CALIFORNIA ASSOCIATE HANDBOOK

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WELCOME TO THE FAMILY!

Dear Associate,

On behalf of Paradies, we welcome you to the Company and wish you every success here. Whether you are just beginning your employment with Paradies, or are already a part of the Paradies community, we want you to enjoy a productive and successful career with us.

You are beginning your career with one of the most aggressive and exciting companies in the merchandising and food and beverage industries today. You are part of a great team! We believe that each Associate contributes directly to Paradies’ growth and success, and hope you will take pride in being a contributing member of our team. We know you will enjoy success in satisfying our valued customers.

For nearly two decades Paradies has been awarded “Best Airport Retailer” and has won numerous other awards including “Concessionaire with Highest Regard for Customer Service”, “Best News and Gift Operator” and “Best Airport Retail Store Design”. Paradies has also been recognized as the Georgia Family Business of the Year and ranked as one of Atlanta’s Top Employers. In addition, Paradies has also been recipient of the best places to work awards in Phoenix, AZ; Portland, OR; Hartford, CT; Des Moines, IA; Sacramento, CA; and Orlando, FL!

You have been selected as a Paradies Associate because of your positive attitude and ability to provide the best service to our customers. Our reputation for excellence in customer service is unsurpassed. Your high standards, coupled with the Company’s demand for excellence, will result in further growth for you and for the Company. Be assured that your progress is of vital concern to us.

Our primary goal at Paradies is to live our mission statement and adhere to our core values, as well as continue to be the industry leader. We can achieve this through dedicated hard work and commitment from every Associate. It is the desire of Paradies management, at all levels, to have every Associate succeed in their job and assist in achieving our goals.

You should use this Handbook as a ready reference as you pursue your career with Paradies. Additionally, this Handbook should assure good management and fair treatment of all Associates. At Paradies, we strive to recognize the contributions of all Associates.

Welcome to the Family!

Gregg Paradies

President and Chief Executive Officer
PURPOSE OF THIS HANDBOOK

This Paradies (the “Company”) First Class Associate Handbook (the “Handbook”) contains only general information and guidelines. It is not intended to be comprehensive or to address every possible application of, or exception to, the general policies and procedures described. For that reason, if you have any questions concerning eligibility for a particular benefit, or the applicability of a policy or practice to you, please address your specific questions to your Manager/Supervisor or the Human Resources Department.

Neither this Handbook, nor any other Company document, confers any contractual right, term or other benefit of employment. The procedures, practices, policies and benefits described here may be modified or discontinued from time to time. We will try to inform you of any changes as they occur. This Handbook, and the information in it, should be treated as confidential. No portion of this Handbook should be disclosed to others except Paradies Associates.

Some of the subjects described in this Handbook, particularly insurance benefits, are covered in detail in official policy documents. You should refer to those documents for specific information, as this Handbook only briefly summarizes Associate insurance benefits. Please note that in the case of a discrepancy between the insurance policy and the Associate handbook, the terms of the written insurance policy prevails. Likewise, if there is any discrepancy between information contained in this Handbook and federal, state, local law or a Collective Bargaining Agreement (CBA), the law and/or the CBA prevails.

This Handbook was designed to familiarize you with our Company, define expectations and requirements of our Associates, and to describe the policies and benefits available to eligible Associates. The contents of this Handbook apply to all Associates and must be acknowledged upon date of hire and upon distribution of revised or updated policies. Each policy is subject to change at the discretion of Paradies and will become obsolete at the time of any updates. It is important that you study the contents of this Handbook as it will answer many questions about your employment with Paradies.

We hope that your experience here will be challenging, enjoyable, and rewarding.

Key Terms
Throughout this Handbook you will see references to Associates and customers, terms typically used within Paradies. In our locations with food and beverage operations, you may be accustomed to using the terms team member and guest. For the purpose of our policies, and this Handbook, Associate has the same meaning as employee or team member and customer has the same meaning as guest. You also will find reference to Paradies management in different capacities. To clarify who you should direct inquiries when referencing the management team, please use the following key:

- General Manager – Senior Manager
- Assistant Manager – Manager
- Senior Team Leader – Supervisor
- Team Leader – Supervisor
- Zone Manager - Supervisor
PARADIES COMPANY OVERVIEW

Paradies History
Paradies began in Atlanta, Georgia in 1960 with one small novelty shop at the Atlanta Airport. Over the years Paradies has grown into the largest airport retailer in the country. Today, Paradies operates over 25 different branded stores in airports and hotels in the United States and Canada including CNBC News, PGA TOUR, Brooks Brothers, Brighton, New York Times Books, Vera Bradley and many others. Travelers have come to recognize Paradies as the trendsetter for new and exciting merchandise.

Our Mission: To maintain first class standards that exceed the expectations of the customers and the business partners we serve.

Our Core Values
When founded in 1960, the Company was guided by the same Core Values that exist today.

T Trust
We trust other Associates and do what is best for the Company.

R Respect
Associates show respect for one another, from bottom to top, including sales Associates, customers, vendors and owners.

I Integrity
We do the “right thing” and we do what we say we will do.

F First Class Service
Quality comes first.

I Innovation
The industry looks to Paradies for innovation, so Paradies looks to its Associates for innovative ideas.

C Family Culture
Our Company is built around a family culture where Associates feel part of the family.

Our Goal
Each and every Associate is required to contribute to the Company’s efforts in providing quality merchandise and to serve the traveling public. Our expectation is that customers are served by a friendly, well groomed, trained, knowledgeable team in a first class retail and food/beverage environment. We strive to form strong partnerships with airport management to assist them in serving the community and the traveling public.

A Family Culture
We are a family business that treasures the direct and open relationship we maintain with our Associates. Paradies believes that an appreciation and concern for each Associate provides the best possible environment for the achievement of the individual’s goals and those of the organization. We strive each day to sustain the family feel and team culture of our organization. Paradies strives to earn the right to work directly with our Associates by constantly working to create a great place to work.

We will respect a free and informed choice by our Associates to remain union free, or if they so choose through the process established by federal law, to become members of organized labor.
Suggestions
We encourage all Associates to bring forward their suggestions and good ideas about how our Company can be made a better place to work and our service to customers enhanced. When you see an opportunity for improvement, please talk it over with your immediate Manager. He/she can help you bring your idea to the attention of the people in the Company who will be responsible for possibly implementing it. Recommendations submitted and adopted may become eligible for certain Company specific awards!

We Are Serious About Standards
At Paradies, we are serious about standards. We expect each and every Associate on our team to adhere to the guidelines outlined in this Handbook. Our Associates are expected to be courteous and helpful to customers, visitors, fellow Associates or to any other person with whom contact is made while serving as a representative of Paradies. It is the responsibility of our Associates to conduct themselves in a manner that will not reflect adversely on the Company.

Where policies or circumstances are not addressed, Associates are expected to use good judgment, common sense and to comply with the rules of conduct, which are commonly accepted in a professional and customer service oriented environment. You should know and understand the following:

- A violation of any of these policies or standards may result in termination
- You must report any violation or attempted violation of these and other policies to your Supervisor or to the Human Resources Department
- If you are ever in doubt as to whether a certain conduct is permissible, consult your Supervisor for definite clarification
- If you have any questions about your job, or about our policies and practices, it is your responsibility to ask your Supervisor or contact a member of the Human Resources Department

You are expected to abide by the policies in this Handbook, including the Paradies policies. Failure to do so will lead to appropriate disciplinary action, up to and including termination. A written record of all policy violations is maintained in each individual's personnel file.

A partial list of causes for possible disciplinary action ("Unacceptable Activities") is presented under "Standards of Conduct" in the "Employment" section of this Manual. This list is not to be considered all-inclusive.
EMPLOYMENT POLICIES AND PRACTICES

Equal Employment Opportunity
Paradies does not unlawfully discriminate in the offer, administration, or implementation of employment opportunities or practices against applicants or Associates on the basis of the following legally protected characteristics: race, color, religion, creed, sex, pregnancy (including childbirth and related medical conditions), sexual orientation, gender, gender expression, gender identity, national origin, ancestry, age, physical or mental disability, medical condition, veteran status, marital status (including domestic partnership status), genetic information, transgender status, weight, domestic violence victims, sexual assault victims, stalking victims, a perception that an individual has any of these characteristics or any other protected or personal characteristic protected by federal, state, or local law. This policy governs all aspects of employment, including hiring, job assignment, compensation, promotion, corrective action, termination, access to benefits, and training.

For purposes of this addendum, the term “disability” refers to California’s more expansive definition.

Genetic Information
Paradies prohibits discrimination based on genetic information. Under California law and Title II of the Federal Genetic Information Nondiscrimination Act (“GINA”), it is illegal for employers to discriminate against or harass Associates or applicants because of genetic information, or to use genetic information in making employment decisions. It is also illegal to retaliate against an applicant or Associate for filing a charge of discrimination, participating in a discrimination investigation or lawsuit, or otherwise opposing such discrimination. These laws also restrict employers from requesting, requiring, or purchasing genetic information, and strictly limit the disclosure of genetic information.

Genetic information includes information about an individual’s genetic tests and the genetic tests of an individual’s family members, as well as information about the manifestation of a disease or disorder in an individual’s family members (i.e., family medical history). Family medical history is included in the definition of genetic information because it is often used to determine whether someone has an increased risk of getting a disease, disorder, or condition in the future. Genetic information also includes an individual’s request for, or receipt of, genetic services, or the participation in clinical research that includes genetic services by the individual or a family member of the individual, and the genetic information of a fetus carried by an individual or by a pregnant woman who is a family member of the individual and the genetic information of any embryo legally held by the individual or family member using an assisted reproductive technology.

It is usually unlawful for an employer to obtain genetic information about applicants or Associates. There are certain narrow exceptions to this prohibition, such as inadvertent acquisitions of genetic information and obtaining genetic information as part of health or genetic services offered by the employer on a voluntary basis (e.g., wellness programs).

It is also usually unlawful for an employer to disclose genetic information about applicants or Associates. Covered entities must keep genetic information confidential and in a separate medical file. (Genetic information may be kept in the same file as other medical information in compliance with the Americans with Disabilities Act.) There are limited exceptions to this non-disclosure rule, such as exceptions that
provide for the disclosure of relevant genetic information to government officials investigating compliance with Title II of GINA and for disclosures made pursuant to a court order.

**Anti-Harassment Policy**

Harassment is prohibited under California’s Fair Employment and Housing Act (FEHA). The Company is committed to providing a work environment that is free of harassment and discrimination. In keeping with this commitment, the Company maintains a strict policy prohibiting sexual harassment, harassment, and discrimination because of race, color, religion, creed, sex, pregnancy (including childbirth and related medical conditions), sexual orientation, gender, gender expression, gender identity, national origin, ancestry, age, physical or mental disability, medical condition, veteran status, marital status (including domestic partnership status), genetic information, transgender status, weight, domestic violence victims, sexual assault victims, stalking victims, a perception that an individual has any of these characteristics or any other protected or personal characteristic protected by federal, state, or local law.

Unlawful harassment may take many forms, including:

- Verbal conduct, such as jokes, epithets, slurs, negative stereotyping, derogatory comments, slurs, questions about a person’s sexual practices, suggestive comments or sounds, or unwanted sexual advances, invitations or comments.
- Visual conduct, such as derogatory posters, cartoons, obscene photographs, drawings, unwelcome notes or letters, gestures, or any other written or graphic material that denigrates or shows hostility or aversion toward an individual because of a protected characteristic, whether personally delivered to an individual or placed on walls, bulletin boards, or elsewhere on the Company’s premises or circulated in the workplace.
- Physical conduct, such as assault, blocking normal movement, assault, unwelcome physical conduct such as touching, rubbing, grabbing, staring at a person’s body, threatening, intimidating or hostile acts that relate to a protected characteristic, or interference with work directed at an Associate because of the Associate’s sex or other protected characteristic.
- Threats and demands to submit to sexual requests in order to keep one's job or avoid some other loss, and offers of job benefits in return for sexual favors.
- Retaliation for having reported unlawful harassment.

In addition to utilizing the Company’s internal complaint procedures, Associates who believe that they have been harassed may file a complaint with the federal Equal Employment Opportunity Commission (EEOC) and/or the California Department of Fair Employment and Housing (DFEH). Both the EEOC and the DFEH serve as neutral fact-finders and attempt to help the parties voluntarily resolve disputes. Complaints to the DFEH must be filed within one year of the last alleged incident of harassment/discrimination.

If the DFEH finds evidence of sexual harassment, and settlement efforts fail, the DFEH may file a formal accusation against the employer and the alleged harasser. The accusation will lead to either a public hearing before the Fair Employment and Housing Commission or a lawsuit filed on the complainant’s behalf by the DFEH. If the Commission finds that harassment occurred, it can order remedies, including
fines or damages for emotional distress, from each employer or harasser charged. In addition, the Commission may order hiring or reinstatement, back pay, promotion and changes in the policies or practices of the involved employer. In addition, after filing a complaint with the DFEH and receiving a right-to-sue notice, a complainant may elect to pursue the matter through a private lawsuit in civil court. Damages in court are unlimited. To contact the DFEH, call 1-800-884-1684. For the EEOC office nearest you, call 1-800-699-4000.

Paradies Will Investigate Complaints
Paradies will conduct a prompt and thorough investigation of the complaint. Paradies will discuss the results of the investigation with the Associate and, where appropriate, the proposed resolution of the matter. Information will be kept as confidential as possible and will be released only on a “need to know” basis.

Policy Against Retaliation for Filing Harassment Claims
Paradies will not tolerate any retaliation against an Associate for making a good faith harassment complaint or for cooperating in a harassment investigation.

Any Manager who becomes aware of possible sexual and other unlawful harassment must immediately advise the Human Resources Department or any member of management so it may be investigated in a timely and confidential manner. Upon completion of the investigation, if necessary, corrective measures will be taken. Violations of this policy will not be permitted and will result in discipline, including without limitation, training, counseling, warning, suspension, or immediate termination.

Policy Against Workplace Violence
Paradies does not and will not tolerate any form of violence in the workplace including, but not limited to, any form of verbal or nonverbal threat. Any Associate who believes he/she has been subjected to workplace violence should report any and all such incidents to his or her Manager as well as to the Human Resources Manager. In addition, Associates are encouraged to suggest ways to reduce or eliminate risks from workplace violence. Paradies will ensure that no retaliation will be taken against any Associate who experiences or in good faith reports workplace violence.

Policy against Substance Abuse
The legal use of prescribed drugs is permitted on the job only if it does not impair an Associate’s ability to perform his or her job’s essential functions in a safe manner that does not endanger other individuals in the workplace.

The Company retains the right to require the drug and alcohol tests only in the following scenarios:

Reasonable Suspicion: An Associate may need to take and pass an illicit drug and/or alcohol test upon a Supervisor’s reasonable suspicion that the Associate possesses, controls, or is under the influence of a drug and/or alcohol. Reasonable suspicion requires specific, contemporaneous, articulate observations concerning the Associate’s appearance, behavior, speech, or body odor. Human Resources must be consulted before sending an Associate for reasonable suspicion testing.
**Mandatory Post-Accident:** An Associate may need to take and pass an illicit drug and/or alcohol test if he or she causes or contributes to an accident that seriously damages a Company vehicle, machinery, equipment or property and/or results in an injury requiring off-site medical attention. The investigation and subsequent test will occur within two (2) hours following the accident.

**Random:** The Company may randomly require Associates to take and pass an illicit drug and/or alcohol test. If so, the Company will ensure that each Associate has an equal chance of selection.

**Consequences:** Applicants with conditional job offers will not be hired if they refuse to take such tests or receive a positive result. Similarly, Associates who refuse to take such tests may be terminated. Legally prescribed drugs used to treat a disability will not affect the Company’s employment decision.

**Payment and Meeting:** Associates will receive standard or overtime wages (if applicable) for time spent in an illicit drug and/or alcohol test. They will also receive such wages for any suspension pending a test’s’ results. After the Company receives test results, it will schedule a date/time to discuss them with Human Resources and the applicant or Associate.

**Policies for All California Associates**
To ensure that individuals who join or are promoted within the Company are well qualified and have a strong potential to be productive and successful, it is the policy of the Company to check employment references and perform background checks; including but not limited to criminal conviction records, address history, social security number verification, credit check, and motor vehicle records check of all applicants for certain positions. Paradies will receive written authorization from the target individual before commencing a background check. It will also provide notice and seek permission before performing any investigative consumer report that is sought for employment purposes.

Paradies will provide any investigated individual with a copy of the public record within 7 days of receipt, unless the person waives the right to receive this information in writing. Before the Company takes any adverse action as a result of information in public records, it will provide a copy of the public record to the investigated person and notify the individual of the proposed adverse action along with the basis therefor.

Paradies will comply with all federal, state, and local notice requirements before obtaining a copy of any background check report.

**Policies for California Associates Outside of San Francisco**
Paradies will not inquire into or use as a factor in employment decisions:

1) Any conviction that was judicially expunged, sealed, or dismissed, unless authorized or required by law.
2) Any arrest that did not result in a conviction, unless authorized or required by law, including those where the individual is still awaiting trial, or participating in a post-trial diversion program.
3) Convictions for marijuana possession offenses more than 2 years old
4) Information concerning a referral to or participation in a criminal diversion program (a criminal diversion program is a work or education program part of probation)
In the event local city ordinances impose stricter requirements for background checks, the stricter requirements control in that particular locale.

Policies for California Associates in San Francisco
For the Company’s San Francisco Associates and applicants, Paradies will never require, investigate, disclose, or consider any of the following information:

1) Arrests not leading to a conviction, except unresolved arrests still undergoing criminal investigation or trial
2) Participation in or completion of a diversion or deferral of judgment program
3) Convictions that have been judicially dismissed, expunged, or made inoperative
4) Convictions or determinations made in the juvenile justice systems
5) Convictions that are more than 7 years old (with the date of conviction being the date of the sentencing)
6) Information pertaining to any criminal offense other than a felony or misdemeanor, such as an infraction.

Furthermore, for the Company’s San Francisco Associates and applicants, Paradies will not inquire or ask about criminal history until after the first live interview, or a conditional offer of employment. (A live interview includes an in-person interview, and any interview using telephone or video conferencing technology).

The Company will conduct an individualized assessment of the information and consider:

1) Only directly related convictions
2) The time that has elapsed since the conviction or unresolved arrest
3) Evidence of inaccuracy
4) Evidence of rehabilitation
5) Other mitigating factors

It will then retain the records of employment, application forms, and other pertinent data and records for a period of 3 years.

Reasonable Accommodation
Paradies is committed to complying fully with the Americans with Disabilities Act (ADA), as well as any applicable state disability act, and ensuring equal opportunity in employment for qualified persons with disabilities. Paradies will ensure that all individuals are provided with equal employment opportunities without regard to disability. A qualified individual with a disability will be afforded the same opportunity in the workplace based upon the same performance standards and requirements expected of persons who are not disabled.

When an individual with a disability needs accommodation to perform his or her job, Paradies will consider under, appropriate circumstances, whether a reasonable accommodation exists that will enable the individual to perform the essential functions of the job. Determining whether a reasonable
accommodation is appropriate is an individualized process and decisions will be made on a case by case basis, depending upon the individual’s needs and the essential functions of the job in question. No specific form of accommodation is guaranteed for individuals with a disability.

The responsibility for seeking a reasonable accommodation begins with the Associate or applicant. If an Associate believes that a disability is preventing him/her from obtaining equal employment opportunities, it is his or her responsibility to inform his or her Manager or the Regional Human Resources Manager and to request reasonable accommodation. Upon notification that a disability may exist, Paradies Human Resources department may need to contact the Associate’s physician(s) to obtain medical information and relevant records to determine an appropriate reasonable accommodation which will require a signed HIPAA release. Paradies will work with an Associate to determine an appropriate accommodation, but it cannot identify an accommodation without the Associate’s active participation in this process.

This is an interactive process that requires participation by Paradies and the Associate or applicant. Although Paradies cannot guarantee that it will provide the accommodation that is most desired by the Associate, Paradies will do its part to ensure that individuals with disabilities have an equal opportunity to perform in the workplace.

Resolving Concerns
Whenever you have a concern or complaint, we encourage you to speak up and communicate directly with us. You can take the following steps:

- First, speak with your immediate Manager. Your Manager is most familiar with you and your job and is, therefore, in the best position to assist you. Your Manager works closely with you, and is interested in seeing that you are treated fairly and properly.
- If your Manager cannot help you resolve the matter, you can speak to your Senior Manager who will give your concern or complaints prompt consideration.
- If the Senior Manager feels that the situation warrants further review, he/she will ask the Support Center Human Resources Manager for assistance.

Employment At Will
All Associates are employed “at-will,” which means that your employment can be terminated at any time, for any reason, with or without cause, and with or without advance notice at the option of either the Company or yourself, except under public policy exception as permitted by law. Your job status does not guarantee employment for any specific length of time. No representative of the Company, other than the President, has the authority to enter into any agreement for employment for a specified duration or to make any agreement for employment other than at-will. Any such agreement that changes your at-will employment must be explicit, in writing, and signed by both the President and the Associate. Nothing contained in this Associate Handbook creates an express or implied contract of employment.
Employment Eligibility Verification
Paradies is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

The Federal Immigration Reform and Control Act of 1986 requires employers to verify the legal working status of all Associates hired on or after November 7, 1986. The Act makes it unlawful to hire anyone who is not either a citizen or an alien who has the legal right to be employed in the United States. All Associates are required to bring current original documents as outlined in the Immigration guidelines and complete the E-Verify process online within 72 hours of employment as required by federal law. Associates who fail to produce appropriate documentation within the time allotted will be asked to leave work, and will not be rescheduled to work, until the I-9 form requirements are met. Associates must notify Human Resources if the Associate’s authorization status changes or terminates. Former Associates who are rehired also may complete the form if they have not completed an I-9 with the Company within the past three years, or if their previous I-9 is no longer retained or valid.

