

LEOFIT

EMPLOYEE HANDBOOK

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A WORD ABOUT THIS HANDBOOK

This Employee Handbook contains information about the employment policies and practices of LeoFit (the Company). We expect each employee to read this Employee Handbook carefully, as it is a valuable reference for understanding your job and the Company. The policies outlined in this Employee Handbook should be regarded as management guidelines only, which in a developing business will require changes from time to time. The Company retains the right to make decisions involving employment as needed in order to conduct its work in a manner that is beneficial to the employees and the Company.

This Employee Handbook supersedes and replaces any and all prior Employee Handbooks and inconsistent verbal or written statements. Except for the policy of at-will employment, which can only be changed by the CEO of the Company in writing, the Company reserves the right to revise, delete and add to the provisions of this Employee Handbook. All such revisions, deletions, or additions must be in policy in writing and must be signed by the CEO of the Company. No oral statements or representations can change the provisions of this Employee Handbook.

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

The State of California adheres to the at-will employment laws; therefore, our Company is an at-will employer. This means that regardless of any provision in this Employee Handbook, either you or the Company may terminate the employment relationship at any time, for any reason, with or without cause or notice. Nothing in this Employee Handbook or in any document or statement, written or oral, shall limit the right to terminate employment-at-will. No officer, employee, or representative of the Company is authorized to enter into an agreement - express or implied - with any employee for employment other than at-will.

The Way We Work

EQUAL EMPLOYMENT OPPORTUNITY

Our Company is committed to equal employment opportunity. We will not discriminate against employees or applicants for employment on any legally recognized basis including, but not limited to veteran status, race, color, religion, sex, national origin, age and physical or mental disability.

In addition, race; religious creed; color; national origin; ancestry; physical disability; mental disability; medical condition, including genetic characteristics; marital status; sex; pregnancy, childbirth or related medical conditions; actual or perceived gender; sexual orientation and age are protected classes in California.

You may discuss equal employment opportunity related questions with your supervisor or any other member of management.

AMERICANS WITH DISABILITIES ACT

Our Company is committed to providing equal employment opportunities to otherwise qualified individuals with disabilities, which may include providing reasonable accommodation where appropriate. In general, it is your responsibility to notify your supervisor of the need for an accommodation. Upon doing so, your supervisor may ask you for your input or the type of accommodation you believe may be necessary or the functional limitations caused by your disability. Also, when appropriate, we may need your permission to obtain additional information from your physician or other medical or rehabilitation professionals.

NON-HARASSMENT

We prohibit harassment of one employee by another employee, supervisor, or third party for any reason including, but not limited to: veteran status, race, color, religion, sex, national origin, age and physical or mental disability. Harassment of third parties by our employees is also prohibited.

In addition, race; religious creed; color; national origin; ancestry; physical disability; mental disability; medical condition, including genetic characteristics; marital status; sex; pregnancy, childbirth or related medical conditions; actual or perceived gender; sexual orientation and age are protected classes in California.

The purpose of this policy is not to regulate the personal morality of employees. It is to assure that in the workplace, no employee harasses another for any reason.

While it is not easy to define precisely what harassment is, it includes slurs, epithets, threats, derogatory comments, or visual depictions, unwelcome jokes, and teasing.

Any employee who feels that (s)he is a victim of such harassment should immediately report the matter to your supervisor or any other member of management. The Company will investigate all such reports as confidentially as possible. Adverse action will not be taken against an employee because he or she, in good faith, reports or participates in the investigation of a violation of this policy. Violations of this policy are not permitted and may result in disciplinary action, up to and including discharge.

SEXUAL HARASSMENT

Sexual harassment is against Company policy and is unlawful under state and federal law.

We firmly prohibit sexual harassment of any employee by another employee, supervisor, or third party. Harassment of third parties by our employees is also prohibited. The purpose of this policy is not to regulate the morality of employees. It is to assure that in the workplace, no employee is subject to sexual harassment. While it is not easy to define precisely what sexual harassment is, it may include: unwelcome sexual advances, requests for sexual favors and/or verbal or physical conduct of a sexual nature including, but not limited to: sexually-related drawings, pictures, jokes, teasing, uninvited touching or other sexually-related comments.

Sexual harassment of an employee will not be tolerated. Violations of this policy may result in disciplinary action, up to and including discharge. There will be no adverse action taken against employees who, in good faith, report violations of this policy or participate in the investigation of such violations.

Any employee who feels that (s)he is a victim of sexual harassment should immediately report such actions in accordance with the following procedure. All complaints will be promptly and thoroughly investigated as confidentially as possible.

1. Any employee who believes that (s)he is a victim of sexual harassment or has been retaliated against for complaining of sexual harassment, should report the act immediately to the Human Resources department. If you prefer not to discuss the matter with the Human Resources department, you may contact any other member of management.
2. The Company will investigate every reported incident immediately. Any employee, supervisor or agent of the Company who has been found to have violated this policy may be subject to appropriate disciplinary action, up to and including immediate discharge.
3. The Company will conduct all investigations in a discreet manner. The Company recognizes that every investigation requires a determination based on all the facts in the matter. We also recognize the serious impact a false accusation can have. We trust that employees will continue to act responsibly.

4. The reporting employee and any employee participating in any investigation under this policy have the Company's assurance that no reprisals will be taken as a result of a sexual harassment complaint. It is our policy to encourage discussion of the matter, to help protect others from being subjected to similar inappropriate behavior.

CATEGORIES OF EMPLOYMENT

INTRODUCTORY PERIOD: The first 90 days of employment for full-time and part-time employees is considered an introductory period.

During this period of time, you will be able to determine if your new job is suitable for you and your supervisor will have an opportunity to evaluate your work performance. However, the completion of the introductory period does not guarantee employment for any period of time thereafter.

FULL-TIME EMPLOYEES regularly work a 40 to 45-hour workweek, are entitled to any paid or partially paid benefits such as paid holidays and PTO, and are not entitled to any unpaid time off except as noted in the PTO section of this handbook.

FLEXIBLE SCHEDULE EMPLOYEES work from 20 to 50 hours or more per week as necessary, are entitled to take unpaid time off with prior approval, and are not entitled to any paid or partially paid benefits such as paid holidays and PTO.

VARIABLE / PART-TIME EMPLOYEES regularly work an average of less than 40 hours per week determined by a "measurement period" of 12 months from January 1 through December 31.

SEASONAL EMPLOYEES perform a job for a specified time, normally 120 days or less.

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

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

EXEMPT EMPLOYEES - Pursuant to applicable federal and state laws, exempt employees are not entitled to overtime pay, and are not subject to certain deductions to their weekly salary under the Company's policies.

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

ANNIVERSARY DATE

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

NEW EMPLOYEE ORIENTATION

Upon joining our Company, you were given this copy of our Employee Handbook. After reading this Employee Handbook please sign the receipt page and return it to your supervisor. You will be asked to complete personnel, payroll and benefit forms.

If you lose your Employee Handbook or if it becomes damaged in any way, please notify your supervisor as soon as possible to obtain a replacement copy. The Handbook is also available in electronic form. **(K:\LeoFit\Employee Resources)** Policy updates will be posted in this electronic version of the Handbook so refer to it frequently in case of questions about policy.

Your supervisor is responsible for the operations of your department. They are a good source of information about the Company and your job.

IMMIGRATION REFORM AND CONTROL ACT

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

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

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

TALK TO US

It is the desire of LeoFit to provide pleasant working conditions and to make the work a rewarding experience. We encourage you to bring your questions, suggestions, and complaints to our attention. We will carefully consider each of these in our continuing effort to improve operations.

If you feel you have a problem which merits complaint, you should promptly report the facts of the problem in writing to your direct supervisor, who will help you with the problem or direct you to the appropriate person for help. We hope that your direct supervisor is able to satisfactorily resolve most matters.

If you still have questions after meeting with your direct supervisor or if you would like further clarification on the matter, request a meeting with the Human Resources department. They will review the issues and meet with you to discuss possible solutions.

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

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

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

YOUR PAY AND PROGRESS

RECORDING YOUR TIME

Every employee will be required to clock in and out using their computer via NovaTime. You will be trained on how to do this upon hire.

Each day when you arrive you will be expected to clock in. Clock out each day in the same manner. If you forget to clock in or out, immediately inform your supervisor and payroll by email, indicating what time you actually arrived or left.

Every week, the payroll department will download all the data from the time clock and issue individual time sheets to all employees. For hourly (non-exempt) employees, the time sheet indicates how many hours you worked and are entitled to be paid as recorded by your logins and logouts.

Exempt employees are paid by salary and not by time sheet but are required to clock in and out to record daily attendance, and to sign and return your time sheet as acknowledgement that you did perform work in that workweek.

When you receive your printed time sheet each week, examine it for accuracy. If you see a discrepancy please bring it to the attention of Human Resources immediately so that it can be corrected. Please make sure you record your meal breaks on the timesheet as well.

If you agree with the time worked as shown on the time sheet, sign and date it and return it to your supervisor promptly so that your hours can be included in that week's payroll. If you do not submit your signed time sheet, you will be paid for the number of hours that it is estimated that you worked. Once the signed time sheet is received, your pay will be adjusted to the actual hours worked, affecting the check received on the next payday.

Tardiness will be determined by the time clock and what time it is set for at the moment that you punch in from your computer. There may be times when the time that is shown on the time clock does not agree with the time on your cell phone, computer, or even atomic clock.

Arriving to work 5 minutes ahead of your scheduled start time should be enough to ensure that any small discrepancies of the time clock will not cause you to be recorded as tardy.

OUR WORKWEEK

Our official workweek starts on Sunday and ends on Saturday and this is the period that is used to calculate overtime.

PAYDAY

You will be paid weekly on Friday for the period which ends on the previous Saturday. When our payday is a holiday, you normally will be paid on the first working day after the holiday. Payday schedules may occasionally be changed due to holidays or other events.

Your paycheck will be distributed to your mailbox on Fridays.

Please review your paycheck for errors. If you find a mistake, report it to the Payroll department immediately. (S)he will assist you in taking the steps necessary to correct the error if one has been made.

DIRECT DEPOSIT

You have the option of receiving your pay in a payroll check or having your pay deposited into your bank account through our direct deposit program.

If you wish to use the direct deposit program, please see the Payroll department for the forms that are needed in order to begin the service.

