

Anodizing Industries

Employee Handbook

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1 INTRODUCTION

1.1 Welcome to Our Company

Welcome to Anodizing Industries, Inc. (hereinafter referred to as Anodizing Industries or “the Company”). A large and important part of our lives is spent on the job. Our employees have been the basis of our success and are the foundation of our future. We expect your best efforts in the performance of your job and becoming a successful member of our team. We hope your employment with us is pleasant and mutually beneficial. We shall do our best to make it so.

1.2 Translation of Handbook

The Company expects all employees to understand and comply with the provisions in this Handbook. Employees who do not understand any provision in this Handbook because of an inability to read and comprehend English are expected to immediately notify their Supervisor, the Human Resources Manager, or the General Manager. They will help all such employees understand the Handbook’s provisions and what is expected from everyone. Employees who fail to request assistance will be considered to have a complete understanding of all the provisions in this Handbook.

1.3 About the Employee Handbook

This Employee Handbook tells you something about our organization and explains our policies, employee benefits and operating procedures currently in effect as well as your responsibilities as an employee at Anodizing Industries. It supersedes and replaces any previously issued Handbook. Except for the employment at-will, this Employee Handbook is not a contract of employment. Accordingly, this Handbook should not be interpreted to create any express or implied contractual rights between Anodizing Industries and any employee, or to create any promise or representation of continued employment for any employee. Your employment with us is on an at-will basis. This means that your employment relationship may be terminated at any time either by you or the Company for any reason not expressly prohibited by law or for no reason.

This Handbook does not cover every aspect of your employment with Anodizing Industries, and it is not intended to provide in detail all policies, practices, and procedures. Consequently, Anodizing Industries at its sole discretion, may amend the contents of this Handbook at any time. Furthermore, this Handbook is in addition to any other company policies or procedures that have been or may be distributed to employees. The Company retains the right to change, modify, add, suspend, interpret, or discontinue any of its personnel policies, procedures, practices, work rules or benefits that are stated in this Handbook. Only the President has the authority to change or alter the policies in this Employee Handbook. No oral statements or representations can change the provisions of this Employee Handbook. Any change to this Handbook would be communicated to you through a memo or Handbook update.

Many of the guidelines and benefits contained in this Handbook have been summarized from policy statements and benefit plan documents. Should there be a difference between what this Handbook contains and a more current provision of a policy, contract or benefit plan document, the current policy, contract, or plan document will prevail. You should keep this Handbook handy as a guide and ready reference. If you have any questions as you read through this Handbook or when questions arise which are not answered in this Handbook, please do not hesitate to ask your management for assistance.

This Handbook is the property of Anodizing Industries. The information contained herein is proprietary to this Company and may not be copied or reproduced without the express written permission of the President of the Company. The disclosure of this Handbook to other companies or competitors is prohibited. This does not preclude employees from disclosing or discussing employment policies with others that pertain to their wages, hours and

other terms and conditions of employment. This Handbook has been prepared for the express use of personnel employed by Anodizing Industries.

1.4 About Our Company

Anodizing Industries, Inc. was founded in 1979 as a California Corporation in downtown Los Angeles. The company provides metal finishing services to manufacturers which gives protection and a quality appearance to their parts. Services include anodizing, painting, blasting, polishing and assembly.

1.5 Customer Relations

Satisfied customers are our most valuable assets since they are the ones who can ensure us of success. Our Company has never wavered from its commitment to satisfying our Customers. All our employees contribute to making our Customers satisfied with Anodizing Industries' services.

Satisfaction is a composite of many things-- Professionalism, courtesy, responsiveness, a neat appearance, a friendly atmosphere, and a genuine concern for the customer and client- things that cost little but are so important to customers. Successful customer relations also involve providing quality products and services that consistently meet, if not exceed, the expectations of our customers. These items are always a matter of primary concern both to our customers and Anodizing Industries. It is, therefore, the responsibility of every employee to be pleasant, have a positive attitude, and always provide prompt and courteous services to our Customers.

2 EMPLOYMENT

2.1 Equal Employment Opportunity

It is the policy of Anodizing Industries to conduct our relations with employees and applicants for employment in accordance with applicable federal and state employment laws without regard to race (including traits historically associated with race, such as hair texture and protective hairstyles), color, religion (including religious dress or grooming practice), sex or gender (including gender identity and gender expression such as individuals who are transgender or transsexual), sexual orientation, pregnancy (including childbirth, breastfeeding or related medical conditions), age, physical and mental disability (including HIV and AIDS), national origin or citizenship status, marital status, ancestry, hairstyle or hair texture associated with race, medical condition, genetic characteristics or genetic information, military service or veteran status, or any other characteristics protected by applicable federal, state, or local laws prohibiting discrimination.

This policy applies to all employment terms and conditions including hiring, compensation decisions, benefits, discipline, training, promotions, transfers, layoffs, and terminations. Job aptitude, ability and other job-related tests may be given to help determine a person's qualifications and abilities to perform a specific job. Any employee with questions or concerns about any type of discrimination in the workplace should bring these issues to the attention of the Human Resources Manager or to the President of the Company. Employees can raise concerns, report problems, or make complaints without fear of reprisal. Anyone found to be engaging in any type of prohibited discrimination would be subject to disciplinary action, up to and including termination of employment.

2.2 Disabled Employees and Job Applicants

The employment related provisions of the Americans With Disabilities Act (ADA) as well as the California Fair Employment & Housing Act (FEHA) (or applicable state employment laws or regulations covering employees who work in other states) apply to all employees and job applicants seeking employment with Anodizing Industries. Under the ADA or FEHA, a qualified individual with a disability is an individual who, with or without reasonable accommodation, can perform the essential functions of the employment position which the individual holds or desires.

The Company will attempt to provide reasonable accommodation for known physical or mental limitations, if a job applicant or employee is otherwise qualified, unless undue hardship would result. In general, a disabled individual is one who currently has, is regarded as having, or has had a record of a physical or mental impairment that limits or substantially limits one or more of the major life activities of such individual. Such major life activities include, but not limited to, walking, seeing, hearing, speaking, standing, sitting, reaching lifting, bending, eating, breathing, sleeping, reading, learning, concentrating, thinking, communicating, interacting with others, performing manual tasks, and caring for oneself.

An applicant or employee who requires accommodation to perform the essential functions of the job should inform the Company, and request such an accommodation. The individual with the disability should specify what accommodation he or she requires to perform the job. The Company would engage in a timely, interactive process with the applicant or employee to determine effective reasonable accommodations, if any, in response to a request for reasonable accommodation by an applicant or employee with a known physical or mental disability, or medical condition. Information concerning the employee's disability or accommodation will be kept confidential as required by law, but some disclosure will be necessary or appropriate to conduct the interactive dialogue, assess the accommodation needed, and assure the health and safety of the employee and others in the workplace.

2.3 Policy Against Harassment and Discrimination

Anodizing Industries is committed to maintaining a work environment that is free of unlawful harassment and discrimination based on any of the characteristics protected by applicable Equal Employment Opportunity Laws. In keeping with this commitment, the Company prohibits co-workers, third parties, managers, or supervisors from engaging in discriminatory, harassing, and retaliatory conduct. Furthermore, we will not tolerate harassment of employees by anyone, including the Human Resources Manager, co-worker, customer, independent contractor, supplier, vendor, or visitor. Similarly, any such harassment of persons seeking employment with the Company, or harassment of our customers, independent contractors, suppliers, vendors, visitors, or anyone else who conducts, attempts to conduct, or is solicited for business with the Company will not be tolerated. Anyone found to be engaging in any type of prohibited harassment would be subject to disciplinary action, up to and including termination of employment.

Harassment is any unwelcome or unwanted speech, action or conduct that is offensive or abusive. Harassment of any kind whether verbal, physical, or visual that is based upon an individual's ancestry, race, color, religion (including religious dress or grooming practices), sex or gender (including gender identity and gender expression including transgender and transsexuals), sexual orientation, pregnancy (including childbirth, breastfeeding or related medical conditions), age, physical or mental disability (including HIV and AIDS), national origin or citizenship status, hairstyle or hair texture associated with race; marital status, ancestry, medical condition, genetic characteristics or genetic information, military service or veteran status, or any other characteristics protected by federal and state laws prohibiting discrimination, harassment and retaliation is specifically prohibited. This policy also prohibits harassment and discrimination based on the perception that anyone who has any of these characteristics or is associated with a person who has or is perceived as having any of these characteristics.

Examples of prohibited harassment include derogatory remarks or slurs; negative stereotyping or off-colored jokes or comments; circulation of offensive written or graphic materials, jokes, cartoons, pictures, e-mails, texting, instant messaging or computer transmissions; unwelcome physical conduct including assault, unwanted touching, intentionally blocking an employee's normal movement, or interfering with work of another because of that person's protected characteristics; and gestures that demean, intimidate, ridicule, torment, or show hostility toward an individual because of his or her protected personal characteristics. The Company will not tolerate harassing behavior that affects tangible job benefits, that interferes with an individual's job performance, or that

creates an intimidating, hostile, or offensive working environment for employees, visitors or anyone conducting business with the Company.

Sexual harassment is one specifically prohibited type of harassment. Unwelcome or unwanted sexual advances, requests for sexual favors, and other physical, verbal, or visual conduct based on sex constitute sexual harassment. It is harassment when (1) submission to the conduct is an explicit or implicit term or condition of employment, (2) submission to or rejection of the conduct is used as the basis for an employment decision, or (3) the conduct had the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment. Sexual harassment can also be based on gender, but it does not need to be sexual in nature or be motivated by sexual desire. For instance, jokes that are based on gender or offensive comments that are directed specifically at one's gender can constitute sexual harassment.

Other examples of sexual harassment may include sexual or unwanted propositions, favors or demands; unwelcome advances or attention; threats, assaults or stalking; sexual favoritism; sexual innuendoes, suggestive comments, or excessive flattery; questioning of a personal nature such as sexual remarks about a person's physical appearance or dress; unwelcome discussion of one's sexual experiences, desires, etc.; repeated requests for dates; sexually oriented "kidding", "teasing" or "practical jokes"; offensive or obscene language or gestures; staring, glaring or leering; whistling or hooting; offensive, obscene or sexually suggestive or explicit printed materials, pictures, posters, cartoons, graffiti, calendars, telephone calls, e-mail messages, texting, instant messaging, or computer transmissions (e.g., inappropriate screen savers or transmitting or displaying sexually provocative pictures or text); and inappropriate physical contact or touching of a sexual nature (e.g., brushing, patting, hugging, pinching or shoulder rubs).

The Company also prohibits abusive conduct or bullying in the workplace such as repeated verbal abuse, derogatory remarks, insults, and epithets; verbal or physical conduct that is threatening, intimidating, or humiliating; or gratuitous sabotage or undermining of a person's work performance. A single act generally does not constitute abusive conduct unless it is especially severe and egregious.

Bullying involves a malicious and persistent pattern of mistreatment of an employee from another or others. Examples of bullying include, but not limited to, unwarranted criticism; engaging in threatening, intimidating or cruel behaviors; screaming, swearing, or name calling; blaming someone without factual justification, unfairly singling someone out; humiliating, ridiculing, or taunting; and spreading false rumors.

Because bystander support can foster harassing conduct as well as encourage bullying, the Company also prohibits both active and passive support for acts of harassment and abusive conduct or bullying. Employees should either walk away from these acts when they observe them or attempt to intervene and stop them. In either case, employees should report these problematic behaviors to their Department Head or to any member of management including the President. Reprisal or retaliation against any person who reports an act of abusive conduct or bullying is prohibited.

2.3.1 Complaint Procedures

All employees are responsible for helping to assure a workplace free from prohibited discrimination or harassment. If an employee feels he/she has been subjected to any form of harassment, discrimination or retaliation, the employee should firmly and clearly tell the person engaging in such inappropriate conduct that it is unwelcome, offensive and should stop at once. The employee who has experienced or witnessed harassment or discrimination should immediately report the situation by providing the facts and other details of the incident(s), names of the individuals involved, and any witnesses to their Department Head or any member of management including the Company President. These are the individuals who are authorized by this policy to receive and act upon reports or complaints of harassment or discrimination on behalf of the Company.

Don't Delay in Reporting Prohibited Behaviors

Delay or failure to report harassment or discrimination hurts both the Company and the alleged victim. If no report of harassment or discrimination is made, the Company will be unable to undertake a prompt investigation and take appropriate remedial action when harassing discriminatory or retaliatory conduct has occurred. In addition, if no report of harassment is made or filed by the employee to someone in a management position, then it will be presumed that the conduct was not unwelcome or offensive. Retaliation against any employee for reporting a problem, filing a complaint, bringing inappropriate conduct to the Company's attention, or participating in an investigation or proceeding is strictly prohibited.

All of us must recognize that harassment, discrimination, and retaliation not only violate the rules of common courtesy and are a violation of the Company's policy, but also are illegal under federal and state employment discrimination laws. It is our policy to investigate all reports or complaints of harassment or discrimination promptly. All allegations of misconduct will be addressed through a thorough and discreet investigation conducted by a designated company representative or a company-appointed investigative officer and documented and tracked for reasonable progress, and timely closure and resolution of complaints. The investigation would provide all parties with a meaningful opportunity to tell their side of the facts regarding the complaint, to rebut any statements or evidence, and to influence the employer's decision. To the extent possible, the confidentiality of an employee or any other person who has reported a problem and that of any witnesses and the alleged offending party will be protected against unnecessary disclosure consistent with the need to conduct an adequate investigation.

The outcome of the investigation and a timely resolution of each complaint will be reached and communicated to the employee and the other parties involved. If an investigation confirms that harassment, discrimination, or retaliation has occurred based on the evidence collected, the Company will take appropriate remedial measures and corrective disciplinary action, up to and including termination. Additionally, employees may be held personally liable for harassing conduct that violates the California Fair Employment and Housing Act. Employees should refer to the California Department of Fair Employment & Housing's information sheet (DFEH #185) or an equivalent document on sexual harassment that describes employee rights and remedies under state law, copies of this pamphlet have been given to all employees.

The U.S. Equal Employment Opportunity Commission (EEOC) or the California Department of Fair Employment & Housing (DFEH) are the government agencies responsible for investigating and handling complaints of unlawful harassment and discrimination in employment. An employee who has been unable to correct a problem of unlawful harassment or discrimination internally by using the Company's complaint procedures may file a complaint with the appropriate federal or state agency. Please see the EEOC and DFEH job posters on the Company's bulletin boards or refer to the telephone book or the agency's website for the address and telephone number of the nearest office if you wish to contact them.

Pay discrimination between employees of the opposite sex 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 as defined by California law or federal regulations. The company will not retaliate against employees for inquiring about or discussing wages. However, the Company is not obligated to disclose the wages of other employees.

2.4 Conditional Offers of Employment

Offers of employment are conditioned on the results of reference and background checks (including but not limited to criminal history in accordance with applicable State or local law) that may be required by the Company and relevant to a particular job position. The Company also conditions an offer of employment on the results of a pre-employment health screening (applicable field employees) which will be at the sole expense of the Company. Those candidates who accept such offers will also be required to complete the required new hire paperwork that includes signing the Handbook Acknowledgement and Agreement, the company Arbitration Agreement, and any other

Company policy statements or agreements. Individuals, who do not successfully complete a background check, health screening, or sign the Handbook Acknowledgement and Agreement, or meet any other condition associated with the employment offer may have their offer of employment withdrawn or their employment terminated. Furthermore, any misrepresentation, falsification, or omission of information in an employment application may result in the denial of employment or, if hired, may result in immediate dismissal regardless of the time elapsed before discovery.

2.5 Employment Eligibility Verification (I-9)

The Immigration Reform and Control Act of 1986 makes it unlawful for employers to knowingly hire an individual who is not authorized to work in the United States, or to continue to employ an individual once the employer becomes aware that an employee is not authorized to work in this country. Accordingly, we must verify the employment status and the personal identity of all new hires or re-hires by examining certain documents that have been approved by the U. S. Citizenship and Immigration Services as acceptable proof of employment eligibility.

For all employees hired, the employer must state on a special federal form (I-9) that the employee's right to work status has been verified, and the employee must also attest to his or her lawful right to work in the United States on this form. In addition, the Company participates in the E-Verify program to verify the employment eligibility of newly hired employees. E-Verify is an Internet based system operated by the Department of Homeland Security (DHS) in partnership with the Social Security Administration (SSA). E-Verify allows employers to electronically validate information taken from the I-9 form against the SSA's database on social security numbers and DHS's immigration databases. If an employee's unauthorized work status becomes known after the employee is hired, it would be unlawful for the employer to retain that.

2.6 At-Will Employment

It must be remembered that the continuing employment relationship is based upon the mutual consent of the employee and the Company. All employment with Anodizing Industries and any related entities is for an unspecified term and is "at-will". This means that the employment relationship between you and the Company may be terminated either by you or by the Company at any time, with or without notice, for any or for no reason, and with or without cause. Additionally, the terms of your employment at the Company, including but not limited to, promotion, demotion, discipline, transfer, compensation, benefits, duties, and location of work, may be changed by the Company at any time, with or without notice, and for any or for no reason. Although other terms or conditions of employment may change, this at-will employment relationship will remain in effect throughout your employment with the Company, unless there is a written agreement to the contrary. No employee or representative of the Company other than the President has any authority to enter into an agreement to employ an employee for any specified period or to make any agreement inconsistent with the terms of this policy. This at-will nature of your employment relationship cannot be changed, modified, waived, or rescinded except by an individual written agreement signed by you (or by an authorized representative on your behalf) and the President of the Company. Any verbal or written representations by anyone to the contrary are invalid and should not be relied upon by anyone.

2.7 Introductory Period

During the first 90 days of employment with Anodizing Industries, new employees are in an introductory or trial period. During this period, you will learn about the objectives and nature of our organization as well as the requirements of your job. During this same period, the Company can evaluate your performance, attendance, and suitability for the position. The Company may choose to extend your introductory period as necessary to give you further opportunity to demonstrate your ability to do the job. If your introductory period is extended, you will be notified. Employees are encouraged to ask questions whenever necessary to become better informed about their job and Anodizing Industries.

Your employment is “at-will”. You are free to resign at any time for any reason and the Company is free to terminate your employment at any time for any or no reason either during or after the introductory period of employment. Successful completion of the introductory period does not change or alter the “at-will” employment relationship. An employee will continue to have the right to terminate his or her employment at any time, with or without cause or notice, and the Company has the same right.

2.8 New Employee Orientation and Your Job Duties

During the initial weeks of work, relevant staff members will normally conduct a new employee orientation to assist new personnel in becoming acquainted with Anodizing Industries. Some of the items covered during the orientation include the history and mission of the Company, departmental responsibilities, job duties and performance standards, applicable personnel policies, operational policies and procedures, employee benefits, safety, and proper use of Company equipment. Employees are encouraged to ask your manager or the General Manager any questions to become better informed about their job responsibilities and Anodizing Industries.

Be aware that your job responsibilities or work hours may change at any time during your employment. From time to time, you may be asked to work outside the hours you are usually scheduled or different work hours. Your cooperation and assistance in performing such additional work or working a different work schedule is expected. Anodizing Industries reserves the right, at any time, with or without notice, to change work schedules, to alter or change job duties, reassign, or transfer any employee to another job position, or assign additional job responsibilities.

2.9 Employment Categories

The Company has established various categories of employment to meet its operating needs and to permit options in hiring employees. A change in an employee’s classification is effective only if made in writing by the Company. All employees are to be classified into one of the following categories:

REGULAR, FULL-TIME: Employees hired for regular, continuous service and who regularly work at least 40 hours per week. Most full-time employees regularly work 40 hours per week. Regular full-time employees are eligible to receive employer-sponsored employee benefits after satisfying the terms and conditions of eligibility for the various benefit programs being offered.

REGULAR, PART-TIME: Employees hired for regular, continuous service and who regularly work less than 40 hours per week as determined by management based on business requirements. Regular part-time employees are eligible for paid sick leave benefits, however, are not eligible for any employer-sponsored employee benefits unless required by applicable law, as otherwise specified in this Handbook, or as determined by management.

TEMPORARY: Employees hired on a day-to-day or “as needed” basis for a limited duration or for a specific project or projects who are scheduled to work up to 40 hours per week. Temporary positions are not intended to be a part of continuing operations. Temporary full-time and part-time employees are not eligible for employer-sponsored employee benefits, unless otherwise specified by Company policies or required by applicable law.

