



Healthcare Management
Composite, Inc.

Employee Handbook

EFFECTIVE JANUARY 1, 2010

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Welcome

Welcome to the staff of Healthcare Management Composite Inc., or often called "H.M. Composite." You have been selected because of your background, skills, and willingness to serve the elderly and other special populations. H.M. Composite is one of the largest employers of dietitians in California. Our corporate office is located in Sacramento, California. We expect that your association with H.M. Composite will be mutually beneficial and provide many opportunities for professional growth.

It is the practice of H.M. Composite to develop a spirit of teamwork with individuals working together to attain common goals. In order to maintain an atmosphere in which goals can be reached, we attempt to provide a work environment which is comfortable and progressive. We firmly believe that by communicating with each other directly, we can resolve problems that may arise and develop mutually beneficial and respectful relationships.

You are part of a professional legacy of Registered Dietitians serving healthcare facilities that began over three decades ago and has employed more than four hundred Registered Dietitians. We value all staff as member of the HM Composite team.

Cordially,

Lee Tincher M.S., R.D.
President

HEALTHCARE MANAGEMENT COMPOSITE, INC. MISSION STATEMENT

Our Mission is to be the preferred employer of Registered Dietitians and the preferred contractor for Registered Dietitian Consultants in healthcare facilities and retirement home through:

- Application of scientifically validated nutrition practice
- Individualized nutrition interventions with emphasis on the enjoyment of eating
- Embracing and teaching sound food service management techniques
- Providing the highest quality dietary management materials, manuals, and forms
- Supporting dietary supervisors and workers through training and leadership
- Collaboration with other healthcare professionals
- Embracing sensible applications of technology
- Maintaining the highest standards of ethical practice and business relationships

History of H.M. Composite

Victoria Major M.A., R.D., began dietary consultation in 1967, when federal regulations required nursing homes to have a dietitian supervise food services. By 1969 Victoria personally managed 16 accounts. She became a registered dietitian in 1971.

In 1974, Victoria met Jane Harmer M.A., R.D., also a consultant dietitian. After participating in some joint dietitian projects they decided to form a partnership in 1976. They started with 18 clients and lots of enthusiasm. HM Composite was called The H.M. Composite. The "H" was for Harmer, the "M" for Major, and "Composite" meant "two heads are better than one."

Jane and Victoria worked diligently to develop menus and other management tools. As leaders in a new field, they were often asked to speak at meetings and conventions. In 1979 Jane Harmer took a position with SYSCO. Victoria continued with the growing and challenging business. HM Composite incorporated in October 1985 and it was renamed Healthcare Management Composite Inc., which was more appropriate, yet did not change a well respected and recognized name. Most clients still refer to HM Composite simply as "H.M. Composite" or "HMC." During the early 1980's Lee Tincher, M.S., R.D. joined H.M. Composite as Vice President of Operations and then later returned to HMC after positions as corporate dietitian for national skilled nursing facility operators.

In July of 1987 Jane Harmer re-joined H.M. Composite as Vice President. Jane was responsible for marketing and sales for HM Composite. She was also a resource dietitian on purchasing and vendor-facility relations until her retirement in 2000.

H.M. Composite is comprised of several separate yet related services. The first is the Dietary Management Materials Service, which includes seasonal therapeutic menus, ordering guides, recipes, and in-service materials. This product line is constantly updated and expanded. Secondly, H.M. Composite provides registered dietitians to provide consultation to long and short term care facilities. Thirdly, we have the ability to assist facilities in highly specialized areas such as departmental management, kitchen design and clinical challenges. We also have a chef dietitian on our staff.

H.M. Composite is another Silicon Valley business that began on the dining room table. It is now a successful and thriving national company serving hundreds of facilities, employing a staff of approximately 90 consultant dietitians, and serving facilities from Eureka to San Diego. Written dietary materials serve more than 25,000 residents across the United States.

In 2003, Lee Tincher, M.S., R.D., with over twenty-five years of long term care dietetic experience, assumed the role of President of H.M. Composite. The office is now located in Sacramento, California and is available for professional Registered Dietitian consultation throughout California and menu services nationally.

H.M. Composite Contact Information

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Introductory Policies:

Equal Employment Opportunity

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

H.M. Composite has made the commitment to comply with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operation and management of HM Composite, and prohibits unlawful discrimination by any employee of HM Composite.

HM Composite will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee, unless undue hardship would result.

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

If you believe you have been subjected to any form of unlawful discrimination, you should submit a written complaint to your supervisor. Your complaint should be specific and should include the name(s) of the individual(s) involved and the names of any witness(es). HM Composite will immediately undertake an effective, thorough, and objective investigation and attempt to resolve the situation.

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

Right to Revise

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

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

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

This handbook sets forth the entire agreement between you and H.M. Composite as to the duration of employment and the circumstances under which employment may be terminated. Nothing in this employee handbook or in any other personnel document, including benefit plan descriptions, creates or is intended to create a promise of length of employment as employment remains at-will at all times.

At-Will Employment Status

All employees of H.M. Composite are hired on an employment at-will basis. Employment at-will may be terminated with or without cause and with or without notice at any time by the employee or HM Composite. Nothing in this handbook shall limit the right to terminate at-will employment. Managers, supervisors, or employees of HM Composite do not have any authority to enter into an agreement for employment for any specified period of time, or to make an agreement for employment on other than at-will terms. Only the President of H.M. Composite has the authority to make any such agreement, which is valid only if the agreement is in written form.

Open-Door Policy

At some time during your employment, you may have a complaint, suggestion, or question about your job, your working conditions, or the treatment you are receiving. Your good-faith complaints, questions, and suggestions are of concern to HM Composite. We ask you to use the following steps to resolve your concern or complaint:

- Within a week of the occurrence, bring the situation to the attention of your immediate supervisor, who will then investigate and work to provide a solution or explanation;
- If the problem persists, you may describe it in writing and present it to the HR Director, who will investigate and work to provide a solution or explanation. We encourage you to bring the matter to the HR Director as soon as possible after you believe that your immediate supervisor has failed to resolve your situation;
- If the problem remains unresolved, you may present the problem in writing to the President of HM Composite, who will attempt to reach a final resolution.

We believe this process is the best way to resolve issues and/or complaints, and although we cannot guarantee that every problem will be resolved to your satisfaction, it is our goal to resolve matters as quickly as possible, whenever possible. H.M. Composite values your observations and you should feel free to raise issues of concern, in good faith, without the fear of retaliation.

External Dispute Resolution

Occasionally, disputes may require resolution through a more formal proceeding. Traditionally, this proceeding has been conducted through our court system. However, our court system too often has proven to be an exceedingly costly and time consuming process. In an effort to provide a more efficient and satisfactory process for resolving disputes, H.M. Composite has adopted an alternative dispute resolution process to be used to resolve most employment related disputes.

Examples of the types of disputes that are to be submitted to mediation and arbitration include, but are not limited to: discrimination or harassment on the basis of marital status, religion, race, color, creed, sex, age, national origin or ancestry, physical or mental disability, sexual orientation, Vietnam era or disabled veteran status, military service, claims of breach of promise (oral, written or implied), violation of public policy, retaliation, defamation, and any other claim of illegality or breach of any legal right asserted in connection with employee's relationship with HM Composite. Mediation and/or arbitration would not be applicable to workers' compensation claims, claims involving unemployment insurance benefits, any claim for benefits under a plan document which provides for its own arbitration procedure, or any other claims disallowed by law.

The dispute resolution process begins with mediation, which is a process in which the parties are assisted by a neutral mediator who helps them to negotiate a settlement to their dispute. Mediation is a non-binding procedure because the mediator has no power to bind the parties to any particular resolution of their dispute without their consent. However, once an agreement has been reached and documented, that agreement is legally binding on the parties and can be enforced by courts of law, pursuant to California Code of Evidence § 1119.

Once mediation and/or arbitration is requested in writing by either party, anything said or written during the mediation (except for an oral or written agreement by the parties resolving the dispute) will remain confidential and privileged, unless the parties authorize disclosure, or the disclosure is authorized by law. Although not required, both parties may be represented during the mediation by an attorney at their own expense. The mediator's fee will be paid for by H.M. Composite.

Either the employee or the employer may request mediation, and when requested, both parties are obligated to agree to a mediator to assist with the dispute. Once the mediator is selected both parties will be obligated to meet with the mediator who will provide neutral assistance to resolve the dispute. If the meeting with the mediator is not productive in solving the dispute within a reasonable time frame, which is

generally limited to a four (4) hour meeting, either party who participated in the mediation may request that the dispute be referred to arbitration.

The next step, once requested, is arbitration, which can provide for a quick and cost effective method of resolving the dispute. The decision of an arbitrator is then binding on both parties. In the arbitration process, a neutral arbitrator is selected and guided by the rules and procedures of the then current Employment Dispute Resolution Rules of the American Arbitration Association (AAA), as well as the California Arbitrations Act (California Code of Civil Procedure Section 1280.)

Arbitration is initiated by a written demand from one party to the other after mediation had been unsuccessful. The parties are required to cooperate with one another in selecting an arbitrator from a panel of experienced, neutral arbitrators of the American Arbitration Association or any other source mutually agreed upon by the parties.

During the arbitration process, similar to a formal court procedure, either party may be represented by an attorney, and are entitled to the discovery process. The arbitration process concludes with a signed and dated written opinion from the neutral arbitrator, which is binding on both parties, and enforceable by the court system. The arbitrator shall award only those remedies which are either authorized by law, and/or requested by the parties and/or to which the arbitrator determines to be supported by credible, relevant evidence.

Unless otherwise provided by law, the parties will be responsible for their own attorney's fees and expenses. The cost of the arbitrator will be paid for by H.M. Composite. The party who initiates an arbitration request will pay the filing fee, if any, charged by the American Arbitration Association. However, the amount of the filing fee the employee is required to pay shall not exceed filing fees charged by state or federal courts for the county where the arbitration will be held. In determining the award, the arbitrator will apply the applicable law, including relevant statutes and statutes of limitations, allocation of burdens of proof as well as substantive law such as at-will employment, to the facts found at arbitration.

