



Associated Food Stores

AFS HANDBOOK

IMPORTANT NOTICE

AT ASSOCIATED FOOD STORES, INC. (THE COMPANY), NEITHER THE EMPLOYEE (TEAM MEMBER) NOR THE COMPANY IS COMMITTED TO AN EMPLOYMENT RELATIONSHIP FOR A FIXED PERIOD OF TIME. EMPLOYMENT WITH THE COMPANY IS AT-WILL. EITHER THE EMPLOYEE OR MANAGEMENT HAS THE RIGHT TO TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, FOR ANY REASON. THE LANGUAGE USED IN THIS HANDBOOK AND ANY VERBAL STATEMENTS BY MANAGEMENT ARE NOT INTENDED TO CONSTITUTE A CONTRACT OF EMPLOYMENT, EITHER EXPRESSED OR IMPLIED, NOR IS THERE A GUARANTEE OF EMPLOYMENT FOR ANY SPECIFIC DURATION. NO REPRESENTATIVE OF THE COMPANY, OTHER THAN THE PRESIDENT AND THE CHAIR OF THE BOARD HAS AUTHORITY TO ENTER INTO AN AGREEMENT OF EMPLOYMENT FOR ANY SPECIFIED PERIOD AND SUCH AGREEMENT MUST BE IN WRITING, SIGNED BY THE PRESIDENT, CHAIR OF THE BOARD AND THE EMPLOYEE.

THE CONTENTS OF THIS HANDBOOK ARE SUMMARY GUIDELINES FOR EMPLOYEES AND THEREFORE ARE NOT ALL INCLUSIVE. THIS HANDBOOK SUPERSEDES ALL PREVIOUSLY ISSUED EDITIONS. EXCEPT FOR THE AT-WILL NATURE OF THE EMPLOYMENT, THE COMPANY RESERVES THE RIGHT TO SUSPEND, TERMINATE, INTERPRET, OR CHANGE ANY OR ALL OF THE GUIDELINES MENTIONED, ALONG WITH ANY OTHER PROCEDURES, PRACTICES, BENEFITS, OR OTHER PROGRAMS OF THE COMPANY. THESE CHANGES MAY OCCUR AT ANY TIME, WITH OR WITHOUT NOTICE.

IN MONTANA, EMPLOYMENT IS AT-WILL DURING THE PROBATIONARY PERIOD AND MAY BE TERMINATED WITH OR WITHOUT NOTICE OR CAUSE AT ANY TIME.

THIS SUMMARY IS INTENDED FOR INFORMATIONAL PURPOSES ONLY. ALL BENEFITS ARE PROVIDED AT THE SOLE DISCRETION OF THE COMPANY, AND MAY BE MODIFIED OR DISCONTINUED WITHOUT ANY PRIOR NOTICE OR WARNING. THE FOLLOWING INFORMATION IS FOR GENERAL EMPLOYEE USE. AS LAWS VARY FROM STATE TO STATE, CERTAIN ISSUES BASED ON STATE LAW NEED TO BE ADDRESSED. FOR ADDITIONAL INFORMATION, PLEASE CONTACT HUMAN RESOURCES.

Updates

Changes regularly occur in policy and procedure. You are encouraged to check for the latest, most up-to-date policy information accessible through your My Information Center (MIC) link. Please contact Team Services/Human Resources (HR) if you need assistance connecting to your MIC link.

Table of Contents

Welcome	6
Our Mission Is:	6
Core Values	6
Compass for Excellence	6
Behavioral Guidance	7
Employment-at-Will:.....	7
Probationary Period: Montana	8
Definitions of Employment Status	8
Equal Employment Opportunity/Unlawful Harassment/Other Accommodation	9
No Discrimination	9
Religious and Other Accommodations	10
Sexual Harassment.....	10
Addressing Harassment	11
Complaint and Resolution Procedure	11
Disability and Accommodation Policy.....	11
Complaint Procedure	12
Conflict of Interest	13
Conduct, Discipline and Termination.....	14
Problem Resolution Procedures	15
Weapons Policy.....	16
Workplace Violence	17
Inspection.....	17
Complimentary Gifts and/or Entertainment	17
Samples.....	17
Gifts and Premiums.....	17
Entertainment, Meals and Recreational Activities	18
Trips and Travel.....	18
Contest.....	18
Travel Policy	18
Conduct Requirements at Business Related Social Events	20
Hiring and Internal Transfer of Relatives/Significant Others (Nepotism).....	20
Dress and Grooming Standards	21

