willfully make or cause to be made false statements or willfully fail to report a material fact regarding an eligible employee's claim or regarding an employee's eligibility for PFML benefits. Otherwise, the State may assess a civil penalty of up to \$1,000 against the employer for each occurrence.

An employer also cannot willfully refuse or fail to pay a contribution to the paid family and medical leave insurance fund or to furnish any report, audit or information required by the State. An employer also cannot make a deduction from an employee's wages to pay any portion of the contributions that the employer owes.

J. Contributions

All employers and eligible employees must contribute to the paid family and medical leave insurance fund.

Contributions are paid as a percentage of a total rate determined by the State. The total rate may not exceed one percent of employee wages, up to a maximum of \$132,900 in wages. An employer may elect to pay the required employee contributions, in whole or in part.

Employers must contribute an amount equal to 40 percent of the total rate determined by the State. Further, the employer must deduct employee contributions from the wages in an amount equal to 60 percent of the total rate determined by the State.

When an employment agency (i.e., a business procuring for a fee employees for employers) is acting as an employer, it is responsible for the employer contributions.

The State may require any employer to deposit and keep on deposit with the State a sum equal to the contributions due or estimated to be due from the employer for three calendar quarters. In lieu of a deposit, the State may accept a bond or an irrevocable letter of credit issued by an insured institution to secure payment of contributions to become due to the fund. The State may at any time apply any portion of the deposit, payment on the bond or the proceeds of the letter of credit to the payment of any amounts due from the employer.

K. Interaction With Other Laws and Policies

Any family leave or medical leave taken must be taken concurrently with any leave taken under the Oregon Family Leave Act or under the federal FMLA for the same purposes.

Employees who are eligible for benefits under state workers' compensation or unemployment insurance programs are not eligible to receive PFML benefits.

The law supersedes and preempts any rule, regulation, code or ordinance of any local government in the state relating to paid family and medical leave.

IV. Other Disability Leaves

In addition to medical or pregnancy-related disability leaves described in this handbook, employees may take a temporary disability leave of absence if necessary to reasonably accommodate a workplace injury or a disability under the ADA. Any disability leave under this section will run concurrently with any medical leave to which the employee is entitled to.

Disability leaves under this section will be unpaid.

Employees taking disability leave must comply with the Family Care, Medical and Military Family Leave provisions regarding substitution of paid leaves, notice, and medical certification. For the purpose of applying these provisions, a disability leave will be considered to be a medical leave.

If a disability leave under this section extends beyond 12 weeks in a 12-month period, the employee will not be entitled to any continued employer contributions towards any employee benefit plan unless otherwise required by law. An employee, however, may elect to continue participating in such benefit plans, at the employee's own expense, to the extent permitted by such plans.

The duration of a leave under this section shall be consistent with applicable law, but in no event shall the leave extend past the date on which an employee becomes capable of performing the essential functions of their position, with or without reasonable accommodation. For a full explanation of leave duration and reinstatement rights, employees should contact the Human Resources Department.

IV. Other Leaves of Absence

Military Leave of Absence

Any member of a reserve component of the armed forces of the United States who pursuant to military orders enters active duty, active duty for training, inactive duty training, or state active duty shall upon request be granted a leave of absence from employment, but for no more than five years.

Upon satisfactory release from the training or from hospitalization incidental to the training, the member shall be permitted to return to the prior employment with the seniority, status, pay, and vacation the member would have had as an employee if he had not been absent for military purposes.

Military Family Leave

Employees will be given up to 14 days leave during that time in which the employee's spouse or domestic partner is notified of an impending call; ordered to active duty or on active duty, before deployment; or during their leave from active duty during deployment.

Leave is deducted from an employee's 12 weeks of Oregon Family Leave Act (OFLA) entitlement. Employees may split up the 14 days in order to accommodate a spouse/domestic partner's military service.

Employees who wish to request this leave must provide the Company with a written request for such leave within five business days of receiving official notice, or as soon as possible. The employee must also provide written documentation to the Company certifying that the military member will be on military leave from deployment.

Jury and Witness Duty

Employees who are summoned to jury duty must provide a copy of the jury duty summons as soon as it is received to their supervisor. Pizzicato Inc. will permit you to take the necessary time off for jury duty and reinstate you to your former position as required by law. Pizzicato Inc. does not compensate non-exempt employees for jury duty time. However, exempt employees who work any portion of a workweek in which they also serve on jury duty or appear as a witness will receive their full salary for that workweek. Employees may elect to substitute accrued vacation during any unpaid leave due to jury duty or a witness appearance.

