

External Employee Handbook



General Employment Policies

Introductory Statement

Welcome! We are delighted that you chose our service. You can count on us to do everything possible to help you be successful in your career. As an employee of San Diego Insurance Temps, Inc. dba SDI Staffing (the "Company"), you are an important member of a team effort. We hope that you will find your position with SDI Staffing rewarding, challenging, and productive. We look to your contribution to the success of the Company.

We are committed to excellence in quality, reliability, and service to people we employ and to the clients whom we serve. We subscribe the theory of absolute integrity in business – that regardless of the circumstances, we will provide unequalled excellence and reliability in service and reliability in an effort to solve our clients' needs for staffing.

This publication is not an employment contract between SDI Staffing and any of its employees. Employment may be terminated by you or SDI Staffing, with or without cause or notice at any time. If you obtain a full time position or no longer want to work as a temp, please notify our office immediately. We would like at least a one-week notice if you are currently on an assignment so that we may find a replacement.

We Are Your Employer!

Always remember that regardless of where you are assigned, SDI Staffing is your employer. We are responsible for your payroll, benefits, withholding taxes, and workers compensation. Therefore, if there are any job-related problems, please report the problem to us. If you will be late or absent for any reason, please call the client at least 1 hour prior to the start of your assignment, as well as our office. Even though you are our employee, you are required to conform to our client's work policies and rules while on the job.

Since you are employed by our company and work for us, there is never a fee to you, the employee. However, we do have a contract with our clients that states, they must contact us in order to hire you directly.

At-Will Employment Status

SDI Staffing personnel are employed on an at-will basis. Employment at-will means that the employment relationship may be terminated, with or without cause and with or without advance notice at any time by the employee or the Company. Nothing in this handbook shall limit the right to terminate at-will employment.

No manager, supervisor, or employee of the Company has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment on other than at-will terms. Only the President of SDI Staffing has the authority to make any such agreement, which is binding only if it is in writing.

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

Harassment Discrimination and Retaliation Prevention

SDI Staffing is an equal opportunity employer. SDI Staffing is committed to providing a work environment free of harassment, discrimination, retaliation, and disrespectful or other unprofessional conduct based on sex (including pregnancy, childbirth, breastfeeding or related medical conditions), sex stereotype, race, religion (including religious dress and grooming practices), color, gender (including gender identity, gender expression and transgender), national origin (including language use restrictions and possession of a driver's license issued under Vehicle Code section 12801.9), ancestry, physical or mental disability, medical condition, genetic information, marital status, registered domestic partner status, age, sexual orientation, military and veteran status or any other basis protected by federal, state or local law or ordinance or regulation. It also prohibits discrimination, harassment, disrespectful or unprofessional conduct based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

In addition, the Company prohibits retaliation against individuals who raise complaints of discrimination or harassment or who participate in workplace investigations. **All such conduct violates Company policy.**

Harassment Prevention

The Company's policy prohibiting harassment applies to all persons involved in the operation of the Company. The Company prohibits harassment, disrespectful or unprofessional conduct by any employee of the Company, including supervisors, managers and co-workers. The Company's anti-harassment policy also applies to vendors, customers, independent contractors, unpaid interns, volunteers, persons providing services pursuant to a contract and other persons with whom you come into contact while working. Prohibited harassment, disrespectful or unprofessional conduct includes, but is not limited to, the following behavior:

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

Sexual harassment does not need to be motivated by sexual desire to be unlawful or to violate this policy. For example, hostile acts toward an employee because of his/her gender can amount to sexual harassment, regardless of whether the treatment is motivated by sexual desire.

Prohibited harassment is not just sexual harassment but harassment based on any protected category.

Non-Discrimination

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

Pay discrimination between employees of the opposite sex or between employees of another race or ethnicity performing substantially similar work, as defined by the California Fair Pay Act and federal law, is prohibited. Pay differentials may be valid in certain situations defined by law. Employees will not be retaliated against for inquiring about or discussing wages. However, SDI Staffing is not obligated to disclose the wages of other employees.

Anti-Retaliation

The Company will not retaliate against you for filing a complaint or participating in any workplace investigation or complaint process, and will not tolerate or permit retaliation by management, employees or co-workers.

Reasonable Accommodation

Discrimination can also include failing to reasonably accommodate religious practices or qualified individuals with disabilities where the accommodation does not pose an undue hardship.

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

Any job applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact a Company representative with day-to-day personnel responsibilities and discuss the need for an accommodation. The Company will engage in an interactive process with the employee to identify possible accommodations, if any, that will help the applicant or employee perform the job. An applicant, employee or unpaid intern who requires an accommodation of a religious belief or practice (including religious dress and grooming practices, such as religious clothing or hairstyles) should also contact a Company representative with day-to-day personnel responsibilities and discuss the need for an accommodation. If the accommodation is reasonable and will not impose an undue hardship, the Company will make the accommodation.

The Company will not retaliate against you for requesting a reasonable accommodation and will not knowingly tolerate or permit retaliation by management, employees or co-workers.

Complaint Process

If you believe that you have been the subject of harassment, discrimination, retaliation or other prohibited conduct, bring your complaint to your supervisor or to:

- Any SDI Staffing Representative
- Any other Client Company Supervisor
- SDI Staffing and/or the Client Company HR Manager, Office Manager, or Personnel Manager
- SDI Staffing's President or Vice President

as soon as possible after the incident. You can bring your complaint to any of these individuals. If you need assistance with your complaint, or if you prefer to make a complaint in person, contact SDI Staffing's President, Vice President, or Director of Recruiting. Please provide all known 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.

The Company encourages all individuals to report any incidents of harassment, discrimination, retaliation or other prohibited conduct forbidden by this policy immediately so that complaints can be quickly and fairly resolved.

You also should be aware that the Federal Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing investigate and prosecute complaints of prohibited harassment, discrimination and retaliation in employment. If you think you have been harassed or discriminated against or that you have been retaliated against for resisting, complaining or participating in an investigation, you may file a complaint with the appropriate agency. The nearest office can be found by visiting the agency websites at www.dfeh.ca.gov and www.eeoc.gov.

Supervisors must refer all complaints involving harassment, discrimination, retaliation or other prohibited conduct to the President, Vice President, or Director of Recruiting of the Company so the Company can try to resolve the complaint.

When the Company receives allegations of misconduct, it will immediately undertake a fair, timely, thorough and objective investigation of the allegations in accordance with all legal requirements. The Company will reach reasonable conclusions based on the evidence collected.

The Company will maintain confidentiality to the extent possible. However, the Company cannot promise complete confidentiality. The employer's duty to investigate and take corrective action may require the disclosure of information to individuals with a need to know.