Associates with questions are encouraged to contact Human Resources. Associates may raise questions or complaints about immigration law compliance without fear of reprisal.

Job Openings
Associates are encouraged and responsible for communicating their desires for advancement and/or placement within the jobs available at their location. This desire should be communicated with your Manager during the review process and will permit for the development of goals and growth strategies to achieve the desired outcome.

Job Descriptions
We believe that people need to have a clear understanding of their job, its duties, accountabilities, expectations and goals. Upon entry into a job, Associates will receive this information, which may be updated from time to time, so they can succeed at their job.

Hiring Process
Applicants must be 18 years of age to be considered for employment. A high school diploma or equivalent is required for all positions unless otherwise specified. An offer of employment is contingent upon the successful completion of the following: an employment application; interviews; reference checks and background investigation; and, license verification where applicable. The background investigation includes an extensive screening which includes a review of criminal conviction records, address history, social security number verification and credit and motor vehicle records check for certain positions. All former Associates who have left Paradies in good standing will be subject to the same process if re-employed. Prospective Associates must complete a form authorizing the background investigation. A background check is required prior to beginning work for Paradies.

Associates whose work requires operation of a motor vehicle must maintain a valid driver’s license and a driving record acceptable to our insurer. As an Associate, you may be asked to submit a copy of your driving record to Paradies annually. If you operate your own vehicle in performing your job, you will be considered completely responsible for any accidents, fines, or traffic violations incurred. Any changes in
your driving record must be reported to your Manager and Human Resources within 72 hours from the time of change. Failure to do so may result in disciplinary action, up to and including termination.

**Employment of Friends or Relatives**
Paradies strongly believes that an environment where Associates maintain clear boundaries between personal and business interactions is most effective for conducting business. Dating peers, and employing close friends or relatives within the same area of the Company can sometimes lead to workplace concerns that adversely affect individual and team performance.

Associates who allow personal relationships with coworkers to affect the working environment will be subject to the appropriate provisions of the Company disciplinary policy, up to and including termination.

It is the Company’s practice not to employ a relative in a position where he or she can influence the terms or conditions of employment of another relative. Therefore, relatives may not work in the same store or department or be in a position where they directly or indirectly supervise the other.

Where problems or potential risks are identified the organization will work with the parties involved to consider options for resolving the problem such as transfer to other positions or departments. Refusal of reasonable alternative positions, if available, will be deemed a voluntary resignation.

**Referral Bonus**
The purpose of the Associate Referral Bonus Program is to provide an incentive award to any Associate of Paradies who brings new talent to our Company. By referring applicants who are subsequently selected and successfully employed, both the referring and referred Associate will be awarded **25,000 first class service points**! There is no limit to the number of referral bonuses you can earn! You will receive this award as long as the candidate is hired and stays with Paradies for at least six (6) months demonstrating favorable performance standards.

All Associates are eligible to receive a referral bonus with the exception of the following:

- Associates whose regular, recurring, jobs include the recruitment of Associates
- Selecting Manager/Supervisor or other persons Associated with the selection of the candidate
- All HR Department Associates
- Family members

When completing the application, the referred candidate must indicate the name of the referring Associate to be considered for the bonus award. Referral requests received after the candidate’s application and/or resume is received will not be considered. The hiring Manager should notify the HR department in the instance of any referred candidate being hired. Process for issuance of the award will be explained to both Associates on the new Associate’s date of hire. Redeeming service points will be discussed in the Benefits Section of this handbook in the First Class Service Points section.
**Introductory Period**

All new and rehired Associates work on an introductory basis for the first 90 calendar days after their date of hire. Paradies uses this period to evaluate Associates’ capabilities, work habits, and overall performance. The introductory period is intended to give new Paradies Associates the opportunity to demonstrate their ability to achieve a satisfactory level of performance and determine whether the new position meets the Company’s and the Associate’s expectations.

**Employment Classification**

Federal, state, and local laws affect the classification of Associates and the payment of wages. An Associate’s classification as non-exempt or exempt does not depend on the method of payment (i.e. salary or hourly). Only California Associates who qualify for a specific exemption will be deemed exempt. By way of summary only, the following are examples of exemptions recognized by California law: (1) executive exemption (2) administrative exemption, (3) professional exemption, (4) computer professional exemption, (5) business judgment over substantial matters exemption. Each of these exemptions contains a number of requirements, which are not explicitly laid out in this Associate handbook.

**Employment Status**

Associates are classified as regular/full time, regular/part-time, regular/flex or as temporary according to the Associate’s work schedule and position. New hires will be classified 60 days from the first day of employment for the purposes of benefits eligibility, and classification status includes all hours worked during the 2nd, 3rd, 4th, and 5th pay periods following hire. This classification will be effective for the remainder of the calendar year.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Hours worked during 4 designated pay periods following hire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>240 or more</td>
</tr>
<tr>
<td>Part Time</td>
<td>160 – 239.5</td>
</tr>
<tr>
<td>Flex</td>
<td>Less than 160</td>
</tr>
</tbody>
</table>

Classifications are based on the total number of hours worked per year. Classification will be reviewed annually at a designated period so that Associate status may be determined and modified prior to the annual open enrollment event. All hours are adjusted based on the total hours the Associate worked during the 26 pay periods preceding the classification cutoff period. If employed for a partial year, only hours worked during the employment period and up until the classification cutoff are analyzed.

Example Initial Classification:

Joe was hired April 15. Following 60 days of employment, he was classified to Full Time effective June 15. Associate enrolled in his benefits plan during his enrollment period following hire. Based on the new classification, his benefits will be activated and coverage will begin on July 1st.

Example Annual Classification:

Joe’s hours are viewed during the annual classification period (from date of hire) to determine eligibility for annual open enrollment. He has not worked enough hours consistently to be considered full time. He is now classified as part time and not eligible for the benefit plan. His benefits will stop on December
31st and Joe becomes eligible for COBRA. He will be reviewed again during the annual classification period in the next year for the hours worked to determine classification status.

**Full time Associates** are regular Associates who are normally scheduled to work in excess of 30 hours per week. A full time Associate must work an average of 30 hours per week. Full time Associates are eligible to participate in the Company sponsored benefit programs.

**Part-time Associates** are regular Associates who are normally scheduled to work fewer than 30 hours each week on a consistent basis.

**Temporary Associates** are employed on a short-term, temporary, or special-project basis.

**Flex Associates** are those working a schedule of less than 20 hours weekly.

The Fair Labor Standards Act (FLSA) is a federal law that deals with minimum wage, overtime pay, recordkeeping, and child labor requirements for both employers and Associates covered by the act. Associates whose jobs are governed by the FLSA are either “exempt” or “non-exempt.” Classification is determined by the Fair Labor Standards Act according to the scope of the job.

Non-exempt Associates are those working in positions classified as non-exempt by Paradies and is covered by the overtime provisions of the FLSA. These Associates are entitled to overtime pay at the rate of one-and-a-half times their regular rate of pay when they work more than 8 hours in a day or 40 in a week as applicable by state law. Associates classified as non-exempt are expected to confine their work to the regular workday and workweek unless otherwise authorized by the Associate’s Manager in advance.

Exempt Associates are exempt from the FLSA's overtime provisions. This classification usually applies to those who receive pre-determined annual salary intended to compensate them for all hours worked in a given workweek. The hours worked by exempt Associates are often irregular and may begin and end beyond the regular work day.

If you have any questions concerning your Associate status, or the benefits for which you qualify, please ask your Manager or contact the Human Resources Service Center at 1-888-701-4300.

**Re-Employment**
Depending upon circumstances, Paradies may consider a former Associate for re-employment. Such applicants are subject to standard pre-employment procedures. To be considered, an applicant must have left the Company voluntarily, been in good standing at the time of previous employment with Paradies, and must have provided at least two weeks advance notice of his/her intention to terminate their employment with Paradies.
If rehired, Anniversary dates and benefit eligibility will be determined in the following manner:

<table>
<thead>
<tr>
<th>Service at Time of Separation</th>
<th>Length of Separation</th>
<th>Reinstatement Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>Any amount</td>
<td>New anniversary date and must meet benefits eligibility guidelines</td>
</tr>
<tr>
<td>More than 1 year</td>
<td>Less than 1 year</td>
<td>Maintain original anniversary date and benefits effective immediately upon rehire</td>
</tr>
<tr>
<td>More than 1 year</td>
<td>More than 1 year</td>
<td>New anniversary date; must meet benefits eligibility guidelines</td>
</tr>
</tbody>
</table>

Associates who are rehired more than one time will receive a new hire date and will begin as a new hire in regards to benefits. An Associate who voluntarily resigns by abandoning his or her job or who is terminated for cause will not be eligible for reemployment.

**Knowledge of Paradies**

After having learned to competently perform your own duties, you may be asked to familiarize yourself with other Paradies positions outside your immediate department. This can prove valuable to you, our customers and Paradies as well. In these instances, Paradies will provide additional “cross-training.”

Knowledge of the services and products of Paradies will help you avoid the “I don’t know” syndrome. Our customers’ confidence in you increases as you are able to answer their basic questions. However, please do not pretend you know the answer or try to guess the answer when you are uncertain. If you are unsure of the correct information, refer the inquiry to your Manager, or to a person more qualified to respond.

**Learning and Development**

We firmly believe in developing our Associates to their fullest potential and providing training to assist in the process. Managers and job specialists are encouraged to perform on-the-job training as needed. Occasionally, Associates may be required to train a co-worker in job functions with which they have experience.

Where necessary, Associates will participate in continuing education and training programs when such instruction is considered necessary to the performance of your job duties, or is required to maintain certifications or licenses. All such continuing education and training must be discussed with, and approved by, your Manager prior to registering or attending such training activity. You may be required to agree to reimburse the Company for these external education fees in the event of voluntary termination within a pre-set time period. Failure to comply with the requirements of mandatory training will result in disciplinary action up to and including termination.

**Performance Management**

Managers will provide training requirements and give frequent coaching and feedback to Associates concerning their work.
We evaluate Associate performance to identify strengths and weaknesses, to reinforce good habits, establish development opportunities, and to assess how the job performance compares to established goals and job descriptions. We also spend time during the performance review developing new goals and discussing the Associate’s interests.

Annually, all Associate performance is evaluated according to criteria established either upon entry to a job or otherwise set by department management. All Associates should have individual performance goals that contribute to the achievement of the Company’s goals. Associates will participate in the goal-setting process and are encouraged to offer suggestions during the goal setting meetings.

**Coaching, Counseling, and Discipline**
We want to extend every opportunity for our Associates to perform effectively. However, we will not compromise our standards for doing business as these standards are set with the belief that they benefit all of us.

The Company generally attempts to counsel Associates whose performance is unsatisfactory through verbal warnings and/or corrective interviews conducted by the Associate’s Supervisor. The Company will not, however, give warnings or corrective interviews in any situation where the Company believes that the Company’s best interest will be served by immediately terminating an Associate from employment, including situations involving dishonesty, misconduct, harassment or other egregious violations of the Company’s policies.

Depending on the nature and severity of the violation or infraction, our regular disciplinary process may include: 1. Written Warning, 2. Final Warning, 3. Termination. The nature of the infraction/violation will ultimately determine the type of disciplinary action.

**Promotions, Transfers and Demotions**
By utilizing all opportunities for education and performing your job in an excellent fashion, you may become qualified to fill a position of greater skill, responsibility and value at Paradies. Whenever possible, it is our practice to advise all Associates about advancement opportunities by various means of internal communications. There often are opportunities for promotions and advancement at Paradies. These opportunities are communicated internally, as well as through outside recruiting methods. Please submit your request for consideration for a specific position directly to your Manager and the appropriate hiring Manager.

Whenever a position becomes available, every effort will be made to fill it by promoting a qualified Associate. In the event that two people have similar qualifications, jobs will be awarded based on individual ability and past job performance.

In the event that a transfer is requested, considerations will be made based on the need of the business and the performance of the Associate. A transferee’s compensation rate is not guaranteed and may vary based on job code or geographical location. In the event an Associate voluntarily requests or receives a demotion, his or her pay is subject to change.
WORKING WITH PARADIES | WORKPLACE CONDUCT

General Rules of Conduct
We believe Paradies Associates are the very best in the industry and deserve to work in an environment where the highest standards are practiced. We are committed to promoting and maintaining an environment in which all Associates are treated with respect and dignity. Following established standards of conduct and the other policies stated in this Handbook are good business practices and helps us maintain a positive and productive work environment. We expect all Associates to adhere to these policies at all times and failure to do so will result in disciplinary action up to and including termination. Following are examples of general rules of conduct. This list is not intended to be all-inclusive but to give you general guidelines of Company expectations.

Customer Service
- Treat others as you would like to be treated
- Always provide First Class Service
- Adhere to Gotta Greet Policy

Safety and Security
- Maintain a safe and clean work environment
- Observe and report safety hazards immediately
- Adhere to Company Safety and Security policies
- Follow all sales procedures
- Carry all personal items in designated clear bag while on duty

Professionalism
- All Associates should conduct themselves in a civil and cooperative manner
- Disrespectful and disruptive behavior in the workplace or work-related settings will not be tolerated
- Present yourself in a professional manner at all times. Sleeping, smoking, drinking, chewing gum, reading, eating, and the use of profanity while on duty is strictly prohibited
- Distribution or solicitation of funds or literature during working hours or on Company premise is not permissible
- Conduct yourself in accordance with Company policies at all times

Failure to abide by these and other Company policies will result in disciplinary action, up to and including termination.

Gotta Greet
Paradies prides itself on consistently being recognized as Airport Revenue News (ARN) Magazine’s Best Airport Retailer and the Concessionaire with the Highest Regard for Customer Service. We believe that our Gotta Greet policy has helped us achieve top recognition in our industry year after year.

Our Gotta Greet policy is simple. Each Associate will greet every customer within 30 seconds of entering the store and must use the 5-10-20 rule of entering the store 100% of the time. Within 20 feet –
acknowledge the customer, within 10 feet – say “hello, welcome to (name of store), within 5 feet – engage in conversation. Examples of greetings:

- Hello, how are you today?
- Good Morning, Afternoon, Evening!
- How may I help you today?
- Welcome to Paradies!
- Thank you for coming in today!
- Where are you traveling today?

It is the responsibility of each Associate, Supervisor and Manager to comply with the Gotta Greet policy. Failure to do so will lead to disciplinary action.

Zero Tolerance
Paradies takes pride in being recognized as Airport Revenue News (ARN) Magazine’s “Best Airport Retailer” and “Retailer with the Highest Regard for Customer Service” and for being regarded as the best in our industry. We take these honors very seriously and expect our Associates to observe First Class Service Programs, our rules of conduct and our standards at all times. Our fundamental First Class Service Program is what sets Paradies apart from other retailers. We believe that Associates who fail to observe the basic First Class Service initiatives do not represent Paradies, our mission or our core values and therefore do not meet our employment standards. Paradies takes a zero-tolerance approach to violations of this policy, failure to report actual or suspected violations of the policy, or retaliation against whistleblowers. Associates that are found to have violated this policy or retaliated against whistleblowers will be subject to immediate termination.

Following is a non-exhaustive list of examples of behaviors that violate Company policy. Associates engaging in such behavior will not be subject to the progressive discipline process; he or she will be terminated immediately unless an accommodation is in place and approved:

- Engaging in hate speech, violence, threats of violence, harassment or directing profane statements to customers, co-workers or others while on duty or representing the Company;
- Violating any Loss Prevention policy including detaining a customer for suspicion of theft;
- Leaving your assigned store unattended;
- Sleeping while on duty;
- Consuming alcoholic beverages during working hours or while wearing a Company or facility issued identification badge and/or uniform;
- Selling alcoholic beverages, tobacco, or related merchandise to a person without requiring age verification.

Conflicts of Interest
Good business practice prohibits us from allowing conflicts of interest to exist. The term conflict of interest includes but is not limited to:

- Working for any other retail store selling merchandise similar to merchandise sold by Paradies, or working for any current or potential vendor or supplier of merchandise or service to Paradies;
• Owning or having an interest in any potential vendor or supplier of merchandise or services to Paradies (except for typical and ordinary investments in publicly traded companies); and
• Accepting any compensation or any other thing of value from any party with whom you deal with in the course of your employment.

During working hours, you are expected to devote your full attention and efforts to your job responsibilities and to act in all regards in the Company’s best interest. Full, factual and timely disclosure of any situation that would appear to be in conflict with the Company is required. Failure to disclose an actual or potential conflict of interest may lead to termination.

If you have a question regarding this policy, seek clarification from your immediate Supervisor or a member of the Human Resources Department. If you are a member of the Paradies Management Team, you are required to sign, return and abide by the Company’s Code of Ethics policy.

Accepting Gifts
Our policy prohibits the acceptance of any gifts from anyone with whom we have a business relationship. Gifts are defined as anything of value for which you would otherwise have to pay. Return non-perishable gifts with a thank you note advising the giver that accepting gifts is contrary to Company policy and inform your Supervisor. Perishable gifts may be shared with the entire office or store. A thank you note should be sent to acknowledge the gift and demonstrate appreciation.

Grooming and Appearance Standards
Our grooming and dress habits reflect the pride we take in our work. We expect all Associates to project a professional yet conservative image which is conducive to the environment and expectations of our business partners and the traveling public we serve. The spirit of grooming and dress guidelines requires each individual Associate to be aware of his or her impact on customers, other Associates, applicants and vendors. Our goal is to enhance, not detract from, the value we add to the Company through the way we look, act and our personal hygiene. Use these guidelines to ensure the best grooming and dress.

• Jewelry may be worn in moderation.
• Excessive facial piercings and jewelry such as brow piercing, nose piercing, cheek piercing, lip piercing, tongue rings, etc. are not permitted.
• Tattoos should be covered at all times when possible. Tattoos containing offensive or profane content must be covered at all times;
• Headwear should be approved in advance.

Questions regarding grooming or appearance standards that are not addressed in this Handbook should be discussed with your Manager. Any accessory, garment, item, or appearance standards not specifically approved should be assumed to be unapproved. Failure to comply with these established standards may result in termination.

Location Uniforms and Dress Attire
Associates are responsible for normal washing and drying of uniforms. If ironing, dry cleaning, or separate laundering is required, contact your Supervisor immediately. The Company will not require
you to pay for such services to maintain your uniform nor does the company require you to service your uniform in such a manner. It only requires you to have a clean and presentable uniform for work. Furthermore, Paradies will not require you to purchase your uniform.

Any Associate leaving the employment of Paradies after receiving a Company issued uniform, name badge and airport security badge, must return all items immediately. In the event an Associate fails to return all items, the Company may, with proof of Associate theft, willful misconduct, or culpable negligence, institute a charge and/or collection efforts to replace the missing and/or damaged items. If you have any questions regarding acceptable attire, please discuss with your Supervisor, Human Resources or the Location Manager. Any Associate not properly dressed when reporting to work may be sent home to change prior to clocking in for the day.

Associates that work in contact with customers – servers, sales Associates, team leaders, stock replenishment, warehouse and bookkeeping in all field locations - must wear the Company-issued uniform. Name badges should be worn on the right side of the uniform shirt or sweater approximately 4 inches from the shoulder and centered on the right chest area. Uniforms must be clean and kept in good condition.

Associates will receive a uniform at time of hire. Each Associate will receive a replacement at the Manager’s discretion each 12-18 months.

Company issued sweaters may be worn throughout the year. Comfortable black shoes professional-style should be worn with the uniform. A coordinating black belt must also be worn with uniform pants.

Our Brand Associates should wear the uniform that has been approved by the Brand Company.

Food and Beverage Associates will wear uniforms in accordance with the Food and Beverage Associate Grooming and Appearance Standards. This will be established by the Company in accordance with restaurant image. Any Associate working in a Food and Beverage location must wear skid resistance shoes. In addition, anyone working in a retail/donut, coffee, or travel mart that sells or prepares open food or coffee is also required to wear skid resistant shoes.

Attire for management Associates working in the location will be business casual. Dress appropriately based on your operational needs.

Airport badges must be worn on the lanyard provided with the uniform. Airport guidelines, if prescribed, should be observed for wearing your airport badge and/or any airport provided badge or pin. Service pins should be worn on the left shirt collar. Other badges/pins are not permitted unless approved. Food and Beverage Associates may use an arm badge holder (rather than a lanyard).

Failure to abide by Company dress code may result in disciplinary action up to and including termination.

**Water Bottle Policy**
Paradies recognizes the importance of allowing Associates the ability to consume water during the course of business hours and provides a complementary water bottle to each Associate upon hire.
Associates may only use a Paradies provided water bottle (no personal bottles, cups, mugs, etc.). Associates may write their name on the bottom of the water bottle for identification purposes. Only water may be consumed from these bottles. To maintain our image and First Class Standards, Associates must keep water bottles concealed under the counter at the register or in the stock room; Associates may drink water when customers are not in the store.

**Tobacco Use**
Paradies provides a tobacco-free environment. All Associates are expected to abide by this policy while at work.

To protect and enhance our indoor air quality and to contribute to the health and well-being of all Associates, Paradies maintains an environment entirely smoke and tobacco free. The use of all tobacco products is strictly prohibited from use on Company property, including chewing tobacco, dipping tobacco, and pipe smoking. The use of any tobacco product is permitted only in designated facilities or areas.
TIME RECORDS AND ATTENDANCE POLICIES

Business Hours
Location business hours are based upon lease requirements at each location as determined by property management and Paradies. Business hours are subject to change with or without notice based on the operational needs of the facilities we serve. Your Manager or Team Leader will set schedules in accordance with business needs. Due to the nature of some positions within the Company your individual work schedule may vary from time to time.