None of the Company’s categories guarantee the actual number of hours scheduled to be worked or employment for any specific length of time. All employment with Anodizing Industries is for an indefinite or a non-specified period of time. Therefore, either the Company or the employee may terminate the employment and compensation of any employee, at any time, for any or for no reason, with or without cause or notice. The at-will employment relationship can only be waived or modified by an individual written employment agreement signed by the President of the Company.

2.10 Exempt and Non-Exempt Status

Depending on an employee's job duties and responsibilities, each employee is classified as either "Exempt" or "Non-exempt" for payroll purposes. These two terms refer to whether an employee is exempt from the overtime provisions of applicable state and federal laws. Any questions regarding your status as an exempt or non-exempt employee should be directed to the Human Resources Manager.

Exempt Status

Employees whose positions meet the necessary legal requirements are classified as "Exempt". Employees who are exempt from state and federal overtime provisions do not receive overtime pay even though they may work more than 8 hours in a workday or more than 40 hours in a week from time to time. Exempt employees are paid on a salaried basis and are primarily engaged in performing exempt administrative and professional duties.

Non-Exempt Status

Employees whose positions do not meet certain legal requirements necessary for exemption from applicable overtime laws are classified "Non-exempt". Non-exempt employees are entitled to overtime rates for each hour of daily or weekly overtime work. No overtime work is permitted unless approved in advance by the President. Federal or state wage and hour laws govern the overtime rates. Non-exempt employees may be paid on an hourly, salaried, or some other basis of compensation.

2.11 Personnel Records

The Company maintains files of current and former employees consistent with its own needs and to comply with other requirements and would restrict access or disclosure of your personnel file only to authorized individuals. Any health or medical information or documents on an employee are confidential. The Company will safeguard them from disclosure and will divulge such information to others only as permitted by law, to the employee's personal physician upon request, or to others with permission of the employee or as required for workers' compensation cases.

Employees wishing to review their personnel files must request an appointment to do so with the Human Resources Manager. Such appointments should be made during normal working hours. Files will be reviewed under the supervision of the Human Resources Manager or the General Manager.

Employees may take notes related to documents in their personnel file; however, no alterations of these records are permitted, nor can a document be added to or removed from the file at the time of an employee's review. Employees may request and receive a copy of any document containing their signature as well as other pertinent documents relating to an employee's continued employment, performance or to any grievance concerning the employee, or as specified by applicable state law.

2.12 Change of Personal Information

It is important that all personal information about each employee be always up to date. Employees must, therefore, immediately notify the Human Resources Manager in writing any time their address, telephone number, name, emergency contact, or other personal information changes. Regarding benefits, employees are to also notify management when there has been a change in beneficiary designations, marital or domestic (or civil union) partnership status^[1], and names and number of dependents.

2.13 Emergency Contact and Employee Notification by Management

In case of emergency, it is important that your emergency contact information is up to date. Please ensure that your information is correct by notifying the Human Resources Manager of any changes, including your current home address as well as your correct home and cellular telephone numbers in case we need to contact you.

2.14 Employment Verification Requests

All employment verification requests, either verbal or written, must be forwarded to the Human Resources Manager. We authorize no other employees to release references about a current or former employee. All responses by the Company to such requests will be restricted to dates of employment and the last or current job title held by an employee. Requests for salary and any other additional information must be made in writing and accompanied by your signed authorization to release this information. Except by the Human Resources Manager, do not under any circumstances respond, either on or off the record, to any requests for information or provide any employee information regarding a former or current employee to outside individuals, companies, or organizations.

2.15 Re-employment or Rehiring of Former Employees

Former employees who voluntarily terminate their employment with Anodizing Industries may be eligible for rehire. Consideration will be given to factors concerning prior work experience, work record while employed at Anodizing Industries, and circumstances involving the prior separation from the Company. Employees who had been terminated for violating company policies or workplace conduct rules, or who resign in lieu of discharge are barred from re-employment.

Employees who become re-employed are considered to be a new employee unless their break in service was for 90 days or less. Consequently, all employees who are rehired with a break of service of more than 90 days are not credited with any prior service they may have had with the Company for any purpose and must complete a new introductory period of 90 days from the date of re-hire. Eligible employees may re-enroll in the Company's group insurance and retirement plans in accordance with the benefit plan requirements or as permitted by applicable law. However, the break in service time will be deducted from the employee's original service date for purposes of vacation and sick leave accruals. Rehired employees can become eligible for paid sick leave after rehiring as specified by applicable law.

2.16 Outside Employment or Activities

Any "outside" employment or business activity must be considered secondary to your employment with Anodizing Industries. The Company prefers that employees not accept employment outside of the Company. The Company is not only concerned with the possibility of a conflict of interest, but also the possibility of negative effects on the employee's job performance and commitment to our organization.

Employees are to conduct only Company business while at work. Employees may not conduct personal business or business for another employer or organization during their scheduled working hours. Furthermore, during the period of your employment with Anodizing Industries, no employee may engage in any employment, occupation, consulting, or other business activity in competition with the Company or that interferes with his or her duties as an employee of the Company, unless otherwise approved by the President.

Employees may engage in work outside their regular work schedule at the Company, provided this work does not detract from their job performance or is not harmful to the Company's best interests and does not present a conflict of interest with their employment at Anodizing Industries.

¹ As used in this Handbook, spouse means an employee's legal spouse according to the marriage laws of California or relevant state and a domestic partner means a registered domestic partner or a civil union partner as recognized by applicable state law.

Any outside employment or business activity that interferes with an employee's ability to perform his or her job duties or to be available for work, creates a direct conflict of interest, or would constitute a material and substantial disruption of the Company's operation is prohibited. Employees cannot work for a competitor of Anodizing Industries, nor can they work on their own if it competes in any way with the sales of products or services, we provide our customers.

Employees are expected to disclose and discuss the appropriateness of any outside work or business activities with the General Manager **prior** to undertaking such activities to ensure that a conflict of interest will not arise. The Company's Workers' Compensation Insurance will not pay for illness or injury arising from any outside employment or outside business activity.

Employees may not work on any outside projects in any manner whatsoever during working hours or at the Company's offices, nor may use any Company facilities or resources such as computers, copiers, company-paid databases or research services, supplies, etc. for work on outside projects or business activities.

If you are unable to maintain acceptable performance standards while engaged in any outside employment or business activity, you may be subject to disciplinary action, up to and including termination of employment.

2.17 Conflicts of Interest

Employees must avoid entering into transactions where it may appear that they are improperly benefiting from their employment with the Company. In general, a "conflict of interest" describes any situation in which the employee's own personal or financial interest may adversely influence the way he or she handles Company business. Anodizing Industries expects that an employee's personal activities or interests do not adversely affect the employee's capacity to perform his or her duties that result in conflicting loyalties that do not in any way interfere with or restrict any employee from exercising his or her rights which are protected under any state and federal law or are at variance or appear to be at variance with the employee's responsibility to the Company. This policy is not intended to unreasonably interfere with or unduly restrict any employee from exercising his or her rights which are protected under any state or federal law. A conflict of interest excludes matters pertaining to wages, hours, working conditions and other activities protected under the National Labor Relations Act.

A conflict of interest includes the use of an employee's position or relationship with Anodizing Industries for personal profit or advantage, either directly or indirectly. Situations that may involve a conflict of interest between personal interests and the interests of the Company must be discussed with the General Manager to protect the employee and Anodizing Industries and obtain written approval of such activities.

Employees must not engage in any conduct that would create an actual or potential conflict of interest or create the appearance of such a conflict. While it is impossible to list every circumstance that may create a possible conflict of interest, the following should serve as a guide to the types of activities that may cause such a conflict:

1. Having a direct or indirect financial or ownership interest in an outside concern that does business with or is a competitor of Anodizing Industries (except where such financial or ownership interest consists of securities of a publicly owned corporation regularly traded on a public stock exchange).
2. Providing executive consulting or other services to any outside concern that does business with, renders any services to, or is a competitor of Anodizing Industries except with the knowledge and written consent of the President.

3. Soliciting business for any individual or another entity, redirecting business away from Anodizing Industries, or interfering with any Anodizing Industries contractual relations or business dealings.
4. Accepting or giving gifts of more than token value, loans, excessive entertainment, or other substantial favors from or to any outside concern, which does or is seeking to do business with, or is a competitor of Anodizing Industries. For the purposes of this policy, gift of "token value" means a value of not more than fifty (\$50) dollars. Acceptance of all such gifts, entertainment and/or favors that may have a value more than fifty (\$50) dollars must have the prior written approval of the President.
5. Offering or accepting any bribes, kickbacks, or other illegal payments to obtain or retain business or secure some other improper advantage is strictly prohibited.
6. Representing Anodizing Industries in any transaction in which there may be or is a conflict of interest.
7. Disclosing or using confidential information relating to Anodizing Industries for personal profit, advantage, or any other reason. This does not pertain to employees discussing or disclosing their own wages or salaries, benefits information, work hours and working conditions with others.
8. Accepting outside employment or work, directly or through an intermediary, which can or will adversely affect an employee's productivity or availability for a position with Anodizing Industries.

This list is not intended to be used as a substitute for good judgment. If you find yourself in a relationship or situation that may possibly give rise to a conflict of interest, you must make an immediate disclosure to the Department Head and the President to protect the interests of both the Company and you. If the existence of any conflict of interest is determined, the Company will take appropriate corrective action. Failure to disclose a conflict of interest and any relevant facts may result in disciplinary action, up to and including termination.

2.18 Trade Secrets and Confidentiality

All employees must treat any information relating to the business of Anodizing Industries and any of its activities, projects, or customers as confidential, and not divulge or disclose any of this information to outside parties, including family and friends, without the prior written consent of the President. All such information must be kept completely confidential during, and after, employment with Anodizing Industries. The following examples are intended to serve as a guide to the types of such information and material:

1. Matters of a business nature such as information about trade secrets and proprietary information regarding the methodologies, research or any documents that are specific to the operations of the Company; the development of systems, processes, know-how and technology; business plans, projects and proposals; disbursements, costs, and delivery volumes; contracts and forms; financial statements, sales records, invoices, pricing information (such as price lists, quotation guides, previous or outstanding quotations, or billing information), and profits; information on its owning partnership; client or customer and supplier lists; client or customer data, client or customer account information, and information contained in client, customer, distributor, and vendor files; all data and information regarding marketing and sales activities; and plans for future expansion or business development.

2. Matters of a non-public, technical nature such as manner of operations, processes, company reports, computer programs, software and supporting documentation, security codes, training programs, procedure manuals and related methods or technologies.
3. Confidential data about employees, including employee pay rates and performance evaluations. This does not pertain to employees discussing or disclosing their wages, salaries, benefits information or working conditions with others.
4. Information pertaining to the development, modifications and improvements of any services or products and the results of all such services or products provided to the Company's customers.
5. Any internal business-related confidential communications, which if disclosed, could adversely affect Anodizing Industries' business.

Because employees will gain knowledge of Anodizing Industries' business affairs, customers and methods, including the Company's computer systems, techniques and processes devised and used by Anodizing Industries at the Company's expense, all records, notes, files, memoranda, reports, tapes, disks and other tangible expressions and all copies of such records relating to Anodizing Industries business prepared by employees or disclosed to employees will remain the sole and exclusive property of Anodizing Industries.

Employees are expected to comply with the terms of the confidentiality and non-solicitation policy. Except as required in the performance of your duties, employees must not at any time during or after their employment use, disclose photocopy, duplicate or disseminate any confidential information or any other information of a secret, proprietary, or generally undisclosed nature relating to Anodizing Industries, or its products, services, customers, plans, procedures or processes to or for any unauthorized third parties or other business entities, except with prior written authorization by the President of the Company. Upon termination of the employment relationship or at any time upon the Company's request, employees must deliver to the Company all copies of confidential information, or other company property.

2.19 Performance Evaluations

Performance reviews are conducted for all regular full-time and part-time employees as determined necessary by management. During a performance evaluation, the Human Resources Manager or the General Manager will discuss the work being done, your progress, strengths, performance areas that need improvement, new skills to be learned, and goals to be considered or requirements to be met.

Employees should not construe or assume that any delay by management to conduct a performance review or not receiving a performance evaluation indicates that they are performing their job duties in a satisfactory manner. Employees who have not received a performance review should ask for feedback from the General Manager and arrange a time to discuss their job performance.

A performance review, however, does not mean or guarantee that a wage or salary increase will be granted automatically. The President of the Company must approve all pay increases. In the event of unusual economic conditions or other business reasons, the Company may elect to freeze or reduce pay rates.

2.19.1 Wage and Salary Reviews

Salary and wage rates are based upon an employee's job duties and responsibilities, work performance, potential for promotion, pay practices in the area, and the economic conditions of the Company. Pay increases are not automatic and are solely within the discretion of management and depend upon many factors in addition to performance. Any wage and salary review of employees will depend, in part, based on either meeting or surpassing performance standards such as quality and quantity of work performed, job knowledge, customer relations,

interpersonal skills, initiative, dependability, attendance, and other performance factors as deemed appropriate by management. The pay rates for part-time and temporary employees are not reviewed on a regular basis and may be adjusted when considered appropriate by the Company.

Performance reviews, salary or wage increases, and promotions do not in any way modify the at-will employment policy which permits either the employee or the Company to terminate the employment relationship at any time with or without cause or notice.

2.20 Job Openings: Promotions and Transfers

Whenever possible, job positions would be filled by promoting or transferring qualified employees from within the Company. However, consideration will not be limited to employees, but will include all other applicants. All placements by promotion, transfer or new hire are based solely on skills and abilities, and the qualifications of individuals applying for an open position. Positive performance evaluations do not guarantee transfers or promotions. Employees who are interested in a promotion or transfer should discuss their interests with the Human Resources Manager or the General Manager. To be eligible for a promotion or transfer within the Company, you must have spent at least six months in your current position and have received satisfactory performance including acceptable employee conduct. Exceptions to this guideline may be made based on the recommendations of the General Manager.

2.21 Termination of Employment

2.21.1 Exit Interviews

Exit interviews, at management's discretion, may be conducted of employees due to a separation of employment. This interview allows you to communicate your views on working at the Company as well as the job requirements, operations, and training needs of the position. At the time of the interview, you will be requested to return all Company property issued to you during the term of your employment.

2.21.2 Voluntary Termination

When an employee resigns for personal or other reasons, the separation is considered voluntary. If you should decide to voluntarily resign your position, please give advance written notice, and please include all the reasons for your resignation to the General Manager or directly to the President. As a courtesy, an employee is requested to give at least two weeks' notice.

An employee who has been absent for three (3) consecutive days without notification to the Human Resources Manager or any member of company management will be considered to have abandoned his or her job and voluntarily terminated his or her employment without notice. The last day worked will be the date of separation. Failure to return from an approved leave of absence or vacation within the time limits established also will be considered as a voluntary termination of employment without notice. The date of the expiration of the leave or vacation will be the separation date.

2.21.3 Involuntary Termination

An involuntary termination is one that is initiated by the Company. Discharge is an involuntary termination that is initiated by the Company for any reason other than reduction in force. A layoff is an involuntary termination that is initiated by the Company because of reorganization, position elimination or declining operations.

2.21.4 Final Pay

All wages or salary in addition to accrued and unused vacation pay due employees involved in an involuntary termination will be paid on the last day of employment. All final wages or salary in addition to accrued and unused vacation due employees voluntarily terminating their employment will be paid on the last day worked, providing the employee gave the Company at least 72-hours' notice of his or her intent to resign. If an employee resigns

without notice, the Company will have the employee's final pay ready for the departing employee within 72 hours of the time that the employee first notified the Company of his or her resignation.

2.21.5 Return of Company Issued Property

It is the responsibility of any terminating employee to return all property issued by the Company to him or her at any time during their term of employment that has not previously been returned to the Company. All such property, including any keys, manuals, inspection stamps, documents, passwords, company tools, or other items or company property that you may have in your possession must be returned on or before the last day of work.

3 BENEFITS

3.1 Communication of Benefit Programs

All employees will receive detailed information regarding employee benefits during the new employee orientation and from the Employee Handbook attachments. Summary plan descriptions and/or access to more detailed benefit documents will be provided upon request. If you have any questions regarding benefit matters, you should direct your questions or concerns to the Human Resources Manager or the General Manager who will be available to assist you.

The Company reserves the right to change, suspend or terminate any benefit as well as to require or change employee contributions toward group insurance premiums at its sole discretion. Employees will be notified of any changes in employee benefit programs at employee meetings or through memos.

This section of the Handbook is intended to provide a general overview of the benefits currently available to eligible employees of the Company. State and/or federal law govern some of these benefits, while others are determined by the Company or governed by a benefit provider. Should there be a difference between what this Handbook contains and a provision of an applicable law, benefits plan, or contract, then the law, plan document, or contract will prevail.

3.2 Simple IRA Pension Plan

Regular employees who are 21 years of age or older become eligible to enroll in the Company's Simple IRA Pension Plan when income requirements are met. Please see the Human Resources Manager for further information regarding requirements.

The Plan allows eligible employees to defer part of their earnings on a pre-taxed basis into their retirement account. Eligible employees can contribute a percentage of their annual pay to the Plan for their retirement for each calendar year. Anodizing Industries, Inc. will match dollar to dollar up to 3% of gross wages earned. Employees make their contributions through regular payroll deductions. Additional information concerning this Plan can be obtained from the Human Resources Manager. However, the Company does **not** consider any employee qualified to provide and has **not** authorized anyone to offer advice or recommendations regarding the Plan's investment options.

3.3 Unemployment Insurance

The Company pays contributions to a state Unemployment Compensation Reserve account. Unemployment Compensation provides a weekly benefit for a specified period of time should employees be terminated through no fault of their own. These benefits change periodically and are established by state law. Unemployment insurance benefits are not available to employees who voluntarily quit without good cause or who are terminated for misconduct.

3.4 Workers' Compensation Insurance

All employees are covered by Workers' Compensation Insurance, effective the first day of employment. Workers' Compensation Insurance provides employees or their beneficiaries with certain benefits in the event of job-related illness, injury, or accidental death.

The Company pays the full cost of this insurance. If employees sustain a job-related illness or injury, they must report the illness or injury to the General Manager or to senior management the same day an illness or injury occurs. Failure to do so could result in a delay of benefits by the insurance carrier.

If employees sustain a job-related illness or injury that requires medical treatment, they will be paid in full for the day such injury occurs, or illness begins. All other payments for lost wages or salary due to a job-related illness or injury, medical treatment, and any other benefits will be made by the workers' compensation insurance carrier as required by law. Workers' compensation insurance payments are coordinated with any paid sick leave or vacation taken as part of a medical or disability leave of absence. Contact the Human Resources Manager or the General Manager for more information about workers' compensation insurance benefits.

If medical treatment is needed for a work-related injury or illness, the Department Head or company senior management will make immediate arrangements to have your injury or illness examined at a nearby Company-approved medical facility. Work-related injuries or disabilities requiring absence from work will be authorized as a leave of absence, subject to recommendations by an authorized medical practitioner. You must be authorized by the Company to visit a designated physician or an emergency clinic or hospital for examination and treatment of work-incurred injuries or illnesses. If further treatment or return medical visits are needed, the injured employee should schedule such visits outside of normal working hours when requested by management or during working hours with prior approval by the Human Resources Manager. The Company reserves the right to require documentation that treatment was required and given.

The Company's policy is to investigate all questionable or suspicious workers' compensation claims and to refer them to the state's Bureau of Fraudulent Claims if they appear to be fraudulent. A person convicted of filing a fraudulent worker's compensation claim may be sentenced to state prison for up to five years, or be fined up to \$150,000, or both.

3.5 State Disability Insurance (SDI) and Paid Family Leave (PFL)

State Disability Insurance effective covers all employees the first day of employment. State Disability Insurance provides employees with certain benefits in the event of illness or injury, which is not job-related. SDI payments are coordinated with any paid sick leave or vacation taken as part of a medical or disability leave of absence. By state law, employees are required to pay the cost of this protection through payroll taxes on their earnings. The Company, also by state law, is required to withhold this tax from everyone's paycheck.

Employees who are covered by the State Disability Insurance plan may receive benefits after the seventh day of disability. State Disability benefit claim forms are available from any office of the California Employment Development Department (EDD), and from most doctors and hospitals.