PAYCHECK DEDUCTIONS

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

Exempt Employees: It is the policy of the Company that exempt employees' pay will not be "docked," or subject to deductions, in violation of salary pay rules issued by the United States Department of Labor and any corresponding rules issued by the state government, as applicable; however, the Company may make deductions from employees' salaries in a way that is permitted

under federal and state wage and hour rules. Employees will be reimbursed in full for any isolated, inadvertent, or improper deductions, as defined by law.

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

- Absences of more than one half day (4 hours) for personal reasons, other than sickness or disability;
- Absences of one or more full days due to sickness or disability, once accrued PTO has been exhausted;
- Absences of one or more full days before eligibility for PTO accrual;
- Suspensions for violations of safety rules of major significance;
- Suspensions of one or more full days for violations of workplace conduct rules, such as rules against sexual harassment and workplace violence;
- Payment of actual time worked in the first and last weeks of employment, resulting in a proportional rate of an employee's full salary;
- Negative PTO balances, in whole-day increments only.

If questions or concerns about any pay deductions arise, employees may discuss and resolve them with the Human Resources department.

GARNISHMENT/CHILD SUPPORT

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

PERFORMANCE REVIEWS

Your performance is important to our Company. Periodically during your employment here, your supervisor and your supervisor may review your job progress within our Company and help you to develop new job performance plans.

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

New employees may be reviewed at the end of their 90-day introductory period.

JOB DESCRIPTIONS

The Company strives to maintain a job description for each position in the Company. The job description should outline the duties and/or responsibilities of the position. When the duties and the responsibilities of a position change, the job description is revised to reflect those changes. If you have any questions or wish to obtain a copy of your position's job description, please see your supervisor.

OVERTIME

There are two categories of pay when it comes to overtime, called “exempt” and “nonexempt.” The word “exempt” means freed from or not subject to an obligation, liability, tax, etc.

An employee who is exempt from overtime does not get paid at time-and-a-half rate for hours worked over 8 hours in a day or 40 in a week. Nonexempt employees do get paid time-and-a-half for any hours worked over 8 in a day or 40 in a week.

Generally, unless an alternate workweek is in effect or state law dictates otherwise, non-exempt, non-agricultural workers will be paid at a rate of time and one-half their regular hourly rate for: (1) hours worked in excess of eight hours in a day; (2) hours worked in excess of 40 hours in a week not compensated as daily overtime; and (3) for the first eight hours of work on the seventh day of work in a single workweek; and at a rate of double their regular hourly rate for: (1) hours worked in excess of 12 hours in a day; and (2) hours worked in excess of eight hours on a seventh day of work in a single workweek.

There may be times when you will need to work overtime so that we may meet the needs of our customers. Although you will be given advance notice when feasible, this is not always possible. If you have not been notified of the need to work beyond your normally scheduled hours, plan to clock out and leave promptly as scheduled. If a situation arises where it appears that you may work any hours over 8 in one day or 40 in one week, and you are a non-exempt employee, immediately consult with your supervisor or the Human Resources department.

We may allow non-exempt employees to perform make-up time for planned absences within the same workweek. Employees who wish to do so must provide your supervisor with a written and signed request for each occasion that they desire to make up time. Make-up time must be worked in the same workweek as the time that will be missed. However, an employee who makes up missed time in the same workweek will not be paid overtime for the additional hours of work on a given day unless they exceed 11 on that day or total more than 40 in that week.

Only actual hours worked count toward computing weekly overtime. Paid holiday, PTO, paid bereavement leave and other paid benefit hours will not count toward computing weekly overtime.

If you have any questions concerning overtime pay, check with the Human Resources department.

TIME AWAY FROM WORK AND OTHER BENEFITS

EMPLOYEE BENEFITS

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

Full-time, regular schedule employees are eligible to participate in any benefit plans offered after any required waiting period. Variable employees, seasonal employees, part-time employees, and employees with flexible schedules are not eligible to participate in any benefit plans offered.

HEALTH, DENTAL, VISION, CHIROPRACTIC, ACUPUNCTURE, AND LIFE INSURANCE

Full-time, regular-schedule Employees are eligible to sign up for health insurance coverage on our group plan. The insurance coverage begins on the first of the month following the first 30 days of employment. After 6 months, the employee is eligible to participate in the 401k and the FSA program. Although we will strive to provide the forms necessary to obtain coverage in a timely manner, it is the responsibility of the employee to ensure that the forms are obtained, completed, and submitted in time to qualify for coverage.

Each year on December 1, we offer an opportunity for employees to sign up for insurance coverage if they are not currently part of our group plan. Although we will strive to provide the forms necessary to obtain coverage in a timely manner, it is the responsibility of the employee to ensure that the required forms are obtained, completed, and submitted in time to qualify for coverage.

As of December 1, 2020, the following benefits are offered:

The Company offers health insurance coverage through Covered California. The employee may choose from a variety of plans ranging from HMO (Health Maintenance Organization) and PPO (Preferred Provider Organization). Each plan has different premiums, deductibles, and benefits.

The Company offers dental insurance coverage through DeltaCare USA HMO and Delta Dental FFS PPO. The Company offers vision insurance coverage through VSP, and chiropractic and acupuncture insurance through Landmark Healthcare.

The Company elects to provide a co-payment to each full-time, regular-schedule employee that will be used to pay for all or part of that employee's health, dental, vision, or chiropractic insurance premiums, depending on the amount of the premium. As of December 1, 2020, the copayment amount is \$150 per employee per month. This copayment can be applied against any or all health, dental, vision, chiropractic insurance premiums.

The employees' portion if any of medical or dental insurance premiums will be deducted on a weekly basis from wages using a POP (Premium Only Plan) that allows the payments to be taken from pre-taxed dollars.

The Company elects to provide reimbursement of up to \$150 per month for any full-time, regular-schedule employee who is paying out-of-pocket for medical insurance coverage outside of our group plan. Each employee must provide proof every month of the amount of the premium that was paid, how much of that premium pertains to that individual employee's coverage, and proof that the premium was paid out-of-pocket by that employee.

The Company elects to provide life insurance to each full-time, regular-schedule employee in the amount of \$30,000 through Assurity Life at no cost to the employee.

Refer to the actual plan documents and summary plan descriptions if you have specific questions regarding the benefit plan. See your HR Administrator for details on all the above.

INSURANCE FOR FAMILY MEMBERS

Full-time, regular schedule employees are able to obtain health, dental, vision, and chiropractic insurance for members of their immediate family, including spouses, domestic partners, and children up to the age of 26.

Legal domestic partner shall mean a person who is neither married nor related by blood or marriage to the employee; it is the employee's sole spousal equivalent; lives together with the employee in the same residence and intends to do so indefinitely; is responsible with the employee for each other's welfare. **A domestic partner relationship may be demonstrated by any three of the following types of documentation:** a) a joint mortgage or lease; b) designation of the domestic partner as beneficiary for life insurance; c) designation of the domestic partner as primary beneficiary in the employee's will; d) domestic partnership agreement; e) powers of attorney for property and/or health care; and f) joint ownership of either a motor vehicle, checking account or credit account.

INCREASED INSURANCE COPAYMENT FOR EMPLOYEES OF MORE THAN 5 YEARS

The Company elects to provide a monthly co-payment equal to the cost of an individual HMO 30/40 insurance plan to all full-time, regular-schedule employees who have been employed by the Company on a full-time, regular-schedule basis for 5 consecutive years or more. The employee may choose an alternate insurance plan and pay the difference in premiums.

MODIFICATION OF BENEFITS

The Company reserves the right to modify its benefits at any time. We will keep you informed of any changes.

HOLIDAYS

Our Company normally observes the following holidays during the year:

- New Year's Day
- Independence Day
- Thanksgiving Day
- Christmas Day
- Labor Day (for buy offices that are open on Mondays)

Eligible employees receive a paid holiday only if the holiday falls on a regularly scheduled workday.

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

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

Employees that are already on a pre-approved absence such as PTO will receive a paid holiday only if the holiday falls on a regularly scheduled workday.

Variable employees, flexible schedule employees, seasonal employees, and employees that are out on an extended unpaid leave of absence or are otherwise not active, are not eligible for paid holidays.

PAID TIME OFF

We believe that regular periods of time off from work are necessary in order for employees to rest, recharge their energy, and spend time with family. For that reason, all full-time employees are eligible to accrue PTO (Paid Time Off).

PTO is taken by the non-exempt employee for any reason that the employee will be absent from work during their normally scheduled hours, including personal or family illness, vacation, medical appointments or treatments, and any absence for personal reasons. Pre-planned PTO can be taken in 1-hour increments. PTO used to cover partial day absences due to illness for non-exempt employees can be taken in smaller increments to make up an 8-hour day.

Exempt employees are required to use PTO to cover partial day absences for personal reasons of 4 hours or more, with the exception of time away for medical reasons (illness, medical appointments, or treatments) in which case time will only be charged if the absence spans a full day.

PTO hours are measured by the number of hours that are taken away from the standard schedule. For example if an employee is normally scheduled to work from 9:00am to 6:30pm and leaves at 1:30pm, that is equivalent to taking 5 hours of PTO. If the employee leaves before taking a lunch period then that 30 minutes is deducted from the total PTO hours used.

The official lunch period is from 11:00am to 2:00pm for employees who arrive at 9:00am and 12:00pm to 3:00pm for employees who arrive at 10:00am. If you leave after the official lunch period (at 2:00pm or later for 9:00am employees and at 3:00pm or later for 10:00am employees), then the PTO taken will be counted as if a 30-minute lunch was taken.

WHO IS ELIGIBLE

All regular full-time employees are eligible to accrue PTO. Part time, temporary, flexible schedule, or contract employees are not eligible to accrue PTO. Any new employee or rehired former employee will begin to accrue PTO immediately and will be eligible to take PTO as it accrues.

ACCRUAL RATES

The accrual rate increases are based on the employee's length of service and occur on the employment anniversary date. Accrual rates are as follows:

- 1st year of employment the accrual rate = 80 hours (10 days)
 - starts at month 0 – accruing .03846 per hour/ 1.54 per week
- 2nd year of employment the accrual rate = 96 hours (12 days)
 - starts at month 13 – accruing .04615 per hour/ 1.85 per week
- 3rd year of employment the accrual rate = 112 hours (14 days)
 - starts at month 25 – accruing .05384 per hour/ 2.15 per week
- 4th year of employment the accrual rate = 128 hours (16 days)
 - starts at month 37 – accruing .06153 per hour/ 2.46 per week
- 5th year of employment the accrual rate = 144 hours (18 days)
 - starts at month 49 – accruing .06923 per hour/ 2.77 per week

PTO is accrued weekly with the payroll cycle and for non-exempt employees is based on the number of hours worked in that week. For example during the first year of employment, PTO is accrued at the rate of 1.54 hours per 40 hours of work. That works out to 80 hours or 2 weeks per year if the employee has worked a full year. If fewer than 40 hours are worked in a week (including PTO hours taken), then the accrual will be fewer than 1.54 hours for that week.