Upon employment with H.M. Composite, Inc, employees are asked to sign an agreement to submit all employment related complaints which they have been unable to resolve directly with HM Composite to mediation and if necessary, binding arbitration. By signing an arbitration agreement, both the employee and H.M. Composite are agreeing to forego their rights to a jury trial through the court system, and agreeing to resolve all complaints through mediation and/or arbitration.

Employment Policies

Employee Files

It is of utmost importance to both employees and HM Composite that all employee files be maintained with current information at all times. Should you have a change in any of your information, please update your employee file by notifying the HR Director immediately, as this information may affect benefit eligibility as well as HM Composite's ability to reach you or your emergency contact person.

Each employee has the right to inspect documents in their personal employee file in the presence of a company representative. Additionally, employees are entitled to request a copy of any document which they have signed during their employment with H.M. Composite.

HM Composite restricts access to employee files to authorized individuals. Disclosure of employee confidential information to outside sources will be limited to that which is required by law, State or Federal agencies, law enforcement or as otherwise required by legal process.

Employment Classifications

At the time of employment, all employees will be assigned an employment classification that will be subject to change from time to time. In addition to your employment classification you will also fall into one of the employment classifications listed below:

1. **EXEMPT** – This classification is reserved for those employees who meet the State and Federal requirements, and as such are not subject to provisions of the law pertaining to payment of overtime and meal period requirements. These employees receive a fixed compensation per pay period that takes into consideration the need for them to work as many hours as may be required to complete the job duties of the position to which they are assigned.
2. **NON-EXEMPT** – This classification pertains to all other employees, who are eligible under State and Federal law to receive overtime compensation, and who receive regular rest and meal periods.

FULL TIME EMPLOYEES: Regular full-time employees are those who are regularly scheduled to work a minimum of 120 hours per month. Full time employees are eligible for all employee benefits described in this handbook, provided they have met the applicable eligibility requirements as outlined in the benefits section of the handbook.

PART TIME EMPLOYEES: Part-time employees are those who are regularly scheduled to work fewer than 120 hours per month. Part-time employees are eligible for some but not all of the benefits outlined in the employee handbook, provided they have met the applicable eligibility

requirements as outlined in the benefits section of the handbook.

PER DIEM EMPLOYEES: Per Diem employees are scheduled to work on an as needed basis. Per Diem employees are not eligible for benefits outlined in the handbook, except as required by State and/or Federal law.

Employment of Relatives

H.M. Composite may refuse to hire relatives of present employees if doing so could result in actual or potential problems in supervision, security, safety, or morale, or if doing so could create potential conflicts of interest. HM Composite defines “relatives” as spouses, registered domestic partners, children, siblings, parents, in-laws, and step-relatives.

If two employees marry, become registered domestic partners, or become related, causing actual or potential problems such as those described above, only one of the employees will be retained with HM Composite, unless reasonable accommodations can be made to eliminate the actual or potential problems. The employees will have 30 days to decide which relative will stay with HM Composite. If this decision is not made within the time allowed, the President of H.M. Composite will make the decision, taking the employment history and job performance of both employees into account.

Job Duties

At the beginning of your employment, your supervisor will explain your job responsibilities and the performance standards expected of you. Be aware that your job responsibilities may change at any time during your employment. From time to time, you may be asked to work on special projects, or to assist with other work necessary or important to meet the needs of our clients, as well as our company operations. Your cooperation and assistance in performing such additional work is expected. H.M. Composite reserves the right, at any time, with or without notice, to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities.

Work Schedules

H.M. Composite corporate office is normally open for business between the hours of 8:00 am. to 5:00 pm, Monday thru Friday. Staff working in the field will have schedules to meet the needs of HM Composite’s client and may change for a variety of reasons. Your supervisor will assign your individual work schedule. Consultation at client facilities is generally provided between 7am to 7pm on weekdays. Providing consultation outside of these hours and/or weekends or holidays must be approved in advance by both your supervisor and your facility

Exchanging work schedules with other employees must be approved in advance by your supervisor.

Punctuality and Attendance

All employees are expected to be punctual and regular in attendance. Tardiness and/or absence have an adverse effect on the service we provide our clients.

Employees are expected to report to work on time as scheduled. We expect all employees to be prepared to start work at the beginning of their assigned work shift. Employees are expected to remain at work for their entire work schedule, except for meal periods or when required to leave on authorized Company business. Late arrival, early departure, or other unanticipated and unapproved absences from scheduled hours are disruptive and must be avoided.

If you are unable to report for work or will be delayed on any particular day, you are expected to call your supervisor at least one hour before the time you are scheduled to begin working for that day. Employee will also notify contact person at assigned client facility. Employees are asked to provide their supervisor with an honest reason or explanation. Employees must also inform their supervisor of the expected duration of any absence. Do not have a relative or friend call in to report your absence, unless you are unable to call yourself due to a medical or other emergency.

Excessive absenteeism or tardiness, whether excused or not, will not be tolerated.

If you fail to report for work without any notification to your supervisor and your absence continues for a period of any three days HM Composite will consider that you have abandoned your employment, and accept this as your voluntary resignation of employment.

Meal and Rest Periods

Non-exempt employees are provided with a 30-minute meal period, to be taken approximately in the middle of the workday. Meal periods may not be shorted to less than 30 minutes. Your 30 minute meal periods must be documented on your timecard. Employees are allowed a 10-minute rest period for every four hours of work or major portion thereof but this is not documented on your timecard.

Employees may not leave their assigned work location during their 10 minute rest period, however, employees may leave the premises during their meal period.

HM Composite will assume that all employees have taken their required rest and meal periods. If your work schedule prevents you from taking your rest or meal periods, you are required to notify your supervisor so that arrangements can be made to ensure you are able to take the breaks.

Overtime for Non-Exempt Employees

Non-exempt employees may be required to work overtime as necessary to provide service for our clients. Only actual hours worked in a given workday or workweek can apply in calculating overtime. H.M. Composite will attempt to distribute overtime evenly

and accommodate individual schedules. All overtime work must be approved by your supervisor in advance. H.M. Composite provides compensation for all overtime hours worked by non-exempt employees in accordance with state and federal law as follows:

- All hours worked in excess of eight hours in one workday or 40 hours in one workweek will be treated as overtime.
- Compensation for hours in excess of 40 for the workweek, or in excess of eight and not more than 12 for the workday, and for the first eight hours on the seventh consecutive day of work in one workweek, shall be paid at a rate one and one-half times the employee's regular rate of pay;
- Compensation for hours in excess of 12 in one workday and in excess of eight on the seventh consecutive workday in a workweek shall be paid at double the regular rate of pay; and

Exempt employees will be expected to work as many hours as may be required to meet the requirements of their job, which may exceed 40 hours in any given week. Exempt employees are not eligible for overtime compensation or compensating time off.

Reporting Pay

H.M. Composite will pay employees for half of the regularly scheduled workday (but not less than 2 hours) if employee reports to work as scheduled but no work is available, and the employee is sent home.

Emergency Shut Down

H.M. Composite will not pay employees for reporting under the following circumstances:

- Interruption of work because of the failure of any or all public utilities; or
- Interruption of work because of natural causes such a severe weather, acts of nature or other circumstances beyond HM Composite or clients' control.

Inclement Weather/Natural Disasters

In the event of severe weather or a natural disaster that prevents employees from safely traveling to and from work, the following leave policies will apply:

- **Inclement weather:** Conditions that excuse absence from work include:, snow, road closure, heavy rain, or severe flooding. If weather conditions prevent you from safely traveling to work, you must notify your supervisor by phone, if telephone service is functional, or by any other available means.
- **Natural disasters:** In the event of a natural disaster such as earthquake, fire, or explosion, the office will be closed if the building is damaged or highways leading to the office are damaged. For instructions on reporting to another location, contact the office immediately, if possible.

Furlough

Under certain financial circumstances, H.M. Composite may implement a furlough program for some or all employees in an effort to reduce payroll costs and to avoid the need to layoff positions. This process will be implemented by the POSITION with the approval of the Board of Directors as a fiscally necessary step to balance budget requirements and avoid complete job loss for employees when possible.

When necessary, the President of the Company will determine the extent to which the furlough will affect employees. The President will determine which employees will be affected by the furlough, based on reductions in work hours for all full time employees when necessary. However, in some circumstances the furlough may affect only specific departments. Part time employees are not subject to furlough, but instead are subject to fluctuation of assigned work hours at the sole discretion of the Company.

Furloughs will typically be implemented in one (1) day increments, during which time all affected employees will be relieved of all work duties, and required to take the time off without compensation. Employees who have PTO time available may use such time in lieu of taking the furlough time off without pay.

The Company will determine the number of days of furlough for each employee per week and or month. When possible, the Company will provide at least one (1) week of advance notice to employees who will be affected by a furlough. Additionally, the Company will schedule the individual employee furloughs in a manner to best meet the coverage and operational needs of the Company. Furloughs may or may not be scheduled in a manner that all affected employees have the same furlough day each week, and/or month. Scheduling of work time remains at the Company's discretion at all times.

Timekeeping Requirements

All non-exempt employees are required to record their time worked for payroll purposes. Employees must record their own time at the start and at the end of each work period, including recording the beginning and the end of each meal period. Employees must also record their time whenever they leave their assigned work facility for any reason other than Company business.

Recording another employee's time, allowing another employee to record your time, or altering a time record is not permitted and may result in disciplinary action up to and including immediate termination of employment. Any errors on your timecard should be reported immediately to your supervisor.

All time records are electronically signed by the employee and submitted to the HR Director for approval at the end of each pay period. Time records submitted electronically are "signed" by clicking on the confirmation and submit button. In order to receive your paycheck on time, all pay records are due timely as per company procedure. Any time record submitted after this deadline will result in a delay of the employee's paycheck. Newly hired employees who fail to complete their employment paperwork timely may experience a delay in receiving their paycheck.