Employees are expected to report as available for work whenever the court schedule permits. Upon completing jury

duty, employees must present proof of jury service by presenting the court-prepared document to Human Resources and their supervisor. No employee will suffer discrimination or retaliation for taking jury duty leave.

Voting Time Off

There are no provisions for voting time off in Oregon.

Bereavement Leave

Employees who have worked for the Company for 180 days or more and who have worked an average of 25 hours or more per week for the 180 days prior to the leave, are eligible to take bereavement leave under the Oregon Family Leave Act.

Employees will be allowed up to two weeks off to arrange and attend the funeral of an immediate family member. Employees will be paid their regular base rate for up to two (2) consecutive working days during bereavement leave.

For purposes of this policy an employee's immediate family is defined to include the employee's current spouse, current domestic/civil union partner, parent or stepparent, sibling or stepsibling, children, stepchildren, current parent in-law.

Bereavement Leave must be taken within 60 days of the death of the family member. Employees are also entitled to take separately up to two weeks of leave for each deceased family member, in the event of death of multiple family members.

Veterans' Day

In support of our Nation's veterans, the Company will provide unpaid time off for Veterans Day if an employee would otherwise be required to work on that day. Employees are required to provide:

1. at least three weeks' written notice to the store manager requesting to recognize the day by taking time off; and
2. documents showing that they are a veteran.

Under this policy, a veteran is defined as someone that has served on active duty in the armed forces for at least six months and received an honorable discharge, or someone that has served in a reserve or National Guard unit that was deployed or served on active duty for at least six months.

The Company will notify the employee, at least 14 days before Veterans Day, whether or not the request can be granted. If for business reasons, the Company cannot grant the time off on Veterans' Day, the employee will be allowed to take a day off within one year of Veterans Day.

Leave to Serve in State Legislature

Employees will be granted leave who are members of the Oregon Legislative Assembly and whose employment is interrupted because of attendance at the regular or special sessions of the Legislative Assembly or the performance of official duties as a member of the Legislative Assembly.

Leave to serve in the Oregon Legislative Assembly does *not* apply if:

- The employee was employed by the employer for fewer than 90 days immediately prior to the first day of the leave of absence;
- The employer's circumstances have so changed during the leave of absence as to make reinstating the employee impossible or unreasonable; and

- The employee fails to apply for restoration to employment within:
 - 15 days after adjournment of the Legislative Assembly following a regular session; or
 - If the leave was for a shorter period for another legislative assignment, five days after the assignment is completed;
- The regular employment position of the employee immediately prior to the first day of the leave or the character, terms, conditions or activities of the position are incompatible under the Constitution and laws of Oregon with the office of member of the Legislative Assembly;
- Employment is on a temporary basis; or
- The employer employs fewer than 10 persons immediately prior to the first day of the leave of absence.

The employee must give notice to the employer when the leave of absence is anticipated or is to be taken:

- At least 30 days before a regular session; and
- As soon as it is reasonably apparent that a special or emergency session is to be called.

At the conclusion of the leave, the Company will restore the employee to the regular employment position the employee held immediately prior to the first day of the leave if the position still exists or, if it does not, to as similar a position as possible, without loss of seniority, the right to participate in insurance or any other employment benefits, other than wages for services not rendered during the leave of absence, as a consequence of the leave. Such seniority, right to participate in insurance or other employment benefits continue to accumulate during the leave of absence as though the employee had continued in the regular employment position the employee held immediately prior to the first day of the leave of absence.

Leave for Educational/Daycare Purposes

Employees may be granted time off without pay to provide parents with leave to participate in their children's educational and teaching process. Employees must provide reasonable advance notice when taking leave under this section. The leave is unpaid, but employees may use any accrued PTO time.

Emergency Responder Leave

Oregon employees will be granted job-protected time off without pay to perform emergency duties as a search-and-rescue volunteer accepted to participate in search-and-rescue activities by the sheriff, until the employee is released from the search-and-rescue activities and able to resume the duties of employment or a volunteer firefighter employed by a city or a private firefighting service to perform service in an emergency.

At the end of the leave, the employee will be restored to the employee's position or an equivalent position without loss of seniority, vacation credits, sick leave credits, service credits under a pension plan or any other employee benefit or right that had been earned at the time of the leave.

Employees may substitute vacation pay for any unpaid portion of leave to perform such emergency duties or training.