Operational Delays
From time to time the schedules of the facilities we serve may be delayed or extended to accommodate the needs of the traveling public. To accommodate our customers, Associates may be asked on a volunteer basis to work additional hours. If there are no volunteers, Associates may be scheduled to work mandatory overtime to satisfy these needs.

In the event of severe weather, you should contact your Manager to determine if your location will be operating under normal hours, alternate hours, or if the location will be closed. Each Associate should make every effort to report to work unless your personal safety or the safety of your family is at risk. If you are not able to report to work, you must follow the normal “call-in” procedure to report your absence. If you make every effort to safely report to work and notify your Manager of your absence according to the established “call-in” procedure, your absence will be unscheduled. Failure to properly report an absence will result in an unscheduled absence and may result in disciplinary action up to and including termination of employment.

The Paradies Support Center (PSC) should contact the severe weather hotline at 404-494-3499 in the event of inclement weather.

Company Work Schedules
Work schedules will be posted prior to the beginning of the two-week pay period. Requests for time off or changes to your regularly scheduled hours must be made to your Location Manager before the schedule is posted.

Although overtime is not a requirement or encouraged, it may be requested by the Manager or Supervisor from time to time to meet the business needs of your department. The Location Manager must approve overtime in advance and you will be paid for all overtime hours worked.

Associates may start and end their shifts at different times to reflect needs of the business and/or individual job performance. A regular work day will not exceed 8 hours under any circumstances. Non-exempt associates who work more than 8 hours a day and/or 40 hours a week will receive overtime.

Time Reporting
Associates are responsible for keeping their time worked current and accurate. It is mandatory to clock in at the beginning of the shift, clock out for the meal break, clock in to return from meal break and clock out at the end of the shift. Failure to clock in or out properly will result in disciplinary action, up to and including termination.
Pay Periods and Pay
Paradies issues paychecks to California Associates on Fridays. Non-exempt Associates and exempt Associates are paid on a bi-weekly basis. Each paycheck will include earnings for all work performed through the end of the previous payroll period, which runs from Sunday to Saturday. Wages, including any discrepancies, non-exempt Associates will be paid within seven (7) days of the end of the pay period in which they were earned.

Mobile Solution for Pay Statements and Itemized Wage Statements
Associates with access to any of the following devices may download a mobile solution to their mobile device to access payroll specific information such as pay statements.
Android (V2.0 or higher)
BlackBerry (V4.6.1 or higher)
iPhone (3G or higher)
iPod touch (with iOS 4.0 or higher)

Simply go to: https://mobile.adp.com and register using your online Associate self-service password. Consult with your support center human resources representative for more detail.

This section merely provides another way for Associates to view payroll records. Associates have access to paper itemized wage statements by printing from the ADP’s on-line system or may request a copy from a member of management. The itemized wage statements will contain the gross wages earned, the total hours worked (except for salaried exempt Associates), all deductions, net wages earned, the pay period’s inclusive dates, the name of the Associate, at least the last 4 digits of his or her social security number, the Company’s name and address, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, the piece rate units and applicable piece rate (if the Associate is paid on a piece rate basis), and the amount of paid sick leave available for use.

Absences
Paradies continued success depends upon all Associates exhibiting regular and prompt attendance and punctuality in order to adequately perform their jobs and best support our customers and guests. Associates will experience unexpected situations where they are not able to report to work. In general, infrequent and unexpected situations will not result in corrective action. This policy sets forth Paradies’ procedures to address situations where absences and tardiness become a chronic problem. Paradies defines absenteeism and tardiness as follows:

Absenteeism
Absence: Time worked that is less than ½ of an Associate’s scheduled shift is considered an occurrence (please refer to the Punctuality section below for additional information).

Scheduled Absence: An absence scheduled and approved through the Associate’s supervisor prior to the work schedule being posted for the upcoming applicable work period. However, if the scheduled absence is related to any medical leave in accordance with federal, state, or local laws, including but not limited to the Family and Medical Leave Act (“FMLA”), California Family Rights Act (“CFRA”), and the
Healthy Workplace Healthy Family Act of 2014 ("HWHFA"), supervisor approval is not necessary. Associates are required, however, to provide reasonable advanced notice of any medical leave or absence if the leave is foreseeable.

**Unscheduled Absence:** An absence taken after the schedule has been posted for the upcoming applicable work period. If the schedule has been posted and an Associate needs to make a change, the Associate must find a replacement to work the entire shift he/she was originally scheduled for and obtain approval by his/her supervisor a minimum of 24 hours in advance of the change. If, however, the unscheduled absence is related to any medical leave in accordance with federal, state, or local laws, including but not limited to the FMLA, CFRA, and HWHFA, the Associate is not required to find a replacement to work his/her entire shift in order to take such leave and/or time off. Additionally, if unscheduled absence is medically-related, the minimum 24 hour advanced notice is not required; however, Associates are required to provide reasonable advanced notice of medical leave or absence if the leave is foreseeable. Unless medically-related as described above, management will not make changes to schedules once they are posted.

An Associate must utilize available accrued benefit time off for pay continuance if an unscheduled absence is taken. However, the absence is still considered “unscheduled” for corrective action purposes. Please note “unscheduled absences” related to protected leave under federal, state and local leave laws, such as the FMLA, CFRA, and HWHFA, will not be counted as an occurrence for corrective action purposes.

**Use of Paid Time Off:** An Associate must use any accrued paid time off to cover a scheduled or unscheduled absence. Please remember: as indicated above, the use of paid time off for an unscheduled absence does not remove it from consideration for corrective action purposes. Thus, it is still considered an occurrence as defined below. However, this does not apply to any unscheduled absence taken in accordance with medical leave as discussed above.

**Occurrence:** Not including any absences related to medical leave as discussed above, each unscheduled absence is considered an occurrence. A scheduled absence is not considered an occurrence. If unscheduled absences occur over a period of two or more consecutive days for the same reason (and unrelated to any medical leave discussed above), the consecutive period of unscheduled absences will be considered one occurrence.

Paradies utilizes a rolling 12-month cycle for evaluating the number of occurrences for absenteeism. An Associate is permitted 3 unscheduled absences within a rolling 12-month cycle before the commencement of corrective action as detailed below, unless otherwise indicated by a CBA or Living Wage Ordinance. Pursuit of corrective action is subject to Paradies’ discretion.

**Tardiness**

- An Associate who arrives after their scheduled start time is considered a tardy.
- When an associate works more than ½ of their scheduled shift but not all scheduled hours, it is considered a tardy, unless at the Supervisor’s request.
• Associates who return late from a break or lunch will also be considered tardy.

Scheduled Late Arrival/Early Departure: A late arrival or early departure is defined as “scheduled” if approved through the associate’s supervisor prior to the upcoming work period schedule being posted. Please note, any scheduled late arrivals or early departures for medical leave reasons discussed above do not need to be approved by the Associate’s supervisor. However, all associates are required to provide reasonable advanced notification if the need for medical leave or absence is foreseeable.

Unscheduled Late Arrival/Early Departure: A late arrival or early departure that is not scheduled in advance is considered a tardy unless a supervisor directs an associate to do so due to business reasons. An unscheduled late arrival or early departure related to protected leave under medical leave laws discussed above will not be counted as an occurrence.

Occurrence: Aside from any late arrivals/early departures for medical leave purposes, each unscheduled tardy is considered an occurrence. A scheduled late arrival/early departure is not considered an occurrence.

Paradies utilizes a rolling 12-month cycle for evaluating number of occurrences for tardiness. The general guideline is that an associate is allowed 9 tardies within a rolling 12-month cycle before the commencement of corrective action.

Corrective Action
Where, in its sole judgment, Paradies management determines corrective action is appropriate, the chart below is used as a guide when taking corrective action. However, Paradies is under no obligation to follow the below chart and may deviate from it when disciplining associates as it sees fit. Although corrective action for absenteeism and tardiness is generally considered separately, coaching and/or corrective action may be accelerated in instances where combined occurrences of absenteeism and tardiness are excessive. For example, an associate with a total of 3 occurrences of unscheduled absences or unscheduled tardiness within a 30 day cycle would be considered excessive and warrant a written warning.

Unscheduled Absence Occurrences (begins after 3 days allowed under the California Sick Pay Law)

<table>
<thead>
<tr>
<th>Occurrence</th>
<th>Action</th>
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<tbody>
<tr>
<td>1st</td>
<td>Written Warning</td>
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<tr>
<td>2nd</td>
<td>Final Warning</td>
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<tr>
<td>3rd</td>
<td>Termination</td>
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</tbody>
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Unscheduled Tardy Occurrences

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<thead>
<tr>
<th>Occurrence</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>10th</td>
<td>Written Warning</td>
</tr>
<tr>
<td>11th</td>
<td>Final Warning</td>
</tr>
<tr>
<td>12th</td>
<td>Termination</td>
</tr>
</tbody>
</table>
Additional Guidelines

1. **Reporting in:** Associates who will be late or absent from work must call-in to their immediate supervisor at least 2 hours prior to their scheduled reporting time and advise of their expected time (or day) of arrival. E-mails and text messages are not acceptable. Failure to follow this requirement may also be considered a violation of the Attendance and Punctuality Policy and counted as an occurrence for corrective action purposes. If late or absent from work due to leave under the FMLA, CFRA, and/or HFHWA, associates are required to provide reasonable advanced notification if said leave is foreseeable. If the leave/absence is unforeseeable, the associate must provide notice of the need for leave/absence as soon as practicable.

2. **Job Abandonment:** If associates do not call-in or report to work for two consecutive workdays, on the third day they will be considered to have voluntarily resigned their position effective the third day. This policy does not apply to any associates whose absence is considered unforeseeable and medically related under the HWHFA, resulting in the inability to provide notice as soon as practicable.

3. Empower and Micros are the system of record for tracking attendance and punctuality. Associates must clock-in to Empower or Micros in their assigned work area before performing any work and clock out at the end of their shift. Associates shall not perform any work after clocking out.

4. Associates on corrective action (excluding counseling discussion) are not eligible for transfer or promotion.

5. Any absence or tardy that meets the requirements of Paradies’s Short Term Disability benefit, Leave of Absence policy, the FMLA or other similar leave law, must be called in to Paradies’s Leaves Administration (Cigna) for monitoring and administration. Any associate requiring an absence or tardy meeting the requirements under the HWHFA must provide reasonable advanced notification. If the need for such absence or tardy is unforeseeable, the associate is required to provide notice of the need for the leave as soon as practicable. This notification is required each day an associate is unable to report to work or, otherwise, as soon as practicable if notification cannot be provided each day. In cases of prolonged illness, a supervisor may authorize the associate not to report daily. Absences and tardies related to a Workers’ Compensation claim should be reported to the HR.

6. This policy is meant as a guide and does not provide a comprehensive list of all infractions that can lead to corrective action or immediate dismissal involving absenteeism or tardiness. Paradies retains the right, in its sole discretion, to make exceptions or deviations from any normal or customary procedures under this policy.

7. Nothing in this policy is intended or should be construed to create a contract between Paradies and its associates. This policy does not alter or change in any way the at-will employment relationship between Paradies and its associates, meaning that either Paradies or the associate may terminate the employment relationship at any time and for any reason, with or without notice or cause.
8. Paradies retains the right to modify this policy at any time.

Meals and Rest Periods

Meal Periods
All non-exempt Associates will be provided an uninterrupted unpaid meal period of at least 30 minutes if they work more than 5 hours in a workday. You must clock out for your meal period. You will be permitted a reasonable opportunity to take this meal period, and you will be relieved of all duty. During your meal period, you are free to come and go as you please and are free to leave the premises. You are expected to return to work promptly at the end of any meal period.

If your total work period for the day is more than 5 hours per day but no more than 6 hours, you may waive the meal period. This cannot be done without the mutual consent of you and your Supervisor. You must discuss any such waiver with your Supervisor in advance. Associates who work over 6 hours in a day may not waive their meal periods with one exception. Specifically, any Associate who is working a shift of more than 10 hours, but no more than 12 hours and who has not already waived their first meal period, may voluntarily waive his or her right to a second meal period by the mutual consent of the Associate’s Supervisor and the associate. These waivers must be in writing.

Timing of Meal Period
Your meal period will be provided no later than the end of your fifth hour of work but can begin any time before that. For example, if you begin work at 8:00 a.m., you must start your meal period by 12:59 p.m. (which is before the end of your fifth hour of work). Your meal period will be scheduled by your Supervisor.

Second Meal Period
If you work more than 10 hours in a day, you will be provided a second, unpaid meal period of at least 30 minutes. Again, you must clock out for your meal period. You will be permitted a reasonable opportunity to take this meal period, and you will be relieved of all duty. There will be no control over your activities during your meal period. You are expected to return to work promptly at the end of any meal period.

Timing of Second Meal Period
This second meal period will be provided no later than the end of your 10th hour of work. For example, if you begin work at 8:00 a.m., you must start your second meal period by 5:59 p.m. (which is before the end of your 10th hour of work).

Rest Periods
All non-exempt associates are entitled to rest break periods during their workday. If you are a non-exempt associate, you will be paid for all such break periods, and you will not clock out. You are required to remain on the work premises during your rest break(s). You are expected to return to work promptly at the end of any rest break.
Number of Rest Breaks
You will be authorized and permitted one 10-minute net rest break for every 4 hours you work (or major fraction thereof, which is defined as any amount of time over 2 hours). A rest break need not be authorized for Associates whose total daily work time is less than 3.5 hours.

If you work a shift from 3.5 to 6 hours in length you will be entitled to one 10-minute rest break. If you work more than 6 hours and up to 10 hours, you will be entitled to two 10-minute rest breaks. If you work more than 10 hours and up to 14 hours, you will be entitled to three 10-minute rest breaks.

For shifts in excess of 14 hours, you will continue to be entitled to additional paid 10-minute rest breaks for every 4 hours you work, or major fraction thereof.

Timing of Rest Breaks
You are authorized and permitted to take a rest break in the middle of each 4 hour work period. Your rest break will be scheduled by your Supervisor.

Breaks for Nursing Mothers
Paradies accommodates lactating associates by providing a reasonable amount of break time to any associate who desires to express breast milk for an infant child. The break time shall, if possible, run concurrently with any break time already provided to the associate. Any break time provided to express breast milk that does not run concurrently with break time already provided to the associate shall be unpaid. However, if providing such break time would seriously disrupt the operations of our business, we may deny break time to associates who wish to express breast milk.

We will make reasonable efforts to provide associates who need a lactation accommodation with the use of a room or other private location that is located close to the associate’s work area. Associates with private offices will be required to use their offices to express breast milk.

Associates who desire lactation accommodations should contact their Supervisor or Human Resources to request accommodations.

Discrimination on the basis of sex includes discrimination based on breastfeeding and related medical conditions, and is unlawful.

Leaving Company Premises
An Associate’s regular presence at the workplace is an essential function of the job. During working hours, Associates are asked not to leave their assigned work area or Paradies premises for personal reasons. If an emergency situation arises that requires an Associate to leave the premises during working hours, the Associate must obtain authorization from his or her Manager before leaving the premises during working hours. Associates who leave without approval will be considered to have “walked off” the job and will be subject to disciplinary action, up to and including termination.

Attending Company Meetings
Paradies will pay non-exempt associates for their attendance at meetings, lectures, and training programs under the following conditions:
• If attendance is mandatory;
• The meeting, course, or lecture is directly related to the Associate's job;
• The Associate who is required to attend such meetings, lectures, or training programs will be notified of the necessity for such attendance by his or her Supervisor;
• The Associate will be paid at the then applicable minimum wage for time spent at meetings, lectures, and training programs if the associate does not perform any productive work during such attendance;
• Associates who do perform productive work during attendance at meetings, lectures or training programs will be compensated at their regular rate of pay; and
• Any hours in excess of 8 in a day or 40 in a week will be paid at the appropriate overtime rate, at the hourly rate in effect at the time the overtime work is being performed.

A non-exempt Associate will receive overtime to the extent that attendance at such meetings exceeds 40 hours of work in a week or 8 hours of work in day.
WORKING RULES AND REGULATIONS

Communications
Successful working conditions and relationships depend upon successful communication. Not only do you need to stay aware of changes in procedures, policies and general information, you also need to communicate your ideas, suggestions, personal goals or concerns as they affect your work.

In addition to the exchanges of information and expressions of ideas and attitudes which occur daily, make certain you are aware of and utilize all Paradies methods of communication, including this Associate Manual, electronic mail, bulletin boards, discussions with your Manager, memoranda, staff meetings, newsletters, training sessions, etc.

You will receive other informational booklets, such as your insurance booklets, from time to time. You may take these booklets home so that your family may know more about your job and your benefits. In addition, you may receive letters from Paradies. There is no regular schedule for distribution of this information. The function of each letter is to provide you with interesting news and helpful information which will keep you up-to-date on the events here at Paradies.

Failure to abide by these Work Rules and Regulations and other Company policies will result in disciplinary action, up to and including termination.

English in the Workplace
A California employer may require associates to speak one language at work only if (1) the policy is justified by a “business necessity” and (2) the associates have been notified of the requirements of the policy. A business necessity means that the employer needs the policy to ensure the safe and efficient operation of the workplace.
While the Company does not currently require California associates to speak only in English during working hours, it reserves the right to impose such a policy upon proof of a business necessity and proper notice.

Personal Business
Associates should attend to personal business when off duty. Personal telephone calls, texting, the use of social media and/or visitors during working hours should be limited to emergency situations only. Associates are never to make personal long distance calls unless the call is placed collect or placed using a personal calling card. Due to the great volume of mail processed each day for Company business, Associates should refrain from having personal mail addressed to them at the Company.

Off Duty Conduct
Unlawful conduct that occurs off Company premises and outside business hours that adversely affects the Company’s legitimate business interests or the Associate’s ability to perform his or her job may result in discipline. Paradies does not, however, interfere with the lawful off-duty conduct of its Associates.
**Use of Cellular Telephones**

Personal calls, personal instant messaging, personal text messaging or tweeting during the work shift interferes with Associate productivity and is distracting to others. Associates are expected to limit personal interactions during work time and make personal calls and/or send personal text messages, tweets or instant messages on non-work time and to ensure that friends and family members are aware of this Company policy. All cell phones must be set to silent or vibrate modes to avoid disruption in workflow.

Paradies is aware that management Associates utilize cellular phones/PDA’s in many locations in order to carry out business activities. This has become a necessity, especially in locations with multiple stores. It is still expected that this type of activity will be intermittent and restricted to use for business only.

If an Associate’s use of a personal cell phone or PDA causes disruptions or loss of productivity, the Associate may become subject to disciplinary action up to and including termination.

Associates will be permitted calls in the unusual occasion of an emergency or anticipated emergency that requires immediate attention provided your Supervisor has been notified in advance that an emergency may exist.

Camera phones can present risks to our Company, potentially compromising customer information, copyright laws, or the privacy of others. For this reason, utilizing your camera during working hours in the workplace, is strictly prohibited.

The Company is not liable for the loss of personal cellular phones, PDAs or other personal electronic equipment brought into the workplace.

**Telephone and E-Mail Courtesy**

Use of the telephone is an important means of customer contact, one of our “doors” through which the public enters. When answering the telephone or talking to a customer, be sure to answer promptly, speak with a smile in your voice, and assure the caller or customer of our desire to be of service. Listen carefully to what the caller wants, and then handle the matter promptly yourself or deliver a message to the person to whom it was intended.

When communicating by e-mail, internally or externally, courtesy is extremely important. Always use tact and take care in choosing your words. In written communications, the tone of the message depends on a careful choice of words. Never “shout” (use all caps) in any form of communication.

Associates should have no expectation of privacy of information, neither work-related nor personal, that is disclosed by and through the Company's telephones or e-mail system.

**Visitors in the Workplace**

All visitors to our offices are required to follow our policies. Any visitor who refuses to follow our policies will not be allowed to return. Visits by friends or relatives can be disturbing to our operations. All visitors are welcome to meet you in the reception area; however they cannot be left unattended in any part of the office or shop.
Social Media
Since the information you publish is accessible by the general public, Paradies hopes your comments will be truthful and respectful to Paradies, its Associates, customers, partners, affiliates and others (including our competitors). If you are going to criticize individual Associates, consider discussing the criticism personally before making it public. Paradies disapproves of statements about it or its Associates that are defamatory, discriminatory, obscene, violent, threatening or harassing using Company equipment, including computers and electronic systems. Such statement may even warrant disciplinary action, but only if it constitutes unlawful conduct.

Please be aware that Paradies may request that you confine your website, web log or other commentary to topics unrelated to the Company if it believes this is necessary or advisable to ensure compliance with laws or regulations.

Guidelines for Using Social Media
Social media includes, without limitation, all means of communicating or posting information or content of any sort on the Internet, including your own or someone else’s web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not Associated or affiliated with Paradies as well as any other form of electronic communication.

The same principles and guidelines found in the Company’s policies and three basic beliefs apply to your activities online. Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow Associates or otherwise adversely affects customers, suppliers, co-workers, people who work on behalf of Paradies or its legitimate business interests may result in disciplinary action up to and including termination.

Be Respectful When Using Social Media
Always be fair and courteous to fellow Associates, customers, suppliers, or people who work on behalf of Paradies. Also, keep in mind that you are more likely to resolve work-related complaints by speaking directly with your co-workers than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage customers, Associates, or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone’s reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or Company policy.