Policy Statement	21
Distribution Center Managers, Supervisors, and Team Members	21
Logistics and Transportation Managers, Supervisors, and Team Members	22
Additional Expectations for Farr West Facility Leadership	22
Corporate Office Managers, Supervisors, and Team Members	22
Smoking Policy (Smoke-Free Environment)	23
Attendance	24
Time Keeping Requirements (Non-Exempt Team Members)	25
Overtime (Non-Exempt Team Members)	25
Breaks and Meals	25
Paydays and Final Pay	26
Pay for Exempt Team Members	26
Resignation and Termination Notice	27
Telecommuting	27
Procedures	27
Eligibility	27
Equipment	28
Security	29
Safety	29
Time Worked	29
Ad Hoc Arrangements	30
Compliance with AFS Policies	30
Flexible Work Schedules	30
Eligibility	30
Guidelines	31
Time off Section	32
Vacation Pay	32
Eligibility	32
Vacation Accrual and Use	32
Hospitalized on Vacation	33
Vacation Pay at Termination	33
Maximum Vacation Accrual	33
Maximum Weekly Pay Guidelines with Vacation Hours	33

Holidays.....	34
Sick Pay.....	35
Bonus Vacation Time in Exchange for Unused Sick Pay.....	36
Sick Pay Donation Policy	37
Bereavement/Funeral Pay	37
Death Benefit for Team Members	37
Leaves of Absence.....	38
Family and Medical Leave Act (FMLA)	38
Military Family Leave Entitlements.....	39
Requesting Family and Medical Leave	40
Coordination of Paid Leave	41
Status Reports.....	41
Intermittent or Reduced Leave.....	41
Health and Other Benefits During FMLA	42
End of FMLA – Return to Work	42
Unlawful Acts	42
Enforcement	42
Voluntary/Non-FMLA Leave.....	42
Applying for Voluntary/Non-FMLA Leave	43
Status Reports.....	43
Coordination of Paid Leave	43
Benefits during Voluntary/Non-FMLA Leave	43
Grace Period for Payment of the Cost of Health Benefits	43
Returning to Work After Voluntary/Non-FMLA Leave.....	44
Leave for a Living Organ Donation.....	44
Military Leave.....	44
Civil Air Patrol.....	45
Jury Duty	45
Witness Duty	45
Minor Child Court Appearance Leave	46
Crime Victim Leave (Montana)	46
Crime Victim Leave (Colorado)	46
Domestic Violence Victim Leave (Colorado)	47

Voting.....	47
Paid Parental Leave.....	47
Coordination of Paid Parental Leave (PPL) with other Policies	48
Leave for Team Members who Volunteer (Nevada)	49
School-Related Activities (Nevada).....	49
Benefits Section	49
Benefits Eligibility.....	49
Benefits When Working for More Than One Division within Associated Food Stores.....	50
Benefits for Retired Team Members	50
Benefits for Returning Team Members	50
COBRA	51
Tuition Assistance	51
Eligibility.....	52
Approved Courses.....	52
How to Apply.....	52
Payment	52
401K Retirement and Savings Plan	52
Information Security Policy (Computer Usage)	52
Acquisition of Hardware and Software.....	53
Copyright and Software License Compliance	53
Electronic Communication (E-mail, Facsimile, Voice).....	53
Company Corporate Logos.....	54
Internet Use	54
Mobile Computing	54
Computer Security	54
Responsibility for Passwords	55
Allowed Use of Computer Resources	55
Use of Technology Assets	55
Virus Checking.....	55
Privacy When Using Company Computers and E-mail	56
Social Media Guidelines.....	56
Cellphones and Other Electronic Devices	57
Solicitation/Distribution Policy	58

Definitions	58
Internal Policy	58
External Policy	58
Additional Information.....	58
Safety and Security	59
Drug and Alcohol Policy	60
Drug Testing Policy.....	60
Privacy: How it Relates to the Drug and Alcohol Policy	61
Access to Personnel Files	61

Welcome

ASSOCIATED FOOD STORES (AFS) is the Intermountain West's premiere customer-owned wholesaler providing goods and services to independent retailers. You are part of a cause to preserve opportunity for independent grocery businesses now and in the future.

We are excited to have you on our team! This document is your guide to behavior while employed by the Company. As you read, take time to consider how you can personally incorporate these expectations. Understand that policies and procedures are just words unless supported by action. Your actions need to reflect the best interests of the Company, your Teammates and our Customers.