Employees will earn PTO for scheduled hours when absent from work in connection with paid time away from work: PTO, holidays, paid leave of absence, bereavement leave, and jury duty. Employees will not earn PTO for scheduled hours when absent from work in connection with: excused or unexcused absences without pay, including unpaid leaves of absence, worker's compensation leaves, or long-term disability leaves.

PTO accrual is capped at a maximum of 250 hours; once the cap is reached, no more PTO will accrue until enough hours are taken to reduce the accrued hours under the cap. We offer no provision for cashing out accrued PTO hours with the exception of employees that are terminating their employment with the company.

PTO IS A PRIVILEGE

PTO is a privilege and not an absolute right; be sure to follow the proper procedure for requesting time off before assuming it will be granted. See "PTO CSW for Time Off" policy for information on how to request PTO.

FORMER EMPLOYEES

For former employees who are being hired again, their previous time of service will be used to determine their accrual rate going forward. For example if an employee had worked here for 3 years at some time in the past, they would start accruing at the 96-hours-per-year rate immediately.

UNPAID TIME OFF

Because the above PTO accruals should be enough to handle any time off that you need to take during the year, unpaid time off is generally not allowed. Taking off more time than what is defined for each employee even when unpaid, causes additional cost to the company because someone else has to cover that position during the employee's absence. Work goes undone and our speed of particle flow and therefore our income is diminished.

However, non-exempt employees are allowed to use up to 2 hours of make-up time per month in lieu of using accrued PTO for preplanned and approved personal absences, except for during the month of December. If you have accrued PTO but wish to do make-up time in lieu of using your PTO, indicate that on your CSW for PTO request. (See section regarding Make-Up Time below.)

New hires may be allowed unpaid time off for vacation plans that are already in place when the job is accepted. These plans must be communicated to HR at the time of hire and cannot be granted at a later date. In any case, unpaid time off will only be granted during the first 90 days of employment.

The Company may allow unpaid time off as part of bereavement leave; see bereavement section of your Employee Handbook.

The Company may choose to offer unpaid time off during specific periods of time. The parameters for taking unpaid time off will be announced for each occasion.

Any absence, if not allowed by the bereavement policy and not during specific periods when unpaid time off is offered to all employees by the Company, will be paid by using available accrued PTO, whether the time off was previously arranged as PTO or was not. If an employee does not have any accrued PTO available and is absent due to unforeseen and uncontrollable circumstances such as illness, that time will necessarily be unpaid. For exempt employees that applies to absences of a full day or more.

If an employee already has approved PTO scheduled, and then has to use PTO pay for unforeseen circumstances (such as being out sick) and don't have enough left to cover the pre-scheduled time off, the time off can still be taken, but it will be unpaid time off.

Unpaid absences may accumulate incidents; see "Tardiness and Absenteeism" policy for details. Paid absences do not accumulate incidents and no doctor's report is necessary for days missed due to illness that are taken as PTO.

Any employee that is on unpaid leave of any kind is not eligible to earn or be paid any bonuses that are a part of the incentive pay for that department.

PAID SICK LEAVE

All employees other than full-time are eligible for paid sick leave under this policy. Please see "Categories of Employment" in our Employee Handbook.

Accrual

You accrue paid sick leave benefits beginning on July 1, 2015 or your first day of employment, whichever is later and it is accrued at the rate of one hour per every 30 hours worked. You may accrue up to a maximum of 80 hours of paid sick leave.

Use

You may use a total of 40 hours of paid sick leave per anniversary year following the completion of your 90-day probationary period. Unused paid sick leave may be carried over to the following anniversary year.

You may use paid sick leave for the following purposes:

- Diagnosis, care, or treatment of an existing health condition of, or preventive care for, you or your family member.
- If you are a victim of domestic violence, sexual assault, or stalking,
- "Family member" includes:

- A child, which means a biological, adopted, or foster child, stepchild, legal ward, or a child to whom you stand in loco parentis. This definition of a child is applicable regardless of age or dependency status.
- The biological, adoptive, or foster parent, stepparent, or legal guardian of you or your spouse or registered domestic partner, or a person who stood in loco parentis when you were a minor child.
- Your spouse.
- Your legal registered domestic partner.
- Your grandparent.
- Your grandchild
- Your sibling

If the need for paid sick leave is foreseeable, you must provide reasonable advance notice to your supervisor. If the need for paid sick leave is unforeseeable, you must provide notice to your supervisor as soon as practicable. Appointments should be scheduled at either the beginning or the end of your workday. If you become sick during the day, you must inform your supervisor before you leave the facility. Paid sick leave is available only for days on which you would have been scheduled to work, but were unable to work because of one of the purposes described above. Paid sick leave will be integrated with California State Disability Insurance (SDI) benefits and/or workers' compensation insurance benefits in such a way that the total sick leave benefits paid by the Company, and those you receive from SDI or workers' compensation insurance, will not exceed 100 percent of your regular weekly wage based on your regular straight-time hourly rate of pay.

Unpaid absences may accumulate incidents; see “Tardiness and Absenteeism” policy for details. Paid absences do not accumulate incidents and no doctor’s report is necessary for days missed due to illness that are taken as paid time off.

Makeup time cannot be done in lieu of using accrued paid sick leave.

Pay

You will receive your regular hourly wage when using accrued Paid Sick Leave.

Carryover

Accrued and unused paid sick leave is carried over to the following year.

Under no circumstances will unused paid sick leave be converted to cash or payment of any kind.

Termination

Accrued and unused sick leave is not paid out upon termination.

LEAVE OF ABSENCE

Under special circumstances, full-time employees who have completed one year of employment may be granted a leave of absence without pay. The granting of this type of leave is normally for compelling reasons and is dependent upon the written approval of the CEO.

Employees requesting an LOA must have at least 40 hours of PTO accrued. All available PTO will be used during the initial absence, and then the remainder of the LOA will be granted without pay. Leaves may not exceed two months during which time no benefits will accrue. The Company will continue to provide medical insurance for employees on an authorized leave of absence, up to a maximum of two months. During this time, the employee will be responsible for paying his or her portion of the monthly premium(s). After two months, the employee will be responsible for paying 100% of the monthly premium(s). If the employee does not pay the premium(s), the coverage will be canceled.

If the employee returns from leave on or before the agreed upon date, the Company will make reasonable efforts to return the employee to the same or similar job that he or she held prior to the leave of absence, subject to our staffing and business requirements. An employee who returns after the agreed upon date, or any time after two months have passed, may or may not be returned to work, subject to our staffing and business requirements.

Any employee that is on unpaid leave of any kind is not eligible to earn or be paid any bonuses that are a part of the incentive pay for that department, such as the estate buyers' bonus.

PTO REQUESTS

Submit PTO requests in writing as far in advance as possible, not more than 1 year in advance, but a minimum of one week in advance, to your supervisor. PTO requests are granted when possible, taking into account operating requirements. Length of employment may determine priority in scheduling PTO.

If your time off is not approved, you cannot take the time off anyway and just "take the incident." Incidents are not exchangeable for time off. Anyone taking time off that was disapproved is insubordinate and subject to disciplinary actions ranging from earning additional incidents to suspension without pay and up to and including termination.

An employee who does not report to work on his or her scheduled day back from PTO leave automatically earns 1 incident per the Tardiness and Absenteeism policy, even if the employee calls to tell someone that he or she is not coming back on time. It is absolutely not permitted to call in on your last day of time off and announce that you are not coming back as scheduled. Doing so may result in disciplinary actions ranging from earning additional incidents to suspension without pay and up to and including termination.

MAKE-UP TIME FOR PERSONAL ABSENCES

If a non-exempt employee does not have sufficient accrued PTO but wishes to take personal time off, then make-up time must be done in the same amount. In other words, the employee needs to make-up for the time that he or she will be gone by coming in early, staying late, or coming in on

a Monday. Work may also be done at home, but it must be easily quantifiable so that it can be determined how much work must be accomplished to equal the number of hours required.

By law, make-up time can only be done during the same workweek as the time that is being taken off. Our workweek runs Sunday through Saturday. For example, if an employee wants to take off 2 hours on Saturday, he or she must make up that time by working additional hours between Sunday and Saturday. The make-up time can be done before and/or after the time taken off.

If make-up time is not possible, you can only use the PTO that you have available. You cannot take unpaid time off and just “take the incident.” Incidents are not exchangeable for time off. Anyone taking time off that was not yet approved or was disapproved is insubordinate and subject to disciplinary actions ranging from earning additional incidents to suspension without pay and up to and including termination.

Make-up time only applies to non-exempt hourly employees. Exempt employees are not eligible for make-up time. Make-up time is for preplanned and approved absences only and does not apply to unexpected absence due to illness or any other reason.

Non-exempt employees are allowed to use up to 2 hours of make-up time per month in lieu of using accrued PTO for preplanned and approved personal absences, except for during the month of December. If you have accrued PTO but wish to do make-up time in lieu of using your PTO, indicate that on your CSW for PTO request.

Make-up requests must be submitted in writing to your supervisor. If your supervisor approves, he or she will sign the form and give you a copy. The request is not approved until both signatures are received. A separate written request is required for each occasion the employee requests make-up time. Although we will strive to approve whenever possible, requests for make-up time may be denied based on the staffing needs of the Company.

Submit your request at least 24 hours before the desired time off or at least 24 hours before working the make-up time, whichever would occur first.

Make-up time worked will not be paid at an overtime rate. Employees may not work more than 11 hours in a day or 40 hours in a workweek as a result of making up time.

If you take time off and are unable to work the scheduled make-up time for any reason then the hours missed will be unpaid. However, your supervisor may arrange with you another day to make up the time if possible. If you work your make-up time prior to taking the requested time off, you must take the time off, even if you no longer need it.

An employee’s use of make-up time is completely voluntary. LeoFit does not encourage nor discourage the use of make-up time.

JURY DUTY OR COURT APPEARANCE

Employees summoned for jury duty or legally required court appearance as witness, plaintiff, or defendant in a court case may be granted unpaid leave in order to serve when reasonable advance notice is given to the supervisor. Make arrangements with your supervisor and your supervisor as soon as you receive your summons. Proof of summons is required for unpaid time off. Employees may also take available PTO if preferred in which case no proof of summons is required.