Additionally, EDD sponsors Paid Family Leave (PFL) within the SDI program when an employee takes time off from work for a qualifying family leave. PFL provides eligible employees with a partial wage replacement for up to 8 weeks in a 12-month period when they are absent from work to care for a seriously ill family member (i.e., child, parent, spouse, or domestic/civil union partner), or to bond with a newborn child or a minor child within one year of the birth or placement of the child in connection with foster care or adoption. Additionally, in California, PFL benefits also include time off taken to care for the employee's seriously ill grandparent, grandchild, sibling, or parent-in-law. The California PFL benefits program will offer benefits to any employee who takes time off to attend

situations (qualifying exigencies) related to the covered active-duty status of the employee's spouse registered domestic partner, child or parent who is a member of the U.S. Armed Forces according to the CFRA as amended.

PFL does not create a right for a leave of absence, job protection, or guarantee reinstatement other than what is already mandated by law such as under the California Family Rights Act (CFRA as amended). An employee who is entitled to a leave of absence under CFRA must take PFL concurrently with those leaves. Eligible employees may be required to use up to two weeks of their accrued but unused paid time off (vacation) benefits pursuant to applicable state or federal law.

3.6 Holidays

3.6.1 Eligibility

Regular full-time employees who work at least 40 hours per week are eligible for holiday pay benefits after completing 90 days of employment from their date of hire. Eligible employees must work their regularly scheduled workdays before and after a holiday observed by the Company unless the absence was approved in advance or excused by the Human Resources Manager or the General Manager. Eligible employees also receive holiday pay whenever they are on an approved vacation during which the Company observes a holiday.

Employees who are on an unpaid leave of absence as of the date the Company observes a holiday are not eligible for holiday pay. Part-time who work less than 40 hours per week and temporary employees are not eligible for holiday benefits. Part-time and temporary employees are not eligible for holiday benefits.

3.6.2 Holidays Normally Observed

Eligible employees are provided with the following paid holidays each year:

- New Year's Day
- Memorial Day
- July 4th Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

If a holiday observed by the Company occurs on a Saturday, the holiday will generally be observed on the preceding Friday. If an observed holiday occurs on a Sunday, it will generally be observed the following Monday. The Company may eliminate or change holidays, or designate additional holidays so please check with management for the appropriate holiday schedule that is in effect.

3.6.3 Holiday Work

During company observed holidays there will be no work performed as the company operations will be closed.

3.6.4 Holiday Pay

If a holiday is observed by the Company on a day that the employee ordinarily would not be scheduled to work, the employee will be ineligible for holiday pay for that day. Eligible, exempt employees receive their regular salary. Eligible, full-time non-exempt employees will receive their regular straight time hourly wage rate for the number of hours that they are regularly scheduled to work on the day a holiday is observed by the Company. Holiday benefit hours that are paid are not considered to be hours worked for purposes of overtime pay eligibility. Shift differentials, commissions and bonuses are not included when calculating holiday pay.

3.6.5 Religious Holiday

To reasonably accommodate the religious needs of employees, time off for religious observances that are not scheduled paid holidays observed by the Company may be taken without pay. Employees must give reasonable advance notice in writing to the Department Head and obtain prior approval so that another employee may be assigned, if required, to the work being performed by the employee requesting the time off. Reasonable notice is considered to be a minimum of 14 consecutive calendar days. At the employee's option, unused vacation, if available, may be taken for religious holiday absences.

3.7 Vacation

The Company recognizes the importance and necessity of time away from the job for the purposes of leisure, recreation, relaxation, and personal obligations. Accordingly, the Company offers a paid time off program for eligible employees to use for vacation as well as for personal time off due to illness, personal appointments, family matters, school activities, religious observances, and other personal obligations.

3.7.1 Eligibility

Eligible regular, full-time employees who work at least 40 hours per week begin accruing vacation benefits on a weekly pay period basis after completing 90 days of continuous employment to their anniversary date of each succeeding year based upon length of continuous service with the Company.

Regular full-time employees who have not completed 90 days of employment, regular full-time employees who may work less than 40 hours per week, part-time employees and temporary employees are not eligible for vacation benefits. Eligible employees may begin taking vacation after accruing sufficient vacation benefits to take personal time off from work. Employees may not borrow or receive an advance in vacation benefits that have not been earned or accrued. No advance paid vacation may be taken.

Based on the length of continuous service, the following vacation accrual schedule is based on regular full-time employees who are regularly scheduled to work at least 40 hours per week:

Years of Service Completed (Employee's Anniversary Date)	Vacation Accrued Per Weekly Pay Period	Vacation Days/Hours Accrued Per Year
Date of hire through 90 days	0	No Accrual
91st day through 1st year	.7692 hours	5 days/40 hours
2nd year through year 10	1.5384hours	10 days/80 hours
11th year through year 20	2.3076hours	15 days /120 hours
21 years forward	3.0769 hours	20 days/ 160 hours

If 3+ weeks accrued,
Employee must use 1
week for actual vacation

Vacation benefits do not accrue during any unpaid leaves of absence. Eligible regular full-time employees would accrue less than 5 vacation days during their first year of employment since they do not begin accruing vacation benefits until after completing 90 days of employment.

3.7.2 Holidays During Vacation

If a Company observed holiday occurs during a scheduled vacation and employees are otherwise eligible for holiday pay, such employees will be paid for the holiday rather than a vacation day and will also be expected to return to work on the date originally authorized by the President.

3.7.3 Scheduling a Vacation

Because of business requirements and project schedules, your vacation must be scheduled at a time that has been approved in advance by Company management. Vacation requests are to be submitted for approval in writing to the Human Resources Manager at least two (2) weeks in advance of the desired vacation time to determine staffing requirements and allow scheduling of coverage in your department.

Vacation requests will generally be approved on a first come, first serve basis. The Company will make every effort to accommodate vacation requests. If a conflict arises where two employees submit their vacation requests at the same time for the same vacation dates, the priority will generally be based on length of service so long as the senior employee's request was received in a timely manner. To avoid disappointment, it is highly recommended that employees schedule their vacations and submit requests at the earliest possible opportunity rather than wait until the last moment to request time off from work. Earned vacation time is available for use after its accrual. Vacation time is to be used for rest, relaxation, appointments, personal business, and other time off due to personal reasons.

Vacation benefits for eligible, non-exempt employees will be paid in 1-hour increments up to 8 hours for a workday. Also, employees may use their available vacation benefits for absences due to illness or injury when they have exhausted their available sick leave and the time off has been approved by Company management. Furthermore, exempt as well as non-employees are expected not to perform any work while on vacation or on other approved personal time off. Employees should not come to the office to perform any work, or remotely access their emails and voice or text messages or perform any work assignments when on vacation or during their non-scheduled work hours; unless the employee has been previously notified in advance and has been directed by company management to perform specific work tasks while on vacation or during a personal time off.

Vacation benefits for eligible, exempt employees will be paid for each half-day not worked (when taking 4 hours or more off work). Vacation pay will be based on the employee's base pay rate in effect at the time such vacation is taken. It does not include overtime or any special forms of compensation such as incentives, commissions, or bonuses. Payment for vacation time off will be made on an employee's regularly scheduled payday.

3.7.4 Accrued and Unused Vacation

Employees are to use their accrued vacation benefits each year. You may use your unpaid vacation hours as needed to make up for time missed from work (e.g., Sick days, jury duty, personal days). Employees may request to be paid their vacation time and still continue to work and receive their regular pay. The maximum allowed is 2 weeks (10 days or 80 Hours) of pay without taking actual time off. Those with additional time beyond the 2 weeks (80 Hours) must take at least 1 week (5 days/ or 40 Hours) vacation time off without working.

3.7.5 Payment of Vacation at Termination

Eligible employees who have completed 180 days of continuous service will be paid in a lump sum for all accrued, unused vacation benefits through the date of termination at their current regular pay rate at the time of separation. Employees whose employment terminates for any reason prior to the completion of 180 days of continuous service have not accrued any vacation benefits and therefore will not be eligible for any vacation pay at the time of their termination. Any vacation that has been improperly paid to an employee will be owed to the Company upon termination and may be deducted from the employee's final paycheck in accordance with applicable state law.

3.8 Paid Sick Leave

Regular full-time and part-time employees as well as other employees who meet the eligibility service requirements will earn personal sick leave or paid sick leave benefits. This paid sick leave policy applies to all employees and supersedes any other company paid sick leave policy. It is intended to satisfy the requirements of paid sick time that may be required under applicable state law and/or local ordinance[2] where employees may work.

If there is a difference between this paid sick leave policy and applicable paid sick leave law, then the more favorable or beneficial condition will prevail. Any questions or issues that employees as well as managers or supervisors may have should be referred to the company Human Resources Manager for a decision.

Regular full-time and part-time employees as well as other employees who meet the eligibility service requirements as specified by applicable state law are eligible for paid sick leave benefits for a calendar year of employment. New employees who have worked for 90 or more workdays within a year from the beginning of their employment are eligible to receive paid sick days' benefits. After the effective date of this policy or the employee's first day of employment whichever is later, eligible non-exempt employees would receive 6 sick days (up to 48 hours) for use during their year of employment if they have completed the eligibility service requirements. Thereafter, eligible non-exempt employees would receive 6 sick days at the beginning of each year. Employees who do not meet the eligibility service requirements are not eligible for sick leave benefits. Sick leave does not apply to regular exempt salaried employees.

Eligible employees may start using their earned sick leave benefits beginning on the 90th day of employment. Last minute unscheduled time off ("calling in sick") disrupts business operations, creates scheduling issues, and should be avoided. For a non-emergency reason or for a foreseeable situation, employees are to provide reasonable advance notification to their Department Head or the company President of at least one week's notice or as soon as possible in advance of a need for paid sick leave. For an emergency situation that is unforeseeable, employees are to notify the Department Head of an intended absence as soon as practicable.

Paid sick leave is to be used only for absences due to medical or doctor appointments for diagnosis, care or treatment; personal illness, personal incapacity due to injury or disability; or to attend to an illness of the employee's child or legal ward, parent (including legal guardian or parent-in-law), spouse or domestic (or civil union) partner, or the child of the domestic (or civil union) partner as well as an illness of the employee's sibling, grandparent or grandchild, unless otherwise specified by applicable paid sick leave law.

Paid sick leave may also be used by an employee who is a victim of domestic violence, sexual assault or stalking for the purposes as specified by applicable law. Paid sick days will be compensated at the same wage or salary as the employee normally earns during regular work hours. Sick pay will normally be based on the employee's regular pay rate currently in effect for the workweek in which the employee uses paid sick time or calculated by dividing total earnings (but not overtime premium pay) by the hours worked during the full pay periods of the prior 90 days as specified by applicable law. Sick leave would be paid no later than on the payday for the next regular payroll period after the sick leave was taken and requested in writing. Sick leave payments would be coordinated with state disability/paid family leave or workers' compensation insurance benefit payments (if applicable) so that all such payments will not exceed the employee's normal weekly gross earnings.

² *The Healthy Workplaces Health Families Act of 2014 (California Labor Code Sections 245 & 246 et. seq.), as well as the City of Los Angeles paid sick leave ordinance for employees who work within the City of Los Angeles (Los Angeles Municipal Code, Article 7, Chapter XVIII, Section 187.00 et. seq.).*

A maximum of 24 hours of unused sick leave benefits may be carried over from year to year up to a maximum cap of 9 days or 72 hours. Once an employee has accrued 9 paid sick days (72 hours), no additional paid sick leave benefits will accrue until the balance is reduced to less than 9 days (72 hours). The Company limits use of paid sick leave by an employee to six (6) days (or 48 hours) in each year of employment, unless otherwise determined and approved by management that the employee may use any additional unused sick leave benefits for personal or

family illnesses or for other purposes as specified by applicable law. The purpose for sick leave benefits is to provide wage continuation to eligible employees who are absent due to illness or injury. Employees should conserve their sick leave bank in case of an unexpected illness or injury. Sick leave is not to be abused or misused. Sick leave benefits do not accrue during any leaves of absence when no hours have been worked until the employee returns to work.

Full or partial days off due to illness or injury more than available sick leave by non-exempt employees will be taken without pay.

Available and unused sick leave may not be used for personal time-off (other than for an absence due to illness, medical appointments or another qualifying reason as specified by applicable California or municipal paid sick leave law), nor can it be used for vacation time or in conjunction with other types of days off. If all accrued sick leave benefits have been used and management has approved additional time off, employees may use their available vacation benefits (if applicable) for the additional time off due to illness or injury.

When an employee uses paid sick leave for more than three (3) consecutive workdays (for example, seven, or more consecutive days of paid sick leave) due to illness or injury, the Company may require the employee to submit a physician's statement to substantiate the absence or the need for a leave from work, or as may be permitted by applicable paid sick leave law. Furthermore, Anodizing Industries may request proof of illness, injury and/or a doctor or dental appointment in connection with a medically related absence of a shorter duration, for example, when management reasonably suspects misuse such as using a paid sick leave for a beach, ski or vacation day; or a pattern of abuse such as absences taken on Fridays or Mondays or immediately prior to or immediately after an employee's weekend or scheduled days off, holidays, vacation days or paydays, in order to verify the absence. In addition, before an employee may return to work, the Company may require a doctor's written verification stating that the employee can resume his or her job responsibilities with or without restrictions.

The Company would not deny a qualified employee to use available sick days for time away from work that is protected by applicable paid sick leave law. No qualified employee will be terminated, retaliated, or discriminated against for using or requesting the use of available paid sick leave that is regulated by state or local paid sick leave law, if applicable. A misrepresentation regarding the need to take sick leave for a purpose other than for a qualifying reason as specified by applicable law, however, may be subject to appropriate disciplinary action. An employee who does not call or report to work for three (3) consecutive workdays will be considered to have abandoned his/her job and have voluntarily terminated his/her employment with the Company, unless there are extenuating circumstances acceptable to management.

Accrued, unused sick leave has no cash value upon termination of employment for any reason. There is no pay out of accrued, unused sick days upon termination of employment for any reason. The Company would restore to an employee any unused paid sick leave if the employee is rehired within one year from the date of separation from employment. The rehired employee would be entitled to use the previously earned or accrued but unused paid sick leave and to earn or accrue paid sick leave upon rehiring. If an employee resigns or terminates his or her employment, no sick leave will be paid without sufficient proof of illness such as a doctor's statement to verify any absence that occurs within two weeks prior to a separation of employment unless otherwise specified by an applicable paid sick leave law where the employee works.

3.9 Bereavement (Funeral) Leave

The Company provides regular full-time and part-time employees with bereavement leave of up to two (2) days of paid time-off from work to prepare arrangements and attend a funeral when there is a death in the employee's immediate family. Eligible employees will receive the pay they would have earned for the workdays

missed. Regular full-time and part-time employees who have not completed 90 days of continuous employment as well as part-time and temporary employees are not eligible for paid bereavement benefits but may take unpaid leave to arrange or attend funeral services upon approval of management.

When granting time off from work, consideration would be given to funeral location, travel time and business needs. Additional time off without pay may be granted by the General Manager depending upon the circumstances involved. Employees who are granted additional time off may use available vacation benefits to do so.

Immediate family is defined as the employee's current spouse or domestic partner, child, stepchild, sister/stepmother, brother/stepbrother, mother, father, and stepparent. No other relatives are considered as immediate family for purposes of receiving paid bereavement leave under this policy. Bereavement leave for any other family member or friend is without pay, or employees may use any accrued vacation time upon approval of management. Employees who have a death of any family member or a friend must notify the company Human Resources Manager and obtain prior approval of an intended absence from work. The Company reserves the right to require acceptable evidence of death of the immediate family member or friend and attendance at a funeral as a condition of approval for a leave of absence and/or to receive bereavement pay under this policy.

3.10 Company Sponsored Social and Recreational Activities

Employees are not required to attend or participate in any post-work party or recreational, social, or athletic activities. The Company periodically may sponsor such activities that are made available to employees and their immediate families. The purpose of these events is to promote fellowship among employees and their families. Participation in any off-duty Company sponsored recreational, athletic, or social activity is strictly voluntary and at the employee's own risk. No one is required to participate in these activities, and when they occur, they do not constitute a part of any employee's work-related duties, unless the Company notifies employees in writing that participation is mandatory. The Company assumes no liability for any injury or accident arising out of any post-work party or social event. It is important to remember also that any injuries or illnesses that may result from participation in a Company sponsored recreational, athletic, or social activities are not covered by workers' compensation insurance.

At activities sponsored by the Company, each employee is advised and expected to refrain from drinking alcoholic beverages or engaging in any other activity to the extent that it would cause him or her to be unfit for the safe operation of a motor vehicle, or to behave in an intoxicated or disorderly manner. Nevertheless, if any employee feels unsafe in driving or has consumed alcoholic beverages that would make it unsafe or not advisable to drive a vehicle, that employee should engage a taxicab to get home safely or ask another employee or a designated driver who has not been drinking alcohol for a ride home.

The behavior of all employees and their guests attending a Company sponsored social event is expected to conform to the Guidelines for Employee Conduct in this Handbook.

4 LEAVES OF ABSENCE

4.1 Leaves Without Pay

The Company recognizes that circumstances beyond an employee's control may require absence from work for medical and other compelling reasons. Therefore, the Company has established guidelines in granting leaves of absence without pay to assist employees during these periods.

During a leave of absence, an employee is not eligible for holiday pay and does not earn any vacation, paid sick leave or other employee benefits based on continuous employment. Employee performance and wage and salary

review dates will also be adjusted by the total amount of time taken for leaves of absence exceeding 30 consecutive calendar days.

The Company may hold in abeyance or proceed with any counseling, performance review or disciplinary action that was contemplated prior to any employee's request for a leave of absence or that come to the Company's attention during the employee's leave. If any personnel action is held in abeyance during the leave of absence, the Company reserves the right to proceed with the action upon the employee's return to work.

Leaves of absence are not granted to employees who cannot report for work because they have been incarcerated or convicted of a crime.

4.2 Conditions of Leave

Employees may be eligible to take a leave of absence, without pay, subject to the following general conditions and applicable law:

1. Any employee who expects to be absent for any reason must submit a request for an approved leave of absence, which will begin as of the first day of absence. Requests for leaves are to be submitted in writing and must be approved by the Human Resources Manager or the General Manager.
2. Each request for a leave must include the reason(s) for the leave, as well as the specific dates that the leave is expected to begin and end. Employees who are requesting a medical leave of absence do not have to disclose private medical information or identify the specific nature of the health condition that is the basis for the intended leave of absence.
3. When requesting a leave for non-emergency reasons, employees must normally submit their request at least 30 calendar days in advance of the date the leave is to begin. If the leave is for unforeseen or emergency reasons, an employee is required to give their manager, the Human Resources Manager, and the General Manager as much notice as possible if the 30-day requirement cannot be met.
4. An extension may be granted when feasible and consistent with Company policies, business needs, operational concerns, and workload. However, the extension must be obtained before the agreed upon date of return. When on any type of medical leave, an employee must provide a physician's statement verifying the need for an extension and the expected date of return.
5. Employees must return to work on or before the agreed upon date. Failure of any employee to return to work on or before the agreed upon date, with a physician's release if required, will be interpreted as a voluntary resignation.
6. Employees are to use their accrued sick leave and/or the Company may require available vacation benefits for leaves of absence as, unless otherwise specified by law (e.g., CFRA, Pregnancy disability leave, jury duty, military duty, etc.). Any sick leave and/or vacation payments will be integrated with all other pay an employee may be eligible to receive from State Disability Insurance, Family Temporary Disability Insurance (Paid Family Leave), Workers' Compensation Insurance, or Military Duty to equal the amount of pay that would have been received from the Company during a leave of absence.

For information regarding the types of leave, eligibility for leave, and the length of leave normally authorized, see the individual descriptions of each type of leave that follow.

4.3 Family and Medical Care Leave

Since the Company employs 5 or more employees, the employer provides eligible employees with family care and medical leave as required by the California Family Rights Act (CFRA) as amended. This policy is merely a summary of the Company's obligations under state law and applicable regulations. Employees may obtain additional information from posted notices and from Human Resources.

An employee is eligible for family care and medical leave if 1) he or she has worked for the Company for at least 12 months (consecutive or nonconsecutive), and 2) has worked at least 1,250 hours during the previous 12 months preceding the start of the leave. An employee does not need to meet the eligibility criteria again to re-qualify for additional leave that is available within the 12-month period if the additional leave is requested for the same qualifying event as the previous leave. The Company would notify an employee as to his or her eligibility to take a CFRA leave.