Complaints will be:

- Responded to in a timely manner
- Kept confidential to the extent possible
- Investigated impartially by qualified personnel in a timely manner
- Documented and tracked for reasonable progress
- Given appropriate options for remedial action and resolution
- Closed in a timely manner

If the Company determines that harassment, discrimination, retaliation or other prohibited conduct has occurred; appropriate and effective corrective and remedial action will be taken in accordance with the circumstances involved. The Company also will take appropriate action to deter future misconduct.

Any employee determined by the Company to be responsible for harassment, discrimination, retaliation or other prohibited conduct will be subject to appropriate disciplinary action, up to, and including termination. Employees should also know that if they engage in unlawful harassment, they can be held personally liable for the misconduct.

Wages, Timekeeping & Meal Periods

Advances

SDI Staffing does not permit advances against paychecks or against un-accrued vacation.

Payment of Wages

Paychecks are normally mailed to the address specified on your Application. However, if you request in advance to have your paycheck picked up from our office, they will be available at the 3717 Camino Del Rio So Ste 100, San Diego, CA 92108. If you observe an error on your check, please report it immediately to your supervisor.

All employees of SDI Staffing are paid on Friday for work performed during the previous one-week pay period. If a regular payday falls on a holiday, employees will be paid on Thursday prior to the Friday holiday.

SDI Staffing offers automatic payroll deposit. You may begin and stop automatic payroll deposit at any time. To begin automatic payroll deposit, you must complete a form (available from the payroll department) and return it to payroll at least 10 days before the pay period for which you would like the service to begin. You should carefully monitor your payroll deposit statements for the first two pay periods after the service begins.

To stop automatic payroll deposit, email accounting@sdistaffing.com requesting to stop the payroll deposit. In lieu of payroll deposits, you will receive live payroll checks mailed to the address on file.

Timekeeping Requirements

All nonexempt employees are required to use a Time Card Portal to record time worked for payroll purposes. All time worked must be accurately reported on your time record. Employees must record their own time at the start and at the end of each work period. Employees must clock out for their meal period and record the start and end of the meal period.

Employees are not allowed to work "off the clock." Working off the clock violates company policy. Any work performed before or after a regularly scheduled shift must be approved in advance by your supervisor. If you perform any off-the-clock work, please report the work to your supervisor.

Employees also must record their time whenever they leave the building for any reason other than SDI Staffing business. Employees will be required to certify that their time record is accurate.

Punching another employee's timecard, allowing another employee to punch your timecard, or altering a timecard is not permissible and is subject to disciplinary action.

Any errors on your timecard should be reported immediately to your supervisor. Please also refer to SDI Staffing's Meal and Rest Break Policy.

Overtime for Nonexempt Employees

Employees may be required to work overtime as necessary. Only actual hours worked in a given workday or workweek can apply in calculating overtime. All overtime work must be authorized by your direct supervisor. SDI Staffing 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. A workday begins at 12:01 a.m. and ends at midnight 24 hours later. Workweeks begin each Monday at 12:01 a.m.;
- 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; and
- 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.

Meal and Rest Break Policy

SDI Staffing complies with federal and state legal requirements concerning meal periods and rest breaks. We recognize that employees perform at their best when they have the rest and nourishment they need. This Policy explains when SDI Staffing expects employees to take meal periods and rest breaks.

Meal Periods

SDI Staffing provides at least a 30-minute meal period to employees who work more than five hours, unless they work six or fewer hours total and elect in writing to waive the first meal period. SDI Staffing provides a second 30-minute meal period to employees who work more than 10 hours in a workday, unless they work twelve or fewer hours total, did not waive the first meal period, and elect in writing to waive the second meal period. Employees should take their first meal period before the end of the fifth hour of work. Employees should take their second meal period before the end of the tenth hour of work. Meal periods cannot be taken at the beginning or end of shifts. Employees will be relieved of all of their duties during meal periods and are allowed to leave the premises. SDI Staffing provides meal periods according to the following schedule:

Duration of Shift in Hours	# Meal Periods	Comments
0 to ≤ 5.0	0	An employee who does not work more than five hours in a workday is not provided with a meal period.
> 5.0 to ≤ 10.0	1	An employee who works more than five hours in a workday, but who does not work more than ten hours in a workday, is provided with a 30-minute meal period available before the end of the 5th hour of work, unless the employee is working six or fewer hours and elects to waive the first meal period.
> 10.0	2	An employee who works more than ten hours in a workday is provided with a second 30-minute meal period available before the end of the 10th hour of work, unless the employee is working twelve or fewer hours, did not waive the first meal period, and elects to waive the second meal period.

SDI Staffing does not pay non-exempt employees for meal periods, and consequently, non-exempt employees must record the start and stop times of their meal periods on their time sheets.

Any non-exempt employee who is required to work through some or all of a 30-minute meal period, or who is required to take a late meal period (i.e., is required to begin the first meal period after the end of the fifth hour of work or is required to begin a second meal period after the end of the tenth hour of work), should complete a California Meal Period and Rest Break Premium Request Form and submit it to his/her manager by no later than the end of the pay period. Otherwise, SDI Staffing will assume that any nonexempt employee who fails to record a meal period, records a less-than-30-minute meal period, or takes and records a late meal period, did so voluntarily.

Rest Breaks

Non-exempt employees are authorized and permitted to take a 10-minute paid rest break for every four hours worked, or major fraction thereof. SDI Staffing authorizes and permits rest breaks according to the following schedule:

Duration of Shift in Hours	# of 10 Minute Rest Breaks	Comments
0 to ≤ 3.5	0	A non-exempt employee who does not work more than 3.5 hours in a workday is not authorized and permitted to take a rest break.
> 3.5 to ≤ 6.0	1	A non-exempt employee who works more than 3.5 hours in a workday but who does not work more than 6 hours in a workday is authorized and permitted to take one 10-minute rest break.
> 6.0 to ≤ 10.0	2	A non-exempt employee who works more than 6 hours in a workday but who does not work more than 10 hours in a workday is authorized and permitted to take two 10-minute rest breaks.
> 10.0 to ≤ 14.0	3	A non-exempt employee who works more than 10 hours in a workday but who does not work more than 14 hours in a workday is authorized and permitted to take three 10-minute rest breaks.

Whenever practicable, non-exempt employees should take their rest breaks near the middle of each four-hour work period. Non-exempt employees may not accumulate rest breaks or use rest breaks as a basis for starting work late, leaving work early, or extending a meal period.

Because rest breaks are paid, non-exempt employees should not clock out for them.

Any non-exempt employee who is not authorized and permitted to take a rest break pursuant to the terms of this Policy should notify SDI Staffing immediately. Otherwise, SDI Staffing will assume the employee either took his/her rest break or voluntarily decided to waive it.

Responsibilities

Non-exempt employees are expected to take their meal periods and rest breaks in accordance with the applicable guidelines set forth in this Policy. Management is expected to make meal periods and rest breaks available to their employees in accordance with this Policy. Supervisors can schedule meal periods and rest breaks for their employees, taking into account their department’s operational requirements and employee needs. Supervisors may stagger employees’ meal periods so ongoing operational responsibilities are not compromised, so long as the applicable guidelines in this Policy are met.