Be Honest and Accurate When Using Social Media
Make sure you are always honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that you know to be false about Paradies’ Associates, customers, suppliers, people working on behalf of Paradies, or competitors.
Post Only Appropriate and Respectful Content

If you choose to identify yourself as a Paradies Associate or to discuss matters related to our business, please bear in mind that although the information you publish will generally be viewed as a medium of personal expression, some readers may nonetheless view you as a de facto spokesperson for Paradies. In light of this possibility the following guidelines must be followed:

- Company equipment, including computers and electronic systems, are limited to business use only. Personal communications should be initiated from personal internet accounts. Refrain from using social media while on work time or on Company equipment, unless it is work-related as authorized by your Manager. Do not use Paradies’ email addresses to register on social networks, blogs or other online tools utilized for person use.
- You must make it clear to your readers that the views expressed by you are yours alone and do not represent the views of Paradies, fellow Associates, customers, suppliers, or people working on behalf of Paradies. If you do publish a blog or post online related to the work you do or subjects Associated with Paradies, make it clear that you are not speaking on behalf of Paradies. It is best to include a disclaimer such as “The postings on this site are my own and do not necessarily reflect the views of Paradies.” If you blog or otherwise publish information about our products or services, you must clearly and conspicuously disclose your relationship with Paradies to your readers, and the products and services must be publicly launched, not in development. Do not create a link from your blog, website or other social networking site to a Paradies website without identifying yourself as a Paradies Associate. Understand that you assume full responsibility and liability for your public statements.
- You are not permitted to disclose confidential or proprietary information. Maintain the confidentiality of Paradies’ trade secrets and private information. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures, or other internal business-related confidential communications. You must at all times abide by all non-disclosure and confidentiality policies of the Company.
- Company policies governing the use of corporate logos and other branding and identity apply, and only individuals officially designated have the authority to speak on the Company’s behalf. Therefore, you are not permitted to use any Company logo or graphics without first obtaining written permission.
- You are prohibited from making discriminatory, defamatory, libelous or slanderous comments when discussing Paradies, its Associates, customers, clients and/or competitors
- You must always comply with all other employment policies, including the Harassment Policy.

Since the information you publish is accessible by the general public, Paradies hopes your comments will be truthful and respectful to Paradies, its Associates, customers, partners, affiliates and others (including our competitors) as the Paradies itself endeavors to be. If you are going to criticize individual Associates, consider discussing the criticism personally before making it public. Paradies will not tolerate statements about it or its Associates that are defamatory, discriminatory, obscene, violent, threatening or harassing using Company equipment, including computers and electronic systems.

Please be aware that Paradies may request, in its sole and absolute discretion, that you confine your
website, web log or other commentary to topics unrelated to the Company if it believes this is necessary or advisable to ensure compliance with laws or regulations.

If you are asked to comment on behalf of Paradies or act in any official capacity, such as but not limited to conduct a media or marketing interview; contribute to a social networking or blogging site; speak at a conference or event; provide a testimonial or quote for a vendor, customer, or business affiliate, the following guidelines must be followed:

- All such requests must receive advanced approval and should be forwarded to the President or his designee.
- A member of the public relations staff should be present during all media interviews.
- All presentations and submissions should be forwarded to the President or his designee for approval.
- All vendor or affiliate request to use the Paradies name, product and service information, or Associate testimonial quote must receive advanced approval and should be forwarded to the President or his designee.

Failure to comply with these requests may lead to discipline up to and including termination, and if appropriate, Paradies will pursue all available legal remedies.

Outside Employment
All Associates are expected to maintain the integrity of our Company and protect information that may come your way in the course of your employment with Paradies. Associates may hold outside jobs as long as they meet the performance standards of their job with Paradies. All Associates will be judged by the same performance standards and will be subject to the Company’s scheduling demands, regardless of any existing outside work requirements.

If the Company determines that an Associate’s outside work interferes with performance, attendance, productivity, conduct, or the ability to meet the requirements of Paradies as they are modified from time to time, the Associate may be asked to terminate the outside employment if he or she wishes to remain with Paradies.

Outside employment that constitutes a conflict of interest is prohibited. Associates may not receive any income or material gain from individuals outside Paradies for materials produced or services rendered while performing their jobs.

While actively employed with Paradies, no Associate may work for one of the Company’s competitors or in any activity that is in direct conflict with the responsibilities of his or her position unless they have informed his or her Supervisor in advance. Doing so will be cause for immediate termination. If you accept outside employment, please submit to your Supervisor a written memo containing the name of the outside employer, the duties expected in the new position, and the hours you propose to work.
**Personal Property**
Associates are urged to exercise extreme care with personal valuables and to keep them in a safe place. Associates should bring to the workplace only the items that will be needed for the work day. Location Associates will be provided FAA approved carrying bags to secure their belongings. Paradies does not assume responsibility for any missing, stolen, or damaged personal property.

Associates should have no expectation of privacy in their belongings or in workplace areas which include, but are not limited to, offices, lockers, work locations, Company provided or designated parking areas, desks, computers, rest or eating areas, or vehicles engaged in Company operations, and any personal belongings on or in any of the above.

**Conflicts of Interest**
Good business practice prohibits us from allowing conflicts of interest to exist. Associates have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which Paradies wishes the business to operate. The purpose of these guidelines is to provide general direction so that Associates can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the Human Resources Department for more information or questions about conflicts of interest. If you are a member of the Paradies Management Team, you are required to sign, return and abide by the Company's Code of Ethics policy.

Transactions with outside firms must be conducted within a framework established and controlled by Paradies. Business dealings with outside firms should not result in gains for those firms, Paradies or the Associate. Unusual gain refers to, without limitation, bribes, product bonuses or merchandise, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the Associate, or both.

An actual or potential conflict of interest occurs when an Associate is in a position to influence a decision that may result in a personal gain for that Associate or for a friend or relative as a result of Paradies business dealings. For the purposes of this policy, a relative includes, without limitation, a spouse, partner, and any other person residing in the same household as the Associate who is a dependent of the Associate or of whom the Associate is a dependent.

During working hours, you are expected to devote your full attention and efforts to your job responsibilities and to act in all regards in the Company's best interest. It is imperative to provide full, factual and timely disclosure of any actual or potential conflict of interest as soon as possible so that safeguards can be established to protect all parties. Failure to disclose an actual or potential conflict of interest may lead to disciplinary action up to and including termination.

**Associate Parking**
Parking is available for all Associates who wish to drive their personal vehicles. Those Associates working in the field will receive information regarding the designated parking areas during the new hire orientation process. In some instances, you will be required to present the airport ID badge in order to gain access to these areas.
Paradies is not responsible for damage or loss sustained by Associates who park on Paradies premises. Associates should not keep valuables in their vehicles and vehicles should be secured at all times. Associates should have no expectation of privacy in their belongings or in workplace areas including designated parking areas.

**Badges/Keys**
Associates may be issued security badges, keys and/or access cards if they are required for the performance of their job. For any of these items issued, the Associate has the sole responsibility for safeguarding them. Any badges, keys, or access cards lost or misplaced should be reported immediately to the Associate’s Manager and to Human Resources. Under no circumstances should any badges, keys, or access cards be given to or allowed into the hands of any person other than the Associate to whom they were issued. All badges and keys may not be duplicated and must be returned upon termination of employment along with any access card. Associates not returning these items upon termination are subject to a full payroll deduction from their final paycheck to cover the expenses of replacing these items (as permissible by state law.

**Expense Reimbursement**
Associates leaving the employment of Paradies must surrender their corporate credit card to Loss Prevention or Human Resources and may be responsible for seeking reimbursement to pay any outstanding balance that are unrelated to their employment, assignments, or duties. Loss Prevention will then notify the issuing creditor to cancel the account. Paradies requests proper submission of receipts and expense report for all reimbursable expenses. You will be expected to follow these guidelines when submitting expenses for reimbursement. However, the Company will provide reimbursement for all business-related items, even if an Associate fails to follow the proper reimbursement procedure.

**Solicitation, Distribution and Posting**
Paradies prohibits the solicitation, distribution and posting of materials on or at Company property by any Associate or non-Associate, except as may be permitted by this policy. The sole exceptions to this policy are charitable and community activities supported by Paradies management and Company-sponsored programs related to Paradies products and services.

Non-Associates may not solicit Associates or distribute literature of any kind at any time. Associates may only admit non-Associates to work areas with management approval or as part of a Company-sponsored program. These visits should not disrupt workflow. The Associate must accompany the non-Associate at all times.

Associates may not solicit other Associates during work times, except in connection with a Company approved or sponsored event. Associates may not distribute literature of any kind during work times, or in any work area at any time, except in connection with a Company-sponsored event.

The posting of materials or electronic announcements are permitted with approval from Human Resources. Violations of this policy should be reported to Human Resources immediately.
Workplace Monitoring
Because Paradies is sensitive to the legitimate privacy rights of Associates, every effort will be made to guarantee that workplace monitoring is done in an ethical and respectful manner. The Company will not monitor associate’s phone calls without first informing both parties through a recorded message. Furthermore, monitoring will stop immediately upon discovery that a call is personal. The Company may conduct video surveillance of non-private workplace areas. Video monitoring is used to identify safety concerns, maintain quality control, detect theft/misconduct, and discourage or prevent acts of harassment and workplace violence. Video surveillance will not include audio recordings.
SAFETY AND SECURITY

Safety Rules
Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all Paradies activities. We want to protect you against job related injury and illness.

Please report all injuries, no matter how slight, to your Manager and Human Resources immediately. In addition, please report anything that needs repair or that is a safety hazard. Below are some general safety rules. Human Resources may post other safety procedures in your department or work area:

- Avoid overloading electrical outlets with too many appliances or machines.
- Walk - don't run.
- Use stairs one at a time.
- Report to your Manager if you or a co-worker becomes ill or is injured.
- Ask for assistance before lifting heavy objects or moving heavy furniture.
- Use proper lifting techniques and support belts as needed when lifting heavy merchandise;
- Exercise proper care when using cleaning products and supplies;
- Be sure ladders are in good condition before using to adjust light fixtures or change displays;
- Keep cabinet doors and file and desk drawers closed when not in use.
- Sit firmly and squarely in chairs that roll or tilt.
- Wear or use appropriate safety equipment as required in your work.
- Avoid "horseplay" or practical jokes.
- Start work on any machine only after safety procedures and requirements have been explained (and you understand them).
- Wear appropriate personal protective equipment, like shoes, hats, gloves, goggles, hearing protectors, etc., in designated areas or when working on an operation which requires their use.
- Keep your work area clean and orderly, and the aisles clear.
- Stack materials only to safe heights.
- Watch out for the safety of fellow Associates.
- Use the right tool for the job, and use it correctly.
- Operate motorized equipment only if authorized by your immediate Manager.

Remember, failure to adhere to these rules will be considered serious infractions of safety rules and will result in disciplinary actions, up to and including termination.

Safety and Reporting of Accidents and Hazards
All accidents must be reported immediately to the Associate’s Manager. In addition to notifying the Manager, all on-the-job accidents must also be reported to Human Resources immediately. Only through a full knowledge of accidents can the Company become a safe, healthier place for everyone to work.

Each Associate is expected to assist in maintaining safe working conditions. Safety requires constant vigilance and common sense. Safety is everyone’s responsibility. Please be sure to report any unsafe conditions, defective equipment, or other hazards to your Manager.
Safe Driving
Paradies values the safety and well-being of all Associates. The Company’s Safe Driving Conduct Policy must be followed to minimize the risk of motor vehicle accidents resulting from traffic congestion, unsafe driving habits, road conditions and distractions. This policy applies to all Associates that operate a Company-owned, leased or rented vehicle for Company business. Please refer to the Safe Driving Conduct Policy for a full review of the guidelines located on AccessTPS under Loss Prevention.

Security
Maintaining the security of your workplace is every Associate’s responsibility. Develop habits that ensure security as a matter of course. For example:

- Always keep cash properly secured. If you are aware that cash is insecurely stored, immediately inform the person responsible.
- Know the location of all alarms and fire extinguishers, and familiarize yourself with the proper procedure for using them, should the need arise.
- When you leave Paradies premises make sure that all entrances are properly locked and secured. Activate alarms where necessary.
- If you are the last person to leave the office, please make sure that all designated lights are turned off.
- Do not ring up your own purchases;
- Remain at your assigned work location unless scheduled to leave or unless there is an emergency;
- Never leave a store unattended or without permission;
- Follow and abide by safety rules. Report any customer or Associate accidents and/or injuries immediately to the Manager on duty;
- Maintain your shop for cleanliness, safety and proper merchandising;
- Do not take any money, merchandise or property of the Company’s or that of customers or fellow co-workers. Accepting money, merchandise or property from Paradies without prior payment or authorization will be considered theft and will be treated as such. This includes, but is not limited to, candy, gum, cigarettes, newspapers or any food or beverage products. Any Associate caught stealing will be terminated from employment and may be prosecuted to the fullest extent of the law;
- Never disclose, use, remove or copy confidential information such as “What’s In Store,” price books, advanced advertising information, computer data, financial and sales information. Financial and commercial information should not be casually discussed, even with other Associates and especially not with non-Associates;
- Never allow unauthorized persons behind the wrap stands or in stock areas or offices areas;
- Never leave showcases unlocked. Cases should only be unlocked when showing merchandise to a customer or when it is being cleaned or stocked. Lock showcases immediately after use;
- Never leave the store keys in an unsecured location. Never give keys to unauthorized persons;
- Report all damaged merchandise or food to your Manager or Supervisor. Damaged merchandise cannot be discarded until the appropriate paperwork is completed. The Regional Vice President must approve disposal of the merchandise or food if by any means other than being discarded in the trash;
- Personal items should be stored in Company provided lockers or storage areas (as available);
• Carry all personal items into the shop in the designated clear bag while on duty;
• Report any breach of security or safety to the proper Supervisor or Manager;
• Respect and do not destroy, deface or tamper with Company property or personal property for which the Company is responsible;
• Do not deliberately falsify, alter, destroy or remove Company records from the work place, including, but not limited to, employment applications, personnel records, time cards, voids, returns, or other work records confidential or not;
• Never misuse nor misappropriate Company property or Company funds;
• Follow all sales procedures;
• Place all cash from a sales transaction in the cash register as soon as you have given the customer the correct change;
• If a customer leaves money or personal items in the location, give it to your Manager. Small amounts of cash, less than $1.00, can be put in the register and noted on the drop bag. Refer to Loss Prevention guidelines for handling amounts of cash left of $1.00 or more;
• Never violate software copying/licensing agreements;
• Never install software on Company-owned computers without prior I.T. authorization;
• Protect Paradies information assets from unauthorized disclosure, modification, or destruction by either accidental or intentional means or access;
• Protect Paradies assets and property from theft, loss or damage.

Security and Identification Badges
All Associates are responsible for maintaining the security of the facility or location in which they work. Associates may be issued identification badges specific to his or her location or facility.

Associates working in an airport are required to display the local airport authority (or issuing agency) security badge at all times when on airport property and are required to adhere to all FAA and local airport authority security policies and procedures. Associates working at any other facility that issues a security identification badge are required to adhere to the policy and procedures of the entity responsible for issuing the badge.

Prior to being issued a security identification badge, the issuing agency may require Associates to attend training, complete a test and provide background information. If any information provided during the initial issue of a security identification badge should change once the badge is issued, Associates must immediately report the change to Paradies’ location General Manager and the entity responsible for issuing the badge. If an Associate’s status changes and results in revocation of the security identification badge, Paradies reserves the right to reassign the Associate or ask for the Associate’s immediate resignation. Associates that fail to notify Paradies and/or the issuing entity of a status change will be terminated and may face legal action.

Badges are to be worn/displayed with a Company or facility issued lanyard. The lanyard is considered to be a part of the approved uniform program and must be approved by Paradies. Food and Beverage Associates may use an arm badge holder (rather than a lanyard).
Associates are expected to know all rules and regulations associated with the issue of security identification badges and are expected to adhere to those rules and regulations at all times. Failure to adhere to these guidelines will result in disciplinary action up to and including termination. Associates who resign or are otherwise no longer working for Paradies are responsible for returning all security identification badges issued.

**Driver’s License Requirement**

Any Associate who is required to operate any Company vehicle is required to maintain a valid driver’s license. Associates must notify management within 72 hours in the event of suspension or revocation of his or her driver’s license or operator’s permit occurs and may not operate such equipment. Failure to notify management will result in immediate termination.

**Weapons Policy and Security Inspections**

The safety of our Associates, customers, and visitors is of the utmost importance to Paradies. The Company prohibits acts or threats of violence by or against any Associate, customer, or visitor.

The presence of weapons in the workplace poses a direct and substantial threat to the safety of our Associates, customers, and visitors. Accordingly, all Associates (and customers and visitors) are strictly prohibited from carrying and using firearms or deadly weapons either while on Company property or while engaged in any work-related activity. Storage of firearms or any deadly weapon in a Company vehicle at any time is strictly prohibited. Except as authorized by law, storage of firearms or any deadly weapon in any location, including personal vehicles, while on Company property or while conducting Company business is prohibited. Violators of this Weapons Policy shall be disciplined, up to and including termination.

"Work-related activity" is defined as any activity an Associate performs which is related to his or her job duties or which otherwise relates to the business and affairs of Paradies, either on or off Company property. In addition, such activity shall include but not be limited to time spent traveling to or from job sites, business meetings, and business-related social events.

For purposes of this policy, the term “weapons” includes any device, instrument, material, or substance, which, under the circumstances is readily capable of causing death or serious bodily injury. Weapons include, but are not limited to, all firearms, such as shotguns, rifles or handguns (whether loaded or unloaded, operable or inoperable); ammunition, explosives, knives and any tool or implement capable of inflicting serious bodily injury. This prohibition includes licensed firearms or weapons and applies to all that are licensed to carry firearms or concealed weapons.

Violations of this policy should be reported immediately to your Supervisor. Any questions regarding this policy should be directed to your Human Resources representative or Manager. Desks, lockers, and other storage devices may be provided for your convenience but remains the sole property of the Company. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of Paradies at any time, either with or without prior notice.

Paradies likewise wishes to discourage theft or unauthorized possession of the property of Associates, the Company, and visitors. To facilitate enforcement of this policy, Paradies or its representative may
inspect not only desks and lockers but also packages and persons entering and/or leaving the premises. Any Associate who wishes to avoid inspection of any articles or materials should not bring such items in to the workplace.

Any Associate found in possession of dangerous, illegal or unauthorized items or material will be subject to disciplinary action up to and including termination.

Information Technology (IT) System Security

General Considerations:
Company Property
All Company computers, networks, email & voicemail facilities, fax machines, mobile devices, telephones, and Internet access accounts are the Company’s property to be used to facilitate the business of the Company. In addition, all software that has been installed on Company computers and any data collected, downloaded, and/or created on Company computers is the exclusive property of the Company and may not be copied or transmitted to any outside party or used for any purpose not directly related to the business of the Company. Upon termination of employment, no employee or user shall remove any software or data from Company-owned computers.

Acceptable Use
Users are strictly prohibited from using Company computers, email & voicemail systems, fax machines, mobile devices, telephones, Internet access accounts, and other Company resources for any improper purpose. The following actions constitute unacceptable use of Company resources. While this list is not exhaustive, it is included to provide a frame of reference for types of activities that are deemed unacceptable. The user may not use Company resources or IT systems to:

- Transmit, retrieve, download, store, or disseminate messages or images that are offensive, derogatory, defamatory, discriminatory, off-color, sexual in content, racist, abusive, rude, annoying, insulting, threatening, obscene or otherwise inappropriate in a business environment;
- Make threatening or harassing statements to another employee or to a vendor, customer, or other outside party;
- Transmit, retrieve, download, store, or disseminate messages or images relating to race, religion, color, sex, national origin, citizenship status, age, handicap, disability, sexual orientation, or any other status protected under local, state, federal, or international law;
- Send or receive confidential or copyrighted materials without prior authorization;
- Engage in activity that is illegal under local, state, federal, or international law;
- Engage in any activities that may cause embarrassment, loss of reputation, or other harm to the Company;
- Engage in activities that cause an invasion of privacy;
- Engage in activities that cause disruption to the workplace environment or create a hostile workplace;
- Make fraudulent offers for products or services;
- Install or distribute unlicensed/"pirated" or otherwise non-Company supplied software;
• Perform any of the following: port scanning, security scanning, network sniffing, keystroke logging, or other IT information gathering techniques when not part of the employee's job function;
• Reveal personal or network passwords to others, including but not limited to family, friends, or other members of the household when working from home or remote locations;
• Engage in day trading, purchasing or selling stocks, bonds, or other securities or transmitting, retrieving, downloading, or storing messages or images related to the purchase or sale of stocks, bonds, or other securities;
• Solicit personal business opportunities or perform personal advertising;
• Internet surfing and social networking activities;
• Gamble or play electronic games; or
• Engage in any other action that is detrimental to the Company’s IT resources or other corporate resources, or that negatively affects job performance.

Personal Usage
Limited personal usage of Company computer systems is permitted as long as such usage follows pertinent guidelines elsewhere in this document or other Company policy documents and does not have a detrimental effect on the Company or on the user’s job performance.

Storage of personal information including but not limited to pictures, videos and music files is not permitted. The Company is not responsible for the loss of personal information stored on Company equipment. The IT Department will not support recovery of lost personal information.

The Company does not allow the use of personal storage media, which includes but is not limited to USB or flash drives, external hard drives, personal music/media players, and CD/DVD writers.