Payment of Wages

Paydays are scheduled on the 10th and 25th of every month. Pay on the 10th of the month represents payment for hours worked from the 16th to the last day of the prior month. Pay on the 25th of the month represents payment for hours worked from the 1st to the 15th of the month.

If a regular payday falls on a weekend or holiday, employees will be paid on the last day of work prior to the regularly scheduled payday.

Paychecks are normally available by 5:00 p.m. on the designated payday. If you observe an error on your check, please report it immediately to your supervisor. For the convenience of all employees, HM Composite offers direct deposit of payroll funds.

Pay for Mandatory Meetings/Training

H.M. Composite will pay non-exempt employees for their attendance at meetings, lectures, and training programs when attendance at the meeting is considered mandatory by HM Composite.

Employees may be required to travel to meetings, lectures and training programs. If the employee is required to travel beyond their established commute distance, the employee will be paid for the additional travel time at their regular rate of pay. Additionally, the employee will be reimbursed for all miles driven on their personal vehicle in excess of their established commute distance at the current IRS approved rate per mile.

Loans and Payroll Advances

HM Composite does NOT make loans to employees of un-earned wages, accrued PTO time, or any other form of monetary loans or advances. H.M. Composite reserves the right to make an exception to this policy in the event of a dire emergency situation at the sole discretion of HM Composite.

Garnishments

H.M. Composite will honor any garnishment, assignment or levy properly served on HM Composite for any active employee. HM Composite does not have the ability to modify, rescind, or otherwise alter any such requirement to deduct from an employee's paycheck. HM Composite also reserves the right to charge the employee any administrative fee allowed by the garnishment, assignment or levy for each pay period in which HM Composite must process the deduction.

Inspection of Payroll Records

All employee as well as former employees have the right to inspect payroll records pertaining to their employment with H.M. Composite, as well as to request copies of the records. Requests should be submitted to the HR Director in writing. HM Composite will

comply with the request in a timely manner, always within 21 business days. Employees or former employees who request copies of their payroll records will be charged for the cost of the actual copies.

Performance

Performance Reviews

The first 90 days of your employment at H.M. Composite is used to familiarize you with your new job duties, as well as for HM Composite to assess your ability within the job. During this time you will learn your responsibilities, get acquainted with your assigned facilities, and determine whether or not you are happy with your job. Your supervisor will closely monitor your performance during this time.

HM Composite will provide an informal review of your performance after the completion of this 90 day period. At that time, your supervisor may express suggestions to improve your performance and or the manner in which you have acclimated to HM Composite. However, you are encouraged to have frequent dialog with your supervisor about your performance on the job at all times during your employment. Your employment remains at-will at all times.

Following the initial 90-day informal evaluation, employees should expect to receive performance reviews on an annual basis on or around the anniversary of employment. The frequency of performance evaluations may vary depending upon length of service, job position, past performance, changes in job duties, or recurring performance problems.

Your performance evaluations may review factors such as the quality and quantity of the work you perform, your knowledge of the job, your initiative, your work attitude, and your attitude toward others. The performance evaluations are intended to make you aware of your progress, areas for improvement, and objectives or goals for future work performance.

Favorable performance evaluations do not guarantee increases in your rate of compensation. Compensation increases and promotions are solely within the discretion of H.M. Composite and depend upon many factors in addition to performance. After the review, you will be asked to sign the evaluation report simply to acknowledge that it has been presented to you, that you have discussed it with your supervisor, and that you are aware of its contents.

Corrective Action

H.M. Composite has very high expectations for all employee performance as we feel this is what continues to enable us to provide exceptional service to our clients. Every effort will be made to outline the duties and responsibility of each employee's job responsibilities. When an employee is not performing to HM Composite's expectations, our policy is take corrective measures to enable the employee to improve their performance to an acceptable level.

Corrective action will be tailored to the specific improvement needs of each employee in each situation. We do not maintain a set order for discipline or corrective action. Many

times improvement may be achieved with minimal corrective action, and at other times, the severity of the infraction or lack of performance may call for immediate termination of employment. H.M. Composite reserves the right to determine the appropriate action to be taken on a case by case basis, and may result in termination of employment when appropriate. Employees whose employment is terminated for misconduct or a violation of Company policy will not be eligible for re-hire.

Our policy on corrective action does not limit or alter the at-will employment relationship with employees.

Voluntary Termination

Although we hope that you will decide to stay with H.M. Composite, and that you will find your employment both challenging and rewarding, we recognize that from time to time employees must leave HM Composite. If you decide to leave, we ask that you provide HM Composite with a 30 day notice to enable us to find and train a replacement. The notice you give HM Composite will be noted in your employee file and taken into consideration in all requests for references or requests to be re-hired by HM Composite.

For the purposes of our policies we will consider that you have voluntarily resigned your employment in any of the following situations:

1. You tender your resignation;
2. You fail to return to work at the conclusion of any approved leave of absence;
3. You walk off the job during any work shift without approval;
4. You fail to call or report for work for any three (3) days that you are scheduled to work.

Upon termination with HM Composite all HM Composite-owned property, including written materials, proprietary documents, keys, uniforms and/ or lab coats, identification badges, and credit cards, must be returned immediately. We also request a written letter of resignation. As a professional courtesy, we request departing staff not discuss your termination with our clients at the facility level until Senior Management has had an opportunity to discuss your departure with them first. On your last day of actual work, submit your timecard to HM Composite. Your final pay check will include any PTO you have accrued.

Severance Pay

H.M. Composite does not maintain a severance pay policy, nor provide severance pay to employees leaving HM Composite. However, HM Composite reserves the right to make exceptions to this policy on a case by case basis at the sole discretion of the President.

Re-Hire Re-instatement

H.M. Composite will give credit to employees previously employed by HM Composite, provided the break in service does not exceed 90 days. The break in service time will be deducted from the employee's original service date for purposes of the following:

- Seniority date
- PTO accrual
- SIMPLE 401(k) eligibility and if applicable, benefit vesting

Employees whose break in service is less than the 90-day waiting period for health benefits will be reinstated into the health benefit plan in which they were enrolled prior to their termination.

Employee References

All requests for references must be directed to the HR Director. No other manager, supervisor, or employee is authorized to release references for current or former employees.

All requests for verification of employment or references must be received in writing along with the applicable employee's signature authorizing the release of information. In keeping with Company policy, we will only disclose the dates of employment and the title of the last position held of former employees.

For employees, or former employees who wish to provide an additional authorization, HM Composite will also disclose information about your rate of compensation with HM Composite.

General Employment Policies

Business Expenses

H.M. Composite reimburses employees for business use of their personal vehicle at the current IRS rate per mile. Employees must submit of the mileage, bridge tolls, parking as well as the business need for the mileage with the monthly time card.

HM Composite will also reimburse employees for approved business expenses when submitted with the monthly time card. Employees who have expense accounts, or who have incurred business expenses, must submit original itemized receipts along with the monthly timecard to be reimbursed timely for each month.

If you have any questions about HM Composite's expense reimbursement policy, contact the HR Director.

Dress Code and Other Personal Standards

Employees are expected to wear clothing appropriate for the nature of our business and the type of work performed for our clients. Clothing should be neat, clean and tasteful. Avoid clothing that can create a safety hazard. Supervisors may issue more specific guidelines. Registered Dietitians are encouraged to wear a white lab coat while on duty at client sites. Some clients may require a white lab coat be worn. Check with your supervisor.

Because each employee is a representative of H.M. Composite in the eyes of the public, each employee must report to work properly groomed and wearing appropriate clothing. Hair must be of a human color and all employees should practice good personal hygiene. Employees who report to work inappropriately dressed may be asked to leave and return in acceptable attire. This time away from work will be without pay.

Acceptable clothing for office employees includes suits, dress shirts, slacks, blouses and sweaters with skirts or dress slacks or dresses. Jeans, T-shirts, tank or halter tops, and casual shoes or sandals are permitted for office employees. All clothing should be clean and without rips or holes, or any offensive words or graphics.

H.M. Composite will not allow employees to wear cut-off shorts, "very short" shorts, tops that do not cover the midriff or stomach, "see through" clothing, or any other articles or clothing that would be considered unprofessional. For employee safety, closed toe and heel shoes are required while in client facilities, but especially in kitchens.

Employee Property

An employee's personal property that is on Company or client property, including but not limited to items placed in desks, work stations, lockers, packages, purses, and backpacks, may be inspected with or without prior notification, or the employee's consent. Company and/or client property may not be removed from the premises

without specific prior authorization from HM Composite or the client.

Any item that an employee does not wish to be discovered by HM Composite or our client should not be brought to work. HM Composite will not be responsible for the loss or theft of employee's personal property that is in the workplace, which includes all areas of the building, the parking lot, as well as other areas on Company and client grounds. Employees therefore should not bring items of value to work, or leave such items of value in their car on company or client property. All areas within HM Composite and client grounds are subject to search and inspection at any time by HM Composite or the client, with or without prior notice or consent.

At the time you leave HM Composite due to voluntary or involuntary termination, you should remove all personal items from HM Composite and client premises. Any personal items left in the workplace after you leave HM Composite will be disposed of promptly.

Computer and Electronic Media

H.M. Composite has made a significant investment in the computers as well as the electronic media used in the day to day operation of the business. These tools are provided solely for business use, and therefore may not be used for personal use without the expressed permission of HM Composite.

Voice mail and email are to be used exclusively for Company business. Neither voice mail or email may be used for the transmission, forwarding of or dissemination of any form of sexually explicit materials, jokes, commercial ventures, religious or political causes, the making of a threats, soliciting in any manner, or other prohibited activity. As Company property, HM Composite has the right to search, maintain a permanent record of, listen to, or view any materials placed, transmitted or otherwise recorded on Company systems. **THE EMPLOYEE SHOULD HAVE NO EXPECTATION TO PRIVACY** with any items associated with HM Composite equipment or systems.