If the above conditions are met under CFRA, eligible employees may take unpaid family care and medical leave up to a maximum of twelve (12) work weeks within a 12-month period for a) the birth of their child or to care for the employee's newborn child; b) the placement with the employee of a child for adoption or foster care, or to care for a child placed with the employee for adoption or foster care; c) to care for the employee's child, spouse, registered domestic partner, or parent as well as for the employee's sibling, parent-in-law, grandparent or grandchild who has a serious health condition; or d) to care for the employee's own serious health condition that prevents the employee from performing the essential functions of his or her job duties. For purposes of this policy, the 12-month period will be a rolling 12-month period that is measured backward from the date an employee uses any leave.

Employees who are not eligible for family care and medical leave under CFRA may request a personal leave (see 4.4 General Medical or Disability Leaves of Absence or 4.7 Personal Leave), which may be granted at the sole discretion of the Company.

Employees generally must give advance notice of 30 days prior to the leave, or as much advance notice as is practicable. Whenever a serious health condition is involved, the employee must submit a written certification from a physician or health care provider certifying that the employee is either unable to perform his/her job due to the serious health condition or is needed to care for an employee's family member who has a serious health condition and is covered under CFRA; specifying the date when the leave is to begin; and indicating the estimated or probable duration of the leave. The employee should submit the medical certification when leave is requested, but no later than 15 calendar days after the employer's request for a medical certification. Family care and medical leaves for the serious health condition of the employee or a covered family member may be taken intermittently or on a reduced schedule.

The certification should also note whether intermittent or a reduced schedule leave is required. For planned medical treatment, the employee should schedule the treatment to avoid undue disruption of the Company's operations. The medical certification should document the dates and duration of any medical treatments.

If a leave is due to the birth, or placement for adoption or foster care of a child, the leave may be taken intermittently but not less than two weeks in duration, except on two occasions the duration of leave can be less than two weeks. If both eligible parents are employed by the Company, then both employees may each take up to 12-weeks of leave as specified under CFRA.

The Company will give an employee a timely written notice that a particular leave is “designated” as a leave that qualifies under CFRA as soon as the Company obtains knowledge that the leave is for family care and medical leave purposes. The notice may be oral; however, it will be confirmed in writing as soon as possible after receiving notice of the need for leave by an employee. A leave may be retroactively designated as a CFRA leave with appropriate notice to the employee and where the failure to timely designate does not cause harm or injury to the employee such as when the Company does not learn the reason for a leave until an employee returns to work or when the Company is awaiting receipt from an employee of a medical certification or other reasonable documentation.

During the family care and medical leave period under CFRA, the Company will maintain and pay for the employee’s group health coverage (if the company provides any type of medical benefits to its employees) under the same conditions as if he or she had remained actively employed for up to 12 weeks unless otherwise specified by applicable law. An employee will not lose any seniority or employee benefits that were accrued prior to taking an approved family care/medical leave.

The Company may require an employee on a family care/medical leave of absence to submit an updated written certification and report from the employee’s physician or practitioner beyond the date or estimate the employee originally needed for the family care or medical leave regarding his/her medical status or the requirement for continued care of a covered family member who prompted the need for the leave, and the employee’s ability to return to work. If additional leave is requested at the end of the period the employee’s health care provider originally estimated the employee needed for a CFRA leave, the employer may require the employee to obtain recertification.

Leaves approved by the Company under this policy will normally be charged to the employee’s unused sick leave and/or vacation benefits. Leaves more than available sick leave and/or vacation benefits will be without pay. During leaves paid pursuant to a temporary disability benefit plan or workers’ compensation, the Company does not require the employee to use his or her available sick leave and/or vacation benefits but the employee may elect to use accrued sick leave or vacation benefits for an applicable CFRA leave to supplement payments covered under a temporary disability plan or workers’ compensation as permitted by applicable state law so long as all such payments will not exceed the employee’s normal weekly gross earnings. In California, employees may be eligible for either State Disability Insurance (SDI) or Family Temporary Disability Insurance (Paid Family Leave) benefits and should contact EDD for information about SDI or PFL benefits.

In any leave situation where an employee is eligible for a family care and medical leave under CFRA as well as another Company provided leave, the leave of absence period will run concurrently rather than one leave period being added onto the other (except for pregnancy disability leave as well as organ or bone marrow donation leave under California law)

Employees granted leave are guaranteed reinstatement to the same or a comparable job position at the end of the leave not to exceed 12 workweeks within a twelve-month period unless the job ceased to exist for legitimate business reasons or other circumstances allowed by law. An employee, who is ready to return to work from a family care/medical leave due to his/her own serious illness, must first submit a medical certification to their Supervisor and Human Resources verifying his/her ability to resume work.

4.4 General Medical or Disability Leaves of Absence

Regular full-time and part-time employees who do not meet the eligibility requirements for family and medical care leave (CFRA as amended) may be granted an unpaid leave of absence for **temporary, non-job-related** medical conditions up to a maximum of 30 calendar days. Medical leaves are granted based on a physician’s written statement certifying that the employee is unable to work and cannot perform the essential functions of the job.

The Company may require periodic physician's verification of an employee's inability to work. If an employee does not return to work on the first day following the expiration of the approved leave of absence, the employee will be considered to have voluntarily resigned from the Company.

A medical leave of absence for a period longer than 30 calendar days or an extension of a medical leave of absence beyond 90 calendar days may be granted at the sole discretion of management based on a physician's written statement certifying that the employee is still unable to work because of a medical disability. The business needs and operational concerns of the Company will also be considered.

Furthermore, a medical leave of absence would also be granted as a reasonable accommodation to an employee who has a disability that is covered by applicable federal and/or state employment laws (see 2.2 Disabled Employees and Job Applicants).

An employee who is ready to return to work from a leave of absence must submit a medical release to the Company verifying his or her fitness or ability to resume work at least 3 business days prior to the expected date of return to work. An employee who is granted a medical leave of absence is not guaranteed reinstatement to the same or comparable position, or that a position will be available upon his or her release to return to work. Consideration for return-to-work status is at the sole discretion of the Company. An employee may be considered for reinstatement to the same or comparable position or for another position for which he or she is fully qualified, and that may be available when the leave of absence ends, and the employee has been released to return to work. If no such position is available, the employee's employment with the Company will be terminated.

4.5 Workers' Compensation Leave

Workers' Compensation leaves without pay are granted for situations in which there is a physician's written statement that a leave is required because of "work related" illness, injury, or other physical disability. The physician's statement must provide details acceptable to the Company regarding the nature of the disability and the anticipated length of absence from work. Leaves involving questionable work-related disabilities, as permitted by prevailing state and federal laws, may receive special attention from the Company and the workers' compensation insurance carrier.

Employees who are ill or injured because of a work-related incident and who are eligible for family and medical leave under the California Family Rights Act as amended (if applicable) will be placed on CFRA during the time they are disabled and not released to return to work provided that the employee's work-related illness or disability is also a serious health condition under the CFRA. The leave under these laws runs concurrently, and eligible employees will be on CFRA for a maximum of 12 weeks in a 12-month period.

An approved leave for a "work-related disability" generally will be extended for the duration of the disability until an employee is released for either full or partial duty, is determined to be permanently disabled and unable to return to work or informs the Company that he or she does not intend to return to work.

Prior to returning to work, an employee must obtain and provide the Department Head with a physician's written release. The release must include specific restrictions, if any, that affect the employee's ability to return to work, and the anticipated duration. Failure to provide such physician's release may result in termination. In some cases, another medical release at company's expense may be required from a physician appointed by the Company.

4.6 Pregnancy Related Disability

A female employee who is pregnant will be permitted to work during her period of pregnancy if she is able to perform assigned duties in a safe and effective manner. The Company will grant a request for reasonable accommodation made by a female employee, on the advice of her health care provider, for pregnancy, childbirth,

or related medical conditions. An employee may ask the Company for a reasonable accommodation for her pregnancy such as more frequent bathroom breaks, assistance with heavy work, a private place for expressing milk, or time off to recover from her pregnancy.

An employee may ask the Company for a reasonable accommodation for her pregnancy such as more frequent bathroom breaks, assistance with heavy work, a private place for expressing milk, or time off to recover from her pregnancy.

The employee may continue to work until the leave commencement date established by her physician. If, for any reason, the employee is unable to maintain the regular duties of her job, the Company will explore, under reasonable accommodation, job restructuring, reassignment to a temporary, alternative job assignment, (if available), or transfer to a vacant position for the employee.

The Company requires a medical certification from the employee's physician to grant a request for a reasonable accommodation or transfer to a different job position. The medical certification is to include the following information:

1. A description of the requested reasonable accommodation or transfer.
2. A statement that describes the medical advisability of the reasonable accommodation or transfer because of the employee's pregnancy.
3. The date on which the need for reasonable accommodation or transfer became or will become medically advisable and the estimated duration of the reasonable accommodation or transfer.

A female employee may obtain a reasonable leave of absence without pay for a disability caused by pregnancy, childbirth, or related medical conditions. In California, an employee may take a pregnancy related disability leave for up to 4 calendar months (one-third of a year or 17-1/3 weeks or 693 hours of leave entitlement for a full-time employee who works 40 hours per week). Pregnancy disability leave may be taken intermittently or on a reduced work schedule when medically advisable as determined by the employee's physician.

An employee requesting a pregnancy-related disability leave of absence must first provide the Company with a statement from her physician certifying that she is unable to work at all or unable to perform one or more of the essential functions of her position, and confirming:

1. The date her physician recommends she discontinues work.
2. Any restrictions regarding the employee's work that the physician may recommend before beginning a leave of absence.
3. The probable duration of the employee's pregnancy related disability leave.
4. The estimated date the employee will be released to return to work.

An employee is to use her unused sick leave benefits for absences from work because of a pregnancy related disability including severe morning sickness or needs time off for prenatal care. An employee may use, at her option, any available accrued vacation benefits during her pregnancy disability leave but is not required to do so. If an employee is eligible for CFRA leave (see 4.3 Family and Medical Care Leave), then after the employee's pregnancy disability leave not to exceed 4 calendar months, the employee would be entitled to additional leave for up to 12 workweeks under CFRA (as amended) to bond and care for her newborn child.^[3]

The employee must present a physician's statement verifying that the employee is able to return to work to the Human Resources Manager upon returning to work. The statement (release) must include specific restrictions, if any that affect the employee's ability to return to work and her anticipated duration. An employee returning from a pregnancy related disability leave would be returned to her original position or a substantially similar position to the one that she previously held. However, in the event the Company must lay off employees due to economic or other business reasons, a pregnant employee will have no greater right to reinstatement than any other Company employee. If the original or a substantially similar position is not available due to legitimate business reasons, the employee will be laid off or the Company will consider a request for additional leave if the employee is unable to return to work due to a pregnancy-related disability, childbirth or related medical conditions as may be required by applicable laws

4.7 Personal Leave

Regular full-time and part-time employees who have completed 90 days of continuous employment may be granted a leave without pay up to a maximum of 30 calendar days at the sole discretion of the Company if management determines a compelling, verifiable personal reason exists. An employee must submit a request for a personal leave of absence in writing to the Human Resources Manager and must specify the period for the leave. The General Manager must approve all personal leaves of absence as well as a personal leave of absence for a period longer than 14 calendar days or an extension beyond 30 calendar days, and any request for a leave from an employee who has not completed 90 days of continuous employment. The following factors will be taken into consideration in granting this type of leave: the reason for the leave, the employee's previous performance and length of service, the requirements of the job, the anticipated business schedule and workload, and the ability of the Company to assign duties to other employees and/or obtain temporary replacement personnel. Temporary employees are not eligible for personal leaves of absence.

Eligible employees who do not meet the eligibility requirements for the Family Care and Medical Leave (CFRA) leave may be granted an unpaid personal leave of absence at the sole discretion of management to care for the employee's newborn child; to care for a child placed with the employee for adoption or foster care; or to care for the employee's child, parent, spouse or domestic (or civil union) partner who has a serious health condition. Additionally, employees may be granted time off from work to care of their seriously ill grandparent, grandchild, sibling, or parent-in-law if approved by the General Manager or the President.

³ *California's amended Pregnancy Disability Regulations (effective December 30, 2012) specifies that the time the employer maintains and pay for group health insurance during an employee's pregnancy disability leave (PDL) cannot be used to meet the employer's obligation to pay for 12 weeks of group health coverage during leave taken under the California Family Rights Act (CFRA). The entitlements to employer-paid group health coverage during PDL and CFRA are two separate and distinct entitlements. See 2 CCR 11044(c)(1) and (2).*

Employees who take time off or leave work for these purposes may be eligible to receive partial wage replacement benefits through a paid family leave program administered by the California Employment Development Department (EDD). The Company may require employees to use up to two weeks of their accrued vacation benefits prior to receiving PFL benefits.

Anodizing Industries does not guarantee reinstatement following a personal leave, nor can it assure that a position will be available upon an employee's return to work. Employees must request a personal leave as far in advance as possible. The Company requires employees to contact the Department Head periodically during a leave and give prompt notice in the event of any change in circumstances that may affect the return date. If an employee does not return after expiration of the leave period, the employee will be deemed to have voluntarily resigned from employment with the Company.

4.8 School or Day Care Activities Leave

An employee may take time off without pay to attend a conference with a school administrator or a teacher due to the suspension of the employee's child from a class or school. Additionally, the Company would grant employees time off to participate in school activities for their children.

In California, where the Company employs 25 or more employees at the same location as specified by state law, an employee who is a parent, stepparent, foster parent, guardian, a person who stands in loco parentis to a child, or a grandparent of a child enrolled with a licensed childcare provider or enrolled at a school to attend kindergarten or grades 1 through 12 may take time off from work. An employee may take up to 40 hours off work without pay each calendar year to (1) participate in the activities of the school or licensed childcare provider of his/her child; (2) to find, enroll or re-enroll an employee's child in a school or with a licensed childcare provider; or (3) to address a childcare provider or school emergency as defined by applicable state law⁴.

An employee may not miss more than 8 hours of scheduled work time in any month for an intended absence (1) and (2) as indicated above and must schedule all such absences with his or her Supervisor by giving reasonable notice of the planned absence of at least one (1) week prior to the time requested to take time off from work. An employee who takes time off from work to address a childcare provider or school emergency must give notice to the employer as soon as practicable for an emergency. When both parents of a child are employed by the Company, and both request time off work for the same date, only the employee who made the first request will be granted time off unless the other employee obtains approval for the requested time off.

Employees are to use their unused, accrued vacation while taking time off to attend the school activity of their child. Leaves of absence more than available, accrued vacation time will be without pay. When requested, employees must provide written verification to their Supervisor from the child's teacher or principal regarding his or her participation in a school activity.

4.9 Jury Duty

The Company will provide time off from work, without pay to employees who have been summoned for jury duty. Employees may use their accrued vacation benefits while on jury duty service. The salary of exempt employees will not be reduced for any workweek in which they perform any work and serve on a jury but may be offset by any amounts received by the employee as jury duty fees.

⁴ See Labor Code Section 230.8(e)((2)(A) through (D) as to the meaning of childcare provider or school emergency.

The Company may request an employee to postpone his or her jury duty service if such a postponement is necessary for business reasons.

Within three days upon receiving a jury duty notice, an employee must immediately provide a copy of this notice to the Human Resources Manager that specifies the dates that the employee will be serving as a juror that will also be retained in his or her personnel file.

When on jury duty, employees must report for work whenever their presence is not required at court, including during "phone in" or "on call" status. Employees who cannot report to work due to jury duty may be required to show proof of jury service or appearance.

4.10 Time Off to Vote

Because the Company has a continuing interest in encouraging responsible citizenship, employees are urged to vote in local, state, and national elections. Employees should normally have sufficient time to vote outside of working hours. If you do not have sufficient time outside of your working hours within which to vote, you will be allowed to

take up to two hours of time between the opening and closing of polls, without loss of pay, for the purpose of voting. Time-off to vote must be taken only at the beginning or end of the regularly scheduled work shift, whichever allows for the most free-time for voting and the least time off from the regular work shift. Any request for time off to vote must have the prior approval of the employee's Manager, the Human Resources Manager, or the General Manager. To request time-off to vote, you are to give the General Manager and the Human Resources Manager at least two workdays' notice prior to Election Day that time off to vote is needed. Employees must submit a voter's receipt on the first working day following the election to qualify to receive payment for time off to vote.

4.11 Witness Duty and Subpoenas

Employees will be paid their normal wage or salary if required to be a witness or required by a subpoena to appear in court on Company business. Employees will not be paid for their time off if summoned to appear in court as a witness (except as may be required by applicable law) or because of a subpoena on matters not pertaining to Company business or on matters in which they are personally involved in the legal action. Employees must notify the General Manager and the President immediately when they are required to appear as a witness in a legal proceeding, and provide a copy of the notice to appear, trial summons or witness subpoena to the President. While taking time off from work, employees may use their accrued vacation benefits during any witness duty leave.

4.12 Military Duty

Leaves of absence and re-employment resulting from service in the U.S. Military Armed Forces, National Guard, Reserves, state militia or other uniformed services will be in accordance with applicable state and federal laws. A copy of the applicable, official military orders for training or active duty must accompany an employee's request for a leave of absence.

An employee who is a member of the U.S. Military Armed Forces Reserve or the National Guard and is subject to active or inactive duty training will be granted leaves of absence without pay, generally for up to two (2) weeks or longer if required plus applicable travel time. An employee may use his or her accrued, unused vacation benefits but is not required to do so for all or part of an unpaid leave of absence for Reserve training to supplement his or her military pay to equal the amount of pay that would have been received from the Company during the leave of absence. Any portion of a leave that occurs after all available accrued vacation benefits have been used will be without pay. A military leave of absence without pay will be granted to an employee who is called to active duty in the U. S. Military Armed Forces, National Guard, Reserves, or other uniformed services as specified by applicable law. In California, this includes an employee who is a member of the National Guard in another state and is called into service by the other state or by the U.S. President, causing the employee to leave his/her job in California. An employee who leaves his or her job to perform military service may elect to continue his or her health insurance coverage for up to 24 months while in the military in accordance with Uniformed Services Employment and Re-Employment Rights Act of 1994 (USERRA). If the uniformed service is less than 31 days, the Company will continue to maintain and pay the employee's group health insurance under the same terms and conditions as if the employee has remained actively employed but the employee will be charged the usual employee contribution amount for the continued coverage. If the time period of military duty service goes beyond 31 days, then the employee would be charged no more than 102% of the full premium cost for the continued group health insurance coverage in accordance with USERRA. An employee returning from military duty shall be offered re-employment in accordance with USERRA. If an employee fails to notify the Company of his or her intent to return to work within the time allowed by law, the employee will be considered to have resigned.

4.12.1 Military Spousal Leave

In California, an employee who works an average of 20 or more hours per week is eligible to take up to 10 days of unpaid time off when his or her spouse or domestic partner is on leave from military deployment. The employee's spouse must be a member of the U.S. Armed Forces, National Guard or Reserves who has been deployed for active duty during a period of military conflict to a combat theater or combat zone of operations as specified under

applicable state law. The employee must provide at least two business days' advance notice and submit documentation that the spouse will be on leave from deployment.

4.12.2 Military Qualifying Exigency Leave

The new California Family Care and Medical Leave (see section 4.3), also provides a leave of absence (for covered employers with 5 or to 49 employees) that permits an eligible employee to take up to 12 weeks of unpaid leave in a 12-month period as a result of any qualifying exigency related to the covered active duty or call to covered active duty of an employee's spouse, registered domestic partner, child, or parent in the United States Armed Forces deployed in a foreign country or in support of a contingency operation.

A "qualifying exigency" includes planning for child care or parental care; enrolling a child in school or daycare facility; attending meetings with school officials; making financial or legal arrangements; seeking military benefits; attending counseling relating to the active duty of the service member; spending time with a covered military member who is on a short-term, temporary rest and recuperation leave during deployment; attending to farewell or arrival arrangements for the service member; or addressing issues related to the death of the service member.

Military exigency leave may be taken in a consecutive period, on an intermittent basis or on a reduced schedule in accordance with the California Family Rights Act (CFRA as amended). Please contact Human Resources for additional information on eligibility requirements and specific guidelines on requesting a leave for qualifying exigencies.

4.13 Other Leaves

The Company will provide employees with time off or other leaves of absences that may be required by applicable state law such as for voting in a statewide election and other leaves. For instance in California, employees may be eligible for a leave of absence for organ or bone marrow donation⁵; victim of domestic violence, sexual assault or stalking; victim of a serious or violent crime; volunteer civil service (e.g., employees who serve as a volunteer firefighter, reserve peace officer, or an emergency rescue worker who takes time off to perform emergency duty); or volunteer member of the Civil Air Patrol to respond to an emergency operation mission in accordance with applicable state law requirements.