The Company prohibits discrimination against an employee because he or she takes time off under this policy.

Domestic Violence, Harassment, Sexual Assault, or Stalking Protections

The Company will provide reasonable leave and reasonable safety accommodations for qualified employees who are victims of domestic violence, harassment, sexual assault, or stalking (DVHSAS).

“Reasonable safety accommodation” may include, but is not limited to, a transfer, reassignment, modified schedule, unpaid leave from employment, changed work telephone number, changed workstation, installed lock, implemented

safety procedure or any other adjustment to a job structure, workplace facility or work requirement in response to actual or threatened domestic violence, harassment, sexual assault or stalking.

A qualified employee is any employee who is a victim of DVHSAS or is the parent or guardian of a minor child or dependent who is a victim of DVHSAS, regardless of how long or how many hours he or she has worked for the Company.

Employees may take leave for the following purposes:

- To seek legal or law enforcement assistance to ensure the health and safety of the employee or the employee's minor child or dependent, including preparing for and participating in protective order proceedings or other civil or criminal legal proceedings related to DVHSAS.
- To seek medical treatment for or to recover from injuries caused by DVHSAS to the eligible employee or the employee's minor child or dependent.
- To obtain or to assist a minor child or dependent in obtaining counseling from a licensed mental health professional related to an experience of DVHSAS.
- To obtain services from a victim services provider for the eligible employee or the employee's minor child or dependent.
- To relocate or take steps to secure an existing home to ensure the health and safety of the eligible employee or the employee's minor child or dependent.

A covered employer may require that an eligible employee give reasonable advance notice of the employee's intention to take leave, unless giving the advance notice is not practicable. The covered employer may also require the eligible employee to provide certification that the employee or the employee's minor child or dependent is a DVHSAS victim.

A covered employer is not required to grant leave with pay to an eligible employee. However, an eligible employee may use any vacation, sick or other paid leave that is available during the period of leave. Subject to the terms of any agreement between the eligible employee and the covered employer or the terms of a collective bargaining agreement or an employer policy, the covered employer may determine the order in which paid accrued leave is to be used when more than one type of paid accrued leave is available to the employee.

A covered employer must allow an eligible employee to take reasonable leave and may only limit the amount of leave if the employee's leave creates an "undue hardship" on the employer. Undue hardship means a significant difficulty and expense to the organization and includes consideration of the size of the organization and the employer's critical need for the employee.

Any documents or evidence provided as certification of the victim's status, or information obtained by the employer regarding the need for accommodation or leave, will be kept confidential and may not be released without the express permission of the employee.

Leave for Organ and Bone Marrow Donation

The Company will allow an Oregon employee the use of previously accrued paid time off to an employee who seeks to undergo a medical procedure to donate bone marrow. The total length of the leave shall be determined by the employee, but shall not exceed the amount of already accrued paid time off, or 40 work hours, whichever is less, unless agreed upon by the employer.

A leave of absence for the purpose of organ or bone marrow donation will be provided with pay, however, if an employee has earned and unused sick or vacation time available, the employee is required to first use up to five days of

paid sick or vacation time for a bone marrow donation and up to two weeks of sick or vacation time for organ donation.

In order to receive a leave of absence pursuant to this policy, the employee must provide written verification to Human Resources of the need for each leave from a physician. If there is a medical determination that the employee does not qualify as a bone marrow donor, the paid leave used by the employee prior to that determination is not affected.

Any leave taken for the donation of bone marrow will not constitute a break in service for purposes of the employee's right to salary adjustments, sick leave, vacation, annual leave, or seniority. During any leave taken under this policy, the Company will maintain and pay for coverage under any group health plan, for the full duration of this leave.

Leave provided under this policy may be taken in one or more periods.

Upon expiration of a leave of absence authorized by this policy, the Company will restore the employee to the position held by the employee when the leave began or to a position with equivalent seniority status, employee benefits, pay, and other terms and conditions of employment. The Company may decline to restore an employee because of reasons unrelated to the exercise of rights under this policy by the employee.

Crime Victims and Domestic Violence Leave

Consistent with Oregon law, Pizzicato Inc. grants leave to eligible employees who are victims of certain crimes to attend related criminal proceedings. An eligible employee is one who has worked at the company for a minimum of 25 hours per week for at least 180 days prior to the leave and is a crime victim, which is defined as an individual who has suffered financial, social, psychological or physical harm as a result of a personal felony. The company provides this leave for employees who are themselves crime victims, as well as if the crime victim is a member of the employee's immediate family. Immediate family, for purposes of crime victims leave, is defined as spouse, domestic partner, parent, sibling, child, stepchild, or grandparent. Employees may use any accrued paid time off if they choose to do so. If the employee does not elect to use accrued paid leave, the leave will be unpaid.