Employees are specifically prohibited from sharing passwords, personal codes, or other identifiers used in conjunction with Company systems and equipment. HM Composite reserves the right to change any such passwords, personal codes and/or identifiers as they see a need, with or without prior notice to the employee(s). Access to the internet is restricted to business use only; violations of this policy may result in the removal of internet access at the sole discretion of HM Composite.

Employees may not load personal software on company computer systems at any time without the specific approval of HM Composite. Employees may not load Instant Messenger or other social networking software on Company computers.

Additionally, the following activities are prohibited on any Company systems:

- Loading, creating or accessing personal websites;
- Loading, creating or accessing social networking websites such as Facebook, MySpace, LinkedIn, Twitter, YouTube, etc. for non work related matters;

- Participating in, creating, promoting, or otherwise engaging in blogs, chat rooms, or other diary type communication not directly related to and approved by HM Composite for the direct conduct of Company business;
- Discussing Company information, or making any form of negative or disparaging comments about HM Composite on any written or other form of electronic social networking forum;
- Transmitting, retrieving, archiving, or otherwise storing messages or images of an offensive, hostile, discriminatory, off color nature, or any item containing any form of sexual content that is inappropriate in HM Composite environment;
- Using HM Composite computer systems to send confidential, proprietary, or copyrighted Company information without the specific permission of HM Composite.

Violations of this policy will result in disciplinary action, up to and including immediate termination of employment, as well as possible prosecution by State and/or Federal law enforcement. HM Composite will refer all illegal activity in this area to the appropriate law enforcement agencies for prosecution. HM Composite cannot and will not ensure confidentiality to any person violating this Company policy.

Surveillance

HM Composite and/or clients may utilize a variety of forms of surveillance to safeguard both employee safety as well as to the safeguard HM Composite or client's assets. Employees should therefore be aware that they could be subject to surveillance at any time, with or without advance notice.

HM Composite, as well as HM Composite's clients, reserves the right to modify any and all surveillance practices at any time with or without prior notice to employees.

Cell Phone Usage

Personal cell phones are to be placed in the silent mode during work hours. Business related voice and text messages received must be returned and/or answered by the end of each business day. Personal voice and text messages may be returned during the employee's rest and meal periods except in the case of an emergency.

Employees who drive in the course of their job duties may not talk on a cell phone while driving unless they are utilizing a hands free headset or device that enables them to keep both hands on the steering wheel while talking on the phone. Employee may not send or receive text messages, emails or other forms of written communications on cell phone, PDA, or electronic device while operating a vehicle on Company time.

H.M. Composite prohibits the use of a camera, video, or audio recording device on both Company and client property without the expressed permission of H.M. Composite. This includes the use of such features on a cell phone.

Confidentiality

Each employee is responsible for safeguarding the confidential information obtained during employment. In the course of your work, you may have access to confidential information regarding H.M. Composite, its clients, the client's patients, or perhaps even fellow employees. You have a responsibility to prevent unauthorized disclosure of any such information unless it is necessary for you to do so in the performance of your duties. HM Composite considers the following items confidential:

Client lists	Service pricing	Profit margin information
Vendor pricing	Pending proposals	Password or codes
Compensation data	Employee information	Company policies
Trade Secrets	Proprietary property	Company phone lists
Financial data	Staff Website Content	
Any information covered under HIPPA Personal Health Information		

Access to confidential information should be on a "need-to-know" basis and must be authorized by your supervisor. If you are asked to divulge information that you believe to be confidential to any person with whom you are not comfortable sharing the information, you should not divulge the information, and refer the request to your supervisor. Any breach of this policy will not be tolerated and legal action may be taken by HM Composite.

Customer Relations

Employees are expected to be polite, courteous, prompt, and attentive to every client and client's patients at all times. When an employee encounters an uncomfortable situation that he or she does not feel capable of handling, they should ask for assistance from another employee or their supervisor.

With our business we must all remember that our clients and their patients always come first. Our clients ultimately pay all of our wages.

Clients and their patients are to be treated courteously and given proper attention at all times. Never regard a client's question or concern as an interruption or an annoyance.

Never argue with a client, or keep a client waiting while completing other business. If you are unable to provide adequate assistance, find someone else who is able to assist them.

All correspondence and documents must be neatly prepared and error-free. Attention to accuracy and detail in all paperwork demonstrates your commitment to those with whom we do business.

Employees Who Are Required to Drive

Employees who are required to drive their own vehicles on Company business will be required to show proof of current valid driving license and current effective insurance coverage acceptable to HM Composite before the first day of employment.

H.M. Composite participates in a system that regularly checks state Department of Motor Vehicles (DMV) records of all employees who drive as part of their job.

H.M. Composite retains the right to transfer to an alternative position, suspend, or terminate an employee who is required to drive in the course of their job duties if their license is revoked, or if they fail to maintain personal automobile insurance coverage.

Health and Safety

All employees are responsible for their own safety, as well as that of others in the workplace. To help us maintain a safe workplace, everyone must be safety-conscious at all times. Employees must report all work-related injuries or illnesses immediately to their supervisor or to the HR Director. In compliance with California law, and to promote the concept of a safe workplace, H.M. Composite maintains an Injury and Illness Prevention Program. The Injury and Illness Prevention Program is available for review by employees by making an appointment to do so with the HR Director.

In compliance with Proposition 65, H.M. Composite will inform employees of any known exposure to a chemical known to cause cancer or reproductive toxicity.

Recreational Activities and Programs

H.M. Composite or its insurer will not be liable for payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

Security/Workplace Violence

H.M. Composite has developed guidelines to help maintain a secure workplace. Be aware of persons loitering for no apparent reason in parking areas, walkways, entrances and exits, and service areas. Employees should report any suspicious persons or activities to security personnel or the HR Director. Secure your desk, work area, or office at the end of the day. When called away from your work area for an extended length of time, do not leave Personal Health Information, valuable and/or personal articles in or around your workstation that may be accessible. The security of facilities as well as the welfare of our employees depends upon the alertness and sensitivity of every individual to potential security risks. You should immediately notify your supervisor when unknown persons are acting in a suspicious manner in or around the facilities, or when keys, security passes, or identification badges are missing.

Standards of Conduct

Business Conduct and Ethics

As a part of accepting employment with H.M. Composite, you have a responsibility to conduct yourself in an acceptable manner at all times. The purpose of this policy is to outline the conduct that is unacceptable at H.M. Composite. This list of prohibited conduct is illustrative only, and is not all-inclusive. Other types of conduct that threaten security, personal safety, employee welfare and Company operations also may be prohibited.

Employees who violate this policy may be subject to disciplinary action, up to and including immediate termination of employment with HM Composite.

- Falsifying any part of an employment application, employment records, employment information, or other Company records;
- Recording the work time of another employee or allowing any other employee to record your work time, or falsifying any time card;
- Theft of Company or client property or inventory, purchasing Company or client inventory for re-sale or other personal gain;
- Theft and deliberate or careless damage or destruction of any Company, client, or patient's property;
- Removing or borrowing Company or client property without prior authorization;
- Negligence or conduct leading to damage of Company or client property
- Unauthorized use of Company or client's equipment, time, materials, or facilities;
- Provoking a fight, making threats of violence or fighting during working hours or on Company or client property;
- Participating in horseplay, practical jokes, or spreading gossip and rumors on Company time or on Company or client's premises;
- Carrying firearms or any other dangerous weapons on Company or client premises at any time;
- Engaging in criminal conduct whether or not related to job performance;
- Causing, creating, or participating in a disruption of any kind during working hours on Company or client property;
- Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a supervisor or member of management;
- Using abusive language at any time on Company or client premises;
- Excessive absenteeism, failure to observe work schedule, meal and rest periods, absence from your work area without prior permission;
- Failing to provide a physician's certificate when requested or required to do so;
- Unauthorized disclosure of confidential Company information, or violation of HM Composite Confidentiality Agreement;
- Violation of any requirements for confidentiality required by HIPPA;

- Unauthorized use of company phones, computers, postage meter, or other Company or client property;
- Soliciting during business hours, or on Company or client property, selling merchandise, collecting funds or other activity that interferes with the ongoing business operations, or another employee's ability to work during working hours;
- Working overtime without authorization or refusing to work assigned overtime;
- Failure to immediately report any injury occurring in the workplace, no matter how minor the injury;
- Failure to immediately report any accident or traffic violation involving a Company vehicle, or a personal vehicle driven during work hours;
- Violating any Company rules regarding safety, health, security ;
- Committing a fraudulent act or a breach of trust under any circumstances; and
- Sexual harassment or other un-welcomed or unlawful behavior towards another employee or customer.

This statement of prohibited conduct does not alter HM Composite's policy of at-will employment. The employee and HM Composite remain free to terminate the employment relationship at any time, with or without reason or advance notice.

Zero Tolerance for Unlawful Harassment

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

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

- Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking of normal movement or interfering with work because of sex, race or any other protected basis;

- Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss and offers of employment benefits in return for sexual favors; and
- Retaliation for reporting or threatening to report harassment.

If you believe that you have been unlawfully harassed, immediately bring your complaint to your own or any other Company supervisor, the HR Director, or the President of HM Composite as soon as possible after the incident. You will be asked to provide details of the incident or incidents, names of individuals involved and names of any witnesses. It would be best to communicate your complaint in writing, but this is not mandatory. Supervisors will refer all harassment complaints to the HR Director. HM Composite will immediately undertake an effective, thorough and objective investigation of the harassment allegations.

If HM Composite determines that unlawful harassment has occurred, effective remedial action will be taken in accordance with the circumstances involved. Any employee determined by HM Composite to be responsible for unlawful harassment will be subject to appropriate disciplinary action, up to, and including immediate termination. HM Composite will not retaliate against you for filing a complaint and will not tolerate or permit retaliation by management, employees or co-workers.

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

Employees should be aware that HM Composite does not accept liability for harassment of any one employee by another employee. Any employee who engages in any form of illegal harassment, or behavior in violation of HM Composite policy will be personally responsible for such actions, as well as the consequences of those actions. HM Composite may choose whether or not to provide legal assistance to any individual accused of unlawful harassment.