Users must take reasonable precautions to ensure their actions do not cause a security incident which would affect the confidentiality, availability and integrity of the Company network and systems. Examples include viruses, trojans, worms, malware, spyware, and other undesirable security risks which may have negative implications to Company resources. Any user of the Company network and systems who causes a security incident due to personal usage shall be deemed guilty of gross negligence and/or willful misconduct and will be held responsible.

Non-Company Owned Equipment
The Company does not allow the use of outside or non-Company provided computer systems on the Company network. When third parties require access to any Company IT resources or the network, users must follow guidelines for third party information security which include at a minimum the following:
• Updated antivirus/antimalware protection
• Up-to-date security patches
• Firewall configured to block external access
• Password policies which meet or exceed those outlined herein
Confidentiality
Confidential data must not be shared or disclosed in any manner to non-employees of the Company, posted on the Internet or any publicly accessible systems, or transferred in any insecure manner. Non-Company persons needing access to Company confidential data or information should complete and sign a confidentiality agreement approved by the Company’s General Counsel prior to accessing such data or information.

Copyright Infringement
Company computer systems and networks must not be used to download, upload, or otherwise handle illegal and/or unauthorized copyrighted content. Any of the following activities constitutes a violation of this policy if done without permission of the copyright owner:

- Copying and sharing images, music, movies, or other copyrighted material using P2P file sharing or unlicensed CDs and/or DVDs;
- Posting or plagiarizing copyrighted material; and
- Downloading copyrighted files that the employee has not already legally procured.

This list is not meant to be exhaustive, as copyright law applies to a wide variety of works and applies to more cases than those which are specifically listed above.

Expectation of Privacy
Users should expect no privacy when using the Company information systems and other Company resources. All information created, transmitted, downloaded, received, or stored on Company computers, networks, email systems and voicemail systems may be accessed by the Company at any time without prior notice. There is also no expectation of privacy should information be encrypted, password protected and/or deleted. The Company reserves the right to monitor any and all use of Company information systems and other Company resources. To ensure compliance with Company policies this may include the interception and review of any emails, or other messages sent or received, inspection of data stored on personal file directories, hard disks, and removable media.

Email Use
Guidelines to follow when using Company email systems or other communication methods provided by the Company. While this list is not exhaustive, it is included to provide a frame of reference for types of activities that are deemed unacceptable.

- In addition to other actions noted as prohibited elsewhere in this document, the following is never permitted: spamming or harassment; communicating threats, solicitations, chain letters, or pyramid schemes; and forging email header information or attempting to impersonate another person.
- Email is an insecure method of communication, and thus, information that is considered confidential or proprietary to the Company may not be sent outside of the Company via email, regardless of the recipient, without proper encryption and/or authorization.
- Sending of full credit card numbers and/or social security numbers via email is explicitly prohibited.
- Users should not open email attachments from unknown senders or when such attachments are unexpected.
- Email systems were not designed to transfer large files, and as such emails should not contain attachments of excessive file size (10MB).

**Web Browsing**

General Use: The Internet is a network of interconnected computers of which the Company has very little control. The user should recognize this when using the Internet, and understand that it is a public domain and he or she can come into contact with information, even inadvertently, that he or she may find offensive, sexually explicit, or inappropriate. The user must use the Internet at his or her own risk. The Company is specifically not responsible for any information that the user views, reads, or downloads from the Internet.

**Network and IT System Access**

Users should take reasonable efforts to avoid accessing network data, files, and information that are not directly related to his or her job function. Existence of access capabilities does not imply permission to use this access for non-job related functions. Such usage of this access could lead to security incidents or disruptions to operations. Security incidents may include, but are not limited to, accessing data of which the user is not an intended recipient or logging into a server or account that the user is not expressly authorized to access. Disruptions of network communication include, but are not limited to, network sniffing, ping floods, packet spoofing, denial of service, and forged routing information for malicious purposes. Knowingly taking any actions to bypass or circumvent any security systems, authentication systems, user-based systems, or defined system privileges is expressly prohibited.

**Instant Messaging**

Instant Messaging is allowed for corporate communications only; however, it is expressly prohibited from use in the PCI environment. The user should recognize that Instant Messaging may be an insecure medium and should take any necessary steps to follow guidelines on disclosure of confidential data. Under no circumstances should credit card and/or social security information be transmitted using Instant Messaging technology.

**Peer-to-Peer File Sharing**

Peer-to-Peer (P2P) networking is not allowed on the Company network under any circumstance.

**Remote Desktop Access**

Remote access to the Company’s PCI system resources must use enhanced authentication measures for remote users that are provided by the IT Department. Therefore, remote access users of Company IT resources must possess two requirements for authentication when accessing systems in the PCI environment. Authentication requires something you have, such as a token based card; and something that you know, such as a password or PIN. Non-Company remote access tools used for remote access, including but not limited to tools such as Log Me In, GoToMyPC, and similar tools, are strictly prohibited. Remote access to non-PCI environments must utilize Company provided tools.
Streaming Media
Streaming media can use a great deal of network resources and thus must be used carefully. Streaming media should primarily be used for job-related functions and users should ensure that Company bandwidth is not adversely affected. Restrictions on content may be limited by the Company at any time.

Policy Adherence
Reporting Policy Violations
If a violation of this policy is discovered or suspected, the user must immediately notify his or her Supervisor, HR and the IT helpdesk. Examples of incidents that require notification include, but are not limited to:

- Suspected compromise of login credentials (username, password, etc.)
- Suspected virus/malware/trojan infection
- Suspected compromise of credit card information held by the Company
- Suspected compromise of personal information held by the Company
- Suspected tampering, misuse and/or loss of a POI device (i.e.: credit card reader)
- Loss or theft of any device that contains Company information
- Loss or theft of ID badge or keycard
- Any attempt by any person to obtain a user's password over the telephone or by email
- Any other suspicious event that may impact the Company's information security and/or IT environment or resources

Users must treat a suspected security incident as confidential information and report the incident only to his or her Supervisor, HR and Senior IT Management or the IT helpdesk. Users must not withhold information relating to a security incident or interfere with an investigation.

Enforcement
Violations of this policy may result in disciplinary action, up to and including termination of employment. Users who damage the Company’s computer systems or assets through any type of unauthorized use may additionally be liable for the repair or replacement costs associated with such damage. Users who misappropriate copyrighted or confidential and proprietary information, or who distribute harassing messages or information, may additionally be subject to criminal prosecution and/or substantial civil money damages. The Company will take all necessary steps to report and prosecute any violations of this policy.

PCI DDS Considerations
Compliance with Payment Card Industry Data Security Standard (PCI DSS) requires adherence to the following:

- Unique user IDs are required for all users accessing servers and databases within the PCI environment.
• Credit card data should not be stored on Internet accessible systems, hard drives, network drives, or removable electronic media unless explicitly authorized by appropriate personnel for a defined business need.
• Full credit card numbers should never be included in an email message. If an email is received with a full credit card number, the email should be reported to the IT helpdesk, deleted, and trash emptied immediately.
• Instant Messaging should not be utilized in the PCI environment and credit card data should never be transmitted via instant messaging technology.
• Company users should implement a personal firewall for users accessing the PCI environment. All components including laptops connected to the PCI environment must have active and up-to-date antivirus software.
• No direct wireless connection is allowed into the PCI environment. All wireless networks are required to be configured with encryption stronger than WEP (wired equivalent privacy). Firewall rules should be set to deny or control traffic from the wireless environment into the PCI environment.

POI Devices
• Secure storage when not in use
• Protect the integrity of the POI device when shipping & receiving

Password Management

General Responsibilities

Users are responsible for activity performed with the user IDs assigned to them individually. User IDs may not be utilized by anyone other than the individuals to whom they were issued. User IDs will be disabled in a timely manner for any terminated users.

No user is to keep an unsecured written record of his or her passwords, either on paper or in an electronic file. If it proves necessary to keep a record of a password, then it must be kept in a controlled access safe if in hardcopy form or in an encrypted file if in electronic form.

Passwords must never be stored in clear text and must always be encrypted when held in storage for any significant period of time or when transmitted over networks. Usernames and passwords should not be transmitted in the same communication event via email or over the phone. It is permissible to send a username in one medium and a password in another medium. Additionally, where possible, users must not hard code any username/passwords in scripts or clear text files used by system scripts or batch jobs.

End user computers and servers must be configured with a password protected screen saver where applicable. The screen saver must require the entry of a password after a computer or server console has been left idle for 15 minutes.
**Password Standards**

Users are encouraged to maintain different passwords for each user ID to various systems to which he or she may have access. Password standards should be systematically enforced where technically feasible and users must create passwords that meet or exceed the following requirements:

- Are at least eight (8) characters in length.
- Consist of letters and numbers, as well as special characters where possible.
- Are different from any of the last four (4) passwords used.
- Do not include the username and/or first or last name.
- Are changed every ninety (90) days.

The “Remember Password” feature of applications and IT systems should not be used and users must be forced to change passwords every ninety (90) days. Exceptions to this may be granted for certain types of accounts that do not require user interaction. These types of accounts are commonly referred to as “service accounts” and are used by software and system services.

**Destruction of Sensitive Data**

Hardcopy media must be destroyed by cross-cut shredding, incineration or pulping so that cardholder data cannot be reconstructed:

- Containers storing information waiting to be destroyed must be secured (locked) to prevent access to the contents by unauthorized personnel.
- All other media containing cardholder data must be destroyed when no longer needed for business or legal reasons. The IT helpdesk should be contacted to handle disposal.

**User Training**

It is the responsibility of Company management to promote constant security awareness to information system users. The security awareness program must include new employee/third party orientation and awareness training at least annually.

New Employee Orientation: Upon commencement of employment with the Company, Employees will acknowledge their responsibility to review and be in compliance with policies that address information security within 7 days of hire.

Third party orientation: Upon entering into a third party contracting agreement with the Company that requires the long term residency of third party personnel onsite or direct use of the Company’s IT systems, third party personnel must also be briefed on the application of the Information Security Policy and Acceptable Use Policy within the Company. The third party must sign, electronically or hardcopy, a form indicating their acknowledgement and understanding of the policies prior to receiving access to the network or other Company IT resources.

The Company Human Resources Department will track new employee/third party compliance as part of the onboarding process.
Periodic Awareness: At least on an annual basis, security advisories will be distributed via email to all Company employees. Security advisories should include warnings on specific risks including issues such as viruses, social engineering, new technical vulnerabilities, and/or Company specifics risks and countermeasures.

**Intellectual Property Rights**
Associates must respect copyrights and trademarks of third parties and their ownership claims in images, text, video and audio materials, software, information and inventions. Associates must not copy, use, or transfer proprietary materials of others without appropriate authorization. Even when software is labeled “freeware” or “shareware,” there may be retained licensing restrictions that prohibit or limit the usage or commercialization of such items. Direct any questions regarding this issue to our IT Department. Paradies does not condone the illegal duplication of software. We will cooperate with the copyright holder and legal officials in all copyright matters.

**Your Personnel File**
Management maintains confidential personnel records on each Associate. The file may be viewed by management and senior executives for purposes of transfer, promotion, disciplinary action, etc. Otherwise, personnel files remain entirely confidential and are considered business records of the Company. Associates may view the contents of their personnel files by requesting a meeting with their Manager or Human Resources.

It is important to keep your personnel records up to date:
- To ensure that the Company has the ability to contact Associates
- To ensure that the appropriate benefits are available

Associates must promptly update the HRIS system of any change of name, address, phone number, marital status, number of dependents, emergency contact, or other applicable information and ensure that the changes are updated in all online Human Resources systems.

**Employment Inquiries/Verification**
No Associate, Manager, or executive is authorized to provide employment verification for current or former Associates. All employment verifications will be provided by authorized representatives within Human Resources or through our designee (The Works 1-866-604-6572; Company Code: 15141). It is our Company policy to verify statistical information only. Companies requesting additional information must do so in writing and must provide the Paradies Associate’s signed authorization before wage information will be provided.

**Theft**
Property theft or cash theft of any type will not be tolerated by Paradies. We consider property theft to be the unauthorized use of Company services or facilities or the taking of any Company property for personal use. The following list of examples is not all-inclusive, but provides illustrations of several activities which are unacceptable:
• If you witness or suspect a customer of theft, you must contact your immediate Supervisor for instruction.
• Use of Company copy machines for personal use. If you wish to use a Company copier for personal use, please follow the established procedure for reimbursement of Paradies. Failure to do so is a form of property theft.
• Use of computers. Paradies’ personal computers (the personal computers in the office, or laptops made available for work away from the office) are to be used exclusively for business purposes unless you receive permission from your Manager and arrange to reimburse Paradies. Use of personal computers during business hours is not allowed.
• Taking of Company property. No item purchased or supplied by Paradies should ever be removed from Company premises without express authorization of your immediate Manager and the proper paperwork associated with the situation. This rule applies to all Company property including technician tools, computers, and even pens and paper.

Inspection of Packages
Paradies reserves the right to inspect all packages or closed containers brought into or taken out of Company property and facilities.

Penalty for Unauthorized Possession or Removal of Company Property
The penalty for any incidence of unauthorized possession or removal of Company property is immediate termination. All examples of unauthorized possession or removal of Company property, regardless of the Associate’s past record, seniority, or the dollar value of the item, will be treated equally and on a non-discriminatory basis.

Food Handlers and Alcohol Service Requirements
Where mandated by local or state laws, team mates may be required to obtain additional training or certification to work in our food and beverage locations. Your Manager will inform you of any such requirements upon hire.

Food Handlers and Alcohol Service Requirements

Food Handlers
All Company associates who handle food are required by law to have a Food Handler Card. A food handler is a person who is involved in the preparation, storage, or service of food in a food facility.

A valid Food Handler Card must be presented to you Supervisor within 30 days from the date of hire. The Company will keep a copy of such documentation in the associate's personnel file.

To obtain a Food Handler Card, food handlers will need to successfully pass a food handler test. The course and test may be online or through a trainer-led program. Cards are valid for three years. Every food handler must maintain a valid Food Handler Card for the duration of his or her employment.

The Company is not required by law to pay for an associate’s time and expense in obtaining a Food Handler Card and generally will not pay these costs. Information on how to obtain a Food Handler Card is available at www.maricopa.gov (search Food Service Worker Program). The test can be taken online
for a minimal fee at various websites, including for example, a $12.25 fee at www.statefoodsafety.com. The Company provides this website as a convenience only and does not endorse or otherwise verify the courses offered thereon. Since, the counties of San Diego, Riverside and San Bernardino may have different Food Handlers Card requirements, please check with your Supervisor.

Alcohol Service Requirements
The Company maintains alcohol on the premises for its patrons. However, alcohol may only be provided to patrons of a legally permissible age. Alcohol cannot be provided to a majority age patron if he or she appears to be sharing the beverage to a minor. It also cannot be provided to patrons who appear intoxicated. Failure to comply can expose not only the Company but also the associate(s) involved to liability under civil and criminal laws.

To protect all those involved, any associate serving alcohol to a patron who looks to be less than 40 years old must first see identification demonstrating the patron is of legal drinking age, without exception. The only valid form of identification is a government-issued picture ID (e.g., driver’s license or passport). Further, if you see a patron share or give an alcoholic beverage to anyone who appears to be under age 40, or you believe a patron ordering alcohol appears to be intoxicated, please notify the manager on duty immediately. The manager will evaluate the situation and take appropriate steps (including, if necessary, “cutting off” the flow of alcohol to the paying or intoxicated patron). Any such decision must be honored by all associates.

You should also be aware that taking open alcohol containers out of the store is absolutely forbidden.

Food and Beverage Associate Illness Reporting Policy
The Company may refuse to assign food-handling duties to any associate who has a “communicable or infectious disease” that can be transmitted to others through the handling of food. The definition of an “infectious and communicable disease” is determined by a list that the Department of Public Health publishes twice a year. Such a disease may result in a change of duties to avoid food handling responsibilities only if a reasonable accommodation would not eliminate the risk of communication.

Reporting: Symptoms of Illness - F&BA shall report if they are experiencing any of the following symptoms to the PIC:
- Diarrhea
- Vomiting
- Jaundice (yellowing of the skin and/or eyes)
- Sore throat with fever
- Lesions (such as boils and infected wounds, regardless of size) containing pus on the fingers, hands or any exposed body part

Reporting: Diagnosis of Illness - F&BA should also notify the PIC whenever diagnosed by a healthcare provider as being ill with any of the following diseases that can be transmitted through food or person-to-person by casual contact:
- Norovirus
- Salmonella typhi (typhoid fever)
• Shigella spp. infection
• E. coli infection (Escherichia coli 0157:H7 or other EHEC/STEC infection)
• Hepatitis A

**Reporting: Exposure to Illness** - In addition to the above conditions, F&BA shall notify their PIC if they have been exposed to the following high-risk conditions:

- Exposure to or suspicion of causing any confirmed outbreak involving the above illnesses
- A member of their household is diagnosed with any of the above illnesses
- A member of their household is attending or working in a setting that is experiencing a confirmed outbreak of the above illnesses.

**Exclusion and Restriction from Work** – If you have any of the symptoms or illnesses listed above, you may be excluded or restricted from work. If you are excluded from work, you are not allowed to come to work. If you are restricted from work, you are allowed to come to work, but your duties may be limited.

**Returning to Work** – If F&B Associate is excluded from work for having diarrhea and/or vomiting, F&B Associate will not be able to return to work until more than 24 hours have passed since the last symptoms of diarrhea and/or vomiting; or F&B Associate can provide the PIC with written medical documentation from a health practitioner that states the symptom is from a noninfectious condition.

If F&B Associate is excluded from work for exhibiting symptoms of sore throat with fever, F&B Associate will not be able to return to work until more than 24 hours have passed since the start of antibiotic therapy or a negative culture is reported; or F&B Associate can provide a Manager with written medical documentation from a health practitioner that states the symptom is from a noninfectious condition.

If F&B Associate is excluded from work for having jaundice, Norovirus, Salmonella typhi, Shigella spp. Infection, E. coli infection, and/or Hepatitis A, F&B Associate will not be able to return to work until **Health Department approval** is granted.
COMPENSATION AND PAYMENT PRACTICES

Payroll/Timekeeping
Accurate recording of time worked is the responsibility of each Associate. Paradies must keep an accurate record of time worked in order to properly calculate Associate pay and benefits. Time worked is considered all the time actually spent on the job performing assigned duties.

Under the FLSA, a non-exempt Associate may be paid on an hourly or salaried basis. If you are a non-exempt hourly or salaried Associate, you are required to maintain a record of time reflecting the actual hours you worked, and overtime (if any). All hours worked are to be submitted to the Company’s automated timekeeping system and approved by your Manager. Information on hours worked must be sent to payroll for processing in accordance with the published payroll calendar.

Altering, falsifying, or tampering with time records may lead to disciplinary action, up to and including termination.

ALL Associates are required to report their sick time, vacation time and leave without pay. Your Manager will authorize the hours for payroll. Failure to do so may result in erroneous time off balances.

Any falsification of time reports and/or failure to report sick time, vacation time, personal days, and unpaid leave is a violation of Company policy and may result in disciplinary action, up to and including termination.

If you are a part-time Associate, you will enjoy only those benefits which are required by law to be afforded to you, provided that you meet the minimum requirements set forth by law and in the benefit plan(s).

Overtime
Because of the nature of the industry, associates may be asked to work overtime on weekends or holidays or additional hours during a regular workday.

Overtime compensation is paid to all non-exempt associates at one and one-half times their regular rate of pay for all hours worked in excess of 8 hours per day or 40 hours per week, and the first 8 hours worked on the 7th consecutive day of work in any one workweek.

Overtime compensation at 2 times an associate’s regular rate of pay is paid for any work in excess of 12 hours in one day and for any work in excess of 8 hours on the 7th consecutive day of a workweek.

If you are non-exempt, you must receive authorization from your manager before working overtime. All approved overtime must be entered in the Company electronic timekeeping system at the time the overtime is being worked.

Overtime pay is based on actual hours worked. Time taken for meal breaks is not included as time worked for purposes of computing overtime. Time off on holidays, sick leave, vacation leave, personal leave or any leave of absence will not be factored in as hours worked when calculating overtime.
Failure to work scheduled overtime or overtime worked without prior authorization from management may result in disciplinary action, up to and including termination of employment. Associates are not permitted to work off the clock. Any associate who works off the clock, or instructs another associate to work off the clock may be subject to immediate termination. If you are asked to work off the clock, you must immediately report the same to management and will be required to record the actual time worked.

**Pay Rate**
Federal, California, and local laws often require different minimum wages. To ensure compliance, Paradies pays the highest minimum wage applicable to an associate’s location. For example, assume an associate in San Francisco is entitled to a minimum wage of $7.25 an hour under federal law, $9.00 an hour under California law, and $12.25 an hour under San Francisco law. The associate’s minimum wage would be $12.25—the highest applicable rate in the associate’s locale.

**Pay Days**
All Associates are paid according to a published pay period schedule, which will conform to the calendar discussed in the Pay Periods and Pay section above.

Paychecks are either directly deposited to the checking or savings account you specify or are loaded onto a Visa pay card for your use. Paradies California associates will not have to pay any fees to use pay cards or access the corresponding funds from authorized provider as listed on the back of the paycard.

**Errors in Pay**
Every effort is made to avoid errors in your paycheck. If you believe an error has been made, tell your Manager immediately. He or she will take the necessary steps with Payroll to research the concern and to assure that any necessary correction is made properly and promptly. Any overpayment will be deducted from future paychecks.

**Mandatory Deductions**
Paradies will deduct amounts from an associate’s wages only: (1) when required or empowered to do so by state or federal law, or (2) when a deduction is expressly authorized in writing by the associate to cover insurance premiums, benefit plan contributions or other deductions not amounting to a rebate on the associate’s wages, or (3) when a deduction to cover health, welfare, or pension contributions is expressly authorized by a wage or collective bargaining agreement.