Supervisors are responsible for administering their department’s meal and rest breaks in a fair and uniform manner. Supervisors may not pressure or coerce employees to skip their meal periods or rest breaks.

Discipline

Any employee, supervisor, or manager who fails to observe meal period and rest break policies will be subject to discipline, up to and including termination of employment. Violations of this Policy should be reported to SDI Staffing immediately. Every report will be fully investigated and corrective action will be taken where appropriate.

In addition, SDI Staffing will not allow any form of retaliation against individuals who report alleged violations of this Policy or who cooperate in SDI Staffing’s investigation of such reports. Any form of retaliation in violation of this Policy will result in disciplinary action, up to and including termination.

Makeup Time

SDI Staffing does not permit makeup time.

Recruitment Fee

SDI Staffing wants to recruit quality applicants and in order to do so encourages employees to refer qualified candidates to the Company. If your referral is employed by SDI Staffing, a recruiting fee of \$100 will be paid to employees under the following terms and schedule:

- Referrals will be paid only if the original employment application completed by the applicant contains the employee's name as the referral source.
- After the applicant has been hired and completed one of month of service, the referring employee will be paid \$100.
- If the applicant is referred by more than one employee, the referral fee will be split equally among the referring employees and paid on the same terms as above.

Benefits

Sick Leave Policy

As an external employee of SDI Staffing, you are entitled to the following for Paid Sick Leave (PSL) under state law:

- a. You will accrue Paid Sick Leave hours per calendar year;
- b. You may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and
- c. You have the right to file a complaint against an employer who retaliates or discriminates against an employee for:
 1. Requesting or using accrued sick days;
 2. Attempting to exercise the right to use accrued paid sick days;
 3. Filing a complaint or alleging a violation of Article 1.5 section 245 et seq. of the California Labor Code;
 4. Cooperating in an investigation or prosecution of an alleged violation of this Article or opposing any policy or practice or act that is prohibited by Article 1.5 section 245 et seq. of the California Labor Code.

Eligible Employees: All hourly, non-exempt external employees of SDI Staffing.

- ***You must be currently employed/on assignment with SDI Staffing in order to receive and/or use your Paid Sick Leave benefit.***
- ***You are required to request use of use of your Paid Sick Leave hours orally or written (email accepted).***

Policy Effective Date	01/01/2017
Covered Employees	All employees who perform at least two hours of work in one or more calendar weeks of the year.
Permitted Uses	(1) Medical need of the employee or the employee’s family member; (2) Purposes related to domestic violence, sexual assault or stalking suffered by an employee; and PSL can be used when the employee’s place of business, or his or her child’s care provider or school, is closed due to a public health emergency.
Covered Family Members	(1) Child iii,vi (2) Parent ix (3) Spouse, registered domestic partner, or designated person (4) Grandparent (5) Grandchild (6) Sibling x with the addition of individuals related by blood or affinity whose close association with the employee is the equivalent of a family relationship.
Start of Accrual	First day of work or 01/01/2017, whichever is later.
First Day PSL Can Be Used	On the 90 th calendar day of employment.
Accrual Method	One hour for every 30 hours worked.
Accrual Caps	80 hours
Use Caps	48 hours per calendar year
Carry Over	Accrued, unused PSL carries over year to year but is limited by the employer’s accrual cap.
Use Increments	Required to use PSL within a minimum 2 hour increment, no more than 8 hours in a work day.
Rate of Pay	PSL is paid at the same hourly rate as the employee earns at the time PSL is used.
Effect of Interruption of Employment	If the employee is rehired within one (1) year from the date of separation, any previously accrued and unused PSL (not to exceed 80 hours) will be reinstated. Reinstated PSL can be used immediately upon rehire providing the required 30 days have been worked and the employee has reached the 90th calendar day from their original hire date.
Amount of Notice Employees Must Provide	If the need for PSL is foreseeable, the employee must provide reasonable advance notice of absence. If the need is unforeseeable, the employee must provide notice as soon as practicable.
Requirement of Doctor’s Note or Other Documentation	If PSL absence exceeds three consecutive work days, employee is required to provide documentation to certify your fitness to return to work.

Paid Family Leave

Employees may be eligible for Paid Family Leave (PFL) 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 waiting period when an employee needs to take leave from work to care for a parent, parent-in-law, child, spouse, registered domestic partner, grandparent, grandchild, or sibling who is seriously ill, or for a working parent who wants time to bond with his or her newborn, foster child or newly adopted child. 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.

Holidays

You become eligible for paid holiday time:

1. After you have accrued 1,040 hours of employment through SDI Staffing without a lapse of 180 calendar days or more between job assignments;
2. You are regularly scheduled to work on the day on which the holiday is observed;
AND
3. You work your regularly scheduled working days immediately preceding and immediately following the holiday, unless an absence on either day is approved in advance by your supervisor or the absence is otherwise protected by law.

Once eligible for holiday pay, you are entitled to seven paid holidays per year. SDI Staffing observes the following paid holidays:

- | | |
|--------------------------------|---------------------|
| 1. January 1 (New Year's Day) | 4. Labor Day |
| 2. Memorial Day | 5. Thanksgiving Day |
| 3. July 4th (Independence Day) | 6. Christmas Day |

The seventh holiday is a Floater Holiday and can only be used for one of the following per calendar year: Columbus Day, Martin Luther King Day, Presidents Day, Veterans Day, Friday after Thanksgiving OR Christmas Eve.

- Holiday pay is not available to payroll service employees.
- If you are eligible for holiday pay and required to work on a scheduled holiday listed below, you will receive straight time pay.
- Your accrual of hours will start over at zero if there has been a lapse of 180 calendar days or more between job assignments

Vacation Pay Policy

You are entitled to one week of your normal pay as Vacation pay after you have accrued 2000 hours of employment through SDI Staffing.

- Accumulation of 2000 hours will commence again after each 2000 hours worked.
- You are only paid for your normal scheduled hours in a one week period.
- If there has been a lapse of 180 calendar days or more between job assignments, your accrual of hours will start over at zero.
- Vacation pay is not available to payroll service employees.

1. Vacations shall be scheduled to provide adequate coverage of job responsibilities and staffing requirements.
2. Your direct supervisor on the job will need to approve your vacation schedule in advance.
3. You will need to notify your Staffing Manager at SDI Staffing of your approved vacation schedule.
4. SDI Staffing's Vice President will need to confirm your eligibility to utilize the Vacation Pay benefit.

FAQ

1. **How many hours of vacation pay will you be paid if you are eligible?** The total amount of vacation pay hours will be the normal workday schedule for the client office which you are assigned, not to exceed 8.00 hours per day and/or 40.00 hours per 2000 hours accrued.

For example, if the client office you are assigned has a 7.50 hour work day, you will be paid 7.50 hours of vacation pay per day (up to 37.50 for one week) if you meet the eligibility requirements.