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

You are expected to return to work if you are excused from jury duty or court appearance during regular working hours.

VOTING LEAVE

Our Company believes that every employee should have the opportunity to vote in any state or federal election, general primary, or special primary. Any employee who does not have sufficient time outside of working hours to vote in a statewide election may request up to two paid hours off in order to vote.

Notify your supervisor of the need for voting leave as soon as possible. When you return from voting leave, you must present a voter's receipt to your supervisor as soon as possible.

MILITARY LEAVE

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

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

Accrued PTO may be used for this leave if the employee chooses. Military orders should be presented to your supervisor and arrangements for leave made as early as possible before a departure. Employees are required to give advance notice of their service obligations to the Company unless military necessity makes this impossible. You must notify your supervisor of your intent to return to employment based on requirements of the law. Your benefits may continue to accrue during the period of leave in accordance with state and federal law.

Additional information regarding military leaves may be obtained from the Human Resources department.

WITNESS LEAVE

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

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

BEREAVEMENT LEAVE

Full-time employees who have completed their introductory period are eligible for two paid days off from work in the event of the death of an immediate family member. Members of the immediate family include spouses, parents, brothers, sisters, children, grandchildren, grandparents, in-law, adopted or step relatives in the same relationship, and legal domestic partners and their immediate families. Full-time employees may also have the option of taking up to an additional three days off without pay.

Legal domestic partner shall mean a person who is neither married nor related by blood or marriage to the employee; it is the employee's sole spousal equivalent; lives together with the employee in the same residence and intends to do so indefinitely; is responsible with the employee for each other's welfare. A legal domestic partner relationship may be demonstrated by any three of the following types of documentation: a) a joint mortgage or lease; b) designation of the domestic partner as beneficiary for life insurance; c) designation of the domestic partner as primary beneficiary in the employee's will; d) domestic partnership agreement; e) powers of attorney for property and/or health care; and f) joint ownership of either a motor vehicle, checking account or credit account.

Full-time employees are eligible for up to three unpaid days off from work to attend the funeral or other memorial service of a relative that is not an immediate family member. Relatives include aunts, uncles, first cousins, nephews, and nieces. Absence for any other relatives or friends would require the use of PTO.

Full-time employees who have not completed their 90-day introductory period are eligible for up to five days off from work without pay in the event of the death of an immediate family member or up to three days off from work without pay in the event of the death of a relative that is not an immediate family member.

Part-time and flexible schedule employees are not eligible for paid bereavement leave.

Requests for bereavement leave should be made to your immediate supervisor and Human Resources department as soon as possible.

SCHOOL VISITATION

If an employee who is the parent or guardian of a child who is suspended is required to appear at the child's school, the employee may take time off without pay if they provide reasonable advance notice to their supervisor of the need for time off.

Employees, who are the parent, guardian, or grandparent having custody of children in grades K-12, or of children attending a licensed daycare facility, are allowed up to 40 hours of leave without pay per calendar year to participate in activities of their child's school or daycare facility. This leave should not exceed eight hours in any calendar month. Requests for such leave must be made in advance of the planned absence and employees must provide documentation from the school or daycare facility as proof of their participation in school or daycare activities.

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

DOMESTIC VIOLENCE LEAVE

The Company will not discriminate against employees who are victims of domestic violence or sexual assault for taking time off from work to obtain or attempt to obtain any relief, including but not limited to, a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of a victim or his or her child.

The Company will also not discriminate against an employee who is a victim of domestic violence or sexual assault for taking time off from work to seek medical attention for injuries caused by such domestic violence or sexual assault, to obtain services from a domestic violence or sexual assault program, to obtain counseling related to the domestic violence or sexual assault, or to participate in actions to increase safety from future domestic violence or sexual assault, including temporary or permanent relocation.

Affected employees must give the Company reasonable notice that they are required to be absent for a purpose stated above, except for unscheduled or emergency court appearances or other emergency circumstances. In such a case, the Company will take no action against affected employees if, within a reasonable time after the appearance, they provide the Company with documentary evidence that their absence was required for any of the above reasons.

This leave will be unpaid. However, affected employees may use PTO (if available).

ADA & DISABILITY LEAVE

Full-time employees are eligible for an unpaid disability leave. Disability leave does not apply to employees who have family members who may need care due to their disability. Pregnancy Disability Leave is not to exceed four months.

Employees requesting disability leave must get a written job description, including physical and environmental aspects, from the Company that they will present to their doctor. In return, the Company will need a written statement from their doctor stating their limitations and/or time off needed due to disability because they cannot perform the job described, including specific dates. Fill out the appropriate paperwork, with an agreed upon return date if possible, and turn it in to Human Resources.

We will continue to provide health insurance coverage for employees on authorized disability leave for the first two months of disability, or up to 4 months for Pregnancy Disability Leave. During this time, you will be responsible for paying your portion of the monthly premium(s). When the above period expires, you may continue your health insurance, dental insurance, and vision care insurance coverage by making arrangements with the Accounting Department to pay the entire monthly premium in advance each month.

The Company may be able to seek reimbursement from an employee for premiums paid by the employer if the employee does not return from leave.

When you are able to return to work, and no return date was agreed upon, give us at least one week's advance written notice. Include a doctor's certificate stating that you are medically able to return to your normal duties.

Unless your disability is deemed indefinite by your doctor, we will return you to the same or directly comparable position you held prior to the disability leave, unless no longer available by layoffs or location closures. Your continued absence from work beyond your disability, as determined by your physician, will be deemed a voluntary termination of your employment.

This leave may run concurrently with any other leave where permitted by state and federal law.

If an employee will miss work due to having elective surgery, he or she must communicate it to us well in advance. Taking leave at the last minute for a planned surgery without notice may affect your rights to be returned to the same or comparable position.

STATE DISABILITY INSURANCE

All employees are eligible for disability insurance benefits provided by the State when an illness, injury, or pregnancy-related disability prevents them from working and they meet all the eligibility requirements. The cost of this insurance is fully paid by the employee through payroll deductions.

The benefits are calculated as a percentage of your salary, up to a weekly maximum as specified by law, for duration of up to 52 weeks.

Provide written notice of disability, including a doctor's certificate stating the nature of the disability and your expected date of return to work.

You are responsible for filing your claim and other forms promptly and accurately with the Employment Development Department. A claim form may be obtained from any office of the Employment Development Department by telephone, letter or in person.

FAMILY MEDICAL LEAVE ACT (FMLA)

The Company is not covered by FMLA.

CALIFORNIA FAMILY RIGHTS ACT (CFRA)

The Company is not currently covered by CFRA (5 employees or more). When it becomes covered:

CFRA authorizes an eligible employee to take up to a total of 12 workweeks of paid or unpaid job-protected leave with employer-paid health, dental, and vision benefits during a "rolling" 12-month period for one or more of the following reasons:

- The birth of a child or adoption or foster care placement of a child.
- To care for an immediate family member (spouse, child or parent) with a serious health condition.
- When the employee is unable to work because of a serious health condition.

WHO IS ELIGIBLE FOR CFRA LEAVE

1. An employee who has been employed for a total of at least 12 months on the date on which any CFRA leave is to commence, and
2. Who, on the date on which any CFRA leave is to commence, has physically worked for at least 1,250 hours during the previous 12-month period. The hours need not be consecutive hours. Time off for sick leave, holidays, and personal time off are not to be counted toward the 1250 hours of work.

A CFRA leave may be taken in one 12-workweek period, or in increments of a tenth hour or more that total 12 workweeks. The 12-workweek period means 60 working days, or 480 hours, for most full-time employees. For eligible employees who work less than full-time, the number of working days is adjusted on a proportional basis. For example, for an employee who works half time, 12 workweeks means 30 full days or 60 half days, or 240 hours. A rolling 12-month period is measured backward from the date an employee uses any CFRA leave. Each time an employee takes a CFRA leave, the remaining leave entitlement is any balance of the 12 workweeks that has not been used during the preceding 12 months.

An employee returning to work from a CFRA leave is entitled to be restored to the same position of employment (the one held by the employee when notice was given or the leave commenced) or to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. An employee may be temporarily transferred to an available alternative position, for which he or she is qualified, that has equivalent pay and benefits, that

better accommodates the employee's need to take intermittent leave or reduce his or her time base.

FAMILY LEAVE INSURANCE

The State of California may provide partial wage benefits to eligible employees for up to a maximum of six weeks for the following reasons:

- Care for an employee's or domestic partner's child after birth or placement for adoption or foster care;
- Care for a serious health condition of an employee's child, parent, spouse, or domestic partner.

The Paid Family Leave Act provides benefits based on past quarter earnings for up to six weeks in a 12-month period. The program is fully funded by employees' contributions to State Disability Insurance. The 12-month period begins on the first day an employee submits a claim.

To be eligible for benefits, employees may be required to provide medical and/or other information that support a claim for time off to bond with a new child or to care for a child, parent, spouse, or domestic partner with a serious health condition. In addition, there is a seven-calendar day waiting period before benefits begin.

You are responsible for filing your claim for family leave insurance benefits and other forms promptly and accurately with the Employment Development Department. A claim form may be obtained from the Employment Development Department by telephone, letter, the Internet or in person. All eligibility and benefit determinations are made by the Employment Development Department.

The Paid Family Leave Act does not provide a right to leave, job protection, or return to work rights. Further, this policy does not provide additional time off, but rather, family leave insurance may provide compensation during an approved leave pursuant to the California Family Rights Act, the Federal Family and Medical Leave Act, or any Company-provided leave.

Domestic partner shall mean a person who is neither married nor related by blood or marriage to the employee; it is the employee's sole spousal equivalent; lives together with the employee in the same residence and intends to do so indefinitely; is responsible with the employee for each other's welfare. A domestic partner relationship may be demonstrated by any three of the following types of documentation: a) a joint mortgage or lease; b) designation of the domestic partner as beneficiary for life insurance; c) designation of the domestic partner as primary beneficiary in the employee's will; d) domestic partnership agreement; e) powers of attorney for property and/or health care; and f) joint ownership of either a motor vehicle, checking account or credit account.

PREGNANCY DISABILITY LEAVE

All employees are eligible for an unpaid disability leave due to pregnancy, childbirth, or related medical condition for up to four months. Employees going on pregnancy disability must get a written job description, including physical and environmental aspects, from the Company that they will present to their doctor. In return, we will need a written statement from their doctor stating their limitations and/or time off needed due to disability because they cannot perform the job described, including specific dates. If affected by pregnancy or a related medical condition, you are eligible to transfer to a less strenuous or position/duties, if such a transfer is medically advisable and can be reasonably accommodated.