For additional information about these leaves, contact the Human Resources Manager.

⁵ Employees in California who donate an organ or bone marrow are provided with paid leave up to the number of days specified by applicable law (see Labor Code Sections 1508-1513). However, an employee who requests a leave is required to use his or her available paid sick leave, vacation or paid time off up to five days for bone marrow donation and up to two weeks for organ donation (see Labor Code Section 1510(f)).

4.14 Return from a Leave of Absence

When an employee is returning from an approved leave without pay, the employee must notify the Department Head at least 3 business days prior to the scheduled return date. The Company at its discretion, based on anticipated business needs and operational concerns, may or may not be able to hold an employee's position open during a leave of absence. If the position held no longer exists upon an employee's return, placement in another position, if available, for which such employee may be reasonably qualified will be made if feasible. If placement in another position cannot be accomplished, such employee will be permanently laid off. Reinstatement after leaves involving Family Care & Medical Leave (CFRA), Pregnancy Related Disabilities, Military Duty, Jury Duty, those leaves covered by workers' compensation, or other leaves regulated by law will be in accordance with applicable state and federal laws in effect at that time.

4.15 Termination During Leaves of Absence

An employee will be replaced or terminated during a leave of absence for any of the following reasons:

1. Notice of intent to resign or demonstration of intentions not to return to work is given.
2. Employee fails to return to work within the time specified for the leave without having obtained a Company approved extension of the original leave expiration date.
3. Employee fails to supply a doctor's certificate or other requested documentation to substantiate the need for, or an extension of, a leave.
4. Employee fails to accept his or her former position upon return, or if not available, another position for which the employee may be reasonably qualified.
5. Employee refuses to undergo a medical evaluation by an appointed doctor at Company expense when requested.
6. Employee accepts other employment at any time during the leave of absence that renders the employee unavailable to accept work at Anodizing Industries when the employee can return to work and performing his/her essential job duties at the Company.
7. Employee's position has been eliminated or no longer exists at the conclusion of his or her leave.

5 HOURS OF WORK AND PAYROLL PRACTICES

5.1 Work Schedules and Job Assignments

Normal business hours for the Office are from 5:00a.m. to 1:30p.m. Monday through Friday. Company management determines scheduled work hours for individual workers. Employees may be required to work after normal working hours or on weekends as determined by workloads and business requirements. Various factors such as workloads, operational efficiency, and staffing needs may require variations in an employee's starting and ending times and total hours worked each workday or workweek. Your Manager as far in advance as practical will announce changes in your work schedule. Employees are to check with the General Manager regarding their individual work schedules. The Company reserves the right to change work schedules; and assign employees to jobs, shifts, and locations other than their usual assignments when required with or without notice.

5.2 Hours of Work

The daily and weekly work schedules may vary with each department, and the actual hours of starting and ending a shift may change from time to time to meet the varying conditions of business.

5.2.1 Rest Periods

If agreeable to an employee, in writing, rest periods may be combined during a workday as long as an employee works at least an 8-hour workday. All non-exempt employees, and employees that agree to the combined break period, will receive one 30-minute paid rest break in an 8-hour workday. Employees whose total daily work time is less than 3½ hours are not entitled to a rest period. Employees who work 3½ to 10 hours are their 30-minute rest break. If an employee is working more than 10 hours in a work day, then they are permitted to take an additional 15 minute rest break.

For employees who do not agree with combined break periods, they will receive two (2) 10 minute paid rest breaks in an 8 hour work day. The rest periods will occur as near as possible to the 4 hour work period insofar as being practical or feasible. If the employees who do not agree with the combined break period times work more than 10 hours, they will receive an additional 10 minute paid break after the 10th hour of work.

Employees are expected to check with their Department Head whenever they have questions about their rest period schedule. During rest periods, employees are relieved of all duties and are provided with an uninterrupted break to use their rest time as they want. Since rest periods are short breaks that are paid, ordinarily employees who work at a Company facility would remain onsite or nearby to take their rest breaks. If you intend to leave Company premises for any reason during your rest period, just as a courtesy please simply notify your

manager. Employees may not substitute a rest break to make up time for coming to work late nor can they miss or skip one or more rest periods to leave work early.

5.2.2 Lunch or Meal Period

Non-exempt employees who work more than 5 consecutive hours are provided with a 30-minute meal period. Meal periods are generally for 30 minutes unless otherwise approved by the Management. Employees are to take their meal break within 5 hours from the start of their workday, and they must not miss or work through their meal break or take a late lunch period after the end of the employee's fifth hour of work. However, if 6 hours of work will complete the day's work, the employee may voluntarily choose not to take the meal break with the consent of the General Manager.

Unless your lunch or meal period is otherwise scheduled, employees are to coordinate with your Manager as to the time when they wish to take their lunch break prior to the end of the employee's fifth hour of work. All employees are requested to take their meal period in accordance with the assigned schedule only or the approved time to take their meal period, and the General Manager and Human Resources must approve any variations from their schedule. Employees who continue to work without taking their meal period after five hours of work or return early from their meal period must notify Human Resources and the General Manager to obtain prior approval of such work or overtime, if any. During their meal period, employees are relieved of all duty or employer control and are free to come and go as they please and are permitted a reasonable opportunity to take an uninterrupted 30-minute break. Management will not impede or discourage employees from taking their meal breaks.

A non-exempt employee is entitled to a second meal period of at least 30 minutes for any workday in which the employee works more than 10 hours, unless waived by mutual consent of the employer and employee. A second meal period cannot be waived if an employee did not take his or her first meal period or works more than 12 hours in a workday.

Employees should notify management if they have been denied an opportunity to take a rest break or meal period. Accordingly, an employee who is not provided with a rest and/or meal period for any workday as specified in this policy, including when an employee was not permitted to take a rest break, when the employee missed or worked through a meal break, took a late meal period or did not receive an uninterrupted 30-minute meal period, must immediately notify the Management so that the situation can be corrected, and the employee would not be deprived of his/her rest or meal period.

Meal periods are not paid time and must therefore be regularly recorded by non-exempt employees on their automated timekeeping records. Employees are permitted to leave Company premises without prior management authorization during their rest periods and meal periods.

Employees are expected to promptly return to work after a rest break or lunch/meal period. Employees who fail to record the meal periods they took, who return to work late, or who otherwise violate the Company's rest and meal period policies are subject to disciplinary action, up to and including termination.

5.2.3 Lactation Accommodation

The Company will provide a reasonable amount of break time to accommodate an employee who is a nursing mother desiring to express breast milk for her infant child. Employees have the right under state law to request an accommodation in these circumstances. When a mother returns to work after her pregnancy disability leave and childbirth, she should meet with Human Resources to establish a schedule for breaks that will allow her sufficient time to express milk in a private area or room of the Company if she has decided to continue to breastfeed her infant child. If the Company is unable to provide break time or a suitable location for lactation at that time, a written response to the request will be provided to the employee. The employee is to use the 10-minute rest break time that is already provided by the Company and may choose to use her meal period to express breast milk as well. If

the employee needs additional time beyond the normal rest breaks and meal period for expressing milk, the additional break time that is provided would be without pay. The Company may not be able to provide additional break time if doing so would seriously disrupt its operations and create an undue hardship. Employees are authorized and permitted to take break time each time the employee has need to express breast milk.

The Company will provide a room or a place, other than a bathroom or toilet stall, that is shielded from view and free from intrusion from co-workers which may be used by an employee to express breast milk. This location may be an available private office, if applicable, but shall be as close to the employee's work area as practicable. Employees must respect the privacy of any co-worker who may use a designated private area or room for lactation purposes. The room will be safe, clean, and free of hazardous materials, contain a surface to place a breast pump and personal items, and shall have a place to sit. There shall also be access to electricity either in the room or through extension cords or charging devices to facilitate operation of breast pumps. If the room is temporarily used for lactation and at other times used for other purposes, the use of the room for lactation will take precedence over other uses during the time it is being used by the employee to express breast milk.

Additionally, the Company will plan to provide refrigeration, if available, for the employee's breast milk, or allow the employee to provide her own means of refrigeration or an insulated cooler with ice packs to store her breast milk. The Company will also provide a sink with running water. The refrigerator and sink will be as close to the employee's work location as possible. The employee should keep her breast milk in a glass or hard-sided plastic container or other appropriate storage bottle with well-fitting tops and a label that clearly indicates the contents and includes the employee's name.

Before a Manager decides to deny a private area or a lactation break time, he or she is to consult with Human Resources. A written response will be provided to the employee in any such instance. Likewise, an employee who feels she has been unreasonably denied proper and appropriate lactation accommodation may contact the President. In addition, an employee in California may file a complaint with the California Labor Commissioner for any violation of the rights to lactation accommodation. The Company will not discriminate or retaliate against an employee requesting lactation accommodation.

5.3 Time Records

The Company is required to maintain time records for all hours worked by non-exempt employees in accordance with applicable federal and state wage and hour laws. If you are a non-exempt employee, you are responsible for maintaining an accurate record of your hours worked by accurately completing your own timecard. You must record the time when you start to work, begin, and end your lunch/meal period, and leave at the end of your work shift for each day as well as record the time whenever you leave the premises for any reason other than for Company business.

Non-exempt employees are to complete their timecard with the time stamp machine daily and submit them by the following Friday to payroll for processing. You are required to sign your timekeeping record and certify that all hours of work that have been recorded are accurate. Be sure to mark any absences and indicate the reason for them on your timekeeping record, as this is the record from which you are paid. Your timecard record must then be verified and approved by Human Resources or by the General Manager.

Under no circumstances may you record time on another employee's timecard. You must complete only your own automated timekeeping record. Time records must be completed accurately. No non-exempt employee is permitted to "work off the clock" or otherwise not record the actual time worked. If you make an error when completing your automated timekeeping record or there are any inaccuracies on your timecard, you must immediately report it to the General Manager and to Human Resources.

Your timecard is an official legal document and a personal certification of all hours worked; and, therefore, must be accurately maintained. Violating or disregarding the company timekeeping procedure or falsifying or altering your timecard record may result in disciplinary action, up to and including termination of employment.

5.4 Workweek and Pay Periods

For payroll purposes, the workweek for all employees begins at 12:01 a.m. on Monday and ends at 12:00 midnight on the following Sunday. The hours and days of work for individual employees may vary by department or individual assignment according to the needs of the Company.

Generally, wages are paid on weekly basis. Paydays are generally every Friday. Employees may arrange to have their paycheck directly deposited into their bank account by completing and submitting the appropriate form, along with a voided check or other required documentation from their bank to the Human Resources Manager. If a regular payday falls on a holiday, employees will be paid on the preceding workday. Paychecks will not be given to anyone other than employees except with their prior written authorization to a designated person.

At the time of hire, the Company will provide newly hired non-exempt employees with a notice of pay details specifying the rate of pay and the basis (e.g., hourly, salary, piece rate, commissions, or otherwise) for the employee's wages, including any applicable rates for overtime, worker's compensation information and paid sick leave as well as any other information required by state law. If an employee has not received a wage information notice at the time of hire or has misplaced it, then request a copy from the Human Resources Manager. If there is any change to the wage information notice, the Company will notify the employee in writing of the change(s) in an updated wage information notice, or such changes would be reflected on the employee's itemized wage or pay statement.

Your paycheck will provide a check stub that itemizes the various deductions required by law or authorized in writing by you. You should keep these itemized pay statements for your personal records. Employees are expected to report any errors in a paycheck to the Human Resources and General Managers. The Company does not permit any wage or salary advances to any employee.

5.5 Payroll Deductions

The Company is required by state and/or federal law to withhold a portion of an employee's pay for tax or government-mandated benefit programs and other mandatory deductions from time to time. These legally required deductions include, but are not limited to, Federal Income Tax, State Income Tax, Federal Social Security Insurance (FICA), Medicare Deduction, California State Disability Insurance (SDI), Court Ordered Deductions (such as garnishments), and Tax Liens.

Additionally, employees may authorize certain deductions to be made from their paychecks each month for reasons such as payment of group insurance premiums. All deductions, whether they are legally required or voluntary, are itemized on each employee's paycheck stub.

5.6 Overtime Pay

Employees who are classified as non-exempt will be compensated for overtime hours worked in accordance with all legal requirements. Employees who qualify for exemption within the meaning of the state and federal wage and hour laws do not receive overtime pay and are not subject to this policy.

All non-exempt employees will be paid overtime in accordance with the following schedule:

1. One and one-half times the regular rate of pay for:

- a) All hours worked more than 8 hours up to and including 12 hours in any workday.

- b) All hours worked more than 40 hours in any workweek.
- c) The first 8 hours worked on the 7th consecutive day of work in a workweek.

2. Two times the regular rate of pay for:

- a) All hours worked more than 12 hours in any workday.
- b) Any work more than 8 hours on any 7th consecutive day of work in a workweek.

Hours paid that are not actually worked, including but not limited to, holidays, vacation, and sick leave are not considered time worked for purposes of computing overtime pay.

Due to business needs and operating requirements, the Department Head may require employees to work beyond their normally scheduled work hours, including weekends. Overtime is authorized only when necessary. All employees must have approval from their Manager or the General Manager before working any overtime. Employees are not permitted to work more than their regularly scheduled work hours without obtaining advance approval from their Manager. Additionally, employees are not permitted to work on their own initiative before or after their scheduled work hours or during their unpaid meal periods.

Accordingly, employees are not to perform any off-the-clock work, or to make calls or respond to any inquiries after their scheduled work hours or when they are off-duty, unless specifically directed by Company Management. Because unauthorized overtime is against the Company's policy, non-exempt employees who work unauthorized overtime are subject to discipline, up to and including termination. When overtime is required, management will attempt to provide as much notice as possible.

An employee who refuses to work overtime without a compelling or satisfactory reason is not fulfilling the requirements of his or her position. Refusal to work overtime may result in disciplinary action, up to and including termination of employment.

5.7 Travel Status

Ordinary commuting time from the employee's home to the employee's regular workplace is not considered work time, unless otherwise specified by applicable wage & hour regulations. When a non-exempt employee is required to travel by driving to a different work location other than his/her regular workplace by the Company, the workday begins for such employee upon arrival at the work site provided that the driving time to the different work site is no longer than the employee's driving time to his/her regular workplace. Otherwise, the employee will be paid for the difference between the driving times when required travel time is longer than the employee's normal commute. Likewise, if a non-exempt employee reports to the regular workplace and is then required to travel to another work site during the workday, the employee would be paid travel time to the other assigned workplace.

Non-exempt employees will be paid for their travel time at their regular wage rate unless otherwise specified by law and are therefore expected to record the time of day they leave home, arrive at the work site at the time of day they arrive at their destination if traveling by vehicle, and any additional periods of work that may thereafter occur on their automated timekeeping record.

Employees who qualify for exemption within the meaning of state and federal wage and hour laws are not subject to this policy.

5.8 Garnishment of Pay

A garnishment is a legal levy by a creditor against an employee's pay. Anodizing Industries expects all employees to manage their personal finances so as not to involve the Company. All garnishments and other attachment orders

that are required by law will be honored. An employee who suspects this may happen to him or her should review them with company management immediately.

Repeated garnishments or multiple garnishments for more than one debt (e.g., multiple judgments based on two or more debts) can result in disciplinary action up to and including termination of employment, unless otherwise specified by applicable state law. However, no discipline or discharge will be taken against an employee due to a wage assignment order for child or family support.

5.9 Reimbursement of Business Expenses

Certain employees may incur business expenses in the course of their duties. You must be authorized in advance to incur business expenses and all such expenditures must be documented on an expense report that is submitted within 30 days to the President for review and approval. All original receipts for expenses are to be attached to your expense report with an explanation as to the nature of the expense. In the case of promotional or entertainment expenditure, the names of the persons and the business purpose for the meeting must be included.

The Company must authorize all expenses, including meals, airline travel or hotel reservations, before they are incurred. Expenses will be paid by the employee and reimbursed upon submitting an expense report and receipts, unless a travel advance or other arrangements have been made. Employees are expected to exercise restraint and good judgment when incurring expenses. If you have any questions regarding how your expenses should be handled, please check with management before incurring the expenses.

6 EMPLOYEE CONDUCT AND WORKING CONDITIONS

6.1 Employee Suggestions and Questions

The Company promotes an “Open Door” policy and encourages its employees to express their views on policies, practices or working conditions, either verbally or preferably in writing. We are always looking for better ways of operating our business, serving our Customers, and helping our employees to be successful in their jobs.

Employees who have ideas for improving our business or doing a job more effectively and efficiently should give their suggestions to their Manager, the General Manager, or the President. Anonymous suggestions may be submitted to any member of company management who can then forward them to the President. Suggestions and questions will be reviewed and discussed with employees as quickly as possible.

6.2 Company Communications

6.2.1 Communication with Management

Your job is responsible for planning the work schedule, ensuring the quality of your work, and providing you with proper assistance you may need. Your Manager will arrange for your job instructions, introduce you to your fellow employees, show you where things are and advise you of your work performance.

An important part of your Manager’s responsibilities is to answer questions, listen to your concerns and act where appropriate. Please give your Manager or any member of senior management your cooperation. If your Manager does not have an answer to your question, he or she will do his or her best to get one for you from the President. Office employee’s schedules will be planned and coordinated directly by the General Manager and/or the Human Resources Manager.

6.2.2 Staff Meetings

Staff meetings are held on an “as-needed” basis and all employees are expected to attend. These meetings are held to provide information, promote employee participation, to contribute constructive ideas in solving problems, to improve our Company, and to allow us to operate more efficiently. They are an opportunity to exchange ideas, to set goals, to discuss opportunities for growth, and to solve any problems with particular projects or

assignments. If you are unable to be present, please notify your Manager and offer to submit your ideas in writing. Meetings held during working hours is considered paid time. Meetings outside of normal work hours requiring mandatory attendance will also be considered paid time. Any meetings that are “optional” attendance would be non-compensable time for employees.

6.2.3 Bulletin Boards and Electronic Messages

Bulletin boards are used to display required job notices and to provide employees with information about job openings, changes in the Company, or information of general interest as well as Company emails are used to disseminate information to employees. From time to time, the Company will post special notices and information for employees on the bulletin boards. Please check the boards periodically for these notices. Posting of any notice or document on bulletin boards or anywhere else on Company premises must be approved by management. Employees are not permitted to post personal notices and solicitations on Company bulletin boards and electronic message boards

6.3 Professionalism and Working Relations with Fellow Employees

The Company strives to maintain a workplace that fosters mutual respect and promotes harmonious, productive working relationships. We expect our employees to observe certain standards of behavior and always maintain a professional demeanor, and to treat each other in a way they would like to be treated and to give to others the respect that is due every individual.

All employees must conduct themselves in a professional manner and work together in an atmosphere of civility. Everyone should be treated with respect. Professional demeanor includes, but is not limited to, being courteous and considerate to others, being trustworthy and dependable, remaining flexible and cooperative, using good judgment, showing initiative, being accurate, maintaining confidentiality, attending meetings, and maintaining your commitment with Anodizing Industries. Unprofessional behavior in the workplace includes, but not limited to, being rude or abusive, using foul or profane language or swearing, bullying, shouting, making inappropriate jokes, making comments that demeans another, engaging in name calling or nicknames that may be offensive or upsetting to another, gossiping, or spreading rumors about another individual, breaching confidentiality, harassing, or touching another person inappropriately, and participating in horseplay.

All employees are expected to be courteous and considerate of one another and to work with a “team player” attitude. Teamwork means being focused on finding a solution rather than being focused on arguing over a problem. If you are unhappy with the way something is being done, propose a solution at the same time when you raise a problem. Problems should be discussed in private. If differences persist, employees should discuss them with their manager or Human Resources to work out a solution.

6.4 Problem Solving Procedure

The Company strongly encourages all employees to discuss any work-related problems or concerns with their Manager and to review them with a higher level of management, if necessary. Working out problems early or when they are small often prevents misunderstandings that occur when communications break down. Our experience has shown that when employees deal openly and directly with management and ownership the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that Anodizing Industries amply demonstrates its commitment to employees by responding effectively to employee concerns.

You may use the following procedure to resolve any work-related problems or concerns without fear of ridicule, retaliation, or reprisal:

1. **See Your Manager-** Discuss the problem or dissatisfaction with your Manager who will attempt to resolve the problem to the mutual satisfaction of all concerned. If you are not satisfied with your Manager's decision, you may discuss your situation with the next higher level of management
2. **See the Human Resources Manager-** Discuss the problem or dissatisfaction with the Human Resources Manager who will attempt to resolve the problem to the mutual satisfaction of all concerned. If you are not satisfied with the Human Resources Manager's decision, you may discuss your situation with the next higher level of management
3. **Speak with the President-** If the matter is still not resolved, you are encouraged to refer the problem to the President who will review the problem and make the Company's final response to the problem or complaint.