2. **Can I use my vacation pay benefit in smaller increments (i.e. 1 day this week, 3 days next week)?** Yes, you may request to use your vacation pay intermittently.

Retirement Plan - 401 (K)

SDI Staffing temporary employees are eligible to enroll in our 401(k) plan after they have been employed with SDI Staffing for 12 months and have worked 1,000 hours during a calendar year. Enrollment for the plan is in January and July of each year.

Workers' Compensation

SDI Staffing, 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 direct supervisor on the job and SDI Staffing;
- Seek medical treatment and follow-up care if required;
- Complete a written *Employee's Claim for Workers' Compensation Benefits* (DWC Form 1) and return it to SDI Staffing's Vice President; and
- Provide the Company 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.

Upon submission of a medical certification that an employee is able to return to work after a workers' compensation leave, the employee under most circumstances 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 the employee not gone on leave, or if the employee's position has been eliminated or filled in order to avoid undermining the Company'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, the Company's obligations to the employee may include reasonable accommodation, as governed by the Americans with Disabilities Act.

The law requires SDI Staffing to notify the workers' compensation insurance company of any concerns of false or fraudulent claims.

Company-Provided Physician / Medical Provider Network

As an employee of SDI Staffing, you are covered under our workers' compensation insurance policy through Everest National Insurance Company. Should you sustain an injury while on the job on or after 01/20/2005 and require medical treatment covered under our workers' compensation policy, you will be treated by providers in the Medical Provider Network (MPN), Everest Medical Provider Network (# 1719), unless you pre-designate a physician or medical group prior to your work injury.

If you have an existing injury, may be required to change to a provider in the MPN. Check with your claims adjuster. You may obtain more information about the MPN from the workers' compensation poster in our office or online at <http://www.everestnational.com/workcomp/>.

Pre-Designation of Personal Physician & Workers Compensation Information

If you would like to pre-designate a physician or medical group of your choice now, or any time prior to an injury sustained on the job, SDI Staffing requires you to complete the Pre-designation of Personal Physician Form located at https://www.dir.ca.gov/dwc/FORMS/DWCFORM_9783.pdf and return the completed form to accounting@sdistaffing.com.

For additional information about Workers Compensation, Everest National Insurance Company, reporting a claim, and the Medical

Provider Network, you can call our office at 619-528-8434 or review the information on Everest National Insurance Company's website at <http://www.everestnational.com/workcomp/>.

Workers' Compensation and FMLA/CFRA

Employees who are ill or injured as a result of a work-related incident, and who are eligible for family and medical 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 a rolling 12-month period measured backward from the date an employee uses any family leave.

Leaves of Absence

Family and Medical Leave 50 or More Employees

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

- The employee has been employed with the Company for a total of at least 12 months prior to the commencement of leave. The 12 months of employment must have accumulated within the previous seven years (certain exceptions apply);
- 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 (FMLA/CFRA);
- For incapacity due to pregnancy, prenatal medical care or child birth (FMLA only);
- For a serious health condition that makes the employee unable to perform his or her job (FMLA/CFRA);
- To care for the employee's spouse, child, or parent who has a serious health condition (FMLA/CFRA);
- To care for the employee's registered domestic partner (CFRA only).

For additional information about eligibility for family/medical leave, contact the Vice President.

Military Family Leave Entitlements

- Eligible employees whose spouse, son, daughter or parent is on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.
- Eligible employees may also take a special leave entitlement of up to 26 weeks of leave to care for a covered service member during a single 12-month period. (FMLA/CFRA for 12 weeks if the care provider is eligible for both, followed by 14 weeks of (FMLA only), or 26 weeks of FMLA only if leave is not CFRA covered leave). A covered service member is either:
 - A current member of the Armed forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness*; or
 - A veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.*

*The FMLA definitions of "serious injury or illness" for current service members and veterans are distinct from the FMLA definition of "serious health condition."

Calculating the 12-month Period

For purposes of calculating the 12-month period during which 12 weeks of FMLA or qualifying exigency leaves may be taken, SDI Staffing uses rolling 12-month period measured backward from the date an employee uses any family leave.

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

For leave to care for a covered service member, the 12-month period begins on the first day of the leave, regardless of how the 12-month period is calculated for other leaves. Leave to care for a covered service member is for a maximum of 26 workweeks during a 12-month period.

Pregnancy, Childbirth or Related Conditions

Leave because of the employee's disability for pregnancy, childbirth or related medical condition is not counted as time used under California law (the California Family Rights Act). However, time off because of pregnancy disability, childbirth or related medical condition does count as family and medical leave under federal law (the Family and Medical Leave Act). Employees who take time

off for pregnancy disability and who are eligible for family and medical leave will also be placed on family and medical leave that runs at the same time as their pregnancy disability leave. Once the pregnant employee is no longer disabled, or once the employee has exhausted PDL and has given birth, the employee may apply for leave under the California Family Rights Act, for purposes of baby bonding.

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

Leave Procedures

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

- Please contact Vice President or Director of Recruiting as soon as you realize the need for family/medical leave. If the leave is based on the expected birth, placement for adoption or foster care, or planned medical treatment for a serious health condition of the employee or a family member, the employee must notify the Company at least 30 days before leave is to begin. The employee must consult with his or her supervisor regarding scheduling of any planned medical treatment or supervision in order to minimize disruption to the operations of the Company. Any such scheduling is subject to the approval of the health care provider of the employee or the health care provider of the employee's child, parent, or spouse.
- If the employee cannot provide 30 days' notice, the Company must be informed as soon as is practical.
- If the Family and Medical Leave Act/California Family Rights Act request is made because of the employee's own serious health condition, the Company may require, at its expense, a second opinion from a health care provider that the Company chooses. The health care provider designated to give a second opinion will not be one who is employed on a regular basis by the Company.
- If the second opinion differs from the first opinion, the Company may require, at its expense, the employee to obtain the opinion of a third health care provider designated or approved jointly by the employer and the employee. The opinion of the third health care provider shall be considered final and binding on the Company and the employee.

Certification

SDI Staffing requires the employee to provide certification. You will have 15 calendar days from the Company's request for certification to provide it to the Company, unless it is not practicable to do so. The Company may require recertification from the health care provider if the employee requests additional leave upon expiration of the time period in the original certification. *(For example: If an employee needs two weeks of family and medical leave, but following the two weeks needs intermittent leave, a new medical certification will be requested and required.)* If the employee does not provide medical certification in a timely manner to substantiate the need for family and medical leave, the Company may delay approval of the leave, or continuation thereof, until certification is received. If certification is never received, the leave may not be considered family and medical leave.

If the leave is needed 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 family/medical leave for this reason.

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

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

If an employee is absent because of his/her own serious health condition, the Company will also require a medical release to return

to work form or certification from the employee's health care provider that the employee is able to resume work. Failure to a release to return to work certificate from the employee's health care provider will result in denial of reinstatement for the employee until the certificate is obtained.