An employee seeking leave under this policy should provide reasonable notice and should also provide copies of any notices of scheduled criminal proceedings that the employee receives from a law enforcement agency. In certain circumstances, the company may request that the employee seek to have the prosecutor take steps to ensure that the court or agency consider the employee's work schedule when scheduling proceedings. All records maintained regarding crime victims leave are subject to applicable confidentiality laws and regulations.

Olympic Games Leave

Employees will be granted a leave of absence to an employee to compete in or train for any athletic event duly sanctioned by the national governing body for that sport as recognized by the United States Olympic Committee.

Personal Leave of Absence

Definitions & Eligibility

- A Personal Leave of Absence is defined as a temporary unpaid separation from Pizzicato Inc. of more than 14 calendar days, but fewer than 21 calendar days.
- To be eligible, an employee must have worked for Pizzicato Inc. a minimum of one continuous year and at least 1600 hours (approx. 30 hours per week) during that period.
- A written request for a personal leave must be given as far in advance as possible (at least 14 days for non-managers and at least 2 months for managers), including the length of time requested and the reason for the

leave. In an emergency (such as in the case of a family member's death) a verbal request may be made to Pizzicato Inc. management.

- All requests are subject to the approval of the employee's manager, Operations Manager, and Chief Executive Officer.
- A maximum of one personal leave is permitted per calendar year. (Exceptions will be considered on a case-by-case basis.)

Returning to Work

- It is the responsibility of the employee to inform Pizzicato Inc. management of his or her intentions to return to work and an approximate return date.
- If an employee accepts other employment while on leave, his or her employment with Pizzicato Inc. will be considered voluntarily terminated as of the last day worked or the last day the employee was provided paid leave, whichever is later.
- A position at Pizzicato Inc. is not guaranteed upon an employee's return from a Personal Leave of Absence unless otherwise required by law. However, if the employee was in good standing, reasonable efforts will be made to reinstate the employee in a position appropriate to his or her abilities and experience. Rate of pay, work schedule and number of hours are also not guaranteed, but rather will reflect the position's responsibilities and the company's needs.
- If the employee returns from a leave of absence at the appointed time, his or her hire date will be unchanged. However, the length of leave will affect the employee's 'clock' in regards to paid time off and performance/salary date.
- If an employee does not contact Pizzicato Inc. at the end of the leave period, the employee is considered voluntarily terminated as of the last day worked or the last day the employee was provided paid leave, whichever is later.

Employee Benefits During Personal Leave

- Employees are required to use PTO (if available) as part of his or her Leave of Absence.
- Pizzicato Inc. will pay for the remainder of one month of an employee's medical and dental premiums (if applicable). For any leave of absence longer than 21 calendar days, the employee is required to prepay for premiums for the remainder of the Leave. In order to remain covered by company sponsored benefit programs, prepayment of premiums is required for the length of the leave. Reinstated employees, who have elected to stop paying for benefits during their leave, but wish to re-enroll in Pizzicato Inc.'s insurance programs must re-enroll during open enrollment time (medical) or the 1st day of the month following the first 60 days of full-time work (medical or dental).
- During a personal leave of absence, discretionary company bonuses and similar incentives are forfeited without discretion.

Employee Benefits

The Company provides benefits as described in general terms below. The terms on which benefits are made available to employees are set forth in the governing plan documents. In the event of a conflict between the following descriptions and the terms of the plan documents, the plan documents will control. This handbook is not a plan document and does not create any enforceable rights with respect to benefits or otherwise. The Company reserves the right to eliminate or modify any of its benefits at any time without prior notice. Employees who have any questions regarding benefits should contact the Director of Human Resources.

I. Insurance Benefits

A. Workers' Compensation Insurance

The Company carries workers' compensation insurance coverage as required by law to protect employees injured on the job. This insurance provides coverage for certain medical, surgical, and hospital treatment in addition to payment for a portion of any lost earnings that result from work-related injuries. Compensation payments generally begin on the first day of an employee's hospitalization or on the fourth day following the injury if an employee is not hospitalized. The cost of this coverage is paid completely by the Company.