Every California associate at Paradies is eligible for California State Disability Insurance (SDI) benefits from his or her first day of hospitalization, or eighth (8th) day of illness, whichever occurs first. The associate, however, must apply for these benefits, they are not automatic. This benefit is deducted from each associate’s pay check.

Furthermore, each associate contributes through payroll tax to California’s state disability insurance programs. Disability insurance is mandated by the California Unemployment Insurance Code and administered by the Employment Development Department. Disability insurance is payable when you cannot work because of illness or injury not caused by employment at the Company. An additional tax fund from the state’s Paid Family Leave program provides partial wage replacement for absences.
related to the care of a family member, or bonding with a new child. Specific rules and regulations governing disability are available from Human Resources.

**Wage Assignment (Garnishments)**
Although a wage garnishment is a lawful deduction from wages, Paradies will not discharge or discipline an associate due to a threatened or actual garnishment of wages.

**Incentive Pay**
A component of our compensation strategy includes an annual 1% bonus for each non-exempt Associate within a given location that meets profitability goals. The bonus is based on a percentage of overall earnings for the year and is typically paid after the fiscal year ends and the financial analysis are complete. While this is not a "policy" which applies to all, and is not guaranteed or automatic, we will continue this practice, so long as possible, whenever it is fiscally reasonable.

**Direct Deposit**
Paradies does not issue “live” or hard copy checks to its Associates. Direct deposit is a great way to receive your funds in a timely manner and also saves time and energy for you by making sure your funds are available immediately upon the payroll date. Simply provide support center payroll personnel with your signed authorization to deposit your paycheck directly into your savings or checking account (or split deposits among several accounts) at a participating bank.

Those electing not to provide direct deposit information will be issued a pay card and your earnings will be posted to that card bi-weekly on pay days. Company California associates will not have to pay any fees to use pay cards or access the corresponding funds from authorized provider as listed on the back of the paycard. They will also receive payments according to the schedule indicated above.

Again, failure to abide by these Compensation and other Company policies will result in disciplinary action, up to and including termination.

**Electronic Tax Statements**
Annually, W-2 forms are prepared and available electronically for each Associate in their secure online payroll file. There are multiple benefits to receiving an electronic Form W-2:

- Earlier access to the Form W-2.
- No possibility an Associate’s Form W-2 might be lost, stolen, delayed or misplaced once received.
- Access is available at the same easy-to-use, secure web site at which an Associate can access his/her wage and general account information.
- Access can be attained even if the Associate is not presently at his/her residence.
- The format of the online W-2 allows for quick and easy entry in to most tax preparation software.
- Multiple levels of security, including the Associate’s ID number and personally chosen PIN number, protect all information within the payroll system.
Associates are required to provide the written consent included in the new hire package authorizing electronic distribution. Failure to return this form will result in receipt of a paper W-2 and potentially delayed receipt of your tax document.
BENEFIT PRACTICES

First Class Service Recognition and Rewards Program
As an Associate of Paradies, you may be rewarded for demonstrating your daily commitment to our Mission and our Core Values.

All non-management Associates (sales Associates, team leaders, senior team leaders, bookkeepers, warehouse/stock Associates, etc.) can receive a First Class Ticket describing the exceptional service provided to a customer, vendor, fellow Associate or business partner. Any Associate (management and non-management) can write a ticket for any non-management Associate.

Throughout the month, First Class Tickets turned into the Location Manager or Company representative responsible for First Class Service will be displayed on a bulletin board for all to see.

First Class Club – At the end of the month, your General Manager will read each of the First Class Tickets submitted. Of those, your Manager will select one First Class Club Member for every 10 Associates in your location (minimum 2 per location per month). For example, if your location has 30 Associates, your Manager will select three First Class Club Members per month. Each First Class Club Member earns 5,000 points, which can be redeemed for prizes (described below).

First Class Associate of the Month – Of the First Class Club Members selected, your Manager will select one Associate who clearly demonstrated commitment to our Mission and Core Values to be recognized as the First Class Associate of the Month. Each First Class Associate of the Month earns an additional 10,000 points.

First Class Club Members and First Class Associates of the Month will have their stories entered into the First Class Service website by the location representative responsible for First Class Service Program (FCSP) administration. Location Managers (or his/her designated representative) will manage their location’s First Class Service Program through the website.

All Associates may access their own FCSS website information, view points and redeem points for gift cards and great merchandise. To log in, use your Associate number as well as your password (which is your password is your birthdate in mmddyyyy format). You must be an active Associate to redeem points.

First Class Associate of the Year – Of the 12 First Class Associates of the Month in each location, one will be selected by the location’s General Manager to become the First Class Associate of the Year for that location. This Associate will have demonstrated total dedication to exceeding our Mission Statement and living by our Core Values each and every day. Each First Class Associate of the Year will be awarded 25,000 points.

Each year, the Location Manager will submit a name and corresponding story for the location First Class Associate of the Year as well as President Leadership Awards. This information is viewed by the Support Center and carefully placed into the following categories:
General Merchandise stories which will highlight Associates who have made great strides in achieving the highest level of IPT (Items per Transaction) performance within their location. These stories should reflect the Associate’s achievement and how they maintained and achieved their exceptional first class selling skills.

Brand stories should focus on the Associates who have consistently worked to achieve the highest SPH (Sales per Hour) within the location. These stories should reflect the Associate’s success and performance for consistently maintaining these exceptional standards of achieving their goals.

WOW stories will highlight those Associates who have gone above and beyond the expectations of their normal duties to ensure that someone has a memorable and lasting service experience.

President Leadership stories are ones that reflect Associates who have assisted within their location and/or to the Company by playing a key role in impacting business outside of their normal duties and expectations.

Silver Medallion Club – Each year, the Location Manager will submit to The Paradies Support Center the name and story of the First Class Associate of the Year for his or her location. A panel will evaluate each story and 10 First Class Associates of the Year will become Location part of the Silver Medallion Club. Each Silver Medallion Club Member will receive 150,000 points.

Platinum Medallion Club – Of the 10 Silver Medallion Club Members, five Associates will be recognized as Paradies’ most outstanding Associates and will become a member of the Platinum Medallion Club. One Associate will be selected for the President’s Leadership Award. These Associates will be flown to Atlanta, Georgia to be honored by Paradies’ Executive Officers, Directors, General Managers and Support Center Staff during the annual management seminar held each fall. The Platinum Medallion Club Members receive 250,000 points.

Group Benefits for Eligible Associates
Paradies offers a full suite of bundled and stand-alone benefit programs for eligible Associates and qualified dependent(s). Examples of these programs include:

- Paid Time Off (Holidays, Vacation, Personal and Sick)
- Medical Plan
- Dental Plan
- Vision Plan
- Basic Life Insurance
- Short Term Disability
- Long Term Disability
- 401(k) Retirement Savings Plan
- Associate Assistance Plan
- Flexible Spending Plan
- Supplemental Life, Accidental Death and Dismemberment, and Spouse/Dependent Life Insurance

Please review our Benefits Enrollment Guide for eligibility, additional details, costs and structure for these plans. If you are a part-time Associate, please understand that you are not eligible for benefits described in this Handbook, except as required by federal or state laws. Part-time Associates are eligible to participate in the Paradies 401(k) plan after 90 days of employment.
In order to be covered, the Associate must enroll online within 30 days of the date of eligibility. (i.e., an Associate hired on January 15th would have to provide enrollment forms by February 15th or wait until the next Open Enrollment or Qualifying Event).

Typically, new, full-time hourly Associates will become eligible for benefit coverage on the first day of the month following 60 days of employment as long as they are classified as eligible after reviewing hours worked. However, when required by federal, state, or local laws, the receipt or accrual of benefits will occur earlier (e.g. Paid Sick Days). Furthermore, the Company does not require online enrollment when such a prerequisite is unlawful.

401(k) Retirement Savings Plan
Paradies offers a 401(k) retirement savings plan to eligible participants. Associates are eligible to participate in the 401(k) plan the first day of the month after 90 days of continuous employment. If enrolled, contributions will begin the first day of the month after the 90 day introductory period.

Associates may contribute up to 100% of annual base earnings. Paradies may choose to match a portion of your 401(k) contribution. Matching contributions will be made at the sole discretion of Company leadership and based on factors such as, but not limited to, the Company's financial performance.

For additional information about Paradies 401K retirement savings plan, please refer to the Benefits Guide or the Retirement Focus website at www.retirementfocus.com.

COBRA (Continuation of Medical and/or Dental Benefits after Separation)
On July 1, 1986, a federal law (Consolidated Omnibus Budget Reconciliation Act – COBRA) was enabled requiring that most employers maintaining group health plans and having 20+ Associates, offer the opportunity for a temporary extension of health coverage (called “continuation of coverage”). Associates, and their dependents participating in the Company’s group health plan, will be eligible for continuation of your benefits at group rates equivalent to 102% of the unsubsidized premium. The law requires that the Associate and family be afforded the opportunity to maintain continuation for a minimum of 18 months with a maximum up to 36 months in some cases.

Eligibility for this benefit continuation under COBRA is triggered by a “qualifying event” such as reduction in hours of employment, divorce or termination of employment for reasons other than gross misconduct, and is subject to policy terms and conditions and applicable legal guidelines.

Should you, your spouse, or your dependent children covered under our group health plan become eligible for this continuation coverage, you must indicate whether you elect to participate in this plan within 60 days from the date of the qualifying event. Otherwise, your group health benefits will end when your dependents are no longer eligible for coverage, or, on the last day of the month in which you terminate employment.

Continuation of coverage may be cut short for reasons including but not limited to:

- Paradies no longer provides group coverage to any of its Associates;
- The premium of the Associate's continuation is not paid;
- The Associate becomes covered under another group health plan; or,
- The Associate becomes eligible for Medicare.

In addition to federal COBRA benefits, California associates are eligible for continued coverage through Cal-COBRA. Coverage will continue for at least 36 months after coverage terminates. Once their coverage terminates, associates have the right to convert to a non-group policy without evidence of insurability, unless coverage is terminated for certain specific reasons. The Company has 15 days after termination of the group coverage to notify the associate.

**Social Security Insurance**

Pursuant to the Federal Insurance Contributions Act, better known as the Social Security Act, we deduct a percentage of the Associate’s pay, match it with an equal amount from the Company, and send it to the government to be deposited in the Associate’s Social Security Account. If you are not familiar with the retirement and disability benefits provided under Social Security, check with your local Social Security office for a more complete explanation.

**Unemployment Compensation**

Paradies contributes dollars each year to an Unemployment Insurance Fund on behalf of its Associates.

**Workers’ Compensation**

Workers’ Compensation insurance is required by State law and is paid entirely by the Company. Workers’ Compensation insurance protects the Associate in the event of occupational injury or sickness. The Associate must report immediately any on-the-job injury, no matter how small, to the Manager and Human Resources. Where medical care is required for on-the-job injuries and there are State regulations governing the care, the Associate initially must go to one of the designated medical facilities mandated by our insurance vendor and posted for each location on AccessTPS. Failure to report a work-related injury could result in discipline, up to and including, discharge. Associates cannot deviate from the listing of approved physicians. Any deviation seriously jeopardizes the handling of the Associate’s workers’ compensation claim and could result in the Associate incurring the sole responsibility for paying for the treatment received. Associates should consult only one approved physician at a time to ensure applicable compensation for medical expenses.

Neither Paradies nor the insurance carrier will be liable for the payment of workers’ compensation benefits for injuries that occur during an Associate’s voluntary participation in any off-duty recreational, social, or athletic activity sponsored by the Company.

The injured Associate (or a family member or friend) is responsible for providing the following information to his or her immediate Supervisor on a regular basis:

- Information concerning the nature and extent of the medical care;
- The approximate date of the physician’s release to return to work, and any pertinent post-injury information which would impact the Associate’s performance; and
- Copies of any and all physician communication and written documentation regarding a prescribed course of treatment, as well as recuperation period.
• If the Associate is eligible for FMLA leave, this leave will run concurrently with time off due to a work-related injury. No Associate will be allowed to return to his or her assigned duties without a written release from the attending physician.

Associates will not be retaliated against for filing a workers’ compensation claim.

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

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

To ensure that you receive any workers' compensation benefits to which you may be entitled, you will need to: Complete and submit a written Associate's Claim for Workers' Compensation Benefits (DWC Form 1).

Associates who are ill or injured as a result of a work-related incident, and who are eligible for family and medical leave under state and federal law (Family Medical Leave Act (FMLA) and the California Family Rights Act (CFRA)), will be placed on FMLA/CFRA during the time they are disabled and not released to return to work. The leave under these laws runs concurrently, and eligible associates will be on FMLA/CFRA for a maximum of 12 weeks in a "rolling" 12-month period measured backward from the date an associate uses any family leave.

Associates who have a work-related illness or injury are covered by workers' compensation insurance. However, workers' compensation benefits usually do not cover absences for medical treatment. When you report a work-related illness or injury, you will be sent for medical treatment, if treatment is necessary. You will be paid your regular wages for the time you spend seeking initial medical treatment.

You may choose to substitute accrued paid vacation days or paid sick days for further absences from work, related to your illness or injury.

Pursuant to California statute, any person who makes or causes to be made a knowingly false or fraudulent material statement or representation for purposes of obtaining or denying workers’ compensation benefits is guilty of a felony.

**Education Award**

Paradies’ education award recognizes those Associates who complete their 4-year or graduate degree while employed with Paradies. Full and part time Associates who have worked for Paradies for twenty-four (24) consecutive months may be eligible for an award of $2,000 US dollars. In order to qualify for this Education award, the Associate must present proof of his or her degree to the support center Human Resources department. The Associate must be actively employed at the time of award payment to receive payment.
Adoption Assistance
Paradies’ adoption assistance program is intended to help Associates seeking to make the life of a child, better by giving the child a permanent home. Full-time and part-time Associates are eligible for adoption assistance of up to $2,000; the adoption must be finalized after two continuous years of employment. Associates who finalize an adoption while employed may be eligible to receive reimbursement for qualified expenses such as attorney fees, counseling session fees and court fees.

Associates must apply for this benefit within one year of the finalization of the adoption. The Associate must be actively employed at the time of payment to receive adoption assistance.

Associate Merchandise Discount
Associates receive a discount on merchandise according to specific merchandise discount guidelines. Purchases are restricted to Associates and their dependents. For purposes of this policy, an eligible dependent includes spouse, dependent children under the age of 18 and dependent children between the ages of 18 and 25 attending school as a full-time student. You may not use your discount to purchase items for relatives unless the item is a gift. You are not allowed to validate your own personal sales and may not resell items you have purchased with your Associate merchandise discount. All Paradies’ Associates receive discounts as outlined:

<table>
<thead>
<tr>
<th>Category</th>
<th>Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspapers, Magazines, Books, Tobacco, Alcohol, All Electronics, Stamps</td>
<td>0%</td>
</tr>
<tr>
<td>Harley Davidson, Shades of Time, Lacoste, Vera Bradley, Brighton, PANDORA, Swarovski, SPANX, Teavana, PGA TOUR, SueVenir, Bass Pro, Lone Star Attitude, No Boundries, Resort, Brooks Brothers, Stelzig Ranch, Dylan’s Candy</td>
<td>25%</td>
</tr>
<tr>
<td>Snacks, Beverages, Gourmet, HBA and Sundries, Souvenir Headwear and Apparel, Jewelry and Accessories, Luggage, Neck Pillows, Travel Accessories, Eyewear, Gifts and Toys, Licensed Pro and College</td>
<td>50%</td>
</tr>
</tbody>
</table>
PAID TIME OFF

Company Holidays
The following holidays are traditionally recognized by Paradies as paid holidays.

- New Year’s Day
- Martin Luther King Jr. Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Holiday pay is calculated based on the Associate’s regular pay rate as of the date of the holiday. To be eligible for holiday pay, Associates must work the last scheduled day immediately preceding and the first scheduled day immediately following the holiday. If a recognized holiday falls during an eligible Associate’s pre-approved paid absence (such as vacation or sick days), holiday pay will be provided instead of the paid time off benefit that would have otherwise applied.

Non-exempt Associates who are classified as full time (prior to the pay period in which the holiday is observed) will receive 7.5 hours of holiday pay provided above criteria is met.

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worked</td>
<td>Paid double time (no Holiday pay)</td>
</tr>
<tr>
<td>Not Worked</td>
<td>If eligible - 7.5 hours Holiday pay</td>
</tr>
</tbody>
</table>

A recognized holiday that falls on a Saturday will normally be observed on the preceding Friday. A recognized holiday that falls on a Sunday will normally be observed the following Monday. Holiday schedules will be provided for each calendar year.

Non-exempt Associates are paid two times their hourly rate for hours worked on Paradies holidays in lieu of holiday pay. Exempt Associates who are scheduled to work on Paradies holidays will receive a mutually agreed-upon day off within the same pay period as the holiday.

Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

Field Management Associates are expected to work a minimum of two holidays per year. Holiday schedules will be the responsibility of each individual location.

Vacation Pay
Subject to certain limitations discussed below, associates may use Paid Vacation Time as soon as it is accrued. Non-exempt associates may take Paid Vacation Time in 2 hour minimum increments.
Furthermore, all Paid Vacation Time must be recorded on an Associate’s time card. Exempt Associates must record all Paid Vacation Time on a Paid Vacation Time Request Form.

Associates accrue Paid Vacation Time bi-weekly, based on their regularly scheduled workweek and continuous length of service, measured from the completion of one year of continuous service after the date of hire. “Continuous length of service” is defined as service that is uninterrupted by termination of employment and rehire by the Company.

Eligible exempt full-time Associates will receive 8.0 hours of pay for each vacation day taken and eligible non-exempt full-time Associates will receive 7.5 hours pay for each vacation day taken.

Full-time non-exempt Associates will begin to accrue vacation time on the 90th day of employment. The amount will accrue on a per-pay-period basis for the remainder of the calendar year.

During the 1st year (year of hire) and 2nd year (depending on hire date), Full-time non-exempt Associates will receive pro-rated vacation which will accrue as follows:

<table>
<thead>
<tr>
<th>Month Hired (1st year – Year of hire)</th>
<th>Month Accurals Begin</th>
<th>Vacation Days (for year 1)</th>
<th>Vacation Days (beginning Jan 1 of Year 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>Apr</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Feb</td>
<td>May</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Mar</td>
<td>Jun</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Apr</td>
<td>Jul</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>May</td>
<td>Aug</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Jun</td>
<td>Sep</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Jul</td>
<td>Oct</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Aug</td>
<td>Nov</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Sep</td>
<td>Dec</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Oct</td>
<td>Jan</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Nov</td>
<td>Feb</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Dec</td>
<td>Mar</td>
<td>0</td>
<td>5</td>
</tr>
</tbody>
</table>

Example: Mark was hired in May. He will begin to accrue in August and will begin receiving vacation hours. For the period between when his accrual begins and the end of the calendar year, Mark will earn a total of 3 vacation days.

Sandy was hired in November. She will begin to accrue in February and will begin receiving vacation hours. She will receive credit for year 2 on January 1st although it is in advance of her anniversary. For this calendar year, she will accrue a total of 5 days to use before December 31st.
During years 3 and beyond, Full-time non-exempt Associates will receive vacation as follows:

<table>
<thead>
<tr>
<th>Beginning Calendar Year</th>
<th>Vacation Days</th>
<th>Accrual Hours per Pay Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>10</td>
<td>2.88</td>
</tr>
<tr>
<td>4 to 9</td>
<td>15</td>
<td>4.33</td>
</tr>
<tr>
<td>10 to 19</td>
<td>20</td>
<td>5.77</td>
</tr>
<tr>
<td>20+</td>
<td>25</td>
<td>7.21</td>
</tr>
</tbody>
</table>

Full-time exempt Associates are eligible for vacation time immediately upon hire. Full-time exempt Associates will begin accruing vacation time on the first full pay period following their hire date. For those hired after January 1st of each year, you will receive pro-rated vacation for the year based on the amount accrued through December 31st during the 1st year (year of hire), Full-time exempt Associates will receive pro-rated vacation which will accrue as follows:

<table>
<thead>
<tr>
<th>Month Hired (1st year – Year of hire)</th>
<th>Vacation Days (for remainder of year)</th>
<th>Accrual Hours per Pay Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>15</td>
<td>4.7</td>
</tr>
<tr>
<td>Feb</td>
<td>14</td>
<td>5.1</td>
</tr>
<tr>
<td>Mar</td>
<td>13</td>
<td>5.2</td>
</tr>
<tr>
<td>Apr</td>
<td>11</td>
<td>4.9</td>
</tr>
<tr>
<td>May</td>
<td>10</td>
<td>5.0</td>
</tr>
<tr>
<td>Jun</td>
<td>9</td>
<td>5.15</td>
</tr>
<tr>
<td>Jul</td>
<td>8</td>
<td>5.34</td>
</tr>
<tr>
<td>Aug</td>
<td>6</td>
<td>4.8</td>
</tr>
<tr>
<td>Sep</td>
<td>5</td>
<td>5.0</td>
</tr>
<tr>
<td>Oct</td>
<td>4</td>
<td>5.34</td>
</tr>
<tr>
<td>Nov</td>
<td>3</td>
<td>6.0</td>
</tr>
<tr>
<td>Dec</td>
<td>1</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Following your 1st year of employment, Full-time exempt Associates will accrue vacation annually beginning January 1st as follows:

<table>
<thead>
<tr>
<th>Beginning Calendar Year</th>
<th>Vacation Days</th>
<th>Accrual Hours per Pay Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 to 9</td>
<td>15</td>
<td>4.61</td>
</tr>
<tr>
<td>10 to 19</td>
<td>20</td>
<td>6.15</td>
</tr>
<tr>
<td>20+</td>
<td>25</td>
<td>7.69</td>
</tr>
</tbody>
</table>
Associates should submit vacation plans to their Supervisor at least 30 days in advance of the requested vacation date. Associates wanting to take more than 15 days of vacation at one time must apply for a personal leave no less than 45 days prior to the start of vacation. Management reserves the right to designate when some or all of the vacation may be taken. Associates may elect to use vacation days during approved leave of absences and must request to do so at least 10 days prior to the beginning of the leave of absence. Vacation time is not considered worked hours for the purposes of calculating overtime.