Accrued PTO will not be automatically substituted for unpaid pregnancy disability leave. Employees may elect to substitute any accrued but unused paid time off for unpaid pregnancy disability leave, including accrued PTO.

We will continue to provide health insurance coverage for up to 4 months for Pregnancy Disability Leave. During this time, you will be responsible for paying your portion of the monthly premium(s). When the above period expires, you may continue your health insurance, dental insurance, and vision care insurance coverage by making arrangements with the Accounting Department to pay the entire monthly premium in advance each month.

The Company may be able to seek reimbursement from an employee for premiums paid by the employer if the employee does not return from leave.

Within 2 business days of the employee providing notice that she is ready to return to work from a covered pregnancy disability leave, you will be restored to the same position, or to an available comparable position in accordance with state law. You must give the Company at least 30 days' advance notice if your need for pregnancy-related disability leave or transfer is foreseeable; otherwise, please give the Company notice of your need for leave or transfer as soon as is practicable.

SOCIAL SECURITY

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

UNEMPLOYMENT INSURANCE

Upon separation from employment, you may be entitled to state and federal unemployment insurance benefits. Information about unemployment insurance can be obtained from your supervisor or from the EDD at www.edd.ca.gov.

WORKERS' COMPENSATION

On-the-job injuries are covered by our Workers' Compensation insurance policy. This insurance is provided at no cost to you. If you are injured on the job, no matter how slightly, report the incident immediately to the Human Resources department. Consistent with applicable state law, failure to report an injury within a reasonable period of time could jeopardize your claim. We ask for your assistance in alerting management to any condition which could lead or contribute to an employee accident. Additionally, the Company will attempt to provide a reasonable accommodation which is medically necessary, feasible and does not impose an undue hardship on the Company as prescribed by applicable federal, state, or local law.

PROFESSIONAL DEVELOPMENT

Our Company believes in supporting the individual growth of its employees. To encourage employee development, our Company offers a professional development reimbursement program to eligible employees who attend job-related seminars and training.

To participate in this program, you must be a full-time employee who has completed one year of employment.

You must CSW to obtain approval for reimbursement, with all information regarding how the proposed training will benefit the company. Approval of the CSW from your supervisor must be received prior to registration for the seminar or training. The Company will use its discretion to determine how much money will be reimbursed for any job-related seminar or training depending upon how applicable the training is to the employee's work and other financial considerations. The limit for reimbursement is \$600 per employee per year.

Any approved reimbursement will occur upon presentation of proof/confirmation of successful completion of the seminar or training. The Company is unable to prepay for any seminar or training not yet completed. Reimbursement will be based on what the employee actually pays for the training, net of any scholarships or discounts, and a receipt showing the actual amount of payment that was made will be required. Reimbursement will be paid at a rate of \$100 per month after successful completion.

ON THE JOB

TARDINESS AND ABSENTEEISM

Regular attendance and punctuality are essential for the smooth operation of LeoFit. We want to establish uniform guidelines that will ensure a consistent and fair approach to solving attendance problems. Therefore, we have developed the following attendance policy which applies to all employees, including full time, part time, and flexible schedule employees.

A. Definitions:

- 1) Incident: An incident is a term used to tabulate deviations from a perfect attendance record.
- 2) Perfect Attendance: No absences, tardiness, or missed time clock punches in any twelve (12) month period.
- 3) Absence: An absence from work is defined as the failure of any employee to report to work when scheduled. This applies to any assignment, be it a regular shift, overtime, work, work related meetings, lunch, etc.
 - a) One day of absence will be considered one (1) incident.
 - b) A second consecutive calendar day of absence is not counted as an incident.
 - c) However, beginning with the third consecutive calendar day of absence and each day thereafter, each day of absence is considered a separate incident if the employee has not been released from work IN WRITING by a physician for the entire period.
 - d) If the employee has stayed home to care for a sick child and has a written note from a physician verifying the child's illness during that time it will not be considered an incident.
- 4) Partial Absence:
 - a) If an employee misses part of an 8 hour shift due to illness, either coming in late or going home early, and does not have sufficient PTO to cover the absence, each absence of less than 2 hours will be considered one half (.5) incident and each absence of more than 2 hours will be considered one (1) incident, unless the employee is released from work IN WRITING by a physician for the absence. This incident will be in addition to any incident for coming in late.
 - b) If the employee has to come in late or go home early to care for a sick child and has a written note from a physician verifying the child's illness during that time it will not be considered an incident.
 - c) If an employee has scheduled time off and does not have sufficient PTO accrued to cover the entire absence for any reason, it will be considered one half (.5) incident.

Clarification: Paid Time Off (PTO), paid holidays, jury duty, paid bereavement leave, job-related injuries, lack of work, military leave, and lay-offs will not count as incidents. Pre-approved unpaid leaves of absence will not count as incidents. Time off due to illness that is covered by PTO will not count as incidents, except in the case of coming in late due to illness, which is an incident. Time off due to illness that is not covered by PTO will count as incidents unless the employee has a doctor's note for the time missed.

- 5) Tardy: Tardiness occurs when an employee is not present at his/her workstation or location at their scheduled time. Tardiness also occurs when an employee leaves work prior to the end of their scheduled shift without prior approval to do so. Calling in late due to illness still counts as being tardy, even if the employee has sufficient PTO to cover the absence or is exempt.
 - a) Tardiness of LESS THAN two (2) hours will be considered one-half (1/2) incident.
 - b) Tardiness of two (2) or MORE hours will be considered one (1) incident.
- 6) Missed Punches: Missed punch occurs when an employee fails to swipe in or out on the time clock at the beginning or ending of their shift. A missed punch will be considered one-half (1/2) incident. In the event that it was physically impossible for the employee to swipe in or out due to being absent from the premises on an authorized work assignment, no incident will be assigned to that missed punch.
- 7) No Call/No Show: Employees must report their absence each day unless the time off has been pre-approved. Failure to do so is considered a no call/no show. Also, failure to report one's absence before your scheduled start time (9:00am for Estate Buyers) will be regarded as a no call/no show which will be considered one and one-half (1-1/2) incidents.
- 8) Late Return from Breaks: Employees who are late to return from a lunch break or any 15-minute break will earn one-half (1/2) incident.

If you are absent for one day without notifying the company, it is assumed that you have voluntarily terminated your position with the company and unless a reasonable excuse is offered to and accepted by LeoFit, you will be removed from the payroll.

B. Reporting Requirements

- a) Employees must notify their supervisor and get a response before their schedule start time (before 9:00am for Estate Buyers) if they are going to be absent or more than 30 minutes tardy (except during pre-approved time off). Failure to do so will result in a no call/no show 1-1/2 incidents. **See policy entitled, "Calling in Sick or Tardy" for specific requirements of calling in and getting a response.**

C. Guidelines for Attendance Control

Based on the number of incidents in a twelve (12) month rolling period, an employee will be subject to disciplinary action under either Section 1 or 2 below:

- 1) Short-Term Progressive Discipline: Short-term progressive discipline is appropriate for employees who meet the following guidelines, but have less than six (6) incidents in a twelve (12) month rolling period.

- a. Two incidents in any 30 day calendar period – Friendly Reminder.
 - b. Three incidents in any 60 day calendar period – Verbal Warning
 - c. Two additional incidents within the next 90 day calendar period following the verbal warning – Written Warning
 - d. Any additional (full) incidents within the next 6 months after the written warning will result in termination of employment, pending investigation and review by the CEO and the Director of Human Resources.
- 2) Long-Term Progressive Discipline: Long-term progressive discipline is appropriate for employees who have accumulated six (6) incidents in a twelve (12) month rolling period.
- a. The sixth (6th) incident in a twelve (12) month rolling period will result in the next step of discipline (i.e., if there was no previous contact under 1) above, then a Friendly Reminder would be in order; if the previous contact under 1) above was Verbal Warning, then a Written Warning would be in order, etc.).
 - b. Each succeeding incident (repeat of 6th, 7th, etc.) in a twelve month rolling period may result in the next step of discipline (i.e., Verbal Warning, Written Warning, and Termination).

Discipline will be given in the following order: Friendly Reminder, Verbal Warning, Written Warning, and then Termination (as shown in 1 & 2 above).

D. Removal of Incidents

- 1) If an employee has not accrued any incidents within 4 months from the last incident received, one-half incident will be removed on the 4-month anniversary of the last incident. This is meant to benefit employees who have made a strong effort to not receive any disciplinary action.
- 2) If the employee has no incidents accrued then none can be removed and the accrual stays at zero.
- 3) Once a half-incident has been removed, another 4 months from the date of removal must elapse before another half-incident can be removed.

E. Terminated Employees:

- 1) Employees that have been terminated as a disciplinary step resulting from attendance issues as described in this policy may submit a CSW request to be rehired.
 - (a) The CSW request for rehire can be submitted the same day as termination occurs. If rehired, the employee could begin working as early as the next day after termination.
 - (b) Wages will be renegotiated in the rehiring process.

- (c) A CSW request for rehire does not guarantee the terminated employee future employment with the company. The request may be denied with or without cause.
- (d) Employees that are approved for rehire for the same position that they held previously (and within the 12-month period following termination) will not be subjected to a 90 day Introductory Period and will start out with no accumulated incidents.
- (e) Employees are only allowed to CSW to be rehired once every five years. If an employee has CSW'd to be rehired within the last five years and is terminated for attendance issues, the termination is final.

NOTE: Any established pattern of absence or attempts to circumvent the intent of this policy will be considered an abuse of this policy and be subject to disciplinary procedures. Nothing in this policy precludes the at-will employment status of any employee being subjected to this policy and either party can terminate the relationship at any time without prior notice, with or without cause, and with or without any previous disciplinary actions.

Although there is no incident associated with leaving early due to illness unless the employee does not have sufficient PTO to cover the absence, should an employee's unscheduled absences occur with such frequency so as to adversely affect department operations and prevent the employee from meeting their employment obligation of regular and reasonable attendance, the Company may take corrective action up to and including termination of employment.

There will be no exceptions to this policy unless specifically allowed in writing by the CEO or an Officer of the company.

WORKWEEK

Because of the nature of our business, your work schedule may vary depending on your job and your employment status. Our standard workweek for purposes of calculating overtime for non-exempt employees is Sunday through Saturday. Our normal business hours can be any time from 7:00 a.m. to 6:00 p.m. Check with your supervisor if you have questions about your hours of work.