Any leave of absence due to a workplace injury runs concurrently with all other Company leaves of absence. Employees who need to miss work due to a workplace injury must also request a formal leave of absence. See the Leave of Absence sections of this handbook for more information.

The Company does not provide workers compensation benefits, or accept any liability, for any illness or injury that arises from an employee's voluntary participation in any off-duty recreational, social, or athletic activity or event that is not an expected or required as part of the employee's work-related duties. Employees who choose to participate in any such off-duty activities may be required to sign a written agreement to confirm that they are voluntarily assuming the risk of injury or illness and releasing the Company from any such liability.

B. Medical, Dental, and Vision Insurance

Health & Dental Insurance Eligibility Requirements

Full time employees are eligible to participate in group health & dental insurance programs. **An employee is eligible for insurance coverage on the first day of the month following completion of 60 days of continuous full-time work.**

Health & Dental Insurance Premiums

Premium co-payments are automatically deducted from the employee's 1st paycheck of the month immediately following enrollment and deducted from each paycheck thereafter. Please contact the main office for current premium rates.

Sign-Up Periods

Eligible employees may sign up for medical and dental coverage during their 60-day eligibility period. The other time employees may sign up for medical insurance is at Open Enrollment during the month of September. There are other qualifying events allowing employees to enroll themselves or their dependents (**Contact Human Resources within 30 days of the event**). Eligible employees may sign up for dental insurance after the initial 60-day eligibility period, but a waiting period for certain services apply. Please contact Human Resources regarding enrolling in health or dental insurance programs.

Participation

Enrollment material for the insurance program is available from the main office. Enrollment forms must be filled out completely and sent to the main office at least 3 days in advance of the 1st of the month. Employees working less than full time may not participate in either health, dental or vision insurance. If you are unsure of your eligibility, please call Human Resources.

C. Premium Payments for Employees on Leave

The Company will pay the employer's portion of premiums for continuation of Company-sponsored group health plan benefits during the first 90 days of any authorized leave. Thereafter, the employee may only continue coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and must pay the full cost of doing so.

If an employee is on an approved FMLA and/OFLA leave, the Company will permit the employee to continue coverage under Company-sponsored group health plans by paying only the amount charged to similarly situated active employees. If an employee does not return to work at the expiration of an FMLA and/or OFLA leave, regardless of whether they continued coverage during the FMLA and/or OFLA leave, they normally will be eligible to elect COBRA continuation coverage with respect to Company-sponsored group health plans, with the COBRA qualifying event normally being the expiration of the leave.

D. Conversion/Post-Employment Insurance Options

Pursuant to COBRA eligible employees and their dependents may be entitled to continue certain benefit coverage after employment with the Company ceases or certain other qualifying events occur. COBRA information is provided separately. In addition, you also can contact the Human Resources Department to obtain COBRA information.

E. Insurance Coverage Information

Eligibility requirements and further information concerning insurance coverage are fully explained in the applicable plan documents, summary plan descriptions, and any applicable summaries of material modification, available from the Human Resources Department. In all cases, however, the applicable plan document controls over any summary or other communication for purposes of determining your rights and benefits.

IV. Other Benefits

A. Shift Meal & Discount Policy

One of our company's wonderful employee benefits is our shift meals and employee discount. As well as being a benefit, enjoying a Pizzicato Inc. meal is also a privilege. The following are guidelines to Pizzicato Inc.'s shift meal and employee discount policy. Please read this policy carefully and direct questions to your manager.

On-Shift

For purposes of this policy, "on shift" is defined as working on the clock for a minimum of six hours, including unpaid meal periods during the shift. An employee meal is specifically for the employee. Employees are entitled to one shift meal and a reasonable amount of fountain drinks while working a shift at Pizzicato Inc. Employees are not permitted to consume mints at any time. We are happy to offer fountain drinks as a benefit to staff working on shift, however due to health and safety regulations and to the cost of our to-go cups, straws and lids, we ask employees to bring in their own beverage containers with lids and straws. Straws and lids **MUST** be utilized in all drink containers, including hot liquids. Occasionally we are able to supply employees with promotional plastic cups and lids and we will continue to do so when they become available. **Please note that glasses & breakable cups are not permitted in the kitchen area.**

Some menu items are not available for shift meals. Please see posting at your store for specific location rules and staff shift menu.