Whether exempt or non-exempt vacation and personal balances will accrue each pay period as long as you are active in the system (Associates on a LOA will not accrue time). Your vacation balance will be displayed on your pay statements. Time taken will be reduced from this balance therefore your statement will always reflect the most current information regarding your remaining benefit time.

Eligible full-time Associates may carry over accrued Paid Vacation Time from one calendar year to the next. Paid Vacation Time accrual will recommence after the Associate has used his or her Paid Vacation Time and the accrued Paid Vacation Time hours have dropped below the maximum balance. Unless otherwise provided by a collective bargaining agreement or applicable law, Associates do not accrue Paid Vacation Time during any unpaid leave of absence. Paid Vacation Time accruals recommence when the Associate returns to work.

Eligible Associates will receive pay at their normal base rate for any Paid Vacation Time taken. No eligible Associate will receive pay in lieu of Paid Vacation Time except on the termination or resignation of his or her employment.

**Vacation Pay upon Termination**
Paid vacation days represent wages in California. As such, every Paradies California Associate will receive pay at his or her normal base rate for accrued and unused Paid Vacation Time upon the separation of employment. The Company will not deduct negative balances, i.e. vacation time used before its accrual.

**Vacation Bank**
Because California Associates carryover accrued and unused paid vacation days in accordance with the schedule above, the Company will not provide a vacation bank.

**Paid Sick Days**
All California Associates will be provided paid sick days. Associates receive 3 days (24 hours), unless otherwise indicated by a CBA or Living Wage Ordinance, of paid sick leave at the start of every calendar year. However, new Associates receive sick days after 90 days of day of employment. After December 31 of the calendar year on which they are hired, new associates receive sick days in the same amount and manner as other eligible Associates; namely, 3 days (24) hours of paid sick leave at the start of every calendar year.

Paid sick days cannot be carried over from one year to the next.
Eligible Associates may use sick leave benefits for an absence due to their own illness, injury, or condition. In addition, they may use sick leave to attend to an illness, injury, or condition of their child, spouse, domestic partner, child of a domestic partner, or parent (including a biological parent, foster parent, stepparent, legal guardian, or parent-in-law). They may also use sick leave benefits, subject to the same restrictions, to attend to an illness, injury, or condition of grandparents, grandchildren, or siblings. Hours absent for medical, dental or other professional appointments will be treated as sick leave. Paradies allows the use of paid sick days for an Associate who is a victim of domestic violence, sexual assault, or stalking as defined under California Labor Code sections 230 and 230.1. Sick leave benefits may not be used for any other type of absence, unless required by law. Unused sick leave benefits will not be paid to Associates while they are employed or upon separation of employment.

All Associates' unused sick leave benefits will be deducted for illnesses and injuries that require the Associate to be absent for less than a full day up to a full day or more. Paid sick leave will be used in minimum increments of 2 hours or more.

The use of paid sick days on grandparents, grandchildren, and/or siblings won’t reduce the amount of leave available under CFRA or FMLA.

Associates who are unable to report to work due to illness or injury must notify their direct Supervisor, not a co-worker, before the scheduled start of their workday. The direct Supervisor must also be contacted on each additional day of absence.

Paradies retains the right to request verification from a licensed health care provider for any absence due to illness or disability. Sick pay may be withheld if a satisfactory verification is not received.

Sick leave will be paid out at the associate's hourly wage. If the associate is paid by commission or piece rate, or otherwise has a variable hourly wage, or is a non-exempt, salaried associate, then the rate of pay will be calculated by dividing the associate's total wages (not including overtime premium pay) by the associate's total hours worked in the full pay periods in the prior 90 days of employment. Payment for sick leave will be made no later than the payday for the next regular payroll period after the sick leave was taken.

If an associate separates from Paradies and is rehired by within 1 year from the date of separation, previously accrued and unused paid sick days will be reinstated.

Paradies will provide associates with a written notice that sets forth the amount of paid sick leave available on either the associate's itemized wage statement, or in a separate writing provided on payday. The Company will also keep for at least 3 years records documenting the hours worked and paid sick days accrued and used by each associate, and make such records available for associate inspection upon request.

**Personal Days**

Personal days are given to Associates as a way to recognize, in certain circumstances such as illness or unexpected personal emergencies, that time off may be necessary. We permit full time non-exempt
Associates to take up to five days of paid personal leave during each calendar year. This is in addition to any vacation you may have earned and will increase based on your original hire date.

Full-time non-exempt Associates are eligible for personal days after the beginning of the calendar year and will accrue each pay period. Personal Days are provided based on the following schedule:

<table>
<thead>
<tr>
<th>Month Hired (1st year – Year of hire)</th>
<th>Personal Days (for year 1)</th>
<th>Personal Days (beginning Jan 1 of Year 2)</th>
<th>Personal Days (beginning Jan 1 of Year 3)</th>
<th>Personal Days (beginning Jan 1 of Years 4 - 99)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Feb</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Mar</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Apr</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>May</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Jun</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Jul</td>
<td>0</td>
<td>2</td>
<td>4</td>
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Part-time non-exempt Associates are not eligible to receive personal days.

Full time, exempt Associates are eligible for personal days. These days may be taken at your discretion pending approval from your immediate Manager.

Personal days will be granted annually on January 1st.

<table>
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<tr>
<th>Beginning Calendar Year</th>
<th>Personal Days</th>
<th>Accrual Hours per Pay Period</th>
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<td>2.77</td>
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</table>
Associates should have all personal days pre-approved by their Supervisor. Associates must request to use a personal day for an unscheduled absence prior to the end of business Saturday during the same week that the absence occurs.

Personal days must be taken in full day increments, unless otherwise governed by applicable state law. It is required for any personal days be used during approved leave of absences.

**Civil Air Patrol Leave**

No Associate with more than 90 days of service shall be disciplined for taking time off to perform emergency duty as a volunteer in the California Civil Air Patrol. If you are a Civil Air Patrol volunteer, please alert your Supervisor that you may have to take time off for emergency duty. When taking time off for emergency duty, please alert your Supervisor before doing so, giving as much advance notice as possible.

Up to 10 days of leave for duty may be taken each year. However, leave for a single emergency mission cannot exceed 3 days, unless the emergency is extended by the entity in charge of the operation and the extension of leave is approved by the Company.

**Domestic Violence, Sexual Assault or Stalking Leave and Accommodation**

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

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

- A police report indicating that the associate was a victim of domestic violence, sexual assault or stalking;
- A court order protecting or separating the associate from the perpetrator of an act of domestic violence, sexual assault or stalking, or other evidence from the court or prosecuting attorney that the associate appeared in court; or
- Documentation from a medical professional, domestic violence, sexual assault or stalking victim advocate, health-care provider, or counselor that the associate was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence, sexual assault or stalking.

Associates who are victims of domestic violence, sexual assault or stalking and need a reasonable accommodation for their safety at work should contact the Human Resources Department and discuss the need for an accommodation. If you are requesting such a reasonable accommodation, you will need to submit a written statement signed by you, or by an individual acting on your behalf, certifying that the accommodation is for the purpose of your safety at work.

For reasonable accommodation requests, the Company will also require certification demonstrating that you are the victim of domestic violence, sexual assault or stalking. Any of the forms of certification described above for leave purposes will suffice. The Company may request recertification every 6
months from the date of the previous certification. You should notify the Company if an approved accommodation is no longer needed.

The Company will engage in an interactive process with the associate to identify possible accommodations, if any, that are effective and will make reasonable accommodations unless an undue hardship will result.

Paradies will, to the extent allowed by law and any applicable collective bargaining agreement, maintain the confidentiality of an associate requesting leave or accommodation under these provisions.

**Domestic Violence, Sexual Assault or Stalking Leave for Treatment**

Associates who are victims of domestic violence, sexual assault or stalking are eligible for unpaid leave for any of the following:

- To seek medical attention for injuries caused by domestic violence, sexual assault or stalking;
- To obtain services from a domestic violence shelter, program or rape crisis center as a result of domestic violence, sexual assault or stalking;
- To obtain psychological counseling related to experiencing domestic violence, sexual assault or stalking;
- To participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault or stalking including temporary or permanent relocation.

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

- A police report indicating that the associate was a victim of domestic violence, sexual assault or stalking;
- A court order protecting or separating the associate from the perpetrator of an act of domestic violence, sexual assault or stalking, or other evidence from the court or prosecuting attorney that the associate appeared in court; or
- Documentation from a medical professional, domestic violence or sexual assault victim advocate, health-care provider, or counselor that the associate was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence, sexual assault or stalking.

Paradies will, to the extent allowed by law and any applicable collective bargaining agreement, maintain the confidentiality of an associate requesting leave under this provision.

The length of unpaid leave an associate may take is limited to 12 weeks provided for in the federal Family and Medical Leave Act of 1993 for eligible associates.
School Activities
Associates are encouraged to participate in the school activities of their child(ren). The absence is subject to all of the following conditions:

- Parents, guardians, or grandparents having custody of one or more children in kindergarten or grades one to 12 may take time off for a school activity;
- The time off for school activity participation cannot exceed 8 hours in any calendar month, or a total of 40 hours each school year;
- Associates planning to take time off for school visitations must provide as much advance notice as possible to their Supervisor;
- If both parents are employed by Paradies, the first associate to request such leave will receive the time off. The other parent will receive the time off only if the leave is approved by his or her Supervisor;
- Associates must use Paid Vacation Time leave in order to receive compensation for this time off;
- Associates who do not have Paid Vacation Time available will take the time off without pay, and
- Associates must provide their Supervisor with documentation from the school verifying that the associate participated in a school activity on the day of the absence for that purpose.

School Appearances Involving Suspension
If an associate who is the parent or guardian of a child facing suspension from school is summoned to the school to discuss the matter, the associate should alert his or her Supervisor as soon as possible before leaving work.
No discriminatory action will be taken against an associate who takes time off for this purpose.

Time Off for Voting
If an associate does not have sufficient time outside of working hours to vote in an official state-sanctioned election, the associate may take off enough working time to vote. Such time off shall be taken at the beginning or the end of the regular working shift, whichever allows for more free time, and the time taken off shall be combined with the voting time available outside of working hours to a maximum of 2 hours combined. Under these circumstances, an associate will be allowed a maximum of 2 hours of time off during an election day without loss of pay. When possible, an associate requesting time off to vote shall give his or her Supervisor at least 2 days’ notice.

Victims of Crime Leave
An associate who is themselves a victim or who is the family member of a victim of a violent felony or serious felony may take time off from work under the following circumstances:

- The crime must be a violent or serious felony, as defined by law; and
- You must be the victim of a crime, or you must be an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim.
An immediate family member is defined as: a spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father or stepfather. A registered domestic partner means a domestic partner who is registered in accordance with California state law. The absence from work must be in order to attend judicial proceedings related to a crime listed above.

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

If advance notice is not possible, you must provide appropriate documentation within a reasonable time after the absence.

Any absence from work to attend judicial proceedings will be unpaid, unless you choose to take vacation time, or unless pay is required under the salary basis rules for exempt associates.

**Volunteer Civil Service Personnel**

No associate shall be disciplined for taking time off to perform emergency duty as a volunteer firefighter, peace officer, or emergency rescue personnel. Associates who perform emergency duty as a volunteer firefighter, reserve peace officer, or emergency rescue personnel may also take up to a total of 14 days unpaid leave time per calendar year to engage in required fire, law enforcement or emergency rescue training. Please alert your Supervisor that you may have to take time off for emergency duty or emergency duty training. When taking time off for emergency duty, please alert your Supervisor before doing so when possible.

If you are an official volunteer firefighter, reserve peace officer or emergency rescue personnel, please alert your Supervisor if you have training. Volunteer firefighters, reserve peace officers and emergency rescue personnel may take up to a total of 14 days per calendar year to engage in fire, law enforcement or emergency rescue training.

**Jury Duty and Witness Leave**

If for some reason the Supervisor decides that the workload does not permit the person the time off to serve jury duty as prescribed on the notice, the associate would then contact the court and request the opportunity to reschedule that period to another date and time. (The court system in the counties of Ventura, Los Angeles and Orange allow up to 3 adjustments to the scheduling with regard to the jury duty summons.)

On days when a court appearance is not required, associates are expected to report to work for their regularly scheduled shifts. People must submit proof of the summons or subpoena in advance to receive approved time off. Once the person has completed jury duty or witness leave, they must bring in documentation from the courts to their immediate Supervisor. The Company will pay eligible Associates the difference between the fee received for serving and the amount of earnings lost for scheduled workdays missed due to jury duty. Record of jury duty should be turned into your General Manager so Payroll may compute the amount of lost earnings.
Full-time and part-time non-exempt Associates are eligible for jury duty pay immediate upon being classified as full-time or part-time. Full-time Associates will receive 7.5 hours of pay less the fee for serving; part-time Associates will receive 4.5 hours of pay less the fee for serving.

You may retain any mileage allowance or other fees paid by the court for jury services.

Military Spouse Leave
Associates who work more than 20 hours per week and have a spouse or domestic partner in the Armed Forces, National Guard or Reserves who have been deployed during a period of military conflict are eligible for up to 10 unpaid days off when their spouse is on leave from (not returning from) military deployment.

Associates must request this leave in writing to the Human Resources Department within 2 business days of receiving official notice that their spouse will be on leave. Associates requesting this leave are required to attach to the leave request written documentation certifying the spouse will be on leave from deployment.

Associates may use accrued vacation time to cover this absence.

Organ and Bone Marrow Donor Leave
Associates of 90 days or more who are donors for organ or bone marrow may take paid time off as follows:

- Associates may take up to 30 business days of leave in any one-year period for the purpose of donating an organ to another person. The one-year period is calculated from the date the associate begins his/her leave.
- Associates may take up to 5 business days of leave in any one-year period for the purpose of donating bone marrow to another person. The one-year period is calculated from the date the associate’s leave begins.
- During the leave for organ/bone marrow donors, Paradies will continue to provide and pay for any group health plan benefits the associate was enrolled in prior to the leave of absence.
- Leave taken for the purpose of organ or bone marrow donation is not leave for the purpose of family medical leave under state law, The California Family Rights Act.
- Associates who wish to take a leave of absence to donate bone marrow or an organ will be required to provide written verification of the need for leave, including confirmation that the associate is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.
- Once a Donor exhausts the required Paid Vacation Time, the associate will be paid for the remaining leave of absence, if additional leave is needed, up to the maximum allowed by Paid Family Leave law.

Bereavement
Paradies recognizes the need for time off following the loss of immediate and extended family members. Time off should be taken the days immediately prior to, the day of and the days immediately following services.
Full-time and part-time hourly Associates are eligible for paid bereavement leave after the completion of 90 continuous days of employment. For immediate family members, eligible Associates may take up to five days of bereavement leave; for extended family, eligible Associates may take up to three days of bereavement leave.

For purposes of this policy, immediate family members are defined as current legal spouse, domestic partner, mother, father, step-parent, legal guardian, child, step-child, brother or sister. Extended family members are defined as grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, aunt, uncle, niece or nephew.

Payment for bereavement leave is made through regular payroll and you will be paid for the scheduled work days you are unable to work during bereavement period. Bereavement pay will not be provided for any scheduled days off. Full-time Associates will receive 7.5 hours pay for each bereavement day taken; part-time Associates will receive 4.5 hours pay for each bereavement day taken. Associates cannot receive bereavement pay during an approved leave of absence. All time off in connection with the death of one of the above-listed individuals should be coordinated with the Associate’s Manager.

A record of your request for this time off such as a copy of the funeral notice, or similar documentation, with a statement of your relationship to the deceased must be submitted to your Manager in order to be paid.

**Bereavement Leave**
Under certain circumstances, and with the approval of Human Resources prior to a leave beginning, an unpaid Bereavement Leave of up to 30 days may be granted to full and part-time Associates to tend to matters following the loss of an immediate family member (current legal spouse, domestic partner, mother, father, step-parent, legal guardian, child, step-child, brother or sister) providing the Associate has six months of continuous service with the Company and mutual agreement can be arranged between Associate and Supervisor to cover the time off.

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

- The associate has more than 12 months of service. If the leave is for FMLA only, the 12 months of service must have accumulated within the previous 7 years. There is no such cap under CFRA;
- The associate has worked at least 1,250 hours during the previous 12-month period before the need for leave; and
- The associate is employed at a work site where there are 50 or more associates within a 75 mile radius.

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

- The birth of the associate's child, or placement of a child with the associate for adoption or foster care (FMLA/CFRA);
For incapacity due to pregnancy, prenatal medical care or child birth (FMLA only);
• To care for the associate's spouse, child, or parent who has a serious health condition (FMLA/CFRA);
• To care for the associate's registered domestic partner (CFRA only);
• For a serious health condition that makes the associate unable to perform his or her job (FMLA/CFRA).

For additional information about eligibility for family/medical leave, contact the Human Resources Department.

**Pregnancy, Childbirth or Related Conditions**

Leave because of the associate's disability for pregnancy, childbirth or related medical condition is not counted as time used under California law (the California Family Rights Act). However, time off because of pregnancy disability, childbirth or related medical condition does count as family and medical leave under federal law (the Family and Medical Leave Act). Associates who take time off for pregnancy disability and who are eligible for family and medical leave will also be placed on family and medical leave that runs at the same time as their pregnancy disability leave. Once the pregnant associate is no longer disabled, or once the associate has exhausted PDL and has given birth she may apply for leave under the California Family Rights Act, for purposes of baby bonding.

Any leave taken for the birth, adoption, or foster care placement of a child does not have to be taken in 1 continuous period of time. California Family Rights Act leave taken for the birth or placement of a child will be granted in minimum amounts of 2 weeks. However, the Company will grant a request for a California Family Rights Act leave (for birth/placement of a child) of less than 2 weeks' duration on any 2 occasions. Any leave taken must be concluded within 1 year of the birth or placement of the child with the associate.

**Health and Benefit Plans**

An associate taking family medical leave will be allowed to continue participating in any health and welfare benefit plans in which he/she was enrolled before the first day of the leave (for a maximum of 12 workweeks, or 26 workweeks if the leave is to care for a covered service member) at the level and under the conditions of coverage as if the associate had continued in employment for the duration of such leave.

Associates on pregnancy disability leave will be allowed to continue to participate in group health coverage for up to a maximum of 4 months of pregnancy disability leave (if such insurance was provided before the leave was taken) on the same terms as if you had continued to work. Payment is due when it would be made by payroll deduction.

**Substitution of Paid Leave**

Generally, FMLA/CFRA leave is unpaid. The Company may require, or associates may choose, to use accrued paid leave while taking FMLA/CFRA leave. In order to use paid leave for FMLA/CFRA leave, associates must comply with the Company's normal paid leave policies. For more information on those specific circumstances requiring or allowing the substitution of paid leave contact the Human Resources Department.
**Time Accrual**
Associates on Family and Medical Leave Act/California Family Rights Act leave will not continue to accrue other Company provided paid leave benefits during unpaid Family and Medical Leave Act/California Family Rights Act leave.

**Carryover**
Leave granted under any of the reasons provided by state and federal law will be counted as family/medical leave and will be considered as part of the 12-workweek entitlement (26-workweek entitlement if leave is to care for a service member) in a 12-month period. The 12-month period is measured forward from the date any associate's first Family and Medical Leave Act leave begins. Successive 12-month periods commence on the date of an associate's first use of such leave after the preceding 12-month period has ended. No carryover of unused leave from one 12-month period to the next 12-month period is permitted.

**Intermittent Leave**
Associates may take Family and Medical Leave Act/California Family Rights Act leave intermittently (in blocks of time, or by reducing their normal weekly or daily work schedule) if the leave is for the serious health condition of the associate's child, parent, or spouse, or of the associate, and the reduced leave schedule is medically necessary as determined by the health care provider of the person with the serious health condition. The smallest increment of time that can be used for such leave is one hour.

**Required Use of Vacation and Sick Benefits before Unpaid Leave**
You are required to take accrued and unused Paid Vacation Time Off and Paid Sick Time Off (if applicable) before taking unpaid leave or having unpaid absences if the circumstances therefor overlap. Family and Medical Leave (under both state and federal law) is included in this requirement, unless the absence is pregnancy-related.

**Pregnancy Disability Leave**
Any female associate planning to take pregnancy disability leave should advise her Supervisor as early as possible. The individual should make an appointment with his or her Supervisor to discuss the following conditions:

- Duration of pregnancy disability leave will be determined by the advice of the associate’s physician, but associates disabled by pregnancy may take up to 4 months. Part-time associates are entitled to leave on a pro rata basis. The 4 months of leave includes any period of time for actual disability caused by the associate's pregnancy, childbirth, or related medical condition. This includes leave for severe morning sickness and for prenatal care.
- Paradies will also reasonably accommodate medical needs related to pregnancy, childbirth, or related conditions or temporarily transfer you to a less strenuous or hazardous position (where one is available) or duties if medically needed because of your pregnancy.
- Paradies will also reasonably accommodate medical needs related to pregnancy, childbirth, or related conditions or temporarily transfer you to a less strenuous or...
hazardous position (where one is available) or duties if medically needed because of your pregnancy.