Additionally, if you feel that you have experienced retaliation because of reporting a problem or filing a complaint, you should immediately contact the General Manager or the company President.

6.5 Guidelines for Employee Conduct

We expect all employees to observe certain behavior while at work to promote harmonious interactions and relationships and maintain civility in the workplace to achieve the employer's goals of having a respectful workplace, and maintaining a safe, productive work environment. As with all businesses, Anodizing Industries considers certain conduct inappropriate and unacceptable. It is not possible or practical to list every type of conduct that is inappropriate. However, to provide employees with some guidance concerning unacceptable behavior, set forth below are examples of conduct that should not take place in the work environment. This list should not be considered as all-inclusive.

These conduct guidelines do not in any way modify the at-will employment policy of the Company, which permits either the employee or the Company to terminate the employment relationship at-will, at any time, with or without cause or notice. *Nothing in this policy is intended to in any way interfere with, coerce, restrain, or restrict any employee from exercising his or her rights that are protected under any state or federal labor law, including the National Labor Relations Act.*

Without waiving the foregoing, and to provide employees with guidelines concerning management's expectations of appropriate employee behavior, the following are examples of unacceptable conduct that will normally result in discipline up to and including termination of employment:

1. Obtaining employment based on false or misleading information or falsifying information or making material omissions in any Company documents or records.
2. Malicious or willful destruction or damage to Company property or supplies, or to the property belonging to another employee, a customer, a supplier, or a visitor.
3. Theft or unauthorized removal of property from Company premises or the premises of a customer that belongs to or is in the possession of Company, another employee, a customer, a supplier, or a visitor.
4. Misappropriation or unauthorized use of money, credit, property, or equipment of Company or belonging to another employee, a customer, a supplier, or a visitor.
5. Dishonesty of any kind including asking another employee to lie, withholding the truth from management, or falsifying automated timekeeping or any company documents or files.
6. Offering or accepting kickbacks or bribes of any kind to obtain new business or continue to do business with our Company or with another organization.
7. Behavior that is rude, discourteous, disorderly, boisterous, or otherwise socially unacceptable conduct; or using profane, abusive, or threatening language to anyone on Company premises or at work locations, or to a client or others doing business with Anodizing Industries.

8. Bringing or possessing firearms, weapons or any other hazardous or dangerous devices or chemicals on Company property.
9. Willful violation of any law, rule, or regulation (other than traffic violations or similar offenses); pleading guilty to or being convicted of a felony or a misdemeanor that affects your suitability for continued employment.
 10. Engaging in conduct or action on or off Company premises or work locations that adversely harms or reflects unfavorably on the organization and its reputation such as serious misconduct, gross misconduct, or criminal or illegal behavior of any kind.
11. Violation of Company Policies on Conflicts of Interest and Confidentiality.
12. Committing a fraudulent act or breach of trust in any circumstances.
13. Possessing confidential information that an employee has not been explicitly authorized or is permitted to have or communicating confidential or proprietary information to unauthorized persons or entities. This does not pertain to employees discussing or disclosing their own wages or salaries as well as working conditions with others.
14. Failing to notify the appropriate Department Head when unable to report to work, or absence of three or more consecutive days without authorization or proper notification to management.
15. Unsatisfactory job performance, including but not limited to failure to perform assigned duties; excessive sloppiness, negligence, or incompetence; doing personal work during work time; failure to treat a customer in a courteous, friendly manner, etc.
16. Excessive personal conversation on non-work-related matters or personal telephone calls or texting during an employee's working hours.
17. Taking part in malicious gossip and/or spreading false or reckless rumors; making false, vicious, or malicious statements concerning the employer or any of its employees; engaging in inappropriate or unacceptable behavior that creates discord or that impedes harmonious interactions and relationships in the workplace; or interfering with or undermining another employee's work.
18. Leaving Company premises during your working hours (except during rest and meal periods) without prior approval from management.
19. Interfering with or undermining another employee's work.
20. Unsatisfactory attendance, excessive absenteeism, repeated tardiness, not being ready to work at the start of a workday, failing to observe work schedules, stopping work before the end of the workday, or failing to obtain permission to leave work for any reason during working hours.
21. Failing to provide a physician's statement or medical certification when requested to do so.
22. Sleeping or malingering on the job or loitering while on or off duty.
23. Moonlighting or engaging in activities that create a conflict of interest.
24. Fighting or provoking a fight and physical altercation with another person while on the job or on Company property.
25. Insubordination, including failure to follow job instructions, refusal to do assigned work, or refusal to perform work in the manner described by the Department Head or company management.
26. Unlawful or unauthorized possession or use of alcohol or drugs while on duty or on Company premises or reporting to work under the influence of alcohol or drugs.
27. Engaging in the illegal sale or distribution of narcotics, drugs, or controlled substances while on the job or on Company property, or any violation of the Drug and Alcohol Policy.
28. Participating in an unsafe work practice, failing to observe safety rules or procedures, or disregarding any established safety rule, including not wearing required safety equipment or tampering with Company equipment.
29. Negligence, horseplay, or any other action that endangers other people or Company property or that disrupts work.

30. Gambling while on the job or on Company premises.
31. Smoking or using chewing or smokeless tobacco including e-cigarettes and vapor devices in designated non-smoking areas.
32. Violating any security rules or procedures.
33. Harassing, threatening, intimidating, or coercing any employee or another person, including violation of the Company's Policy Against Harassment.
34. Inappropriate, excessive and/or misuse of the Internet during working time (e.g., sending offensive e-mail or text messages, accessing inappropriate or non-work-related websites, engaging in chat rooms or social media networking such as non-work-related tweeting or blogging, downloading inappropriate materials, etc.)
35. Failure to abide by set standards for lunch and break periods, working unauthorized overtime, or refusing to work assigned overtime.
36. Soliciting of any type or distributing literature during working time; redirecting business or employees away from the Company; or selling or passing out any products, information, or documents in work areas during work time. (Working time or work time means those hours that employees are on duty, excluding breaks, mealtimes, and other specifically designated periods during the day when employees are not engaged in performing work duties.)
37. Posting of any notices on the premises without prior authorization from management.
38. For employees in positions requiring the use of a vehicle for Company business, becoming uninsurable based on the standards of the organization's insurance carrier due to a Department of Motor Vehicles record, driver's license suspension or revocation, or cancellation of the employee's automobile liability insurance policy.
39. Any other violations of rules and policies of the Company.

"Nothing in this policy is intended to in any way interfere with, coerce, or restrain any employee from exercising his or her rights under any state or federal labor law, including the National Labor Relations Act."

The company, at its own discretion, will decide whether a violation of conduct will result in immediate termination, or warning, or any other mechanism the company wishes to utilize.

6.6 Employee Dating and Personal Relations in the Workplace

Anodizing Industries is concerned about behavior and personal conduct that creates workplace problems posed by dating and romantic relationships with other employees. It is the Company's responsibility to provide guidelines and to caution employees to avoid potential problems that may jeopardize the Company or undermine its operations in any way. All employees must avoid dating or romantic relationships with other employees that create a conflict of interest, produce discord or distractions that interfere with employee productivity, or can result in potential complaints of sexual harassment.

These problems can be potentially serious in situations in which one person has authority over another. Additionally, Managers are required to take steps to resolve actual or potential conflict of interest or impropriety created by the relationship, including disclosing such relationship to the Company President.

This policy is not intended to discourage friendships or congeniality between co-workers or between Department Head and non-Department Head personnel. The restrictions on dating and romantic relationships apply regardless of gender or the sexual orientation of the employees involved. Thus, this policy applies to opposite-sex and same-sex relationships.

Employees who have a dual relationship (work and personal) with another employee are to use proper discretion, maintain professionalism, and avoid any appearance or actual breach of confidentiality and/or any conflicts of interest. If you are in a personal or romantic relationship with a co-worker, you are to avoid overt displays of

affection or excessive personal conversation at work. Where a problem or a conflict or potential conflict arises between employees who are dating or who are in a romantic relationship, the Company reserves the right to separate the employees by reassignment, transfer or, if necessary, terminate the employees from employment.

For the Company to deal effectively with potential problems that a romantic relationship may have for the working environment, any employee who believes that he or she has been adversely affected by such a relationship is encouraged to discuss the matter privately with any member of company management including the President.

If an employee asks a fellow employee out for a date, and if the answer is no, employees are reminded to respect that “no means no”, thereby avoiding any appearance or claims of harassment. Any unwanted behavior of a sexual nature, or unwelcome advances or attention is strictly prohibited by the Company’s Policy Against Harassment & Discrimination. Failure to comply the Company’s policy on dating and non-fraternization, and its policy prohibiting workplace harassment and discrimination will result in disciplinary action, up to and including termination of employment.

6.7 Employee Counseling and Discipline

To ensure proper employee conduct in the workplace, violations of Company policies or standards will result in corrective action appropriate to the employee’s conduct. Nothing in this Employee Handbook or management’s discretionary use of corrective discipline in any circumstance creates any express or implied contract modifying an at-will employment relationship. Furthermore, no one has the authority to change this at-will relationship by any actions, practices, course of conduct, length of service, awards, transfers, promotions, promises or statements. The at-will relationship can only be modified by an individual written employment agreement signed by the President of the Company and by the employee. Without modifying this mutual at-will relationship in any way, the Company may choose to utilize corrective discipline in some circumstances as described in this policy.

Discipline and Counseling policies for all Union employees will be subject to the provisions of the collective bargaining agreement.

Corrective or disciplinary action may include oral counseling, written corrective disciplinary warning, demotion, suspension, or immediate termination. When unsatisfactory performance or unacceptable conduct persists, or is not corrected, termination of employment can be expected.

The Company may use any form of discipline or corrective action deemed appropriate to the situation. The use of any corrective or disciplinary action is completely within the sole discretion of management. The Company makes no promises, express or implied, that employees will necessarily be warned prior to having their employment terminated. Giving a disciplinary warning or warnings in one instance does not require the Company to use such warning or warnings in any other instances nor does it modify the at-will employment relationship in any way. Accordingly, the Company reserves the right to utilize any corrective or disciplinary action, including termination, on a “first time” basis.

Depending upon the seriousness of the suspected offense or misconduct, the Company may administratively suspend an employee to permit management to investigate and review the circumstances of a situation. The Company may terminate an employee for any offense that it deems a violation of a Company policy or performance standards.

6.8 Attendance and Punctuality

As an employee of the Company, you are expected to be punctual and arrive at work on time and maintain regular attendance. Any tardiness and absenteeism place an additional burden on your fellow employees and requires re-scheduling work assignments. Good attendance is an essential element in determining satisfactory job

performance. An unsatisfactory attendance record of tardiness and absences, even if for a justifiable reason, or failure to follow the call-in procedure or properly notify management of your absence can result in disciplinary action, up to and including termination.

An absence is the failure of an employee to be at a designated work area to perform assigned work as required, not reporting for work on time as scheduled, not ending a rest break or meal period and returning to work on time, and/or leaving prior to the end of a workday as scheduled. Absences are disruptive and should be avoided. Such absences include lost time (partial or full day) due to illness, injury, personal reasons, or other reasons for which the Company is not responsible. An unsatisfactory attendance record with excessive absences and tardiness would result in disciplinary action up to and including termination, except for time off from work that has been approved in advance and/or paid by an employee's vacation or sick leave benefits, absences that have been excused by management, or absences that are protected by applicable leave laws.

6.8.1 Approved Time Off

Employees who know in advance they will be absent or late are required to make the necessary arrangements with your Manager or Human Resources. If you require time off from work, please schedule and obtain prior approval as far in advance as possible for any intended absence by submitting a written request for time off to their Manager or Human Resources in accordance with the applicable procedures in this Handbook. If an employee's need for time off to use available paid sick leave is foreseeable, the employee must provide reasonable advance notification. If the need for paid sick leave is unforeseeable, the employee must provide notice of the need for the leave as soon as practicable. Planned time off includes any situation that you know might prevent you from reporting to work on time for any scheduled workday or any absence that needs to be scheduled in advance (e.g., vacations, doctor's appointments, personal obligations, leaves of absence, etc.). If prior arrangements have not been made, employees must discuss an absence or inability to be at work on time directly with Company management.

If it becomes necessary for an employee to leave Company's premises during working hours (other than in connection with your job responsibilities or Company business), permission to leave must be obtained from the company management before the employee leaves the premises.

6.8.2 Absenteeism

The Company expects that you will be present and ready for work on a regular basis. If you are ill or an emergency arises that prevents you from coming to work as scheduled, you are to notify the Department Head of your absence at least one day before your scheduled workday begins, but no later than 30 minutes after the time you are scheduled to report to work. You are to speak directly with your Manager concerning your absence. Please indicate the reason for your absence and when you expect to arrive or return to work. If no member of management is available, then leave a voice message for the General Manager. **Sending a text or e-mail message with a co-worker is not considered proper notification of your absence.** However, if you leave a message and are unable to speak your manager or the General Manager, it is your responsibility to call the General Manager sometime during the workday to personally discuss your absence with them. If your absence is longer than one workday, then the foregoing procedure must be followed each workday unless other specific arrangements have been made with their Manager or the General Manager.

In the event you need to leave work prior to the end of your scheduled work shift due to an emergency, it is your responsibility to notify and obtain approval from your Manager before leaving work. If your Department Head is not in, then contact the Company President via phone or cell phone to notify Management before you leave work.

In the event you are absent due to an emergency, such as sudden illness or hospitalization, the General Manager and Human Resources must be notified as soon as possible but within 24 hours either by you or by an individual designated by you as the emergency contact.

If you are absent for three (3) consecutive days and fail to contact their Manager or someone in senior management, it will be considered that you have abandoned your position, and a termination of employment will be processed accordingly.

6.8.3 Tardiness

You are expected to report to work on time and on a regular basis. If you are going to be late for work, you are to immediately notify your Manager so that the work schedule can be arranged accordingly. Please advise management as to the reason why you will be late and when you expect to arrive at work. The Company will not tolerate habitual or repeated lateness.

Unsatisfactory attendance includes not reporting to work at the scheduled starting time, not ending or returning from a rest break or meal period on time, and/or leaving work prior to the end of a workday as scheduled. You are urged to avoid undue absence or lateness in reporting to work.

6.8.4 Reporting Your Absence and Doctor's Statement

For any absence or tardiness, employees who speak or leave a message with anyone other than their Manager or Human Resources or another person in company management then do not meet the Company's reporting requirements.

A physician's statement may be required, at management's discretion, to verify an absence was due to illness or injury. Furthermore, the Company may require a doctor's verification that an employee can resume his or her job responsibilities before being permitted to return to work. Alternatively, the Company may request an evaluation of an employee's medical condition from an appointed physician at Company expense to verify that the employee can perform the essential job functions and will not pose a direct threat due to a medical condition.

Any falsification, misrepresentation, or other violation of an attendance obligation to the Company can result in disciplinary action, up to and including termination.

6.9 Personal Possessions

Employees are encouraged to avoid bringing expensive items, personal documents, or personal possessions that have sentimental value to work and to take all precautions to safeguard all such items and possessions if brought to work, especially wallets and purses.

Employees who bring any kind of personal items and possessions to work do so at their own risk because the Company accepts **no responsibility** for any items or possessions that are stolen, lost or damaged in any way.

Employees who quit or are terminated should remove any personal items at the time when they leave the Company. Personal items left in the workplace by former employees are subject to disposal if not claimed at the time of the employee's separation of employment.

6.10 Personal Telephone Calls, Cellular Phones and Visitors at Work

While at work, employees are expected to perform their job duties. Accordingly, personal calls as well as personal conversations and interactions with others must not interfere with your job duties or the work of others. Incoming calls will be directed to you if it is an emergency; otherwise, a message will be taken at the time and forwarded to you. Use of Company phones for personal calls is not permitted, unless otherwise authorized by your management.

While at work during your working time, personal use of their cellular phones as well as computers and personal digital devices (PDAs) are not permitted. Personal calls including personal instant messaging, text messaging or tweeting during working hours (regardless of whether the equipment used is company-provided or not) interferes with employee productivity and is distracting to others.

Personal telephone calls, including making, sending, or receiving text messages, tweets or instant messages from your cell phone, smartphone, or PDA, are to be handled during non-work time (before work, during a rest break and meal period, and after work) and not during your work hours. Furthermore, employees are not to use their smartphones to check the Web or the Internet, access a social website, check e-mails, send, or receive text messages, or play games during their work hours. During working hours, let your cell phone calls go to voice mail, and check for messages later and return calls during your break time. If a family member or a friend needs to contact an employee because of an emergency, then that person needs to call the receptionist so a message can be taken and given to the employee, or a Manager will notify the employee to take the phone call. Please ensure that friends and family members are aware of this company policy.

The Company may issue a business cell phone to an employee for work-related purposes. Such phones are to be used for business reasons only and not for personal purposes. Employees are not permitted to use company-provided cell phones to make or receive personal phone calls or text messages.

Employees are to put their personal cell phones away (e.g., put your cell phone in your pocket or purse, or in a cell phone case that is attached to your belt or purse). Do not keep your cell phone on your desk or workstation where it is visible during work hours. Managers who use their cell phones to conduct company business may keep their cell phone on their desk or on their person.

During working hours, employees are to keep their cell phone or smartphone on silent or vibrate mode so as not to annoy or disturb others. This does not apply to employees who may have a company-provided cell phone or use their personal cell phone to conduct authorized company business. When making cell phone calls, find a private place to make or receive personal calls from your cell phone during non-work time so your conversations can't be overheard by others or would disturb other employees who are working. Also, please do not use your cell phone for calls or texting (including checking for text or email messages) during staff meetings. Otherwise, employees are asked to leave their cell phones at their desk to ensure the effectiveness of meetings and to avoid interruptions during meetings. If there is an unusual occasion of an emergency or anticipated emergency that requires immediate attention, the cell phone may be carried to the meeting on vibrate mode.

Employees who have cell phones or smartphones with Internet access are not to use these phones to download from the Internet and/or share inappropriate or obscene pictures or items with others at work. Additionally, employees are not to use their cell phones with recording features or any recording device to record staff or company meetings secretly or surreptitiously; or private or confidential conversations of co-workers, clients or others in the workplace, without their prior consent or unless all parties to the conversation are advised in advance of the recording. Furthermore, employees are prohibited from recording private or confidential conversations that would violate applicable state and federal laws.[6] Employees who have camera phones are prohibited from taking or transmitting unauthorized photographs or videos of co-workers or others in work areas during working hours or at business-related events without the other person's consent or knowledge. Additionally, employees are not to use these phones where photographs or videos may be taken of Company's proprietary information or where the Company's proprietary or confidential information as defined under Section 2.19 of this Handbook may be transmitted to unauthorized persons.

All visitors must enter and exit through the front entrance and check in at the reception area. Visitors should be given directions or be escorted to their destination, and not be left unattended and unescorted while in the facility. Visitors are not permitted to enter restricted or unauthorized areas unless with prior management approval. If family or friends are visiting, please ensure that they do not disrupt or interfere with your work or the work of others or disturb others. For insurance reasons, minor children of employees should not be left unattended or unsupervised in our facilities at any time. Bringing a minor child to work by an employee is not a substitute for making proper childcare arrangements.

Violation of this policy may result in disciplinary action, up to and including termination.

6.11 Personal Mail and Use of Company Mail Services & Stationery

The Company will assume that all mail addressed to the office is official Company mail, even though it may be addressed to an individual. Employees should not have personal mail sent to them at the Company or send personal mail or parcels using the Company's mail services. Additionally, all engraved or printed Company letterhead, stationery, envelopes, and other work materials are for Company business only. These materials may not be used for personal correspondence or non-business-related matters. When signing letters on Company letterhead, the employee's name and title or position must be used. Employees will be required to reimburse the cost of postage for non-business-related materials sent through the Company's mail services, which has been approved in advance.

⁶ For instance, see CA Penal Code Section 632 that makes it illegal for an individual to monitor or record a confidential communication without the consent of all parties.

6.12 Use of Company Equipment and Personal Use of Company Property

The Company furnishes employees with equipment or tools needed to perform their jobs. When using equipment or tools in performing tasks, employees are expected to exercise care and follow all operating and maintenance instructions, safety standards, and guidelines. Use equipment and tools only for the purpose for which it was intended. Do not attempt to operate any equipment or machine until you have been properly trained on the correct use. Please notify your Manager or the General Manager of any equipment or tool that is broken, malfunctioning, damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others.