MEAL TIME

California law requires that all non-exempt employees must take a 30-minute, unpaid meal break each day within the first 6 hours of work performed. Such non-exempt employees may not skip the meal break, and working through your meal break does not entitle you to leave work early or arrive late. Non-exempt employees on meal break should not be informed of or requested to answer any work related information and while on break are not permitted to read or respond to work related emails or calls they may receive on their cell phone, laptop or tablet. Any

employee who violates this policy is subject to disciplinary action leading up to and including termination. Employees are permitted to leave the premises while on a meal break; however, any additional time spent on break over and above the allowed 30 minutes is not paid time, and any violations of the meal break time limit may subject the employee to attendance incidents and/or disciplinary action.

Late Return from Breaks: Employees who are late to return from a lunch break or any 15-minute break will earn one-half (1/2) incident.

Each non-exempt employee (on an hourly rate) must to keep an accurate record of the daily lunch period. Your supervisor will place a paper time card in all comm boxes every Monday. This will follow the same week as our pay period, which is Monday to Sunday. The employee will keep the time card all week to note their daily lunch periods. These should be recorded at the time that lunch is taken, not later in the day, to ensure that the time records are accurate.

The time card is filled in for the week and turned in to your supervisor by close of business on Sundays. It will be kept with your timesheet for the same pay period. Each employee must sign the bottom of the timecard before turning it in.

BREAKS

California law requires that all non-exempt employees will receive one, 10-minute uninterrupted paid break for every four hours worked. LeoFit policy is to allow 15-minute paid breaks instead of 10-minute breaks. Non-exempt employees on break should not be informed of or requested to answer any work related information and while on break are not permitted to read or respond to work related emails or calls they may receive on their cell phone, laptop or tablet. Any employee who violates this policy is subject to disciplinary action leading up to and including termination. Generally, breaks should be taken as close to the middle of the work period as is possible. Employees are permitted to leave the premises while on break; however, any additional time over the 15 minutes that is taken is not paid time, and any violations of the break time limit may subject the employee to disciplinary action. Employees may not combine their breaks with each other or with the meal break. Additionally, working through your rest periods does not entitle you to leave work early or arrive late.

Because breaks should be taken in the middle of the work period rather than at the beginning or end, no breaks are permitted during the first hour or last hour of your shift. Contact your supervisor for details.

Late Return from Breaks: Employees who are late to return from a lunch break or any 15-minute break will earn one-half (1/2) incident.

Employees who are on break are asked to not disturb employees who are not on break so as not to interrupt their workflow, and instead to direct their conversation and comments to those who are also on break at the same time. Breaks are not to be taken in the workout areas; instead, employees on break should leave the premises or go to the break room.

Employees should confer with the supervisor before taking their break at the same time, so as not to leave the Company understaffed.

EXEMPT EMPLOYEES BREAKS

Exempt employees are not subject to the laws regarding either meal breaks or paid breaks. However, as a company policy, exempt employees should not take more than a 15-minute break in the morning and afternoon, or more than 30 minutes for lunch, unless there is a business purpose for taking a longer lunch (lunch with a vendor or customer for example).

CAFETERIA SERVICES

Our Company provides a break room for all employees to use. All meals consumed in the building must be done so in the designated eating area.

Although the Company provides general custodial care, you are expected to clean up after eating; these areas should be kept clean for the next person's use.

ON-THE-JOB TRAINING

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

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

If you have any questions regarding training, please see your supervisor.

CLEAN UP

At the end of each shift, 10-15 minutes are designated for cleaning the work area. This time is paid.

GOOD HOUSEKEEPING

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

STANDARDS OF CONDUCT

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

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

Certain actions may result in disciplinary action, up to and including discharge, including but not limited to the following:

- violation of the Company's policies or safety rules;
- insubordination;
- unauthorized or illegal possession, use or sale of alcohol or controlled substances on work premises or during working hours, while engaged in Company activities or in Company vehicles;
- unauthorized possession, use or sale of weapons, firearms or explosives on work premises;
- theft or dishonesty;
- physical harassment;
- sexual harassment;
- disrespect toward fellow employees, visitors or other members of the public;
- performing outside work or use of Company property, equipment or facilities in connection with outside work while on Company time;
- poor attendance or poor performance.

These examples are not all inclusive. We emphasize that discharge decisions will be based on an assessment of all relevant factors.

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

ACCESS TO PERSONNEL FILES

Upon request, employees may inspect their own personnel files at a mutually agreeable time, on Company premises in the presence of a Company official. You will be permitted to see any records regarding your qualification for employment, promotion, wage increases, or discipline. Exceptions include records regarding criminal investigation and any letters of reference maintained by the Company. You will be allowed to have a copy of any document you have signed relating to your employment.

For more information, contact the Human Resources department.

SOLICITATION AND DISTRIBUTION

In order to avoid unnecessary annoyances and work interruptions, solicitation by an employee of another employee is prohibited while either person is on working time.

Employee distribution of literature, including handbills, in work areas is prohibited at all times.

Trespassing, soliciting, or distribution of literature by non-employees on these premises is prohibited at all times.

CHANGES IN PERSONAL DATA

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

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

PROTECTING COMPANY INFORMATION

Protecting our Company's information is the responsibility of every employee, and we all share a common interest in making sure it is not improperly or accidentally disclosed. Do not discuss the Company's confidential business with anyone who does not work for us.

All telephone calls regarding a current or former employee's position/compensation with our Company must be forwarded to the Human Resources department.

The Company's address or fax number shall not be used for the receipt of personal mail and all mail received at the Company's address is subject to inspection.

CONFLICT OF INTEREST/CODE OF ETHICS

A Company's reputation for integrity is its most valuable asset and is directly related to the conduct of its officers and other employees. Therefore, employees must never use their positions with the Company or any of its customers for private gain, to advance personal interests or to obtain favors or benefits for themselves, members of their families or any other individuals, corporations or business entities.

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

importance.

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

MOONLIGHTING

We at LeoFit recognize that there may be times when our employees wish to take on second jobs for a variety of reasons. Although this is generally not a problem, there are some considerations that we must be aware of and certain conditions that we ask all employees to fulfill. The main issue is that the second job does not interfere with the employee's outstanding performance of their job here, and that there is no conflict of interest such as working for a competitor.

If you wish to work part-time for another firm, please discuss the matter with your supervisor prior to accepting the job. There may be good reasons not to accept another job and thus a problem can be avoided.

The rules for moonlighting as an employee of LeoFit are as follows:

1. Except as otherwise agreed, employment by LeoFit, Inc., shall be deemed to be "full time." The Company recognizes the fact that an employee may be justified, under some circumstances, in accepting casual outside employment to be performed after working hours if no conflict with the Company's interest is involved.
2. No employee shall ever be permitted to engage his or her time or talents with a firm that competes with LeoFit, Inc. No employee can be permitted to reveal what he or she learns regarding techniques, systems, policy, programs, trade secrets or proprietary information and so forth to any other individual or company whether a competitor or not or use such proprietary information in a business owned by the employee.
3. No employee shall accept or engage in any activity, business, or employment, either during or after working hours that would conflict with LeoFit, Inc.'s interests or diminish the ability of the employee to render to the Company the full, loyal, and undivided service which is contemplated in his or her employment by the Company. If your work performance is affected by a second job, we may ask you to drop one job.
4. Second jobs are permissible only if the employee can continue to perform his or her normal work requirements within the scheduled workweek. Work assignments and schedules will not be changed for you to perform duties not related to LeoFit, Inc. (the Company). The employee cannot perform outside work during the normally scheduled work hours of the Company.
5. The outside employment cannot involve work that would adversely affect the Company's image.
6. The employee cannot represent the Company while working for an outside employer.

7. The employee cannot use the Company's tools or equipment (fax, phone, copier, software, computer, letterhead, envelopes, jeweler's equipment, mailing supplies, etc.) for outside work nor do any outside work on Company grounds.
8. Serving on the board or in an advisory capacity for another business or for-profit organization must be approved by the CEO or a Company Officer.
9. Permission to hold any outside employment or business interests with anybody doing business with LeoFit, Inc., its suppliers, or dealers must be secured in writing from the CEO or a Company Officer. Failure to secure advance permission may result in immediate termination.

CARE OF EQUIPMENT

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

COMPANY OR PERSONAL VEHICLE USE/ TRAFFIC VIOLATIONS/ INSURABILITY

Operators of Company vehicles or personal vehicles on Company business must be currently and properly licensed by the State of California DMV to operate a motor vehicle. Any changes to your ability or license to operate a vehicle are to be reported to the CEO immediately. As a condition of employment, if you are required to drive, you must have proof of insurance, and must be insurable by our insurance carrier.

Upon the Company's approval for the use of your vehicle for company business, you will be reimbursed a reasonable mileage reimbursement whenever you are required to use your own vehicle to perform company business. Contact your supervisor for information on the company's mileage reimbursement procedures.

Accidents involving a Company vehicle or your personal vehicle while on Company business must be reported to the CEO immediately. If there is significant property damage or any injury to any person, do not leave the scene of the accident until a police officer is summoned to take a statement. Take pictures of the vehicle you were driving that show the damage, all other vehicles involved in the accident showing any damage to those vehicles, and any surroundings that would illustrate what happened (skid marks on pavement, stop signs or street lights, position of vehicles after the accident).

Involvement in two (2) "at fault" accidents when you are operating a Company-owned or -leased vehicle or driving your personal vehicle on Company business which results in damages to either the Company's property or another's property, or results in injury to another person or causes accidents where the damages to any person or any property exceeds \$500.00 may result in your immediate termination.

Determination of "at fault" for the purpose of this provision shall be, but not limited to, the following:

1. Issuance of a citation as a result of an accident by a properly constituted law enforcement agency.
2. Judgment of fault by a court of competent jurisdiction.
3. Backing accident when working with a helper/swamper, without helper/swamper being positioned behind the vehicle to give operator audible and visual signals.
4. Rear-ending another vehicle.

Employees are responsible for any moving and parking violations and fines which may result when operating a Company vehicle or driving your personal vehicle on Company business.

Company vehicles should be operated by the authorized employee only and passengers are only permitted as explicitly authorized by your supervisor. Company vehicles may only be used for job-related travel. The vehicle is to remain in the garage when it is not in use or during times when the Company is closed; in addition, the keys are to remain in the store at all times that the vehicle is on Company premises.

No unauthorized passengers are allowed in a personal vehicle while on Company business without prior Management approval.