Leave Related to Military Service

A leave taken due to a "qualifying exigency" related to military service must be supported by a certification of its necessity. A leave taken due to the need to care for a service member shall be supported by a certification by the service member's health care provider or other certification allowed by law. Special certification requirements apply to leaves related to military service.

Substitution of Paid Leave

Generally, FMLA/CFRA leave is unpaid. The Company may require, or employees may choose, to use accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the company's normal paid leave policies. For more information on those specific circumstances requiring or allowing the substitution of paid leave contact the Vice President or Director of Recruiting.

Reinstatement

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

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

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

Time Accrual

Please contact SDI Staffing's Vice President with any questions regarding accrual of other company provided paid leave benefits (such as vacation, PTO or sick leave) during unpaid FMLA/CFRA leave.

Carryover

Leave granted under any of the reasons provided by state and federal law will be counted as family/medical leave and will be considered as part of the 12-workweek entitlement (26-workweek entitlement if leave is to care for a service member) in any 12-month period. No carryover of unused leave from one 12-month period to the next 12-month period is permitted.

Intermittent Leave

Employees may take Family and Medical Leave Act/California Family Rights Act leave intermittently (in blocks of time, or by reducing their normal weekly or daily work schedule) if the leave is for the serious health condition of the employee or a qualifying family member and the reduced leave schedule is medically necessary as determined by the health care provider of the person with the serious health condition. The smallest increment of time that can be used for such leave is 2 hour increments.

See also the discussion of Pregnancy, Childbirth or Related Medical Conditions above.

Pregnancy Disability Leave Five or More Employees

If you are pregnant, have a related medical condition, or are recovering from childbirth, please review this policy. Any employee planning to take pregnancy disability leave should advise the personnel department as early as possible. The individual should make an appointment with the personnel manager to discuss the following conditions:

- Duration of pregnancy disability leave will be determined by the advice of the employee's physician, but employees disabled by pregnancy may take up to four months of leave per pregnancy (the working days you normally would work in one-third of a year or 17 1/3 weeks). Part-time employees are entitled to leave on a pro rata basis. The four months of leave includes any period of time for actual disability caused by the employee's pregnancy, childbirth, or related medical condition. This includes leave for severe morning sickness and for prenatal care, doctor-ordered bed rest, as well as other reasons. Your healthcare provider determines how much time you need for your disability.
- SDI Staffing will also reasonably accommodate medical needs related to pregnancy, childbirth, or related conditions or temporarily transfer you to a less strenuous or hazardous position (where one is available) or duties if medically needed because of your pregnancy.
- Employees who need to take pregnancy disability must inform SDI Staffing when a leave is expected to begin and how long it will likely last. If the need for a leave, reasonable accommodation, or transfer is foreseeable (such as the expected birth of a child or a planned medical treatment for yourself), employees must provide at least 30 days advance notice before the pregnancy disability leave or transfer is to begin. Employees must consult with the personnel manager regarding the scheduling of any planned medical treatment or supervision in order to minimize disruption to the operations of the Company. Any such scheduling is subject to the approval of the employee's health care provider;
- For emergencies or events that are unforeseeable, we need you to notify the Company, at least verbally, as soon as practical after you learn of the need for the leave.
- Failure to comply with these notice requirements may result in delay of leave, reasonable accommodation, or transfer;
- Pregnancy leave usually begins when ordered by the employee's physician. The employee must provide SDI Staffing with a written certification from a health care provider for need of PDL, reasonable accommodation or transfer. The certification must be returned no later than 15 calendar days after it is requested by the Company. Failure to do so may, in some circumstances, delay PDL leave, reasonable accommodation or transfer. Please see the personnel department for a medical certification form to give to your health provider.
- Leave returns will be allowed only when the employee's physician sends a release;
- An employee will be allowed to use accrued sick time (if otherwise eligible to take the time) during a pregnancy disability leave. An employee will be allowed to use accrued vacation or personal time (if otherwise eligible to take the time) during a pregnancy disability leave; and
- Leave does not need to be taken in one continuous period of time and may be taken intermittently, as needed. Leave may be taken in increments of 1 hour.

If intermittent leave or leave on a reduced work schedule is medically advisable the employee may, in some instances, be required to transfer temporarily to an available alternative position that meets the employee's needs. The alternative position need not consist of equivalent duties, but must have the equivalent rate of pay and benefits. The employee must be qualified for the position. The position must better accommodate the employee's leave requirements than her regular job. Transfer to an alternative position can include altering an existing job to better accommodate the employee's need for intermittent leave or a reduced work schedule. Upon submission of a medical certification that an employee is able to return to work from a pregnancy disability leave, an employee will be reinstated to her same position held at the time the leave began or, in certain instances, to a comparable position, if available. There are limited exceptions to this policy. An employee returning from a pregnancy disability leave has no greater right to reinstatement than if the employee had been continuously employed.

Domestic Violence, Sexual Assault or Stalking Leave for Treatment

Employees who are victims of domestic violence, sexual assault or stalking are eligible for unpaid leave. Although the leave is generally unpaid, employees can use their paid sick time under California's Healthy Workplaces, Healthy Families Act for.

Your Right to Take Time Off:

- You have the right to take time off from work to get help to protect you and your children's health, safety or welfare. You can take time off to get a restraining order or other court order.
- If your company has 25 or more workers, you can take time off from work to get medical attention or services from a domestic violence shelter, program or rape crisis center, psychological counseling, or receive safety planning related to

domestic violence, sexual assault, or stalking.

- You may use available vacation, personal leave, accrued paid sick leave or compensatory time off for your leave unless you are covered by a union agreement that says something different. Even if you don't have paid leave, you still have the right to time off.
- In general, you don't have to give your **EMPLOYER** proof to use leave for these reasons.
- If you can, you should tell your employer before you take time off. Even if you cannot tell your employer before, your employer cannot discipline you if you give proof explaining the reason for your absence within a reasonable time. Proof can be a police report, court order or doctor's or counselor's note or similar document.

Your Right to Reasonable Accommodation: You have the right to ask your employer for help or changes in your workplace to make sure you are safe at work. Your employer must work with you to see what changes can be made. Changes in the workplace may include putting in locks, changing your shift or phone number, transferring or reassigning you, or help with keeping a record of what happened to you. Your employer can ask you for a signed statement certifying that your request is for a proper purpose, and may also request proof showing your need for an accommodation. Your employer cannot tell your coworkers or anyone else about your request.

Your Right to Be Free from Retaliation and Discrimination: Your employer cannot treat you differently or fire you because:

- You are a victim of domestic violence, sexual assault, or stalking.
- You asked for leave time to get help.
- You asked your employer for help or changes in the workplace to make sure you are safe at work.

You can file a complaint with the Labor Commissioner's Office against your employer if the employer retaliates or discriminates against you.