If an employee files a complaint of harassment that is found to be without merit, or based on a false set of facts, the employee will be subject to disciplinary action, up to and including termination of their employment.

Drug and Alcohol Abuse

H.M. Composite is concerned about the use of alcohol, illegal drugs, or controlled substances as it affects the workplace. Use of these substances, whether on or off the job can detract from an employee's work performance, efficiency, safety, and health, and therefore seriously impair the employee's value to HM Composite. In addition, the

use or possession of these substances on the job constitutes a potential danger to the welfare and safety of other employees and exposes HM Composite and/or our clients to the risks of property loss or damage, or injury to other persons.

Furthermore, the use of prescription drugs and/or over-the-counter drugs also may affect an employee's job performance and may seriously impair the employee's ability to perform their job duties for HM Composite.

The following rules and standards of conduct apply to all employees either on Company or client property or during the workday (including meals and rest periods). Behavior that violates Company policy includes:

- Possession or use of alcohol, an illegal or controlled substance, or being under the influence of alcohol, an illegal or controlled substance while on the job;
- Driving a personal vehicle on Company business while under the influence of illegal drug(s), alcohol, or prescription medication that alters your ability to safely operate a motor vehicle; and
- Distribution, sale, or purchase of an illegal or controlled substance while on the job, or on Company or client property.

Violation of these rules and standards of conduct will not be tolerated. H.M. Composite may also bring the matter to the attention of appropriate law enforcement authorities.

In order to enforce this policy, H.M. Composite reserves the right to conduct searches of Company property or employees and/or their personal property, and to implement other measures necessary to deter and detect abuse of this policy.

An employee's conviction on a charge of illegal sale or possession of any controlled substance while off Company property will not be tolerated because such conduct, even though off duty, reflects adversely on HM Composite.

Any employee who is using prescription or over-the-counter drugs that may impair the employee's ability to safely perform the job, or affect the safety or well-being of others, must notify a supervisor of such use immediately before starting or resuming work.

H.M. Composite will encourage and reasonably accommodate employees with alcohol or drug dependencies to seek treatment and/or rehabilitation. Employees desiring such assistance should request a treatment or rehabilitation leave. HM Composite is not obligated, however, to continue to employ any person whose performance of essential job duties is impaired because of drug or alcohol use, nor is HM Composite obligated to re-employ any person who has participated in treatment and/or rehabilitation program. Employees who are given the opportunity to seek treatment and/or rehabilitation, but fail to successfully overcome their dependency or problem, will not automatically be given a second opportunity to seek treatment and/or rehabilitation. This policy on treatment and rehabilitation is not intended to affect HM Composite's treatment of employees who violate the regulations described previously. Rather, rehabilitation is an option for an employee who acknowledges a chemical dependency and voluntarily seeks treatment to end that dependency.

Drug Testing

HM Composite reserves the right to require employees to submit to mandatory drug testing as a condition of employment in certain circumstances. HM Composite reserves the right to change the conditions under which employees will be required to submit to mandatory drug testing at any time based on business considerations.

Currently HM Composite requires employees to submit to mandatory drug testing as a condition of continued employment in the following circumstances:

- Reasonable suspicion that the employee is working under the influence of any substance that impairs their ability to perform their assigned job duties;
- Following a work related injury.

Employees who decline to submit to mandatory drug testing in these circumstances will be subject to immediate termination of employment. Employees who fail any mandatory drug testing will also be subject to immediate termination of employment.

Visitors

In order to provide for the safety of all employees as well as to minimize work distractions, employees are asked to keep visits from friends and family members to a minimum. Visitors should be escorted at all times, however; visitors are not permitted at client sites at any time. Staff pets may not be brought to the corporate office or client sites without advance permission of the HR Director or President.

News Media Contacts

Employees may be approached for interviews or comments by the news media. Only contact people designated by the President may comment to news reporters on H.M. Composite policy or events relevant to H.M. Composite.

Alcoholic Beverages

Employees are not permitted to work at any time under the influence of alcohol or illegal drug substances. HM Composite will not provide alcohol at any Company activities or functions, nor will they permit employees to provide alcohol at Company or client events, meetings and/or functions at any time.

Outside Employment

While employed by H.M. Composite, employees are expected to devote their energies to their job with HM Composite. The following types of employment elsewhere are strictly prohibited:

- Additional employment that conflicts with an employee's work schedule, duties, and responsibilities at HM Composite;
- Additional employment that creates a conflict of interest or is incompatible with the employee's position with HM Composite;
- Additional employment that impairs or has a detrimental effect on the employee's

work performance with HM Composite;

- Additional employment that requires the employee to conduct work or related activities on Company or client property during the employer's working hours or using Company or client facilities and/or equipment; and
- Additional employment that directly or indirectly competes with the business or the interests of HM Composite or that of our clients.

Employees who wish to engage in additional employment that may create a real or apparent conflict of interest must submit a written request to the HR Director explaining the details of the additional employment. If the additional employment is authorized, H.M. Composite assumes no responsibility for that employment. H.M. Composite shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of additional employment. Authorization to engage in additional employment can be revoked at any time.

All employees will be held to the same performance standards, regardless of activities outside of the scope of duties with H.M. Composite.

Conducting Personal Business

Employees are to conduct only H.M. Composite business while at work. Employees may not conduct personal business or business for another employer during their scheduled working hours, or with the use of Company or client's computers, telephones, or other equipment or supplies.

Soliciting

Soliciting during work hours is not permitted due to the disruption in the workplace. For the purposes of the policy, soliciting is defined as engaging in any of the following activities:

1. Selling or taking orders for merchandise or services not related to H.M. Composite business;
2. Asking for donations, with the exception of fund raising efforts specifically approved by HM Composite;
3. Distributing written literature, or disseminating email that solicits, or serves the same function as the distribution of written literature during business hours;
4. Conducting or participating in a lottery, or other form of gambling.
5. Conducting or participating in fundraising activities at client site or facilities.

If you are uncertain about what activities are permitted, please discuss your concerns with your supervisor. Employees who violate this policy may be subject to disciplinary action, up to and including termination of employment.

Bulletin Boards

HM Composite maintains a bulletin board for communication of employer and employee information. Employees are not permitted to post any form of announcement or other materials on HM Composite or client bulletin boards at any time without the expressed permission of the President.

Tips and Gratuities

Employees who accept a tip, gift or gratuity from any client, patient, vendor, supplier, or other person doing business with HM Composite must report them immediately to their immediate supervisor. Employees may be allowed to keep a tip, gift or gratuity on a case by case basis at the sole discretion of management.

Employees are prohibited to ask for, or in any manner solicit tips, gifts or gratuities from customers, clients, patients, business associates, or other person with whom the employee may come into contact while performing work duties for H.M. Composite.

Benefits

H.M. Composite is proud to provide employees with a competitive compensation package, which includes many employee benefits in addition to the wages they receive for the work performed for HM Composite. We believe that our compensation package is generous in nature and should provide you with additional incentive to contribute your best efforts to the success of HM Composite.

A number of the items listed in this section of the handbook are mandatory under State and Federal law, however the majority are provided by H.M. Composite voluntarily to enrich your employment with HM Composite. HM Composite reserves the right to alter, delete, augment or modify the benefits outlined in the handbook at any time. If changes are made, all employees will be notified as timely as possible.

Eligibility for most benefits is made available depending on the classification of employment and status of employment. Employees will be required to meet certain eligibility requirements, such as length of service with HM Composite prior to receiving the various benefits. Although HM Composite has made an effort to outline the policies and their corresponding requirements, please understand that the individual plan documents or contracts with benefit vendors will be the determining factor should a discrepancy exist between the outline provided in the handbook and the actual plan documents.

Paid Time Off

Eligible full time employees are entitled to accrue paid time off based upon their years of active service. Employees will begin to accrue PTO on the 1st of the month following 90 days of consecutive employment and continues thereafter unless broken by an absence without pay, a leave of absence, or termination of employment. Temporary, part-time, per diem and on call employees are not eligible to accrue PTO.

PTO accrues to a maximum cap as shown in the table below. Once this cap is reached, the employee will not accrue additional paid time off until the available balance falls below the maximum cap level.

Employees become eligible to take PTO upon the completion of 12 months of consecutive employment, as work schedules permit. Although HM Composite realizes emergencies occur that will require employees to use PTO time HM Composite encourages employees to take PTO time for the purpose of rest and relaxation. PTO should be requested at least 30 days in advance of the time taken except in the case of an unforeseen illness or emergency situation. Every effort will be made to approve PTO requests while ensuring client and company needs can be met. Earliest requests will be given priority.

Non-exempt employees may use PTO in minimum increments of one (1) hour. Exempt employees may use PTO in minimum increments of four (4) hours. The maximum length of PTO that will normally be approved is 160 hours at any given time. While an employee is taking PTO time, they may not perform any work for HM Composite.

A doctor's note will be required for any absence in excess of 5 days as a result of an illness or injury to ensure that the employee is fit to return to work.

PTO is paid at your base rate of pay at the time the PTO is taken.

H.M. Composite does not offer pay for PTO time not actually taken while the employee is still employed. We do not "buy back" or "cash out" PTO hours at any time during actual employment with HM Composite.

An employee whose employment terminates will be paid for all accrued but unused PTO at the time of their termination. Employees on any form of an approved leave of absence do not accrue paid time off.

PTO will be accrued by each hour worked on the following basis:

Employment Length	Accrual Rate	Accrual Cap
0-3 months	0 hours	
4-12 months	.019 per hour worked	80 hours
13-48 months	.038 per hour worked	160 hours
49-108 months	.058 per hour worked	240 hours
109 months +	.077 per hour worked	320 hours

You are required to take any accrued and unused PTO prior to taking unpaid leave or having unpaid absences. Family and Medical Leave (under both state and federal law) is included in this requirement, unless the absence is as a result of a leave under California Pregnancy Disability Leave (PDL.)