If the employee wishes to consume these (with the exception of beer and wine which is NEVER permitted on shift), he or she may prepay full price. **Shift meals must not be made without a ticket.**

Managers or MOD only are permitted to ring in shift meals. Managers have final approval in determining when a shift meal can be ordered and consumed. Shift meals are to be consumed in the dining areas or other designated areas (not in the dish room, behind salad, pizza lines, or any other areas where food is prepared or stored.) With manager's pre-approval, a shift meal may be taken home or eaten outside of the restaurant. Please see posting at your individual stores for specific location rules. Always ask your manager if you have questions regarding specific items available for shift meals.

Off Shift

The off-shift employee discount for Pizzicato employees is 40%.

Employee discounts do not apply to deliveries. For take-out orders, employee must be present when picking up the order. Any exceptions must be pre-approved by the store's manager on duty. This discount applies to the employee and one guest. Employees are not allowed to purchase any alcoholic beverages.

If you do not know the staff member ringing in your order, you may be asked to present a picture ID or current Pizzicato Inc. paycheck/stub to the manager on duty or shift leader.

When employees are on vacation, they may continue to enjoy the off shift staff discount. Same rules stated above apply.

Pizzicato Inc. shareholders are entitled to meal discounts and are subject to this discount policy. Please consult with your manager for questions.



ACKNOWLEDGMENT OF RECEIPT OF HANDBOOK

PLEASE READ THE EMPLOYEE HANDBOOK AND FILL OUT AND RETURN THIS PORTION TO THE HUMAN RESOURCES DEPARTMENT WITHIN ONE WEEK OF EMPLOYMENT.

Employee Name: _____

I acknowledge that I have received a copy of the Company's Employee Handbook. I understand that I am responsible for reading the Handbook and for knowing and complying with the policies set forth in the Handbook during my employment with the Company.

I further understand, however, that the guidelines contained in the Handbook are guidelines only and are not intended to create any contractual rights or obligations, express or implied, and shall not be construed to create any type of right to a "fair procedure" prior to termination or other disciplinary action. I also understand that, except for the Company's at-will employment policy, the Company may amend, interpret, modify, or withdraw any of the provisions of the Handbook at any time in its sole discretion, with or without notice. Furthermore, I understand that, because the Company cannot anticipate every issue that may arise during my employment, if I have any questions regarding any of the Company's guidelines or procedures, I should consult the Company's Human Resources Department.

I understand and agree that my relationship with the Company is "at-will," which means that my employment is for no definite period and may be terminated by me or by the Company at any time and for any reason, with or without cause or advance notice. I also understand that the Company may demote or discipline me or otherwise alter the terms of my employment at any time at its sole discretion, with or without cause or advance notice.

I understand and agree that the terms of this Acknowledgment may not be modified or superseded except by a written agreement signed by the President of the Company, that no other employee or representative of the Company has the authority to enter into any such agreement, and that any agreement to employ me for any specified period of time or that is otherwise inconsistent with the terms of this Acknowledgment will be unenforceable unless in writing and signed by the President of the Company. I further understand and agree that if the terms of this Acknowledgment are inconsistent with any guideline or practice of the Company now or in the future, the terms of this Acknowledgment shall control.

Finally, I understand and agree that this Acknowledgment contains a full and complete statement of the agreements and understandings that it recites, that no one has made any promises or commitments to me contrary to the foregoing, and that this Acknowledgment supersedes all previous agreements, whether written or oral, express or implied, relating to the subjects covered in this Acknowledgment.

I have carefully read this Acknowledgement of Receipt.

Date: _____

Signed: _____

PIZZICATO

Photo Consent Form

Pizzicato Inc.'s best advertising comes from our fantastic reputation for consistently serving great food by the most wonderful employees a company could wish for. Occasionally, we employ the use of print advertising to continue to compete in the restaurant industry as well as keeping our customers informed about newly opened locations, new menu items, featured food and beverage items, and other promotional information.

Pizzicato Inc.'s websites are another form of advertising frequented by Pizzicato Inc.'s loyal customers as well as new customers. Photographs of our locations, menu offerings, customers and employees appear on our website, email campaigns and postcard campaigns. Please call the corporate office if you have any questions or concerns about this consent.

I, _____, consent that photographs of my image may be utilized by Pizzicato Inc. to promote its restaurants in print or web-based advertisement campaigns. I understand that the photograph(s) become the property of Pizzicato Inc.

I understand that if, in the future, I do not wish my image to be used for such purposes I must make this request in writing.

Employee Signature

Print Name

Date

Note to Manager: If employee does not wish to sign this form, please note it here and report to Office.