For more information, contact the California Labor Commissioner's Office. We can help you by phone at 213-897-6595, or you can find a local office on our website: www.dir.ca.gov/dlse/DistrictOffices.htm. If you do not speak English, we will provide an interpreter in your language at no cost to you. This Notice explains rights contained in California Labor Code sections 230 and 230.1. Employers may use this Notice or one substantially similar in content and clarity.

Victims of Crime Leave

An employee who is themselves a victim or who is the family member of a victim of certain serious crimes may take time off from work to attend judicial proceedings related to the crime or to attend proceedings involving rights of the victim.

A family member of a crime victim may be eligible to take this leave if the employee is the crime victim's spouse, parent, child or sibling. Other family members may also be covered depending on the purpose of the leave.

The absence from work must be in order to attend judicial proceedings or proceedings involving rights of the victim. Only certain crimes are covered. You must provide reasonable advance notice of your need for leave, and documentation related to the proceeding may be required. 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 or proceedings involving victim rights will be unpaid, unless you are eligible and currently have vacation pay accrued.

For more information regarding this leave (including whether you are covered, when and what type of documentation is required, and which type of paid time off can be used), please contact SDI Staffing's Vice President.

Jury Duty and Witness Leave

SDI Staffing encourages employees to serve on jury duty when called. Non-exempt, external employees will not receive pay while serving jury duty. 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.

Military Leave

Employees who wish to serve in the military and take military leave should contact the Vice President or Director of Recruiting 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.

Bereavement Leave Policy

When a death occurs in an employee’s immediate family*, employees may take up to five (5) unpaid days off to attend the funeral or make funeral arrangements. SDI Staffing does not offer paid bereavement leave.

**Immediate family members are defined as an employee’s spouse, parents, stepparents, sisters, brothers, children, stepchildren, grandparents, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or grandchild.*

Volunteer Civil Service Personnel

No employee shall be disciplined for taking time off to perform emergency duty as a volunteer firefighter, peace officer, or emergency rescue personnel. Employees who perform emergency duty as a volunteer firefighter, reserve peace officer, or emergency rescue personnel may also take up to a total of fourteen days unpaid leave time per calendar year to engage in required fire, law enforcement or emergency rescue training. Please alert your supervisor that you may have to take time off for emergency duty or emergency duty training. When taking time off for emergency duty, please alert your supervisor before doing so when possible.

Employee Conduct

Punctuality and Attendance

As an employee of SDI Staffing, you are expected to be punctual and regular in attendance. Any tardiness or absence causes problems for your fellow employees and your supervisor. When you are absent, your assigned work must be performed by others.

Employees are expected to report to work as scheduled, on time, and prepared to start work. Employees also 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 arrivals, early departures or other unanticipated and unapproved absences from scheduled hours are disruptive and must be avoided.

If you are unable to report for work on any particular day, you must provide reasonable advance notice to your supervisor before the time you are scheduled to begin working for that day. You must inform your supervisor of the expected duration of any absence. If you fail to provide reasonable advance notice before your scheduled time to begin work and do not arrive in time for your assigned shift, you will be considered tardy for that day. If the circumstances for your tardiness or absence were unforeseen, inform your supervisor as soon as practicable of the reason for the tardiness or absenteeism.

Excessive absenteeism or tardiness, providing false information or abuse of leave laws will not be tolerated. Generally, if you fail to report for work without any notification to your supervisor and your absence continues for a period of 3 days, SDI Staffing will consider that you have voluntarily abandoned or quit your employment.

Absences protected by local, state and federal law do not count as a violation of the punctuality and attendance policy. Paid sick time protected under California law does not count as a violation of this policy.

Dress Codes and Other Personal Standards

SDI Staffing requires all employees to present themselves in a professional manner, with regard to attire, personal hygiene and appearance. We expect you to be concerned with the impression you make on others, to include our clients, their staff, their customers and their visitors.

In accordance with this, employees are to ensure their clothing, appearance and hygiene are business like and contribute to a pleasant office atmosphere. Employees are expected to wear clothing appropriate for the nature of our client's business and the type of work performed. Clothing should be neat, clean and tasteful. Avoid clothing that can create a safety hazard. Employees are responsible for exercising sound judgment and common sense for his or her attire at all times. Employees are also expected to maintain personal cleanliness by bathing and brushing teeth daily; using deodorant/antiperspirant to minimize body odors; avoiding heavily scented perfumes, colognes and lotions, as these can cause allergic reactions, migraines and respiratory difficulty for some employees; cleaning and trimming fingernails regularly; and washing hands after eating or using the restrooms. Worksite managers at a client site may issue more specific guideline specific to their policies.

Employees who need a reasonable accommodation to this policy because of medical conditions and/or religious beliefs, observances or practices should contact SDI Staffing's President or Vice President of Staffing Operations to discuss the need for accommodation. (Please also refer to the Reasonable Accommodation Policy in this handbook.)

Drug and Alcohol Abuse

SDI Staffing is concerned about the use of alcohol, marijuana, 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 seriously impair Company operations. 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 the Company to the risks of property loss or damage, or injury to other persons.

The following rules and standards of conduct apply to all employees while on SDI Staffing or client worksite, at work, or working on

Company business. The following are strictly prohibited by Company policy:

- Being under the influence of, or impaired by, an illegal or controlled substance, alcohol or marijuana while on the job.
- Using or possessing illegal or controlled substances, alcohol or marijuana while on the job (including the illegal use of prescription drugs and possessing drug paraphernalia)
- Distributing, selling, or purchasing of an illegal or controlled substance, alcohol or marijuana while on the job.

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

In order to enforce this policy, SDI Staffing 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 SDI Staffing. In addition, the Company must keep people who sell or possess controlled substances off Company premises in order to keep the controlled substances themselves off the premises. SDI Staffing will encourage and reasonably accommodate employees with alcohol, marijuana or drug dependencies to seek treatment and/or rehabilitation. Employees desiring such assistance should request a treatment or rehabilitation leave. The Company is not obligated, however, to continue to employ any person whose performance of essential job duties is impaired because of drug, alcohol or marijuana use.

Additionally, 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 reemployed or be given a second opportunity to seek treatment and/or rehabilitation. This policy on treatment and rehabilitation is not intended to affect the Company'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.

Conducting Personal Business

Employees are to conduct only SDI Staffing business while at work. Employees may not conduct personal business or business for another employer during their scheduled working hours.

Conflicts of Interest

All employees must avoid situations involving actual conflict of interest. Personal or romantic involvement with a competitor, supplier, or subordinate employee of SDI Staffing or subordinate employee of our client, which impairs an employee's ability to exercise good judgment on behalf of the Company, can create an actual conflict of interest. Supervisor-subordinate romantic or personal relationships also can lead to supervisory problems, possible claims of sexual harassment, and morale problems.