- Associates who need to take pregnancy disability must inform Paradies when a leave is expected to begin and how long it will likely last. If the need for a leave, reasonable accommodation, or transfer is foreseeable, associates must provide reasonable advance notice at least 30 days before the pregnancy disability leave or transfer is to begin. Associates must consult with their Supervisors regarding the scheduling of any planned medical treatment or supervision in order to minimize disruption to the operations of the Company. Any such scheduling is subject to the approval of the associate's health care provider.

- If 30 days' advance notice is not possible, notice must be given as soon as practical.
- Failure to give reasonable advance notice may result in delay of leave, reasonable accommodation, or transfer.
- Pregnancy leave usually begins when ordered by the associate's physician. The associate must provide Paradies with a written certification from a health care provider for need of PDL, reasonable accommodation or transfer. The certification must be returned within 15 calendar days. Failure to do so may, in some circumstances, delay PDL leave, reasonable accommodation or transfer. The certification indicating the need for disability leave should contain:
  - A statement that the associate needs to take pregnancy disability leave because she is disabled by pregnancy, childbirth or related medical condition.
  - The date on which the associate became disabled due to pregnancy;
  - The probable duration of the period or periods of disability; and
  - If the associate needs a reasonable accommodation or transfer, a medical certification is sufficient if it contains all of the following: a description of the requested reasonable accommodation or transfer; a statement that describes the medical advisability of the reasonable accommodation or transfer because of pregnancy; and the date on which the need for reasonable accommodation or transfer became/will become medically advisable and the estimated duration of the reasonable accommodation or transfer.

- Leave returns will be allowed only when the associate's physician sends a release;
- An associate may use accrued Paid Vacation Time or sick time (if otherwise eligible to take the time) during a pregnancy disability leave; and
- Leave does not need to be taken in one continuous period of time and may be taken intermittently, as needed. Leave may be taken in increments of one hour.

If intermittent leave or leave on a reduced work schedule is medically advisable the associate may, in some instances, be required to transfer temporarily to an available alternative position that meets the associate's needs. The alternative position need not consist of equivalent duties, but must have the equivalent rate of pay and benefits. The associate must be qualified for the position. The position must better accommodate the associate's leave requirements than her regular job. Transfer to an alternative
position can include altering an existing job to better accommodate the associate's need for intermittent leave or a reduced work schedule.

Upon submission of a medical certification that an associate is able to return to work from a pregnancy disability leave, an associate will be reinstated to her same position held at the time the leave began or, in certain instances, to a comparable position, if available. There are limited exceptions to this policy. An associate returning from a pregnancy disability leave has no greater right to reinstatement than if the associate had been continuously employed.

Associates on pregnancy disability leave will be allowed to continue to participate in group health insurance coverage for up to a maximum of 4 months of disability leave (if such insurance was provided before the leave was taken) at the level and under the conditions that coverage would have been provided if the associate had continued in employment continuously for the duration of the leave.

In some instances, Paradies can recover from an associate premiums paid to maintain health coverage if the associate fails to return following pregnancy disability leave. PDL may impact other benefits or a seniority date. Please contact the Human Resources Department for more information.

**Substitution of Pregnancy-Disability Leave for Paid Leave**

An associate taking Pregnancy-Disability leave must substitute any accrued paid time off for her leave. Except to the extent that paid leave is substituted for Pregnancy-Disability leave, the Pregnancy-Disability leave will be unpaid. The substitution of paid leave for Pregnancy-Disability leave does not extend the total duration of the leave to which an associate is entitled.

**Paid Family Leave**

California has 2 programs designed to provide benefits to associates when they are unable to work either because of a personal illness or injury that is not work-related or the need to care for a qualified family member who is ill or injured or bond with a new child. One program applies where the associate is personally ill or injured. The other applies when the associate is not ill but must care for a family member or bond with a new child.

State Disability Insurance (SDI) benefits are available to eligible associates who are personally ill or injured. Unlike the workers' compensation program that covers work-related injuries, SDI benefits are available from the state if the illness or injury is not work related. State law provides for payment of SDI benefits for the entire length of time that your health care provider certifies that you are disabled, up to a total of 52 weeks of payments in a 12 month period. SDI request forms are available from the Employment Development Department or from your health care provider. Any SDI to which an associate is eligible will be integrated with the associate's paid time off so that the associate does not receive over 100% of their regular pay.

Family Temporary Disability Insurance (FTDI) benefits are available to eligible associates who are unable to work as a result of a need to care for qualified family members or bond with a new child. Up to 6 weeks of FTDI coverage are available in a 12 month period, however an associate is not eligible for FTDI benefits if the associate is receiving other unemployment or disability benefits, or if another family member is able and available to care for the ill or injured family member.
Both the SDI and FTDI programs are administered by the California Employment Development Department (EDD) and are financed by Associate taxes. Both programs work independently from the workers' compensation system, which provides benefits to eligible associates who sustain work-related illnesses or injuries.

1. **Time Missed From Work**
The SDI and FTDI programs provide benefits to eligible Associates who miss work for reasons specified in the programs. Neither program grants associates the right to time off, job protections or reinstatement guarantees if they do miss work. Associates should therefore ask the Human Resources Department whether they qualify for a leave of absence under any Company policy, such as the family and medical leave policy. Associates must satisfy several conditions, including a 12-month-of-service rule, to qualify for a family and medical leave of absence. Nothing in this policy dispenses with the need to comply with the rules of any policy that govern the type of leave an associate requests, including the advance notice rules.

2. **Advance Notice Rules**
Associates who wish to apply for SDI or FTDI benefits must submit claims directly with the EDD. The Company is not involved in the administration of the SDI or FTDI programs. Because the EDD provides benefits to eligible associates who take time off from work, associates must submit their request for time off in writing as far in advance as is reasonably possible. It is the responsibility of each associate to provide a written request for time off at least 30 days before the absence is expected to begin whenever the need for the absence is foreseeable. If the need for the absence is sudden and unforeseeable, the associate must provide notice as soon as possible. The notice must be provided no later than the day on which the absence begins. When feasible, the notice and request for time off must be accompanied by proper medical certification that does not include the underlying medical diagnosis or other confidential medical information. A copy of the EDD claim form must also be provided if requested by the Company. Any failure to provide proper notice and accompanying documentation, when it is requested, may result in an unexcused absence and disciplinary action, up to and possibly including immediate termination.

3. **Use of Vacation Benefits**
Associates must use their accrued vacation benefits (up to a maximum of 2 weeks of benefits) before they will be eligible to receive FTDI benefits. If associates have less than 2 weeks of accrued vacation benefits available, they must use all their accrued benefits before they will be eligible for FTDI benefits. Associates who have more than 2 weeks of accrued vacation benefits may voluntarily elect to use any additional benefits in order to receive their full pay after 2 weeks of accrued benefits have been used.

4. **Concurrent Use of FTDI and FMLA/CFRA Time**
If an associate is eligible for FTDI benefits and also for leave under a policy of the Company, the time off will run concurrently with time available under all applicable leave of absence policies maintained by the Company. This includes the family and medical leave policies where the associate is eligible for time off under the California Family Rights Act (CFRA) and/or the Federal Family and Medical Leave Act (FMLA). As a result, if an associate receives benefits under the FTDI program, the time taken off will be counted against the maximum limitations on time off imposed by all potentially applicable leave policies of the Company and the CFRA and FMLA rules, to the extent legally permissible.
Under most circumstances, leave under federal and state law will run at the same time and the eligible associate will be entitled to a total of 12 (or 26) weeks of family and medical leave in the designated 12-month period.

However, leave because of the associate’s disability for pregnancy, childbirth or related medical condition is not counted as time used under California law (the California Family Rights Act). Time off because of pregnancy disability, childbirth or related medical condition does count as family and medical leave under federal law (the Family and Medical Leave Act). Associates who take time off for pregnancy disability and who are eligible for family and medical leave will also be placed on family and medical leave that runs at the same time as their pregnancy disability leave. Once the associate is no longer disabled, she may apply for leave under the California Family Rights Act, for purposes of baby bonding.

**Company Medical Leave of Absence (Non-FMLA)**
Under certain circumstances and with the approval of the leaves administrator prior to a leave beginning, an unpaid 60 day Medical Leave of Absence will be granted to full-time and part-time Associates with a valid personal need providing:

- You have six months (26 weeks) of continuous service with the Company.
- You present documentation from your healthcare provider verifying your need for leave and is approved by the leaves administrator.

Available sick days and personal days must be paid out during medical leave of absence. Vacation may also be used. Medical leave is intended to provide leave time to Associates not eligible for leave under The Family Medical Leave Act (FMLA) or any state mandated leave. In some situations, medical leave may be granted to Associates who have exhausted leave under the FMLA or any applicable state mandated leave.

*The company will consider all other requests for medical leave of absence prior to the six months (26 weeks) and/or for more than 60 days as would be required by applicable Federal, State or Local law.*

**Benefit Continuation During Company Medical Leave of Absence**
Paradies will continue an Associate’s group health plan benefits during a statutory mandated leave of absence or a leave provided for in this handbook so long as he or she pays the regular contribution toward his or her portion of benefit premiums on the first of the month. But an Associate needs to make the necessary arrangements with the appropriate Human Resources representative prior to leave commencement. Failure to make these contributions will cause discontinuation of the particular benefit coverage in question.

**Restoration to Former or Equivalent Position After Company Medical Leave of Absence**
Upon return to work from leave, Paradies will make every effort to place an Associate in his or her former position or a position equivalent to the one held when the Associate began the leave, subject to any extenuating circumstances which may occur to Paradies’ operations during the leave and which would have affected the Associate had he or she not been on leave.
Upon return from the leave, Paradies will reinstate the Associate’s credited service and other aspects of employment consistent with the law. If an Associate works at another job during the leave without prior written approval by Paradies, the Company will assume that the Associate has resigned his or her position and terminate their employment. Similarly, if an Associate fails to return from a leave on the agreed upon date, with no communication regarding a continued need for leave, Paradies will assume that the Associate resigned and terminate the Associate’s employment.

**Company Personal Leave of Absence (Non-FMLA)**

Under certain circumstances, and with the approval of the leaves administrator prior to a leave beginning, one 30-day unpaid Personal Leave of Absence (per rolling year) will be granted to full and part-time Associates with a valid personal need providing:

- You have 12 months (52 weeks) continuous full or part-time service with the Company.
- Mutual agreement can be arranged between the Associate and Supervisor and approved by Human Resources.

Accrued unused personal days and vacation days must be paid out during personal leave of absence. Personal leave is intended to provide leave time to Associates not eligible for leave under The Family Medical Leave Act (FMLA) or any state mandated leave. In some situations, personal leave may be granted to Associates who have exhausted leave under the FMLA or any applicable state mandated leave.

**Benefit Continuation During Company Personal Leave of Absence**

Paradies will continue an Associate’s group health plan benefits during the leave, so long as he or she pays the regular contribution toward his or her portion of benefit premiums on the first of the month. But an Associate needs to make the necessary arrangements with the appropriate Support Center Human Resources representative prior to leave commencement. Failure to make these contributions will cause discontinuation of the particular benefit coverage in question.

**Restoration to Former or Equivalent Position After Company Personal Leave of Absence**

Upon return to work from a non-FMLA requested leave, Paradies will make every effort to place an Associate in his or her former position or a position equivalent to the one held when the Associate began the leave. If the position is no longer available, the Associates will be terminated and can apply for future open positions.

Upon return from the leave, Paradies will reinstate the Associate’s credited service and other aspects of employment consistent with the law. If an Associate works at another job during the leave without prior written approval by Paradies, the Company will assume that the Associate has resigned his or her position and terminate the Associate’s employment. Similarly, if an Associate fails to return from a leave on the agreed upon date, with no communication regarding a continued need for leave, Paradies will assume that the Associate resigned and terminate the Associate’s employment.

Associates may take one personal leave per 12 months regardless of the actual number of days taken during the period of leave. If you need to take additional time off, you may resign your position with the Company and be considered eligible for rehire.
LEAVING PARADIES

Leaving Paradies and Return of Company Property
Associates are required to return all items issued to them by Paradies or in their possession or control at the time of separation. These items include but are not limited to the following:

- Equipment
- Keys
- Credit Cards
- Identification/Security Badges
- Wireless Devices
- Written Materials
- Tools
- Computers
- Cell Phones
- Customer Lists
- Reports
- Tablets

Regardless of the reason you are leaving Paradies, you are expected to delete Company information from personal devices and return all property, including all tangible information in whatever form pertaining to the Company.

Paradies may deduct the cost of lost or damaged badges/keys from an associate’s paycheck, but only with proof of dishonesty, willful misconduct, or gross negligence. Similarly, in the event an associate does not return any and all Company-issued uniforms and tools upon separation, Paradies may, with proof of associate theft or culpable negligence, institute a charge and/or collection efforts to replace the lost or misused apparel or equipment.

Associates leaving Paradies will receive their final paycheck immediately upon termination or within 72 hours of resignation.

Job Abandonment
California associates will always be paid in for any accrued, unused vacation time immediately upon discharge or within 72 hours of resignation. Payment therefore is not contingent on notice of resignation, return of Company property, or any other pre-requisites.

Paradies considers job abandonment a voluntary resignation. If associates do not call-in or report to work for two consecutive workdays, on the third day they will be considered to have voluntarily resigned their position effective the third day. This policy does not apply to any associates whose absence is considered unforeseeable and medically related under the HWHFA, resulting in the inability to provide notice as soon as practicable.

The only exception to this policy will be if the Associate is physically incapacitated and unable to notify the Company. Documentation will be required in these situations.

Associates who leave an assignment during a scheduled shift, without prior approval, will be considered to have abandoned their job, resulting in a voluntary resignation.
Resignation
It is important that Paradies has adequate advanced knowledge of an Associate’s voluntary desire to leave the Company. We request that you submit a resignation letter at least two weeks prior to the last day you plan to work. The letter should include the reason you are resigning and state the date that will be your last day of work.

Involuntary Termination
If your performance, attendance, conduct, attitude or general fit with the Company is evaluated as unsatisfactory, Paradies may make the decision to terminate your employment. Depending on the nature and severity of the situation, terminations will be conducted after you have been given opportunities to improve your performance and have not responded with improvement.

There may be circumstances when an Associate could be terminated immediately and without notice. This would be in the event of serious misconduct including, but not limited to, the following: theft, dishonesty, embezzlement, willful refusal to follow reasonable direction, falsification of records, crime committed on Company time or location or involving Company property, reporting to work impaired, harassment of any Associate, vendor or client, or violation of the Zero Tolerance policy.

Your employment with Paradies remains at-will throughout the employment relationship, meaning either you or the Company may terminate the relationship at any time with or without notice, for any reason, and with or without cause.

Exit Interview
In instances where an Associate resigns from Paradies, the Human Resources Department would like to discuss your reasons for leaving and any other impressions that you may have about Paradies. If you decide to leave, you will be asked to grant us the privilege of an exit interview. During the exit interview, you can express yourself freely. It is hoped that this exit interview will help us part with a positive relationship, as well as provide insights into possible improvements we can make. All information will be kept strictly confidential and will in no way affect any reference information that Paradies management will provide another employer about you.

Unemployment Compensation
Paradies pays a percentage of its payroll to the Unemployment Compensation Fund according to Paradies employment history. If you become unemployed, you may be eligible for unemployment compensation, under certain conditions, for a limited period of time. Unemployment compensation provides temporary income for workers who have lost their jobs. To be eligible you must have earned a certain amount and be willing and able to work. You should apply for benefits through your local State Unemployment Office as soon as possible. Paradies pays the entire cost of this insurance.
CONCLUSION

There are many intangible dynamics, which come to play in creating and maintaining an excellent relationship with each other.

The actual application of our policies and practices in our day-to-day work is the real test of their success. Since no two cases are ever exactly alike, there may be concerns arising from time to time for which none of the written policies and practices is applicable.

Paradies will approach these with an open mind with a sincere desire to be helpful to the Associate involved while protecting the best interest of our organization.

This handbook will be revised periodically. A copy of the updated policies can be found on the Company’s intranet page at www.accessTPS.com. We hope you find this guide helpful in your association with Paradies and that you will have a long and rewarding career with us. The Human Resources team is readily available to you and we welcome the opportunity to assist you in any way that we can.
CALIFORNIA ACKNOWLEDGMENT OF RECEIPT

I acknowledge that I have read the California State Handbook, and that I have read and understand the policies.

I understand that this Associate Handbook, represent only current policies and benefits, and that they do not create a contract of employment.

I also understand that to the extent any provision in this Company’s Associate California Handbook conflicts with an applicable collective bargaining agreement, the collective bargaining agreement controls.

Unless expressly proscribed by statute or contract, my employment is “at-will.” I understand that I have the right to terminate my employment at any time, with or without cause or notice, and that the Company has the same right. I further understand that my status as an “at-will” Associate may not be changed except in writing and signed by the President of the Company and myself.

I understand that the information I come into contact with during my employment is proprietary to the Company and accordingly, I agree to keep it confidential, which means I will not use it other than in the performance of my duties, or disclose it to any person or entity outside the Company.

I understand that if I do not comply with all provisions of the California Handbook, my access to Company resources may be revoked, and I may be subject to disciplinary action up to and including termination.

I further understand that I am obligated to familiarize myself with the Company’s safety, health, and emergency procedures as outlined in the California Handbook, or in other documents.

Paradies retains the right to change these policies and benefits, as it deems advisable.

________________________________________  __________________________
Signature                                                    Date

________________________________________
Print Your Name
HANDBOOK ADDENDUM: AGREEMENT TO ARBITRATE EMPLOYMENT DISPUTES

Paradies (the “Company”) and this associate hereby agree that any controversy, dispute, or claim arising out of or relating to associate’s employment with the Company will first attempt to be settled through good faith negotiation. If the dispute cannot be settled through negotiation, arbitration will be administered by the American Arbitration Association pursuant to its Employment Arbitration Rules and Procedures and subject to its policies on employment arbitration minimum standards for procedural fairness. Judgment on any award made by the arbitrator may be entered in any court having jurisdiction.

The parties further specifically agree:

1. Initiation of arbitration. Once either party determines that efforts at good faith negotiation have failed, within 60 days of notifying the other party of this determination, either party may initiate arbitration proceedings by submitting to the American Arbitration Association (AAA) a written demand for arbitration listing the name and contact information for both parties, along with a copy of this Agreement, and providing the other party a copy of the written demand.

2. Fees and costs of arbitration. The Company agrees to pay all arbitration forum fees and all fees and expenses charged or incurred by the arbitrator. Each party will bear their own attorney’s fees and costs.

3. Arbitrator selection. This Agreement does not provide for the pre-selection of a specific arbitrator. A neutral arbitrator will be selected according to the normal rules and procedures of the American Arbitration Association (which can be downloaded from the AAA website; at your request, the Company will provide you with a copy of the AAA’s rules and procedures).

4. Discovery. The arbitrator will determine the appropriate scope of discovery as governed by the normal rules and procedures of the American Arbitration Association, and will in any case be sufficient to permit each party to fully investigate and present its claims and defenses.

5. Written decision. The arbitrator will provide all parties with a written decision that details the arbitrator’s findings of law and fact as well as the arbitrator’s reasoning in making those findings. The arbitrator is expressly authorized to award either party any and all remedies that the party would otherwise be entitled to under state or federal law, as if the matter were brought in a civil court of competent jurisdiction.

6. Place of arbitration. The arbitration will be conducted within the city of [____________________], or as otherwise mutually agreed to by the parties.
7. **Governing law, severance, term, modification, revocation.** The terms of this Agreement shall be governed by the laws of the state of California. If any provision of this Agreement is adjudged to be void or otherwise unenforceable, in whole or in part, such adjudication shall not affect the validity of the remainder of the Agreement. This Agreement shall survive the employer-associate relationship between Company and associate. This Agreement can be modified or revoked only by a writing signed by associate and an executive officer of the Company that references this Agreement and specifically states the intent to modify or revoke this Agreement.

9. **Voluntary agreement.** Associate, by signing below, acknowledges that associate enters into this Agreement freely and voluntarily, and without coercion, in consideration for new or continued employment provided by the Company.

10. **Not an employment agreement.** This Agreement is not, and shall not be construed to create, a separate contract of employment, express or implied, nor shall this Agreement be construed in any way to change the relationship between associate and the Company from that of at-will employment.

11. **Class Action Waiver:** The Parties agree that they will resolve their disputes on an individual basis. Any claims brought under this Agreement must be brought in the Parties' individual capacity, and not as a plaintiff or class member in any purported class, collective, or representative proceeding. This agreement also prevents any party from participating in a class action (existing or future) that was brought by any other party. Instead, the Parties agree to resolve their disputes under this Agreement on an individual basis.

I acknowledge receipt of the forgoing Pre-Dispute Mediation, Arbitration Agreement and Class Action Waiver. I have read this Agreement, and I understand that it provides for mediation and binding arbitration (or, if applicable, adjudication by general judicial reference) of disputes. I also understand that as a result of this Agreement that neither Employer nor I are entitled to a trial by jury of any claim which either of us have against the other. I further acknowledge that I have entered into this Agreement voluntarily. Finally, I understand that no associate shall be subject to retaliation if he or she asserts claims under this Agreement.

PARADIES:

Title: __________________________
Print Name: ______________________
Signature __________________________ Date: __________________________

ASSOCIATE:

Print Name: ______________________
Signature __________________________ Date: __________________________