Company resources are to be used only for legitimate business purposes. Company property and equipment are not to be used for personal use by employees, unless specifically authorized.

Company property includes equipment and tools, phones, fax and other communication equipment, computers, copy machines, postage, office supplies, etc. Borrowing any Company property for personal use, removing Company property without approval, or using the organization's time and resources for personal gain is prohibited.

Unauthorized use or removal of Company property or resources by an employee is subject to disciplinary action, up to and including termination.

6.13 Solicitation and Distribution of Literature or Other Items at Work

To avoid disruption of operations, the following rules apply to solicitations and distribution of literature, goods, or other items on Company property or premises. Solicitation includes, but is not limited to, asking for support, selling goods or other items, seeking assistance for an issue or cause, or seeking or requesting contributions. Literature includes, but is not limited to, written materials such as flyers, letters, brochures, memoranda, and pamphlets of any kind or for any purpose.

6.13.1 Non-Employees

Persons who are not employed by the Company may not solicit or promote support for any cause or organization; nor distribute literature, goods or other items on Company premises or property at any time for any purpose. Loitering by non-employees on Company premises is always prohibited. Any non-employee violating this policy will be required to leave Company premises.

6.13.2 Employees

Employees may not solicit others; promote support for any cause or organization; distribute literature, goods, or other items; or circulate any written or printed materials during "working time" or in "working areas" at any time for any purpose. Working time includes the working time of both the employee doing the soliciting or distributing and the employee to whom the soliciting or distributing is being directed. Working time does not include rest breaks, meal periods, off-duty hours, or any other specific periods during the workday when employees are not properly engaged in performing their work assignments. Working areas are those areas where employees are performing their assigned work duties or conducting business.

6.14 Voice Mail, E-mail, Internet Usage, Computer Files and Software Programs

Voice mail, electronic mail (e-mail), instant messaging, texting, Internet access, and other systems are made available to various positions throughout the Company to enhance productivity and provide more efficient services for our clients. This policy applies to all Company electronic communications and computer systems including, but not limited to, personal computers, telephone systems, company-provided cell phones, voice mail, electronic mail (email), facsimiles, and Internet access, together with all related equipment. Personal computers used for Company business include laptops or home computers that relate to or have access to the Company computer network system on a regular or intermittent basis. Nothing in this policy or in the Employee Handbook should be construed to prohibit employees from communicating or discussing their wages, benefits, or other terms of employment with co-workers or others; or engaging in activities protected under the National Labor Relations Act.

E-mail, instant messaging, texting, voice mail, Internet access, and any other electronic communications and computer systems are Company property and are intended solely for job-related activities and carrying out Company business. Incidental and occasional brief personal use of the Company electronic communications and computer equipment is permitted but is limited to non-working time and is not to interfere with the work of the employee or that of other employees. During non-working time, employees may also use the Company's email and electronic communication systems to exchange communications about wages, hours and working conditions. All files, documents, data, and messages sent, received, composed and/or stored on any Company computer system and servers are the property of the Company. Use of the Company's electronic communications and computer systems constitutes consent to this policy.

All messages transmitted via these systems will be treated as business messages. Any employee who sends a personal message on these systems should be aware that such messages will be viewed as a business message and not a personal, confidential message of the employee. Any use by an employee of a private password does not entitle that employee to any confidentiality. Accordingly, employees are to provide all passwords to Human Resources. The use of passwords to gain access to these systems is for the protection of the organization, not the employee. The Company may override any applicable passwords to inspect, investigate or search an employee's

files and messages. Employees are not to use or disclose someone else's password, access a file, or retrieve any stored communication without authorization. It is inappropriate for an employee without permission or approval by management to access another employee's voice mail, e-mail, instant messaging, texting, or computer files without that employee's consent or knowledge.

Company confidential or proprietary information (as defined under Section 2.19 of this Handbook) should not be transmitted via these systems outside the organization or even to employees within the organization unless such recipients are authorized to receive such information. Employees must not copy and send by e-mail or through the Internet any confidential or copyrighted information, electronic files, or software that is protected by copyright or other intellectual property laws. Employees are not to connect any personal devices such as massive storage drives, iPod's, MP3 players, flash drives, or other devices to any company computer to download or save files or to play audio or video files without prior approval by management. Internet users should take the necessary anti-virus precautions before downloading or copying any file from the Internet. Internet users should also take necessary pre-cautions to prevent spamming by not opening or responding to suspicious or unknown e-mails or to prevent phishing by avoiding unsafe or unknown websites or Internet links to protect your identity and personal information. All downloaded files are to be checked for viruses as well as all compressed files are to be checked for viruses before and after decompression.

No software licensed to the Company may be duplicated or installed for use on another computer unless the Company purchases a special "multi-user license" software package. Employees may not install unauthorized or unlicensed software on any company equipment. The use of unlicensed copyrighted software is considered piracy under applicable state and federal laws and can result in substantial penalties per infringement. Accordingly, employees are not to load any software programs (e.g., operating systems, third-party software, freeware and shareware applications, utilities, etc.) or download from the Internet any software, screen savers, files, etc. without obtaining approval from management. If you are uncertain about whether a software program is permitted, then contact the computer network administrator or senior management before installation. Likewise, if you find any program installed on your computer that you know or believe should not be there, then notify the General Manager or Human Resources. Any employee found to have installed prohibited programs or unlicensed software in violation of this policy may be subject to disciplinary action.

When using the Company computer and electronic communication systems, all employees should keep e-mail, instant messaging, texting, Internet, and voice messages civil and businesslike; and refrain from using the systems for gossip, personal messages, chat rooms or chain letters. E-mail, instant messaging, texting, and voice messages should not be profane, vulgar, defamatory, or harassing. No one may use the Company voice mail, e-mail, instant messaging, texting, the Internet or other computer systems to view, save, download, send or forward to others any discriminatory, harassing, disparaging, bullying or threatening messages or images; ethnic or racial slurs, indignities, or obscenities; sexual or offensive comments, or off-color jokes; inappropriate pictures, lewd graphics or images, pornography, or obscene materials; or engage in acts that may be construed as harassment, intimidation, insubordination or other serious misconduct. Nor may employees use any Company equipment (e.g., computers, telephone, voice mail, cell phones, or other electronic devices) for playing games or gambling; blogging or participating in chat rooms or going on social networking sites (e.g., Facebook, LinkedIn, Twitter, Instagram, Snap, TikTok etc.) that do not involve conducting Company business or performing assigned job duties; making online personal purchases; engaging in online purchasing, selling or trading stocks, bonds or other securities; swapping or downloading copyrighted music or video files; playing streaming audio or video files; passing off personal views as representing those of the Company; sending or posting maliciously false messages that defame or slander other individuals, disparage an organization's products or services, or damage the organization's image or reputation; soliciting others for personal business or commercial ventures, personal advertising, or religious or political causes; or engaging in other non-business matters or any illegal activities.

Employees are expected to comply with established information security policies and procedures, and to fully cooperate with any security investigation. Any employee violating this policy or misusing the voice mail, e-mail, instant messaging, texting, the Internet, or computer systems will be subject to discipline up to and including termination. Employees may also be held personally liable for any violations of this policy.

The Company reserves the right to monitor, access, search, retrieve, read, and review all voice mail, e-mail, instant messaging, texting, computer files or messages, data or documents, on-line transactions, or Internet data of any employee, without advance notice, that are composed, sent, received, stored on, or deleted from its electronic communications and computer systems. Accordingly, no employee should expect his or her voice mail, e-mail, instant messaging, texting, Internet usage, or computer files and communications to be confidential or private.

Employees who have access to or possess company data or computer files, and who may quit or who are laid off or terminated from the Company are prohibited from misusing, copying, deleting, removing, altering, damaging, corrupting, or destroying any computer files or data containing Company information before or after termination of employment. An individual who causes damage to any Company computer or files can be held liable for any unauthorized access, misappropriation, destruction, and/or damage including, but not limited to, any impairment to the integrity or availability of data, a program, a system, or information. Upon termination of employment, an employee shall not remove or delete any software, data, or files from Company computers.

When requested by the Company, shall completely remove all company data or files collected, downloaded, created and/or stored on an employee's personal or home computers including tablets used for Company business that relate in any manner to the Company's business while working as an employee of Anodizing Industries, Inc. Upon request of the Company, a terminating employee shall provide proof such as a written statement that such data has been removed from all personal or home computers used for Company business.

6.15 Use of Social Media

Overview on Use of Social Media Networks by Employees

The Company recognizes the increasing use of online social media networks as a communication tool such as personal websites and personal newsletters, web logs (blogs), wikis, social networks, chat rooms, online journals or forums, video-sharing websites, and any other kind of social media. The Company respects the right of our employees to use these mediums during non-work hours or their personal time. However, use of these mediums during working hours or on Company equipment is prohibited, except as may be required to conduct authorized Company business or to perform assigned job duties. Do not use The Company email addresses to register on social networks, blogs or other online tools utilized for personal use and for tasks that are not authorized Company business. The Company President will authorize you in writing if you can use any social media tools to perform your job duties.

General Guidelines and Being Responsible

The Company understands that social media can be a fun and rewarding way to share your life and opinions with family, friends, co-workers, and others. However, use of social media also presents certain risks and carries with it certain responsibilities. Ultimately, employees are responsible for what they post online or on a social media outlet. Before you create online content, consider your responsibilities and certain risks, rewards and consequences that are involved. Employees are responsible for presenting the Company in a manner that safeguards the positive image, credibility and reputation of the organization and themselves as well as of their fellow employees, management, clients, and customers. Respect the rights and privacy of fellow co-workers and others who do business with the Company.

Know and Follow the Rules

Carefully read these guidelines, the Employee Handbook policies on Voice Mail, E-Mail, Internet Usage, Computer Files and Software Programs; Policy Against Harassment & Discrimination; Trade Secrets & Confidentiality; and The Company Standards of Business Ethics & Conduct; and ensure your postings are consistent with these policies. Keep in mind that any of your conduct or social media comments that adversely affects your job performance, the performance of fellow employees, or otherwise adversely affects clients, customers, vendors, suppliers, business associates, people who work on behalf of Anodizing Industries or the Company' legitimate business interests may result in disciplinary action up to and including termination. *However, nothing in this policy or in the Employee Handbook should be construed to prohibit employees from communicating or discussing their wages, benefits, working conditions, or other terms of employment with co-workers or others; or should be interpreted as limiting the rights of employees under the National Labor Relations Act.*

Generally, employees who participate in social media are free to publish personal information such as work information in a personal profile, including company name, job title, and job duties; status updates regarding an employee's own job duties; and personal participation in Company sponsored events. Employees are prohibited from disclosing information on any social media network that is confidential or proprietary to the Company (as defined under Section 2.19 of the Employee Handbook) or to a third-party that has disclosed confidential information to the Company. Employees are to maintain the confidentiality of the Company trade secrets and private or confidential information. Trade secrets or proprietary information may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal company reports, policies, procedures, or other internal business-related confidential communications. Employees are not to use or display Company logos or trademarks for improper use, commercial purposes or any unlawful use on any personal blogs or social media network. Also, employees are prohibited from acting as a spokesperson for the Company or posting comments as a representative of the Company without prior written permission from the President.

Additionally, employees are not to link a personal blog or social media network to the Company's website, nor post on personal blogs and social networking sites any advertisements or photographs of Company products to sell Company products and services. Furthermore, employees are not to post testimonials or endorsements about the Company or any of its services without disclosing their relationship with the Company and identifying themselves as a The Company employee. If an employee blogs about his or her work at The Company or discuss the Company on any social media network, the employee must state in clear terms that the views expressed are the employee's own and that they do not reflect those of the Company by including a disclaimer such as *"The postings on this site are my own and do not represent the opinions, positions or views of Anodizing Industries, Inc."*

Be Respectful and Civil

To respect the privacy of fellow employees and others, employees should avoid posting images of co-workers, clients, customers or others without their consent or knowledge. Always be fair, considerate, and courteous to fellow employees, clients, customers, vendors, suppliers, or people who work on behalf of the Company when posting comments online or on a social media outlet. Also, keep in mind that you are more likely to resolve work-related issues or complaints by speaking directly with your co-workers or by utilizing our "open door" policy and problem-solving procedure than posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video, or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating; that recklessly disparage employees, clients, customers, business associates, vendors, or suppliers; or that might constitute harassment or bullying. Examples of such conduct might include offensive posts, false comments or malicious statements that intentionally or recklessly harm someone's reputation; statements or posts which are false or recklessly detrimental to the company; or posts or comments that could contribute to a hostile work environment on the basis of race, color, religion, sex or gender, sexual orientation, age, disability, national origin, or any other status protected by law as well as prohibited by the company's policy against harassment and discrimination. Inappropriate postings that may include discriminatory

remarks, harassment, and threats of violence, sabotage or similar inappropriate or unlawful conduct will not be tolerated and would subject the employee to disciplinary action up to and including termination.

Be Honest and Accurate

Make sure you are honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Employees should never post any information, unfounded accusations, or rumors that they know to be false; or are made with reckless disregard of their truth or falsity about the Company, fellow employees, clients or their customers, vendors, suppliers, people working on behalf of The Company, or competitors. An employee who is responsible for a social media posting that fails to comply with the guidelines set forth in this policy or to correct misinformation, or that otherwise is detrimental to the Company's business as explained above would be subject to discipline, up to and including termination. Employees can be held responsible for the disclosure, whether purposeful or inadvertent, of confidential or proprietary information, information that violates the privacy rights or other rights of a third party, or the content of anything posted on any social media.

Reporting a Problem and Prohibiting Retaliation

Anodizing Industries encourages employees to report any violations or possible violations, raise any issues or concerns about use of social media, or ask questions regarding appropriate or inappropriate content on social media sites to the General Manager, Human Resources, or to the company President. Employees can report problems, raise concerns, or make complaints without fear of reprisal. The Company prohibits taking negative action against any employee for reporting a possible deviation from this policy or other related policies, or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Employer Monitoring

Employees are cautioned that they should have no expectation of privacy while using the Internet. Your social media postings can be reviewed by anyone, including Anodizing Industries. The Company reserves the right to monitor comments or discussions about the Company, its employees, clients, and the industry, including products and competitors, posted on the Internet by anyone, including employees and non-employees. From time to time, Anodizing Industries may use blog-search tools and software to monitor forums such as blogs and other types of personal journals, diaries, personal and business discussion forums, and social networking sites.

The Company may access and view an employee's website or web blogs that are not restricted to only certain users but are available to others or to the general public at any time without consent or previous approval. The Company does not require an employee to disclose his or her username or password for the purpose of accessing the employee's personal social media accounts, nor does the Company require an employee to divulge any personal social media except to investigate allegations of employee misconduct or employee violation of applicable laws and regulations.

If you have questions or need further information, please contact the President for guidance.

6.16 Inspections of Company Facilities

The Company provides offices, desks, cabinets, computers, vehicles, equipment, and other property that employees use in the performance of their job duties. These facilities are the sole and exclusive property of the Company. The Company may search and inspect all Company property and its facilities, including common areas used by employees, to detect the presence of drugs, controlled substances, or alcohol as well as stolen property, weapons, or other improper materials at the workplace.

Accordingly, the Company reserves the right to inspect such facilities and property at any time, whether during work hours or not and with or without advance notice. This policy applies to all company property, regardless of whether it is for your exclusive use and regardless of whether you are allowed to maintain a lock or other means to limit access to the property. To facilitate enforcement of this policy, employees may be subject to questions whenever the Company deems it appropriate. Personal possessions of employees such as packages, backpacks, purses, briefcases, lunch boxes, and other items may be inspected upon entering and/or leaving the premises. Any employee who wants to avoid inspection of any articles or materials should not bring such items onto Company premises.

You are expected to cooperate in such inspections, and your consent to inspection is required as a condition of employment. Refusal to consent may result in disciplinary action, including termination of employment.

6.17 Smoking and Smokeless Tobacco

Smoking and use of chewing or smokeless tobacco including e-cigarettes is prohibited in all areas of the building and in enclosed work locations. Smoking or use of chewing tobacco, smokeless tobacco, or e-cigarettes including nicotine free electronic cigarettes, or vaping devices that contain nicotine is not permitted on company property. Please be especially courteous to the sensitivities of our clients and fellow employees who may object to smoking. Smoking should be at least 20 feet from any open doors or windows or as may be prohibited by applicable law or local ordinance.

6.18 Dress and Grooming Code

At Anodizing Industries, professional image is important and is maintained, in part, by the image that you present to clients, visitors, vendors and others in our business. No one has a second chance at a first impression. You are expected to consistently utilize good judgment in determining your dress and appearance daily.

We expect that all employees will be appropriately dressed and always groomed. The Company's separate operations permit different clothing standards appropriate to various work environments as long as it is neat, clean, pressed, in good taste, and projects a positive image of the Company. Employees are expected to wear attire that is appropriate for their jobs. In choosing appropriate work attire, you should consider tastefulness, customer meetings, public contact, the nature of your job, and your working conditions.

All employees are expected to practice proper hygiene and cleanliness. Employees are not to use strong or pungent perfumes or other strong fragrances from colognes, aftershaves, lotions, or hairsprays. Certain make-up, hairstyles, tattoos, and body piercing may be deemed inappropriate and prohibited by management. This grooming policy does not prohibit hair texture and natural hairstyles historically associated with one's race or ethnicity such as braids, locks, twists, and other protective hairstyles.

It is the responsibility of each Manager to communicate the Company's dress and grooming standards to all current employees and each new employee as he or she is hired. Employees are expected to check with their Supervisor if they are unsure about the appropriateness of their attire or grooming.

6.18.1 Inappropriate Attire

For your guidance, the following are some clothing articles that are not appropriate at work: provocative, sheer or revealing clothing of any kind; excessively short skirts or shorts; spaghetti strap blouses/dresses without a jacket; halter or tank tops (unless covered by a blouse or shirt); low cut, backless or off the shoulder wear; clothing exposing the midriff; T-shirts or shirts with logos or inappropriate, profane or offensive statements, artwork or pictures; clothing of any kind that is faded, stained, discolored or dirty, has holes, is wrinkled, or is frayed, torn, patched or missing buttons; pants or jeans that are baggy, saggy or ripped; sweatpants, sweatshirts or workout attire; flip-flops, crocs, or beach sandals; and distracting or excessive body tattoos, or visible body piercing other than earrings (e.g., no nose, eyebrow, tongue, lip, etc.).

6.18.2 Non-Compliance

Employees who are inappropriately dressed may be sent home and directed to return to work in the proper attire. Salaried or hourly non-exempt employees will not be compensated for the time away from work. Employees who violate the Company's dress code policy and/or grooming standards will be subject to disciplinary action, up to and including termination.

6.19 Use of a Cell Phone While Driving

While the Company recognizes that there may be a need to use cellular phones for business purposes, safety must be the priority. Employees may not operate a hand-held cell phone while driving a vehicle on Company business. Employees may use only a cellular phone that is designed and configured to allow hands-free listening and talking operation and is used in that manner while driving. For safety reasons, employees should not use or refrain from using their cell phones, even with hands free options, or any other portable communication devices while driving and, instead, let their calls go to voice mail. However, if employees must or need to use their cell phone then they should do so only when using it "hands free" for brief conversations while continuing to drive their vehicle safely without being distracted. Use speed or voice dialing whenever possible, and never manually dial a phone number unless your car is stopped. Additionally, employees are not to write (including voice texting), send, receive, or read e-mails or access text messages from their cell phone, smartphone or any other communication device while driving.

If an employee needs to make a phone call while driving, the individual must find a proper parking space first. Stopping on the side of the road is not acceptable except only for a genuine emergency such as to request help due to an automobile accident or a car breakdown. Be attentive while always driving and keep your eyes on the road if you need or must use your hands-free phone. Otherwise, employees should park their vehicles before using their phones if the conversation is not brief, the call is going to be involved or intense, when the weather is bad, or when road conditions are poor, or traffic is heavy.

In addition to using or talking on cell phones, employees should avoid other distractions that can lead to accidents while driving or while the car is moving such as eating, drinking, reading, taking notes, wearing or operating an optical head-mounted display such as Google Glass or other similar devices; using or changing the GPS navigation system, taking photos or videos of yourself ("selfies") or others, and other activities that may distract you from driving your vehicle safely and concentrating on the traffic and road conditions. Employees also should remember that while traveling on business, they are expected to follow posted speed limits, practice defensive driving, and wear seat belts always.