Smoking is prohibited in Company vehicles. The operator(s) of the vehicle are responsible for the safe operation and cleanliness of the vehicle.

The use of seatbelts is mandatory for operators and passengers of Company vehicles or while operating a personal vehicle on Company business. No employee or passenger may ride in or operate a Company vehicle or a personal vehicle while on Company business unless wearing a seatbelt. Any fines received for not wearing seatbelts are the responsibility of the driver.

The use of a hands-free device while driving a vehicle is required by law. No employee is allowed to operate a cell phone while driving any Company vehicle or operating a personal vehicle on Company business unless he or she uses a hands-free device. Employees are prohibited from texting at any time while driving any Company vehicle or operating a personal vehicle on Company business. Employees under the age of eighteen are prohibited from using a cell phone at any time while driving.

PERSONAL PROPERTY

The Company is not responsible for loss or damage to personal property. Valuable personal items, such as purses and all other valuables should not be left in areas where theft might occur.

VISITORS

If you are expecting a visitor, please notify your supervisor. All visitors must first check in at the reception area. Visitors are not allowed in any area of the building other than the public workout areas without prior approval from an officer of the Company. Under no circumstances will visitors be allowed in confidential, unauthorized, or potentially hazardous areas.

SEVERE WEATHER

Except in cases of severe storms or natural disasters, we are all expected to work our regular hours. Time taken off due to poor weather or hazardous conditions while the business remains open is unpaid.

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

If extreme conditions require closing of the building, you will be notified by the Human Resources department.

PERSONAL TELEPHONE CALLS

It is important to keep our telephone lines free for customer calls. Although the occasional use of the Company's telephones for a personal emergency may be necessary, routine personal calls should be kept to a minimum.

CELL PHONES

Cell phones are not to be used at work. Any reasonable call you need to take should come through the main phone system. An exception to this rule is the use of the Gym cell phone for social media posting and inquiries.

All calls should come through the main number for the gym.

See the Company Policy entitled, "Phone Calls" for further details.

INTERNET AND TEXTING ON BREAKS

Employees are allowed to use their cell phones for internet and texting during lunch breaks and 15-minute breaks, but only away from their desks. Cells phones cannot be used for any reason at your desk even if you are on break. You must go outside or into the locker room in order to surf the net or text on your cell phone on your breaks.

Do not leave your cell phone out on your desk during work hours. The temptation to look at the incoming text message, or squeeze off a reply, is too great. Keep your cell phone in a pocket, handbag, or desk drawer while you are at work.

You may occasionally look up phone numbers on your cell phone in order to place a call through the regular phone system, but that should be a rare occasion.

ELECTRONIC MAIL MONITORING

We recognize your need to be able to communicate efficiently with fellow employees and customers. Therefore, we have installed an internal electronic mail (e-mail) system to facilitate the transmittal of business-related information within the Company and with our customers.

All computers and systems are Company property and the Company retains the right to inspect the computer and system at any time.

Our Company's policies against sexual and other types of harassment apply fully to the e-mail system. Violations of those policies are not permitted and may result in disciplinary action, up to and including discharge. Your computer is not to be used in a way that may be disruptive, offensive to others, or harmful to morale. Therefore, employees are also prohibited from the display or transmission of sexually-explicit images, messages, ethnic slurs, racial epithets or anything which could be construed as harassment or disparaging to others based on their race, national origin, sex, sexual orientation, age, religious beliefs, or political beliefs.

Employees shall not use unauthorized codes or passwords to gain access to others' files.

All e-mail passwords must be made available to the Company at all times. Please notify the IT department if you need to change your password.

For business purposes, management reserves the right to enter, search and/or monitor the private Company e-mail system and the files/transmission of any employee without advance notice and consistent with applicable state and federal laws.

Employees should consider all transmissions to be of a permanent nature, such that the Company will be able to retrieve and read or view them at a later time. Therefore, all communications on Company computers and systems should be composed with the belief that they will be subject to the same review as a written letter.

Company management monitors E-mail and Internet usage periodically to be sure that the equipment is being used for business purposes. System security features, including passwords and message delete functions, do not neutralize the Company's ability to access any message at any time. Employees must be aware that the possibility of such access always exists. Thus, employees do not have any right of privacy in the information, material, or images contained in any Company computer used at the office, on the road, or at home.

☐ The use of email is for business purposes only

- ☐ E-mail that includes jokes or content that could be deemed offensive is prohibited
- ☐ The use of e-mail to send confidential or other such materials that might be sensitive to the Company is prohibited
- ☐ The Company has the right to monitor and review all e-mail sent and received by company employees

INTERNET USAGE

As a growing Company, we recognize the need to stay on the cutting edge of technology. This is one of the reasons we allow employees to have access to the Internet.

The Internet is intended for business use only. Use of the Internet for any non-business purpose, including but not limited to, personal communication or solicitation, purchasing personal goods or services, gambling and downloading files for personal use, game playing, and posting on social networking sites such as Facebook or Twitter, is strictly prohibited unless specifically authorized by management.

Our Company's policies against sexual and other types of harassment apply fully to Internet usage. Violations of those policies are not permitted and may result in disciplinary action, up to and including discharge. Therefore, employees are also prohibited from displaying, transmitting and/or downloading sexually explicit images, messages, ethnic slurs, racial epithets or anything which could be construed as harassment or disparaging to others.

Consistent with applicable federal and state law, the time you spend on the Internet may be tracked through activity logs for business purposes. All abnormal usage will be investigated thoroughly.

Employees learning of any misuse of the Internet shall notify a member of management.

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

- ☐ Visiting web sites that are deemed inappropriate, including sites featuring pornography, online games or potentially offensive material is prohibited
- ☐ No personal shopping or personal business transactions are permitted via the Internet
- ☐ Computer use is for authorized employees only
- ☐ No one other than the specific employee is permitted to use his or her own personal password
- ☐ Any computer virus or malfunction must be reported immediately

The personal use of Twitter, Facebook or social networking web sites must not interfere with working time. Company approval is required for authors who use electronic resources of the Company to send "tweets" or other public messages. Any messages that might act as the "voice" or position of the Company must be approved by the Company. Any identification of the author, including usernames, pictures/logos, or "profile" web pages, should not use logos, trademarks, or other intellectual property of the Company, without approval of the Company. If he or she is not providing an official message from the Company, an employee who comments on any aspect of the Company's business must include a disclaimer in his or her "profile" or "bio" that the views

are his or her own and not those of the Company. A message should not disclose any confidential or proprietary information of the Company including information about our customers. Online sites are in the public domain and posted messages, blogs, links, and photos are, or can become, public. Certain off-duty actions may result in discharge from employment. Use common sense.

DRESS POLICY

As employees of LeoFit, we want to promote a productive work environment and represent our company with customers in a professional manner. We are an upscale personal training institute, and our appearance should reflect our status.

The below lists represent what is generally acceptable or not acceptable as training professional attire. Neither list is all-inclusive; both are open to change or interpretation by management.

No dress code can cover all contingencies so you must exert a certain amount of judgment in choice of clothing to wear to work. Consult with your supervisor if you are uncertain about acceptable, professional attire for work.

The dress code applies from the time we arrive at work until the time that we leave work.

PERSONAL APPEARANCE AND ATTIRE OF EMPLOYEES

Requirements for all employees:

- A well-groomed appearance
- All clothing must be clean, pressed, and of an appropriate fit
- Appropriate undergarments
- Clean, neatly styled hair for women
- Clean neatly trimmed hair, mustaches and beards for men
- Clean, neatly groomed hands and fingernails
- Piercings other than earrings permitted if not extreme or creating a safety hazard

Dress code for employees with customer contact, including trainers:

Gym Attire for Trainers:

All trainers will wear the standard uniform of company logo-branded t-shirt and exercise leggings, tights, or jogger pants at all times while in the gym, whether or not they are on the clock or working with a client.

- Exercise leggings or tights
- Appropriately fitting joggers
- Compression gear
- Clean workout shoes in good condition

- Company logo branded shirts or well fitted t-Shirt

NOT PERMITTED is including but not limited to the following:

For all employees:

- Hats of any kind
- Visible tattoos on face; tattoos that may be considered offensive must remain covered.
- Hairstyles of unnatural coloring or extreme appearance.
- Casual shoes other than athletic shoes: Sandals made of casual materials such as canvas, rubber, and cork, thongs of any kind, hiking type shoes, casual or combat boots, Ugg boots, or shoes that may pose a safety hazard.
- Revealing tops including spaghetti straps, halter tops, tube tops, and low cut or bare-back tops.
- Tank tops
- Exposed undergarments including bra straps
- Extreme or multiple piercings except for earrings
- Shorts of any kind
- Fabric types inappropriate for the business environment including revealing, sheer or see-through
- Makeup that is extreme or distracting
- Fingernails or toenails of a length, color or fashion that is unprofessional in appearance, distracting, impedes performance, or affects safety
- Very baggy or very sheer/revealing clothing which looks unprofessional
- Clothing decorated with words or sayings (excluding brands and logos)
- Sunglasses or any tinted eyewear

Anything that could be considered offensive, distracting, unprofessional in appearance, or not in the best interest of our image to our clients will not be permitted. Employees may be asked to return home to change clothing or appearance that does not conform to the policy.

PERSONAL HYGIENE

Maintaining a professional, business-like appearance is very important to the success of our Company. Part of the impression you make on others depends on your choice of dress, personal hygiene, and courteous behavior. A daily regimen of good grooming and hygiene is expected of

everyone. Please ensure that you maintain good personal hygiene habits. While at work, you are required to be clean, dressed appropriately, and well groomed.

Breath Freshener – use chewing gum or mints to keep your breath fresh when engaging with clients

Brush - Keep a brush on hand to tidy yourself up before your session begins

Deodorant - No client is going to want to be greeted by a bad smell. If you're working multiple sessions in a day be sure to keep your deodorant topped up, in order to keep body odor at bay

No aftershave or perfume is allowed. Many clients have smell sensitivities.

REFERENCE CHECKS

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

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

PARKING

Employees must park within legal areas on the street, excluding the street directly in front of the building in the 2-hour parking zone. Employees are not allowed to park in the parking lot adjacent to the building; that parking must remain reserved for clients only. The Company is not responsible for loss, damage, or theft of your vehicle. Therefore, we suggest that you lock your car doors and do not leave valuables out where they are visible to passersby.

CONTACT WITH THE MEDIA

All media inquiries regarding the Company and its operations must be referred to the CEO. Only the CEO is authorized to make or approve public statements pertaining to the Company or its operations. No employees, unless specifically designated by the CEO, are authorized to make those statements.