Employees who are absent because of their own disability may be eligible for State Disability Insurance (SDI) benefits. SDI payments do not begin until after you have been absent from work for 7 calendar days. If you have PTO time available, it will be used for the first 7 days before SDI payments begin.

SDI benefits do not replace all of your usual wages. Your SDI benefits will be supplemented with any accrued and unused PTO.

If you are absent for a reason that qualifies you for Paid Family Leave (PFL) payments, you are required to first use any accrued and unused PTO, up to a maximum of two weeks in a 12-month period.

PFL benefits do not replace all of your usual wages. Your PFL benefits will be supplemented with any accrued and unused PTO.

Kin Care

Employees may use up to one-half of their yearly PTO accrual to attend to a child, parent, spouse, domestic partner, or domestic partner's child who is ill. Leave for this purpose may not be taken until it has actually accrued.

For purposes of PTO use, a "child" is defined as a biological, foster, or adopted child; stepchild; or a legal ward. A "child" also may be someone for whom you have accepted the duties and responsibilities of raising, even if he or she is not your legal child.

A "parent" is your biological, foster, or adoptive parent; stepparent; or legal guardian.

A "spouse" is your legal spouse according to the laws of California, which does not recognize "common law" spouses (a union that has not been certified by a civil or religious ceremony.)

A "domestic partner" is another adult with whom you have chosen to share your life in an intimate and committed relationship of mutual caring, and with whom you have filed a Declaration of Domestic Partnership with the Secretary of State.

A "domestic partner's child" is the biological, foster or adopted child, stepchild, or legal ward of your domestic partner. A "domestic partner's child" also may be someone for whom your domestic partner has accepted the duties and responsibilities of raising, even if he or she is not your domestic partner's legal child.

Holidays

HM Composite observes the following holidays:

January 1 (New Year's Day)

Presidents' Day

Memorial Day

July 4th (Independence Day)

Labor Day

Thanksgiving Day

Christmas Day

Floating Holiday (one day of your choosing to be used in November or December only)

Holidays falling on a Saturday or a Sunday are usually observed on the preceding Friday or the following Monday. However, H.M. Composite may close on another day or grant compensating time off instead of closing. Holiday observance will be announced in advance.

Each non-exempt employee's eligibility for holiday pay begins on the first of the month following 90 days of employment. HM Composite full-time employees eligible for holiday pay will be paid based on the usual hours worked in a pay period. This is

calculated by multiplying the actual worked hours in a current pay period times 0.1 hours but not to exceed eight hours.

To be eligible for holiday pay, you must be regularly scheduled to work on the day on which the holiday is observed and must work your regularly scheduled working shift immediately preceding and immediately following the holiday, unless an absence on either day is approved in advance by your supervisor. Employees may not work on a holiday observed by H.M. Composite, unless expressly approved by supervisor. Once approved, the employee must select an alternate day off within a one month time from the holiday date in which they worked to observe as their holiday day off. Employee working on H.M. Composite observed holidays will be paid regular wages for the holiday.

Medical Insurance

H.M. Composite provides a comprehensive medical insurance plan for eligible full time employees and their dependents. Eligibility will begin on the 1st of the month following 90 days of consecutive employment. H.M. Composite will pay 75% of the lowest cost premium of medical coverage for the employee and 50% of the lowest cost of premium for the dependants. In the event of an increase in medical insurance premium rates, all employees may be required to contribute to the cost of increased premiums to retain coverage. Details about medical insurance coverage are available in a separate publication distributed by the HR Director. Deductions from your paycheck will be made to cover this cost. Eligible full time employees who are covered by another medical insurance plan, may waive their right to all health insurance and be eligible for a medical insurance waiver of \$1.00 per hour worked.

Dental Insurance

H.M. Composite provides a voluntary comprehensive dental insurance plan for all eligible full time employees and their dependants. The employee must pay 100% of the premium for the dental plan. Employees will be responsible for any premiums due for the coverage elected for their dependents. Deductions from your paycheck will be made to cover this cost. Information describing your dental benefits is available from the HR Director.

Vision and Chiropractic Insurance

H.M. Composite makes vision and chiropractic coverage available to all eligible full time employees, as well as any dependents for employees who elect the coverage for themselves. HM Composite does not contribute to the cost of this benefit so the complete cost of the benefit is paid by the employee who makes the election. Deductions from your paycheck will be made to cover this cost through payroll. Information describing your vision and chiropractic benefits is available from the HR Director. Information describing your dental benefits is available from the HR Director.

Disability Insurance

Each employee contributes through payroll tax to California's state disability insurance programs. Disability insurance is mandated by the California Unemployment Insurance Code and administered by the Employment Development Department. Disability insurance is payable when you cannot work because of illness or injury not caused by employment at HM Composite. An additional employee tax provides funds for the state's Paid Family Leave (PFL) program. PFL provides partial wage replacement for absences related to care of a family member, or bonding with a new child. Specific rules and regulations governing disability are available from the California Employment Development Department (EDD).

Retirement Plan

H.M. Composite provides a 401(k) plan for eligible employees in order to assist in planning for their retirement. For information regarding eligibility, contributions, benefits, and tax status, contact the HR Director. All eligible participants will receive a summary plan description.

Tuition Reimbursement

From time to time employees may need to attend training programs, seminars, conferences, lectures, meetings, or other outside activities for the benefit of either the employee or HM Composite. Attendance at such activities, whether required by HM Composite or requested by individual employees, requires the written approval of the HR Director. To obtain approval, employees must submit a written request detailing all relevant information, including date, hours, location, cost, expenses, and the nature, purpose, and justification for attendance. Attendance at any such event is subject to the following policies on reimbursement and compensation.

For attendance at events required or authorized by HM Composite, customary and reasonable expenses will be reimbursed upon submission of original detailed receipts. Acceptable expenses generally include registration fees, materials, meals, transportation, and parking. Reimbursement policies regarding these expenses should be discussed with your supervisor in advance.

Employee attendance at authorized outside activities will be considered hours worked for non-exempt employees and will be compensated in accordance with normal payroll practices.

This policy does not apply to an employee's voluntary attendance, outside of normal working hours, at formal or informal educational sessions, even if such sessions generally may lead to improved job performance. While H.M. Composite generally encourages all employees to improve their knowledge, job skills, and promotional qualifications, such activities do not qualify for reimbursement or compensation under this policy unless prior written approval is obtained as described previously.

Leaves of Absence

H.M. Composite may grant leaves of absence to employees in certain circumstances. Employees should submit all requests for a leave in writing as far in advance as possible.

During your leave, it is best to keep in touch with your supervisor, and provide prompt written notice of any change in your anticipated return date. If your leave expires and you fail to return to work without contacting your supervisor or the HR Director, HM Composite will assume that you have voluntarily resigned your employment with HM Composite.

If an employee takes a leave of absence which qualifies them to receive payments for Paid Family Leave, the employee will be required to use any accrued and unused PTO, up to a maximum of two weeks of accrued time.

Any leave taken under this provision that qualifies as leave under the state and/or federal Family and Medical Leave Acts will be counted as family/medical leave and charged to your entitlement of 12 work weeks of family/medical leave in a 12-month period.

Although HM Composite will attempt to return you to your position at the end of your leave, please understand that re-instatement is not guaranteed at the conclusion of any leave that is not protected such as FMLA, CRFA, Military Leave or Pregnancy Disability Leave (PDL).

During any approved leave of absence not covered by FLMA or CFRA, HM Composite will continue your medical, dental and other benefits until the last day of the month in which your leave begins. For leaves covered by FMLA and/or CFRA, HM Composite will continue your benefits until the last day of the month following 12 weeks of leave. If you wish to continue your benefits beyond this time, you may do so by electing COBRA continuation and paying for the full cost of the benefits plus any COBRA administrative fees.

Employees who are on an approved leave of absence do not accrue PTO time and are not eligible for Holiday pay.

Pregnancy Disability Leave

Female employees who are pregnant may apply for leave of absence under the California Pregnancy Disability Leave (PDL) law. Any employee who is pregnant, or who has a related medical condition related to pregnancy may request a transfer to a less strenuous position if the transfer request is as a result of a recommendation from the employee's doctor, and is therefore medically advisable.

PDL leave covers the need for time to attend to medical conditions related to pregnancy, childbirth, or the recovery from child birth for up to a period of 88 work days. The leave need not be taken in one continuous time block, but instead may be taken

intermittently on an as needed basis, with appropriate documentation from the employee's doctor. This includes time off due to severe morning sickness, required bed rest, child birth, and the recovery from child birth.

H.M. Composite is generally required to treat your PDL leave in the same manner as they treat other forms of leaves of absence.

Any employee requesting a PDL leave will be required to apply for the leave with as much advance notice as possible. If the need for a leave or transfer is foreseeable, employees must provide notification at least 30 days before the pregnancy disability leave or transfer is to begin. Each employee applying for a PDL leave will be required to provide a medical certification from their health care provider as to the need for, and the duration of the need for a leave. The certification form will be provided to you by H.M. Composite and will include the following:

- The date on which the leave is to begin due to your medical condition of pregnancy or related health condition, or the date on which your health care provider is requesting a transfer to a less strenuous or dangerous job position;
- The expected duration of the disability and need for leave, or transfer of job duties;
- A statement from your medical provider that, due to your medical condition related to your pregnancy or related health condition you are unable to work, or to perform any of the essential duties of your job without causing potential risk to yourself, the successful completion of the pregnancy, and or damage to the unborn child;
- Temporary transfers due to health considerations will be granted when possible. However, the transferred employee will receive the pay that accompanies the job, as is the case with any other temporary transfer due to temporary health reasons.

In most cases, the employee will be eligible for payment from the State of California through the State Disability program, however, this process is between the employee and the Employment Development Department and does not involve H.M. Composite.

H.M. Composite is not required to continue your medical benefits during your PDL, unless the leave is also taken concurrent with a FMLA and/or CFRA leave. During a PDL leave not running concurrently with FMLA and/or CFRA, HM Composite will continue your medical, dental and other benefits until the last day of the month in which your leave begins. If you wish to continue your benefits beyond this time, you may do so by electing COBRA continuation and paying for the full cost of the benefits plus any COBRA administrative fees.