An employee involved in any of the types of relationships or situations described in this policy should immediately and fully disclose the relevant circumstances to his or her immediate supervisor, or any other appropriate supervisor, for a determination about whether an actual conflict exists. If an actual conflict is determined, SDI Staffing may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for disciplinary action.

Other Employment

While employed by SDI Staffing, employees are expected to devote their energies to their jobs with the Company. Employment that directly conflicts with the Company's essential business interests and disrupts business operations is strictly prohibited.

Employees who wish to engage in additional employment that may create a real conflict of interest must submit a written request to SDI Staffing explaining the details of the additional employment. If the additional employment is authorized, SDI Staffing assumes no responsibility for it. SDI Staffing 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.

Prohibited Conduct

Employees are expected to conduct themselves in a manner to further the Company's objectives. The following conduct is

prohibited and will not be tolerated by SDI Staffing. This list of prohibited conduct is illustrative only; other types of conduct that threaten security, personal safety, employee welfare and Company operations also may be prohibited and will result in disciplinary action up to and including termination.

- Falsifying employment records, employment information, or other Company records;
- Inefficient or careless performance of job responsibilities or inability to perform job duties satisfactorily;
- Recording the work time of another employee or allowing any other employee to record your work time, or falsifying any time card, either your own or another employee's;
- Theft and deliberate or careless damage or destruction of any Company property, or the property of any employee or customer;
- Removing or borrowing SDI Staffing and/or client property without prior authorization;
- Unauthorized use or misuse of SDI Staffing and/or client equipment, time, materials, or facilities;
- Provoking a fight or fighting during working hours or on SDI Staffing and/or client property;
- Participating in horseplay or practical jokes on Company time or on SDI Staffing and/or client premises;
- Carrying firearms or any other dangerous weapons on SDI Staffing and/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 SDI Staffing and/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, or the use of abusive or threatening language toward a supervisor or member of management;
- Using abusive, threatening or intimidating language at any time on SDI Staffing and/or client premises;
- Violation of Company punctuality and attendance policies. Absences protected by state or federal law do not count as violations of this policy. Protected paid sick time under California law does not count as a violation of this policy;
- Failing to obtain permission to leave work for any reason during normal working hours, not including meal periods;
- Failing to observe working schedules, including rest and lunch periods;
- Sleeping or malingering on the job;
- Making or accepting personal telephone calls, including cell phone calls, of more than three minutes in duration during working hours, except in cases of emergency or extreme circumstances;
- Working overtime without authorization or refusing to work assigned overtime;
- Violation of dress standards;
- Violating any safety, health, security or client policy, rule, procedure or violation of the Company's drug and alcohol policy;
- Committing a fraudulent act or a breach of trust under any circumstances;
- Violating the Company's anti-harassment or equal employment opportunity policies; and
- Failing to promptly report work-related injury or illness.

This statement of prohibited conduct does not alter the Company's policy of at-will employment. Either you or SDI Staffing remain free to terminate the employment relationship at any time, with or without reason or advance notice.

Prohibited Use of Company Cell Phone While Driving

In the interest of the safety of our employees and other drivers, SDI Staffing employees are prohibited from using cell phones (including all smart phones) or other wireless communication devices (including laptops) while driving on client business and/or Company time. This prohibition includes any use of the cell phone or other wireless communications device, such as answering or placing calls, engaging in conversations, texting, Web browsing or using any smart phone application while driving.

If your job requires that you keep your cell phone or other wireless communication device turned on while you are driving, you must use a hands-free, voice-operated device at all times. Under no circumstances should employees place phone calls while operating a motor vehicle while driving on Company business and/or Company time. You must safely pull off the road before conducting Company business. Violating this policy is a violation of law and a violation of Company rules.

Company Property

Electronic and Social Media

This policy is intended to protect the Company's computer systems and electronic information.

For purposes of these policies, the following definitions apply: "Computers" are defined as desktop computers, laptops, handheld devices (including but not limited to iPhones, Black berries, smart phones, iPads, and other electronic tablets and cell phones), computer software/hardware and servers.

SDI Staffing and our clients also use various forms of "electronic communication." "Electronic communications" includes e-mail, text messages, telephones, cell phones and other handheld devices (such as cell phones, Blackberries or smart phones or writing tablets or iPads), fax machines, and online services including the Internet.

"Electronic information" is any information created by an employee using computers or any means of electronic communication, including but not limited to, data, messages, multimedia data, and files.

The following general policies apply:

- Computers and all data transmitted through SDI Staffing or our client servers are Company property owned by the Company for the purpose of conducting Company business. These items must be maintained according to SDI Staffing rules and regulations. Computers must be kept clean and employees must exercise care to prevent loss and damage. Prior authorization must be obtained before any Company property may be removed from the premises.
- All electronic communications also remain the sole property of SDI Staffing and our clients and are to be used for Company business. For example, email messages are considered Company records.
- Electronic information created by an employee using any computer or any means of electronic communication is also the property of SDI Staffing and/or our client and remains the property of SDI Staffing and/or our client.
- Information stored in SDI Staffing and/or our client computers and file servers, including without limitation company lists, vendor lists, customer lists, research data, etc. is the property of the Company and may not be distributed outside the Company in any form whatsoever without the written permission of the President.
- Violation of any of the provisions of this policy, whether intentional or not, will subject SDI Staffing employees to disciplinary action, up to and including termination.

Monitoring of Company Property

SDI Staffing and our clients reserve the right to inspect all Company property to ensure compliance with its rules and regulations, without notice to the employee and at any time, not necessarily in the employee's presence. SDI Staffing computers and all electronic communications and electronic information are subject to monitoring and no one should expect privacy regarding such use. The Company reserves the right to access, review and monitor electronic files, information, messages, text messages, e-mail, Internet history, browser-based webmail systems and other digital archives and to access, review and monitor the use of computers, software, and electronic communications to ensure that no misuse or violation of Company policy or any law occurs. E-mail may be monitored by the Company and there is no expectation of privacy. Assume that e-mail may be accessed, forwarded, read or heard by someone other than the intended recipient, even if marked as "private."

Employee passwords may be used for purposes of security but the use of a password does not affect the Company's ownership of the electronic information or ability to monitor the information. The Company may override an employee's password for any reason.

Employees are not permitted to access the electronic communications of other employees or third parties unless directed to do so by SDI Staffing and/or our client's management team.

Prohibited Use

All existing Company policies apply to employee use of computers, electronic communications, electronic information, and the Internet. This includes policies that deal with misuse of Company assets or resources. It is a violation of SDI Staffing policy to use computers, electronic communications, electronic information, or the Internet, in a manner that: is discriminatory harassing or obscene; constitutes copyright or trademark infringement; violates software licensing rules; is illegal; or is against SDI Staffing policy. It is also a violation of policy to use computers, electronic communications, electronic information, or the Internet to communicate confidential or sensitive information or trade secrets.