6.20 Use of Vehicles for Company Business

During your employment, you may be required to use your own vehicle, a company vehicle, or a rented vehicle for Company business. You must possess a current, valid driver's license, appropriate insurance coverage (including collision and third-party liability) and have specific authorization from your Supervisor to use your own vehicle on Company business and to be reimbursed for mileage. In addition, employees are responsible for immediately reporting to their Supervisor and Human Resources any changes in their automobile insurance policy or the status of their drivers' license such as suspension or revocation as well as any DUI (driving under the influence)/DWI (driving while intoxicated) citation and/or conviction that may or will affect the Company's automobile insurance liability policy. Employees who are uninsurable or who create the potential for an increase in the Company's liability insurance premiums may be terminated.

If you use your own vehicle on authorized Company business, you will be reimbursed at the established rate that is allowed per mile. To be reimbursed, employees must indicate the number of miles, the name and location of the

person visited, and the business purpose for the visit on the expense report. The Company will also reimburse necessary toll road and parking expenses incurred while an employee is away from the office on Company business.

Employees are to observe all traffic and parking regulations. Should an accident occur, So-Cal is not responsible for damage to your car or other property or for injuries to a third party. The Company will not pay fines for moving, parking or other violations occurring when you are driving your vehicle, a company vehicle, or a rented car on Company business. All employees driving a vehicle on Company business must immediately report to their Supervisor and Human Resources about any accident and/or any moving or non-moving violation for which they are cited while driving a vehicle. In the event of an accident while using any vehicle on Company business, complete an accident report giving details about the accident, e.g., date, time, place, persons involved, insurance information on other driver(s), any injuries or property damage, witnesses, etc.

7 WORKPLACE COMPLIANCE, HEALTH AND SAFETY

7.1 Occupational Health and Safety

The Company is dedicated to a goal of maintaining standards for the safety and health of its employees. As part of that goal, the Company is committed to providing employees with a work environment that is conducive to safe, effective, and productive job performance. The health and safety of our employees is a priority. All employees must follow safe working practices and instruct others to work safely, including complying with the **Company's Injury & Illness Prevention Program** and other written safety programs, and attend safety meetings and training as may be required.

7.1.1 Accidents

All accidents (injury to you, another employee, customer, vendor, visitor, or any other person) or any near misses must be reported as soon as possible to their Manager or General Manager. Any injury, no matter how minor, that occurs at the workplace or during your employment must be reported promptly or as soon as possible after the employee has become aware of such injury. You may be entitled to workers' compensation benefits for on-the-job injuries and prompt, accurate reporting of accidents will assist you in obtaining the benefits, which you are entitled to receive.

7.1.2 Safety

It is our policy to provide and maintain a safe working environment for you. By using good judgment, following safe work practices, using proper procedures when lifting and carrying of heavy objects, and operating tools and equipment properly, you will help us meet our objective of preventing work-related injury and property damage. Employees are to report any unsafe or hazardous condition, or emergency situation to their Manager, Human Resources, the company Safety Coordinator, or the President immediately. Reports and concerns about a workplace health and safety issue, or the existence of a hazardous condition or practice in the workplace may be made anonymously if the employee wishes. All reports can be made without fear of reprisal.

All employees are required to know the location of all emergency exits in their work area. Employees are expected to ask their Manager/ General Manager to confirm the location of, and the route to all emergency exits any time they are unsure about their location. Employees are to know the location of all alarms and fire extinguishers and become familiar with the proper use of emergency equipment should the need ever arise. Employees are also to review and become familiar with the Company's emergency evacuation and fire prevention plans, and to clarify any unclear aspect of our emergency procedures with their manager.

Employees who jeopardize or violate health and safety rules or standards, who cause hazardous situations, or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination.

7.2 Reporting On-The-Job Accidents and Injuries

Employees who incur an injury or illness on the job or are involved in an accident on the job (whether they are injured) are required to immediately report all such situations, no matter how minor it may seem, to their Manager, Human Resources, or the company Safety Coordinator. If any of these management individuals are not available, anyone present should notify any other management person, or seek appropriate medical care for the injured or ill person as soon as possible.

When an employee is involved in an on-the-job accident and/or incurs a work-related injury or illness, the Company reserves the right to require immediate medical evaluation and/or treatment of the employee involved at Company's expense by a physician selected by the Company or pre-designated by the employee.

The Company will investigate all situations so that corrective action can be taken to prevent any unsafe working conditions, practices, and procedures. Employees are expected to help management correct the situation before resuming any work that caused or might cause an accident, injury, or illness.

The Company will make a reasonable effort to ensure that employees who return to work after a serious injury or illness can perform their duties or assignments without risk of re-injury or relapse. If the cause of the employee's illness or injury was job related, management will make a reasonable effort to provide the returning employee with work assignments consistent with the instructions of the employee's doctor until the employee is fully recovered. A doctor's written release is required before an employee can begin any type of work assignment.

7.3 Government or Agency Compliance

The Company will attempt to comply with all regulations and worksite inspections by state and federal agencies such as the U.S. Department of Labor (DOL), U.S. Citizenship & Immigration Services (USCIS) or U.S. Immigration & Customs Enforcement (ICE), and Occupational Safety and Health Administration (OSHA) requirements. Because such rules and regulations are so extensive, employees are to discuss any safety or workplace compliance issue with the General Manager or Human Resources.

The Company will also cooperate with all reasonable and valid DOL, USCIS, ICE or OSHA as well as any state agency inspections and compliance reviews. The appropriate management personnel will be present at all such inspections or reviews. If a government enforcement official appears on Company premises, employees are to notify their Manager, the General Manager, or Human Resources immediately before permitting them to enter any non-public areas of the Company facility, or to access and review any employee or business records.

7.4 Use of Drugs and Alcohol

Employees are the most valuable resource at Anodizing Industries. For that reason, the Company has a critical interest in assuring the health, safety and well-being of its employees and the maintenance of a safe and efficient work environment. The possession, use, or sale of controlled substances (such as marijuana, cocaine, heroin, opiates, methamphetamine, and other drugs or narcotics) in the workplace, or individuals who are under the influence of these substances, pose unacceptable risks for safe, healthful and efficient operations. Likewise, the possession, use or being under the influence of alcohol in the workplace poses safety and production risks. All employees must report to work in a fit condition to perform their jobs safely and well.

The manufacture, use, sale, purchase, possession, or distribution of alcoholic beverages and/or illegal drugs, intoxicants or controlled substances by any employee while on Company property or in a vehicle while performing Company business is strictly prohibited. An illegal drug is any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained or is being misused or abused. Coming to work with intoxicants, controlled substances or illegal drugs in the employee's system, or being impaired or under the influence of alcohol, intoxicants or drugs while performing Company business or while on Company property is prohibited. This policy

covers illegal drugs, intoxicants or controlled substances, including marijuana, as well as prescribed or over-the-counter drugs that are not legally obtained or are not being used for prescribed purposes. Using or being under the influence of any legally obtained drug while performing Company business or while in a Company facility or on Company property, or while operating a Company vehicle or equipment is prohibited to the extent that such use or influence affects job safety or efficiency. Impairment from the use of alcohol, intoxicants or drugs may affect the safety of co-workers, clients or members of the public, your job performance, and the safe and efficient operation of the Company facility.

Although marijuana is permitted for medical use as well as for recreational purposes in California and may also be permitted in other states, its use is not allowed at any Company facility or by an employee while on duty or during working hours. The Company will apply its policy on a drug free workplace and enforce this policy concerning drug testing and zero-tolerance in a non-discriminatory manner. Employees who are impaired or under the influence of marijuana while at work, when operating equipment to perform his/her job duties or driving a vehicle on Company business would be subject to disciplinary action, up to and including termination of employment.

Employees who are or will be using legal drugs including prescription drugs or medications that would affect their performance or impair their judgment in their position affecting their safety or the safety of others should immediately inform their Department Head. The nature of the prescribed drug(s) or medication(s) to be reported is the one that affects or impairs the employee's ability to perform his/her essential job functions safely resulting in a direct threat. The Company may consult with the prescribing physician or another qualified medical professional to learn the expected effect of the drug and/or require a written statement from the physician or medical professional that continued working would be safe and efficient, and such inquiry would be job related and consistent with business necessity. An employee may continue to work if the Company determines that the employee does not pose a safety threat and/or that job performance is not affected by use of the drug. Otherwise, the employee may be required to take a leave of absence or comply with other appropriate measures.

7.4.1 Violation of Policy

Violation of this policy will result in disciplinary action, up to and including termination of employment, even for a first offense.

7.4.2 Drug and Alcohol Testing for Reasonable Suspicion

The Company may conduct drug and alcohol testing of employees for reasonable suspicion and for post-accident. If the Company has a reason to suspect that any employee may be using illegal drugs, intoxicants, controlled substances or alcohol, or may be under the influence of or impaired while at work, or when reporting for work, that employee may be ordered to submit to a blood test, urinalysis, breathalyzer or other test conducted by a professional medical staff and laboratory. Likewise, when the Company has a reason to suspect that an employee's use or impairment from drugs, intoxicants, controlled substances or alcohol may have been a factor in an injury or accident during work or whose conduct may have contributed to the accident at work, or while operating Company equipment or vehicle, that employee may also be ordered to take a blood test, urinalysis, or other drug/alcohol test. The Company reserves the right to test all employees whose conduct may have contributed to the workplace incident, not just employees who reported injuries. Such examination and/or tests, when requested, will be on Company time, are considered a condition of employment, and will be at the sole expense of the Company. Transportation will be provided to and from the medical facility. If the employee tests positive, the employee will be subject to immediate termination. Should an employee refuse to submit to the requested examination or test, the employee will be subject to discipline up to and including termination for insubordination.

7.4.3 Company Inspections

The Company retains the right to search and inspect all Company owned property and premises, including common areas used by employees, to detect the presence of drugs, controlled substances or alcohol. Company owned

property includes, but is not limited to machinery, equipment, furniture, lockers, buildings and vehicles. In addition, the Company may question employees and inspect any of their packages or belongings when entering or leaving Company premises. Such inspections may occur at any time, with or without notice. As a term and condition of employment, every employee is expected and required to fully cooperate with any search being conducted to detect the presence of drugs or alcohol on Company property.

7.4.4 Alcohol and Drug Rehabilitation

An employee who may have an alcohol or drug problem is encouraged to seek treatment before his or her performance or conduct is affected. The Company will reasonably accommodate any employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program, unless it imposes an undue hardship on the Company. You may use any available sick leave as well as any accrued, unused vacation benefits to which you are entitled for the purpose of entering and participating in such a rehabilitation program.

A request by an employee for assistance or participation in an alcohol or drug rehabilitation program may not be used by the employee as means of avoiding any disciplinary action, up to and including termination, when there has been a violation of this Policy.

7.5 Workplace Security

Anodizing Industries is committed to providing a workplace that is free from acts or threats of violence. Although some kinds of violence result from societal problems that are beyond the Company's control, Anodizing Industries believes that measures can be adopted to increase protection for employees and to provide a secure workplace. Accordingly, the Company prohibits any employee from threatening or committing any act of violence in the workplace or while on company business. This policy also forbids employees or anyone else with the exception of authorized and licensed security personnel from carrying or bringing a gun or any weapon on Company premises or while conducting Company business.

The Company believes prevention of workplace violence begins with recognition and awareness of potential early warning signs of a situation that presents the possibility of violence. Workplace violence includes threats of any kind; threatening or physically aggressive or violent behavior; harassing or threatening phone calls; stalking; other behavior that suggests a propensity toward violence such as belligerent speech, excessive arguing or swearing, sabotage, or threats of sabotage of Company property, or a demonstrated pattern or refusal to follow Company policies and procedures; defacing Company property or causing physical damage to the facilities; or bringing weapons or firearms of any kind on Company premises. Also, be aware of persons loitering on Company property for no apparent reason (e.g., in parking areas, walkways, entrances/exits, and service areas).

You are expected to cooperate in helping to keep the workplace free from problems that are associated with activities that appear to be illegal, unauthorized or potentially violent. Accordingly, you must immediately notify the Department Head, or senior management of the existence of any such activities that you may become aware of during the course of your employment. This duty extends, for example, to threats, acts of violence, aggressive behavior, or threatening acts or comments. All reports of workplace violence will be taken seriously and will be reviewed promptly, and appropriate corrective actions will be taken.

You should request assistance from the nearest available Department Head to help resolve any difficult situation or security problem. Do not confront any person who is hostile or overly agitated. Instead, you should immediately report to management any persons who act in a suspicious, hostile or violent manner.

In addition to these efforts, all employees are to notify the Department Head or any other management personnel of any security hazards and recommend appropriate corrective actions to prevent workplace violence and limit access to work areas by unauthorized persons.

7.6 Housekeeping

The Company wants to provide an attractive and pleasant atmosphere for its employees and Clients. All employees are expected to keep their work areas clean, organized and uncluttered; and to pick up after themselves when they use the restroom, lunchroom, and common areas. The Company makes available lunch or break areas for the use by employees. It is important that you understand and fulfill your responsibility to the Company and to your fellow employees when it comes to housekeeping.

It is everyone's responsibility to keep all work areas clean and trash free. This includes such items as the refrigerator, microwave and coffee maker. Please help in this regard by cleaning up and disposing of food, drink and trash properly at the end of your rest or meal period. Each employee is responsible for the cleaning of mugs, glasses, dishes and utensils that he or she uses. In general, it is for the safety and benefit of everyone that we keep our facilities and workstations clean and orderly. The result will be a work environment, which we all can be proud of at Anodizing Industries.

TO BE SIGNED BY NEWLY HIRED OR CURRENT EMPLOYEE

ANODIZING INDUSTRIES, INC.

HANDBOOK ACKNOWLEDGMENT AND AGREEMENT

I acknowledge receipt of the Anodizing Industries' Employee Handbook revised December 2021, containing policies and procedures of the Company as well as outlining my privileges and obligations. I understand that this Handbook replaces any previous handbook, understanding, policy, practice, or representation concerning the subject matters covered by the Handbook. I understand and agree to read and abide by the policies, practices, procedures, and rules contained in the Handbook as well as any amendments or changes. I understand that except for the "at-will" nature of my employment, all other policies, practices, procedures, rules, and benefits contained in this Handbook and other related documents may be amended, modified, discontinued or eliminated at any time by the Company at its sole discretion.

I further understand and agree that my employment with Anodizing Industries, Inc. (Anodizing Industries), and any of its related entities (referred to as Anodizing Industries or as the "Company") is for an unspecified term and is based upon mutual consent and may be terminated at will by either party. Therefore, my employment and compensation may be terminated by the Company or me "at will" at any time, for any or for no reason, with or without cause or prior notice. Additionally, I understand and agree that the at-will nature of my employment relationship with the Company means that the terms of my employment at the Company, including but not limited to, promotion, demotion, discipline, transfers, layoff or recall, compensation, benefits, job duties and responsibilities, hours and schedules, work assignments, and location of work, may be changed by the Company at any time, with or without notice, and for any or for no reason. Although other terms or conditions of employment

may change, this at-will aspect of my employment relationship will remain in effect throughout my employment with the Company, unless there is a written agreement to the contrary. No employee or representative of the Company other than the President has any authority to enter into an agreement to employ me for any specified period of time or to make any agreement inconsistent with the terms of this Acknowledgment. This at-will nature of my employment relationship cannot be changed, modified, amended, or rescinded except by an individual written employment agreement signed by the President of the Company and me (or by an authorized representative on my behalf). I also understand and agree that nothing in this Handbook or the Company’s discretionary use of corrective discipline creates any express or implied contract to the contrary and that this Handbook is not a contract of employment. Accordingly, I will not interpret this Handbook in any way that will create any express or implied contractual rights between the Company and me. I understand and agree that any verbal or written representations by anyone to the contrary are invalid and should not be relied upon by anyone. This at-will nature of my employment sets forth the entire agreement on this subject and supersedes any prior oral or written understandings or statements.

Nothing in the Employee Handbook should be construed to prohibit employees from communicating or discussing their wages, benefits, working conditions, or other terms of employment with co-workers or others.

I HAVE CAREFULLY READ THIS ACKNOWLEDGEMENT AND I AGREE TO THE ABOVE CONDITIONS OF EMPLOYMENT.

EMPLOYEE NAME (PRINT): _____

EMPLOYEE SIGNATURE: _____ DATE: _____

NOTE: Upon completion of this acknowledgment sheet, remove it from the remainder of the Employee Handbook and submit it to the Department Head for insertion in your personnel file.

ADDITIONAL EMPLOYEE ACKNOWLEDGMENTS

1. Policy Against Harassment

I have read the Company’s Policy Against Harassment and Discrimination. I have also received a copy of the California DFEH #185 information sheet or an equivalent document on sexual harassment in the workplace. It is my individual responsibility not to engage in behaviors that constitute harassment, discrimination or retaliation; and to report any such incidents of offensive conduct or inappropriate behavior that I observe or that comes to my attention to my Department Head or any other member of management including the President of the Company. Accordingly, I will conduct myself in accordance with the Company’s policy; and will not engage in, condone or permit any form of harassment or discrimination, or unwelcome conduct that is offensive I fully understand this policy and will comply with this policy on maintaining a work environment that is free of unlawful harassment, discrimination or retaliation.

Employee Initial or Signature: _____

2. Trade Secrets and Confidentiality

I have read and agree to follow the Company’s Policy on Trade Secrets and Confidentiality. I acknowledge that I fully understand this Company’s policy, and I agree that I will not disclose any trade secrets, proprietary information, or confidential information covered by this policy, directly or indirectly, or use them in any way, except as may be required in the course of my employment with Anodizing Industries.

Employee Initial or Signature: _____

3. Social Media Policy

I have read and agree to follow the guidelines and rules in the Company’s Social Media Policy. I acknowledge that I fully understand that my posting of information or content on my personal website (if applicable) or any social media network about the Company’s activities are to be consistent with this policy. I also agree to maintain the confidentiality of Company trade secrets and confidential information, and not disclose such information when communicating or posting information or content on the Internet or any social media network or outlet.

Employee Initial or Signature: _____

4. Voice Mail, E-Mail, Internet Usage, Computer Files and Software Programs

I have read and understand the Company’s Electronic Communications Policy on Voice Mail, E-Mail, Internet Usage, Computer Files and Software Programs. This policy applies to all Company-provided electronic communications equipment and computer systems including, but not limited to, personal computers, telephone systems including company provided cell phones or smartphones, voice mail, electronic mail (email), facsimiles, and Internet access, together with all related equipment. I acknowledge that all files, documents, data and messages sent, received, composed and/or stored on any company electronic communications equipment and computer system are the property of the Company. I understand that there is no expectation of privacy when using any Company electronic communication equipment and computer system.

Employee Initial or Signature: _____

PRINT YOUR NAME: _____ DATE: _____

This Employee Handbook has been specially prepared for Anodizing Industries, Inc.
by ACG Consulting Services, Inc.

^[1] As used in this Handbook, spouse means an employee's legal spouse according to the marriage laws of California or relevant state and a domestic partner means a registered domestic partner or a civil union partner as recognized by applicable state law.

^[2] The Healthy Workplaces Health Families Act of 2014 (California Labor Code Sections 245 & 246 et. seq.), as well as the City of Los Angeles paid sick leave ordinance for employees who work within the City of Los Angeles (Los Angeles Municipal Code, Article 7, Chapter XVIII, Section 187.00 et. seq.).

^[3] California's amended Pregnancy Disability Regulations (effective December 30, 2012) specifies that the time the employer maintains and pay for group health insurance during an employee's pregnancy disability leave (PDL) cannot be used to meet the employer's obligation to pay for 12 weeks of group health coverage during leave taken under the California Family Rights Act (CFRA). The entitlements to employer-paid group health coverage during PDL and CFRA are two separate and distinct entitlements. See 2 CCR 11044(c)(1) and (2).

^[4] See Labor Code Section 230.8(e)((2)(A) through (D) as to the meaning of childcare provider or school emergency.

^[5] Employees in California who donate an organ or bone marrow are provided with paid leave up to the number of days specified by applicable law (see Labor Code Sections 1508-1513). However, an employee who requests a leave is required to use his or her available paid sick leave, vacation or paid time off up to five days for bone marrow donation and up to two weeks for organ donation (see Labor Code Section 1510(f)).

^[6] For instance, see CA Penal Code Section 632 that makes it illegal for an individual to monitor or record a confidential communication without the consent of all parties.