Family and Medical Leave and California Family Rights Act (FMLA and CFRA)

State and federal family and medical leave laws provide up to 12 (or 26 weeks to care for an injured military service member as outlined below) workweeks of unpaid family/medical leave within a 12-month period, under the following conditions:

- The employee has more than 12 months of service with the Company;
- The employee has worked at least 1,250 hours during the previous 12-month period before the need for leave; and

- The employee is employed at a work site where there are 50 or more employees within a 75-mile radius.

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

- The birth of the employee's child, or placement of a child with the employee for adoption or foster care;
- To care for the employee's spouse, registered domestic partner, child, or parent who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform his or her job.
- As a result of a family member who is called to active service in the military, both active duty and reservists. This time does not qualify for leave under CFRA.
- Up to 26 weeks for the care of a family member, as defined, who is injured while serving on active duty. This also includes time off to attend to their medical for a period of five years following their discharge from active duty. This time does not qualify for leave under CFRA.

For purposes of calculating the 12-month period during which FMLA or CFRA leave may be taken, the Company uses a rolling 12 month calendar that begins on the first day of your approved leave of absence.

Under most circumstances, FMLA and CFRA will run at the same time and the eligible employee will be entitled to a total of 12 weeks of combined FMLA and CFRA leave in the designated 12-month period.

However, leave because of the employee's disability for pregnancy, childbirth or related medical condition is not counted as time used under the California CFRA leave. Any leave under California PDL will run concurrently with FMLA leave time. Once the pregnant employee is no longer disabled, the California PDL ends, and if applicable the FMLA/CFRA leave continues for a period of up to a total of 12 weeks from the first day of leave.

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

Please contact HR Director as soon as you are aware of the need for FMLA/CFRA leave.

If the leave is based on the expected birth, placement for adoption or foster care, or planned medical treatment for a serious health condition of the employee or a family member, the employee must notify HM Composite at least 30 days before leave is to begin. The employee must consult with his or her supervisor regarding scheduling of any planned medical treatment or supervision in order to minimize disruption to

Company operations. Any such scheduling is subject to the approval of the health care provider of the employee or the health care provider of the employee's child, parent, or spouse.

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

If a request for FMLA is made because of military exigency, or the employee's care is needed to care for a qualified member of military service who is injured, the employee will be required to provide documentation of the exigency or military related injury prior to approval of the leave.

If a request for FMLA/CFRA is made because of the employee's own serious health condition, HM Composite may require, at its expense, a second opinion from a health care provider that HM Composite chooses. The health care provider designated to give a second opinion will not be one who is employed on a regular basis by HM Composite.

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

HM Composite requires employees to provide certification within 15 days of any request for FMLA, CFRA and/PDLA leave, unless it is not practicable to do so. HM Composite may require re-certification from the health care provider if additional leave is required.

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

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

When both parents are employed by the Company, and request simultaneous leave for the birth or placement for adoption or foster care of a child, the Company will not grant more than a total of 12 workweeks combined of FMLA leave, except when the leave is for the care of a family member who has been injured during military service.

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

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

At the end of any leave pertaining to the employee's own health condition, HM Composite will require certification by the employee's health care provider that the employee is fit to return to his or her job.

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

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

Employees on an approved FMLA/CFRA leave for their own medical condition must use all available PTO during their leave prior to taking the time as unpaid time off. If the FMLA/CFRA leave is for the medical condition of a child, parent or spouse of the employee, the employee must take the equivalent of the amount of PTO that would normally accrue for that employee in a six month period of time prior to taking the time as unpaid leave, unless the leave is taken under PDL.

Employee must also use any available PTO time during their leave prior to taking the time as unpaid leave.

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

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

- An employee requesting reinstatement was among the highest-paid 10 percent of salaried employees employed within 75 miles of the work site at which the employee worked at the time of the leave request;
- The refusal to reinstate is necessary because reinstatement would cause substantial and grievous economic injury to HM Composite's operations;

- The employee is notified of HM Composite's intent to refuse reinstatement at the time HM Composite determines the refusal is necessary; and
- If leave has already begun, HM Composite gives the employee a reasonable opportunity to return to work following the notice described previously.

FMLA also provides up to 26 weeks of unpaid protected leave in a 12 month period to an eligible employee to care for an ill or injured service member. This time does not run concurrently with CFRA. The employee will be required to provide documentation to support the need for leave. Any eligible employee taking less than the full 26 weeks to care for an ill or injured service member will only be entitled to a total of 12 weeks of leave for all other reasons associated with the FMLA leave during the 12 month period of time.

If an employee takes less than 26 weeks of FMLA to care for an ill or injured service member, he or she is still only entitled to a total of 12 weeks of health benefits within a 12-month period for any other type of FMLA/CFRA leave.

For additional information about eligibility for family/medical leave, contact the HR Director.

Workers' Compensation

H.M. Composite, in accordance with state law, provides insurance coverage for employees in case of work-related injury. The workers' compensation benefits provided to injured employees may include:

- Medical care;
- Cash benefits, tax free, to replace lost wages; and
- Assistance to help qualified injured employees return to suitable employment.

To ensure that you receive any workers' compensation benefits to which you may be entitled, you will need to:

- Immediately report any work-related injury to your supervisor;
- Seek medical treatment and follow-up care if required;
- Complete a written Employee's Claim Form (DWC Form 1) and return it to HR Director, and
- Provide HM Composite with a certification from your health care provider regarding the need for workers' compensation disability leave, as well as your eventual ability to return to work from the leave.

Workers' compensation benefits usually do not cover absences for medical treatment. When you report a work-related illness or injury, you will be sent for medical treatment, if treatment is necessary. You will be paid your regular wages for the time you spend seeking initial medical treatment.

Any further medical treatment will be under the direction of the health care provider. Any absences from work for follow-up treatment, physical therapy or other prescribed appointments will not be paid as time worked. If you have accrued and unused PTO leave, the additional absences from work may be paid with the use of PTO leave.

If you do not have accrued PTO time available, you may choose to substitute PTO for further absences from worked, related to your illness or injury.

Upon submission of a medical certification that an employee is able to return to work after a workers' compensation leave, under most circumstances, the employee will be reinstated to his or her same position held at the time the leave began, or to an equivalent position, if available. An employee returning from a workers' compensation leave has no greater right to reinstatement than if the employee had been continuously employed rather than on leave. For example, if the employee on workers' compensation leave would have been laid off had he or she not gone on leave, or if the employee's position has been eliminated or filled in order to avoid undermining HM Composite's ability to operate safely and efficiently during the leave, and no equivalent or comparable positions are available, then the employee would not be entitled to reinstatement.

An employee's return depends on his or her qualifications for any existing openings. If, after returning from a workers' compensation disability leave, an employee is unable to perform the essential functions of his or her job because of a physical or mental disability, HM Composite's obligations to the employee may include reasonable accommodation, as governed by the Americans with Disabilities Act.

Employees who are ill or injured as a result of a work-related incident, and who are eligible for leave under state and federal law, Family Medical Leave Act (FMLA) and the California Family Rights Act (CFRA), will be placed on FMLA/CFRA during the time they are disabled and not released to return to work. The leave under these laws runs concurrently, and eligible employees will be on FMLA/CFRA for a maximum of 12 weeks in a 12-month period.

H.M. Composite will treat a leave of absence during a workers' compensation leave in the same manner as they treat other leaves of absence. HM Composite will continue your medical, dental and other benefits until the last day of the month in which your leave begins, unless you are placed on an FMLA/CFRA leave that will run concurrently with the workers' compensation leave. HM Composite will continue benefits for the employee as well as their dependents when the employee is on an FMLA/CFRA leave until the last day of the month of the 12 week FMLA/CFRA leave. Employees who wish to continue their benefits beyond this time, may do so by electing COBRA continuation and paying for the full cost of the benefits plus any COBRA administrative fees.

Knowingly making a false or fraudulent claim, statement or providing misinformation in connection with the obtaining or attempting to obtain Workers' Compensation benefits is illegal, and may constitute a felony, punishable under California Law. Punishment may involve imprisonment for one to five years, and/or significant fine as well as possible civil penalties.

Workers' Compensation Medical Provider Network

H.M. Composite provides medical treatment for work-related injuries through a Medical Provider Network. HM Composite has chosen to provide medical care through a network because of their experience in treating work-related injuries. Additionally, employees will be given the opportunity to designate a physician or medical practitioner to treat them in the event of a work related injury. All employees will be provided a disclosure describing the Medical Provider Network as well as a Physician Designation form for completion and retention in their employee file.

Return to Work

Employees who are off work due to a work related injury will be eligible to return to work as soon as possible following their release from the treating physician. H.M. Composite is committed to making reasonable accommodations to meet work restrictions in order to enable employees to return to the work environment. We will attempt to provide a returning employee with modified work, or an alternative position that will enable them to perform the essential functions of the job, while still meeting work restrictions. We believe this will enable employees to continue to be an important part of our staff while recovering from the work related injury.

Drug and Alcohol Rehabilitation Leave

Because H.M. Composite is committed to maintaining a workplace that is free from illegal drugs and alcohol, we will provide one unpaid leave of absence for any employee that has completed 90 days of continuous service, who wishes to enroll in a voluntary rehabilitation program. We will provide this leave unless doing so would result in an undue hardship for HM Composite.

During the leave, the employee must use all available vacation, sick/PTO time available to them prior to taking unpaid time off. Although we will make every effort to return the employee to their prior job at the end of the successful completion of the treatment, H.M. Composite cannot guarantee that a job will be available at the time the employee is ready to return to work.

Any employee who voluntarily enters a rehabilitation program, and requests and is granted a leave for this purpose, will be subject to random drug and alcohol testing for a period of six (6) months following their return to work as a condition of accepting the leave of absence and subsequent return to employment. Any employee who is subject to this random testing that tests positive will be subject to disciplinary action, up to and including immediate termination of employment. Likewise, during the six (6) month period of time, any employee who refuses to submit to a drug or alcohol test requested by HM Composite will be subject to immediate termination.