The display of any kind of sexually explicit multimedia content, message, or document on any SDI Staffing and/or client computer is a violation of the Company's policy against sexual harassment. This description of prohibited usage is not exhaustive and it is within the discretion of SDI Staffing to determine if there has been a violation of this policy. Employees that engage in prohibited use will be subject to discipline and/or immediate termination.

This policy is not intended to limit the ability of employees to discuss with other employees the terms and conditions of their employment, including such topics as wages, job performance, workload, supervisors, or staffing.

Computer and Internet Use

Our clients provide computers, electronic communications, electronic information and information technology resources, including the Internet, to SDI Staffing employees to help them do their job. All use of our client's resources and property should be used only for business related purposes.

This policy is not intended to limit the ability of employees to use Company email systems to communicate with other employees regarding the terms and conditions of their employment, including such topics as wages, job performance, workload, supervisors or staffing.

Any personal usage of Company property must not interfere with the employee's work performance, take away from work time, consume supplies, slow other users, slow the servers or computer systems, or tie up printers or other shared resources, or violate any Company policy, including policies against harassment, discrimination and disclosure of confidential or trade secret information. All policies relating to monitoring usage of Company property apply.

Employee-owned Devices

Employee's own computers (including hand held devices) and electronic communications are not to be used during work time on the work premises. Employees may use personal devices during non-working times, such as breaks and meal periods; however, all other company policies against inappropriate usage, including the Company's no tolerance for discrimination, harassment or retaliation in the workplace, apply.

Off-Duty Use of Facilities

Employees are prohibited from remaining on SDI Staffing client premises or making use of client facilities while not on duty. Employees are expressly prohibited from using client facilities, property, or equipment for personal use. This policy is not intended to limit the ability of employees to use the Company's email systems to communicate with other employees regarding the terms and conditions of their employment during non-working times, including such topics as wages, job performance, workload, supervisors or staffing.

Management

Personnel Records

You have a right to inspect or receive a copy of the personnel records that SDI Staffing maintains relating to your performance or to any grievance concerning you. Certain documents may be excluded or redacted from your personnel file by law, and there are legal limitations on the number of requests that can be made. Any request to inspect or copy personnel records must be made in writing to the Vice President of SDI Staffing.

You may designate a representative to conduct the inspection of the records or receive a copy of the records. However, any designated representative must be authorized by you in writing to inspect or receive a copy of the records. SDI Staffing may take reasonable steps to verify the identity of any representative you have designated in writing to inspect or receive a copy of your personnel records.

The personnel records may be made available to you either at the place where you work or at a mutually agreeable location (with no loss of compensation for going to that location to inspect or copy the records). The records will be made available no later than 30 calendar days from the date SDI Staffing receives your written request to inspect or copy your personnel records (unless you/your representative and SDI Staffing mutually agree in writing to a date beyond 30 calendar days but no later than 35 calendar days from receipt of the written request).

If you request a copy of the contents of your file, you will be charged the actual cost of copying.

Disclosure of personnel information to outside sources, other than your designated representative, will be limited. However, SDI Staffing will cooperate with request from authorized law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.

Workplace Privacy - Audio/Video Recordings

Due to concerns regarding the potential for invasion of privacy, sexual or other harassment, and protection of proprietary or confidential information, employees may not use any audio or video recording devices while on working time. Employees also may not use any audio or video recordings in work areas that SDI Staffing and/or that our client has identified as confidential, secure or private, unless the employee is engaged in protected activity related to improving the terms and conditions of his/her employment, such as documenting health and safety issues.

Safety and Health

Ergonomics

SDI Staffing is subject to Cal/OSHA ergonomics standards for minimizing workplace repetitive motion injuries. The Company will make necessary adjustments to reduce exposure to ergonomic hazards through modifications to equipment and processes and employee training. The Company encourages safe and proper work procedures and requires all employees to follow safety instructions and guidelines.

SDI Staffing believes that reduction of ergonomic risk is instrumental in maintaining an environment of personal safety and well-being, and is essential to our business. We intend to provide appropriate resources to create a risk-free environment. If you have any questions about ergonomics, please contact the Vice President.

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. Report all work-related injuries or illnesses immediately to your supervisor or to the human resources department. In compliance with California law, and to promote the concept of a safe workplace, SDI Staffing maintains an Injury and Illness Prevention Program. The Injury and Illness Prevention Program is available for review by employees and/or employee representatives in the general manager's office.

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

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: road closure, heavy rain, severe flooding, earthquake, or fire. If weather conditions prevent you from safely traveling to work, you must notify Direct Supervisor on the job & SDI Staffing Representative by phone, if telephone service is functional, or by any other available means. Employees may be paid for up to 0 day(s) per year when weather conditions prevent them from reaching the worksite. Absences in excess of 0 day(s) will be unpaid or will be deducted from accumulated vacation time.
- In the event of a natural disaster, 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.

Recreational Activities and Programs

SDI Staffing 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.

Workplace Violence

SDI Staffing has adopted the following workplace violence policy to ensure a safe working environment for all employees.

The Company has zero tolerance for acts of violence and threats of violence. Without exception, acts and threats of violence are not permitted. All such acts and threats, even those made in apparent jest, will be taken seriously, and will lead to discipline up to and including termination.

Possession of non-work related weapons on Company premises and at Company-sponsored events shall constitute a threat of violence.

It is every employee's responsibility to assist in establishing and maintaining a violence-free work environment. Therefore, each employee is expected and encouraged to report any incident which may be threatening to you or your co-workers or any event which you reasonably believe is threatening or violent.

You may report an incident to any supervisor or manager.

A threat includes, but is not limited to, any indication of intent to harm a person or damage Company property. Threats may be direct or indirect, and they may be communicated verbally or nonverbally. The following are examples of threats and acts that shall be considered violent - this list is in no way all-inclusive:

Example	Type of Threat
Saying, "Do you want to see your next birthday?"	Indirect
Writing, "Employees who kill their supervisors have the right idea."	Indirect
Saying, "I'm going to punch your lights out."	Direct
Making a hitting motion or obscene gesture	Nonverbal
Displaying weapons	Extreme
Stalking or otherwise forcing undue attention on someone, whether romantic or hostile	Extreme
Taking actions likely to cause bodily harm or property damage	Acts of violence

Termination

Employee References

All requests for references must be directed to the Vice President or President of SDI Staffing. No other manager, supervisor, or employee is authorized to release references for current or former employees.

By policy, SDI Staffing discloses only the dates of employment, pay rate, and the title of the last position held of former employees. If you authorize the disclosure in writing, SDI Staffing also will inform prospective employers of your eligibility for rehire.

Voluntary Resignation

Voluntary resignation results when an employee voluntarily quits his or her employment at SDI Staffing, or fails to report to work for three consecutively scheduled workdays without notice to, or approval by, his or her supervisor (unless the absence is protected by law). All Company-owned property, including vehicles, keys, uniforms, identification badges, and credit cards, must be returned immediately upon termination of employment.