IF YOU MUST LEAVE US

Should you decide to leave your employment with us, please contact your supervisor as soon as possible.

If you participated in the group health insurance plan, you are eligible to apply for COBRA continuation of your insurance coverage after coverage on the group plan ends. The Company has 30 days to submit COBRA notification, and the employee has 60 days from that time to submit the application to accept COBRA coverage. The actual last day to postmark the application will be in the application that is mailed to you from COBRA.

Covered California is another option for securing health insurance coverage after employment termination.

Employees who are rehired following a break in service in excess of one year, other than an approved leave of absence, must serve a new 90-day introductory period whether or not such a period was previously completed. Upon completion of the introductory period, PTO accrual rates are set using the employee's cumulative length of service. Such employees are considered new employees from the effective date of their reemployment for the purpose of medical, 401K and FSA benefits and must complete the appropriate waiting period before accessing these benefits.

Employees who quit without giving notice are ineligible for rehire.

Additionally, all resigning employees are encouraged to complete a brief exit interview prior to leaving. All Company property, including this Employee Handbook, must be returned upon termination. The Company may take action to recoup any replacement costs and/or seek the return of Company property through appropriate legal recourse for any Company property not returned before leaving.

Please notify the Payroll department if your address changes during the calendar year in which termination occurs so that your tax information will be sent to the proper address.

SAFETY AT WORK

EACH EMPLOYEE'S RESPONSIBILITY

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

Please observe the following precautions:

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

2. The unauthorized use of alcoholic beverages or illegal substances during working hours will not be tolerated. The possession of alcoholic beverages or illegal substances on the Company's property is forbidden.
3. Use, adjust and repair machines and equipment only if you are trained and qualified.
4. Get help when lifting or pushing heavy objects.
5. Understand your job fully and follow instructions. If you are not sure of the safe procedure, don't guess, just ask your supervisor.
6. Know the locations, contents, and use of first aid and firefighting equipment.

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

WORKPLACE SEARCHES

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

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

WORKPLACE VIOLENCE

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

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

All reports of work-related threats will be kept confidential to the extent possible, investigated and documented. Employees are expected to report and participate in an investigation of any suspected or actual cases of workplace violence.

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

SMOKING IN THE WORKPLACE

Our Company is committed to providing a safe and healthy environment for employees and visitors. Smoking is not permitted anywhere in the building including the parking garage. Smoking is only permitted outside the building in the designated areas.

POSSESSION OF WEAPONS

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

Employees who are aware of violations or threats of violations of this policy are required to report such violations or threats of violations to their supervisor immediately.

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

IN AN EMERGENCY

The CEO should be notified immediately when an emergency occurs. Emergencies include all accidents, medical situations, bomb threats, other threats of violence, and the smell of smoke. If the CEO is unavailable, contact the nearest supervisor.

Should an emergency result in the need to communicate information to employees outside of business hours, your supervisor will contact you. Therefore, it is important that employees keep their personal emergency contact information up to date. Notify your supervisor in the event this information changes.

Additionally, the Company has established a voicemail system which can be reached at 619-299-1500. In the case of an emergency, employees may call the system to obtain updated information.

When events warrant an evacuation of the building, you should follow the instructions of your supervisor or other management or building official. Leave the building in a quick and orderly manner and assemble at the pre-determined location as communicated to you by your supervisor to await further instructions or information.

Please direct any questions you may have about the Company's emergency procedures to your supervisor.

OFFICE PARTIES AND EVENTS; ALCOHOL

Employee attendance at office parties and similar off-site events is entirely voluntary. You are not required to attend these events and will receive no compensation for attending.

Alcoholic beverages may be served. You are not required to consume alcohol and non-alcoholic beverages will be available.

If you plan to drink alcoholic beverages, you must drink responsibly, exercise caution, and designate a driver. The company will be glad to call a cab for you if you need one. Any employee under the age of twenty-one (21) must not consume alcoholic beverages.

Please be considerate of your coworkers if you attend an office party. Remember that the party is for everyone to have a good time but remains a business function and should be treated accordingly. Please refrain from conduct that could be considered offensive or inappropriate.

The company reserves the right to ban from future events any employee who violates this policy.

DRUG FREE WORKPLACE POLICY

We are concerned about the use of alcohol in the workplace. This concern is based upon the effect that the use of alcohol has on your performance on the job. Use of alcohol on the job adversely affects your work performance, efficiency, safety, and health and therefore seriously impairs your value to the Company. In addition, the use of alcohol on the job constitutes a potential danger to the welfare and safety of other employees and exposes the Company to the risks of property loss or damage or injury to other persons.

Similarly, the Company requires and demands a workforce and workplace free of illegal substances (any drug which (a) is not legally obtainable or (b) is legally obtainable but has not been legally obtained. The term includes prescribed drugs not legally obtained and prescribed drugs not being used for the prescribed purposes.) This requirement is based upon the fact that any measurable amount of an illegal drug may render the employee physically or mentally impaired. While the Company recognizes your right to your own lifestyle, the Company will not

accept the risk that on-the-job or off-the-job drug abuse by you may cause or contribute to accidents or other job performance problems.

Furthermore, the use or being under the influence of any legally obtained drugs by you while performing Company business or while in a Company facility is prohibited to the extent such use or influence may affect the safety of co-workers, members of the public, your job performance, or the safe or efficient operation of the Company facility. If you feel or have been informed that the use of a legal drug may present a safety risk, you are to report such drug use to your supervisor .

In order to provide you with some guidance concerning unacceptable behavior, the Company strictly prohibits the following:

- Possession, use, or working under the influence of alcohol and/or an illegal substance.
- Distribution, sale, dispensing, manufacture, or purchase of illegal controlled substances or controlled substances used in an illegal way at the worksite.
- Driving a Company vehicle at any time or your personal vehicle on Company business while under the influence of alcohol or an illegal substance.
- The use of, or working under the influence of, any controlled substance, including prescription drugs, if such use or influence may affect the safety of co-workers, members of the public, your job performance or the safe or efficient operation of the Company facility.

In order to enforce this policy, the Company reserves the right to conduct searches of all property on Company premises, including but not limited to contents of lockers, brief cases, purses, desks, file cabinets, and vehicles parked on Company property and implement other measures necessary to deter abuse of this policy.

If you have chemical dependencies (alcohol or drugs), the Company will encourage and assist you to seek treatment and/or rehabilitation. To this end, if you desire such assistance you should request a treatment or rehabilitation leave.

If you violate the above rules and standards of conduct, the Company may bring the matter to the attention of appropriate law enforcement authorities.

REASONABLE SUSPICION TESTING

You will be tested for the presence of drugs and/or alcohol if reasonable suspicion exists to indicate that your ability to perform your work or to work safely may be impaired. Also, if there is reasonable suspicion of your possession, distribution, dispensing, manufacture of illegal drugs, or usage of alcohol or illegal drugs at the workplace, reasonable suspicion testing will be required.

If you fail the drug test and/or have alcohol present at the levels set forth by the Company, your employment may be terminated. If you refuse or otherwise fail to comply with the required suspicion-based testing process, you will be subject to immediate suspension without pay followed by termination of employment. Any drug test specimen that is diluted or with no

temperature readings will be considered a failed drug test. A failed drug test will result in immediate suspension without pay followed by termination of employment.

POST-ACCIDENT TESTING

In order to fully investigate the causes of job related accidents and damage to company property, those employees who were involved will be tested for drugs and alcohol when a job related accident occurs if medical treatment is required beyond the immediate vicinity of the worksite or there is an accident that creates any damage to company property.

MEDICAL MARIJUANA

The possession of a Proposition 215 medical marijuana card will not insulate you from negative consequences for violating the provisions of this section.

DISCIPLINARY ACTIONS

Employees who arrive at work and are incapacitated or not able to fully perform the duties of their jobs due to prior excessive alcohol consumption will be sent home. The company reserves the right to determine whether or not the employee is incapacitated based on observation, circumstantial evidence, and/or eyewitness reports. Employees who have accrued PTO must use the PTO to cover their absence. Employees who do not have accrued PTO will not be paid and will earn an attendance incident for the absence. Other disciplinary actions may apply, up to and including termination.

Your employment or continued employment with the Company is conditioned upon your full compliance with the foregoing substance abuse policy. Any violation of this policy may result in disciplinary action, up to and including discharge. An employee who violates this policy and who is subject to termination may be permitted at the Company's sole discretion and at the employee's cost to participate in and successfully complete an appropriate treatment, counseling or rehabilitation program as recommended by a substance abuse professional as a condition of continued employment and in accordance with applicable federal, state and local laws.

RECEIPT OF EMPLOYEE HANDBOOK

EMPLOYMENT-AT-WILL STATEMENT

This is to acknowledge that I have received a copy of the LeoFit Employee Handbook, have read it, and understand it. I further understand that it sets forth the terms and conditions of my employment as well as the duties, responsibilities and obligations of my employment with the Company. I understand and agree that it is my responsibility to read the Employee Handbook and to abide by the rules, policies, and standards set forth in the Employee Handbook.

I also acknowledge that my employment with LeoFit is not for a specified period of time and can be terminated at any time for any reason, with or without cause or notice, by me or by the Company. I acknowledge that no oral or written statements or representations regarding my employment can alter the foregoing. I also acknowledge that no manager or employee has the authority to enter into an employment agreement - express or implied - providing for employment other than at-will.

I also acknowledge that, except for the policy of at-will employment, the Company reserves the right to revise, delete and add to the provisions of this Employee Handbook. All such revisions, deletions, or additions must be in writing and must be signed by the CEO of the Company. No oral statements or representations can change the provisions of this Employee Handbook. I also acknowledge that, except for the policy of at-will employment, terms and conditions of employment with the Company may be modified at the sole discretion of the Company, with or without cause or notice, at any time. No implied contract concerning any employment-related decision, term of employment or condition of employment can be established by any other statement, conduct, policy, or practice.

I understand that the foregoing agreement concerning my at-will employment status and the Company's right to determine and modify the terms and conditions of employment is the sole and entire agreement between me and LeoFit concerning the duration of my employment, the circumstances under which my employment may be terminated and the circumstances under which the terms and conditions of my employment may change. I further understand that this agreement supersedes all prior agreements, understandings, and representations concerning my employment with the Company.

If I have questions regarding the content or interpretation of this Employee Handbook, I will bring them to the attention of my supervisor.

NAME _____

DATE _____

EMPLOYEE
SIGNATURE _____