During any drug and alcohol rehabilitation leave HM Composite will continue your medical, dental and other benefits until the last day of the month in which your leave begins, unless the leave runs concurrently with FMLA/CFRA, in which case the benefits will be continued until the last day of the month in which the 12 week FMLA/CFRA leave

concludes. Employees who wish to continue their benefits beyond this time, may do so by electing COBRA continuation and paying for the full cost of the benefits plus any COBRA administrative fees.

Paid Family Leave (PFL)

All employees may be eligible for Paid Family Leave wage replacement benefits, which are funded through payroll deductions and coordinated through the Employment Development Department. PFL provides limited compensation for up to six weeks after an unpaid, seven day wait period, when an employee is off work to care for a parent, child, spouse, or domestic partner who is seriously ill, or for a working parent who wants time to bond with his or her newborn. The PFL program does not provide employees with a right to a leave of absence; it is limited to a state-mandated wage replacement benefit. For additional information, please contact your supervisor for an informational brochure concerning your rights under this law and review this Handbook regarding your eligibility for a leave of absence.

Jury Duty and Witness Leave

H.M. Composite encourages employees to serve on jury duty when called. Non-exempt employees will not be paid for serving on jury duty. Exempt employees will receive full salary unless they are absent for a full week and perform no work for HM Composite during the full week of jury service. You should notify your supervisor of the need for time off for jury duty as soon as a notice or summons from the court is received. You may be requested to provide written verification from the court clerk of performance of jury service. If work time remains after any day of jury selection or jury duty, you will be expected to return to work for the remainder of your work schedule.

Employees may retain any mileage allowance or other fee paid by the court for jury services.

Bereavement Leave

H.M. Composite will grant a leave of absence of up to 3 days per death to employees in the event of the death of the employee's current spouse, registered domestic partner, child, parent, legal guardian, brother, sister, grandparent, or grandchild; or the following "in-law" relationships: mother, father, sister, brother, son, or daughter. If you have need for additional time off during this difficult time, you may request additional time from your supervisor, who may approve time off without pay. Employees may also use available PTO for any additional time that is approved by HM Composite.

Military Leave

Employees who wish to serve in the military and take military leave should contact their supervisor for information about their rights before and after such leave. You are entitled to reinstatement upon completion of military service, provided you return or apply for reinstatement within the time allowed by law.

Employees who are a member of the California Civil Air Patrol may take leave in three (3) day increments, up to a total of ten (10) days of leave per calendar year when called to duty for a mission. Time off for this purpose will be unpaid unless the employee elects to take PTO, however employees are not required to take their PTO time during this leave.

Military Spouse Leave

Any employee who has a spouse in the armed forces, National Guard or Reserves who regularly works more than 20 hours per week is eligible to take an unpaid leave of absence for up to ten (10) days while their spouse is on leave during their active deployment in a period of military conflict. Employees wishing to take this leave must request it in writing within 2 business days of receiving official notification that their spouse will be on leave, as well as providing a copy of the official notification to their supervisor.

School Activities

Employees are encouraged to participate in the school activities of their child(ren.) The absence is subject to all of the following conditions:

- Parents, guardians, or grandparents having custody of one or more children in kindergarten or grades one to 12 may take time off for a school activity;
- The time off for school activity participation cannot exceed eight hours in any calendar month, or a total of 40 hours each school year;
- Employees planning to take time off for school visitations must provide as much advance notice as possible to their supervisor;
- If both parents are employed by HM Composite, the first employee to request such leave will receive the time off. The other parent will receive the time off only if the leave is approved by his or her supervisor;
- Employees must use PTO leave in order to receive compensation for this time off;
- Employees who do not have PTO available will take the time off without pay, and
- Employees must provide their supervisor with documentation from the school verifying that the employee participated in a school activity on the day of the absence for that purpose.

School Suspension

If an employee who is the parent or guardian of a child facing suspension from school is summoned to the school to discuss the matter, the employee should alert his or her supervisor as soon as possible before leaving work.

Time Off for Voting

If an employee does not have sufficient time outside of working hours to vote in an official state-sanctioned election, the employee may take off enough working time to

vote. Such time off shall be taken at the beginning or the end of the regular working shift, whichever allows for more free time, and the time taken off shall be combined with the voting time available outside of working hours to a maximum of two hours combined. Under these circumstances, an employee will be allowed a maximum of two hours of time off during an election day without loss of pay. When possible, an employee requesting time off to vote shall give his or her supervisor at least two days notice.

Victims of Crime Leave

An employee who is a victim of a serious, violent or felony crime, or who is the family member of a victim of may take time off from work under the following circumstances:

- The crime must be a violent or serious felony, as defined by law; and
- You must be the victim of a crime, or you must be an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim.

An immediate family member is defined as: a spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father or stepfather. A registered domestic partner means a domestic partner who is registered in accordance with California state law.

The absence from work must be in order to attend judicial proceedings related to a crime listed above.

Before you are absent for such a reason, you must provide documentation of the scheduled proceeding. Such notice is typically given to the victim of the crime by a court or government agency setting the hearing, a district attorney or prosecuting attorney's office or a victim/witness office.

If advance notice is not possible, you must provide appropriate documentation within a reasonable time after the absence. Any absence from work to attend judicial proceedings will be unpaid, unless you choose to take paid time off, such as accrued PTO.

Domestic Violence Leave or Sexual Assault

Employees who are victims of domestic violence are eligible for unpaid leave. You may request leave if you are involved in a judicial action, such as obtaining restraining orders, or appearing in court to obtain relief to ensure your health, safety, or welfare, or that of your child.

You should provide notice and certification of your need to take leave under this policy. Certification may be sufficiently provided by any of the following:

- A police report indicating that the employee was a victim of domestic violence;
- A court order protecting or separating the employee from the perpetrator of an act of domestic violence, or other evidence from the court or prosecuting attorney that the employee appeared in court; or

- Documentation from a medical professional, domestic violence advocate, health-care provider, or counselor that the employee was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence.

H.M. Composite will, to the extent allowed by law, maintain the confidentiality of an employee requesting leave under this provision.

Volunteer Civil Service Personnel

Any employee who is called to perform emergency duty as a volunteer firefighter, peace officer, or emergency rescue personnel, will be granted unpaid time off for this purpose. You are also eligible for unpaid leave for required training. If you are an official volunteer firefighter, please alert your supervisor that you may have to take time off for emergency duty. When taking time off for emergency duty, please alert your supervisor before doing so when possible.

Literacy Assistance

H.M. Composite will make a reasonable accommodation for any employee who enrolls in an adult literacy education program as a result of their illiteracy. Any time off for this purpose will be without pay. In addition, we will make a reasonable effort to safeguard the privacy as well as identity of any employee who voluntarily attends an adult literacy program. H.M. Composite will not discriminate against any employee who informs HM Composite of their illiteracy provided that person is able to perform the essential functions of their job.

Confirmation of Receipt of the Employee Handbook

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

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

I understand and agree that nothing in the employee handbook creates or is intended to create a promise or representation of continued employment and that employment at H.M. Composite is employment at-will. Employment may be terminated at the will of either HM Composite or myself at any time, with or without notice. My signature certifies that I understand that the foregoing agreement on at-will status is the sole and entire agreement between H.M. Composite and myself concerning the duration of my employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings, and representations concerning my employment with H.M. Composite.

Confidential Information

I understand that during the course of my employment I may have access to confidential information. I understand that confidential information is often critical to the success of HM Composite and therefore, must not be given out or used outside my employment with H.M. Composite, or disclosed to anyone outside of H.M. Composite, except as required for normal business operations. I also understand that at termination of employment, whether voluntary or involuntary, I am still bound by this requirement of confidentiality.

Telephone Monitoring

I acknowledge that any call placed or received on a Company owned telephone or cell phone may be subject to monitoring by HM Composite, with or without advance notice.

Surveillance

I acknowledge that HM Composite and their clients may utilize surveillance within the work areas at any time, with or without notice.

Assignment of Company Assets

I understand that HM Composite may issue tools, property or assets that will assist or enable me to more efficiently perform the duties of my job with H.M. Composite. I understand that I am responsible to protect and safeguard these Company items, and that I must return them either at the conclusion of my employment, or when asked to do so by HM Composite. I also understand that HM Composite reserves the right to use

whatever legal means may be available to recover the cost associated with the items assigned if I fail to return the tools, property or assets to HM Composite.

Mediation and Arbitration

I understand that it is often time consuming and costly to resolve disputes through the traditional legal system. H.M. Composite has established an alternative dispute resolution process which uses mediation and arbitration. I agree to submit all employment related disputes to the mediation and arbitration process outlined in this handbook on pages 10 and 11.

Offer to Translate

H.M. Composite wants all employees to understand and therefore be able to comply with the policies in this handbook. Any employee who is unable to understand this handbook because of an inability to read or understand English should ask for assistance from HM Composite. H.M. Composite will work with any employee to help them understand the policies contained in this handbook and to know what is expected of them as an employee of H.M. Composite. If I fail to request assistance, H.M. Composite will assume that I fully understand the contents contained in this handbook.

Employee's Signature _____ Date _____

Employee's Printed Name _____

Acknowledgement of Employment Related Handouts

Sexual Harassment Prevention Handout

I acknowledge that I have been provided the enclosed pamphlet on sexual harassment prevention in the workplace. I also acknowledge that I have been trained on the proper way to file a complaint should I feel I am a victim of unlawful harassment.

State Disability Insurance and Paid Family Leave Handout

I acknowledge that I have received the enclosed pamphlet on state disability insurance and Paid Family Leave as provided by the Employment Development Department.

Workers' Compensation Handout

I acknowledge that I have received the enclosed pamphlet on the workers' compensation benefits plan.

Unemployment Handout

I acknowledge that I have received the enclosed pamphlet on unemployment insurance as provided by the Employment Development Department.

Employee's Signature _____ Date _____

Employee's Printed Name _____