Our Mission Is:

Enriching lives, one grocer, one family, one meal at a time

Core Values

When you work for the Company your actions and behavior are guided by core values. The success of our Company has been built upon our core values and they are essential to our success. Our values define who we are and how we perform every day. No matter who you are or where you work at the Company, these values are what we all have in common. Each value has a set of desirable behaviors that, if followed, help each team member align easily and consistently with the mission of our Company.

- **Passion**
 - We display an internal fire, excitement, initiative, humble confidence and a desire to win. We are driven, resilient, positive, and look for innovative, win-win solutions.
- **Fun**
 - We display enthusiasm and enjoy work, achievement, random acts of kindness, and building friendships.
- **Accountability**
 - We display dependability, responsibility, and ownership in success and mistakes. We have a sense of obligation and seek opportunities to improve.
- **Integrity**
 - We display honesty, transparency, trust, character, and ethics.
- **Teamwork**
 - We display respect, good communication, and a commitment to commonly held goals and standards.
- **Heart**
 - We display empathy, compassion, and desire for the success of others. We are genuine, loving, and sincere.

Compass for Excellence

The compass represents our service standards. It serves as a filter to ensure the highest standards in everything we do as we serve our guests. The four principles on the compass help guide us to make decisions more easily and consistently with the success of our Company in mind. You can remember the

fundamental principles by visualizing our Compass for Excellence. Decisions you make daily should be filtered through the Compass for Excellence.

- **Safety**
 - At the Company, personal safety is our first priority as is the security of our team members' and retailers' opportunity for continued success. Safety also includes how we care for the quality products and services the Company provides. Finally, safety encompasses the protection of our Company's assets and resources and maintaining a clean workplace.
- **Courtesy**
 - The Company will succeed by treating everyone with dignity and respect. Team members embrace diversity and each other's differences. We accept responsibility for, and value what we learn from our mistakes. The Company endorses an "open-door" policy to encourage new ideas and foster direct, but respectful communication.
- **Experience**
 - The Company's team members and retailers are dedicated to exceeding expectations. As team members and retailers exceed expectations, growth and development opportunities arise. By understanding and performing their roles, and allowing others the same opportunity, team members and retailers will succeed individually and collectively through mutual support.
- **Efficiency**
 - At the Company, genuine teamwork generates accomplishment. Our search for ways to improve never stops. We believe efficiency is built upon a foundation of value, not necessarily the lowest cost. Efficiency also refers to meaningful daily achievement and balance of work, family, friends, and self.

Behavioral Guidance

We believe the Company's team members are also interested in accepting and abiding by universally accepted behavioral standards. These simple, common-sense actions taken by individuals make the day-to-day work environment better for all.

- Do what you are supposed to do
- Don't do what you are not supposed to do
- Treat others with dignity and respect
- Act in a manner consistent with a professional environment
- Take pride and respect property

At the Company, our Core Values, Compass for Excellence, and Behavioral Guidance are the critical guides for making decisions and determining our actions in how we treat our retailers, guests, and each other. As we embrace these foundations, we help the Company achieve its mission.

Employment-at-Will:

Employment with the Company is on an at-will basis. This means that the employment relationship may be terminated by either the team member or the Company at any time, with or without notice or reason, unless expressly prohibited by law. Nothing in this handbook or in any document or statement

other than written bargaining agreements shall limit the right to terminate employment at-will. No manager, supervisor, or team member of the Company has any authority to enter into any agreement for employment for any specified period or to make any agreement for employment other than at-will. Only the president of the Company and chair of the board has the authority to make any such agreement and then, only in writing.

Probationary Period: Montana

All new, transferred, and rehired team members working in Montana work on a “probationary” basis during the first six (6) months of employment. Any significant absence of two weeks or longer in accordance with company leave policy shall automatically extend a “probationary” period by the length of the absence.

The “probationary” period is intended to give new, transferred, and rehired team members the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets both the team member’s and the Company’s expectations. The Company uses this “probationary” period to evaluate team member capabilities, work habits, and overall performance.

During team members' probationary period, their employment is "at-will," meaning that either the team member or the Company may terminate the relationship at any time, with or without cause and with or without notice.

After team members complete their probationary period, they may still terminate their employment relationship with the Company at any time. The Company, however, will terminate a team member only for "good cause," which means reasonable job-related grounds for dismissal based on a failure to satisfactorily perform job duties, disruption of the Company's operation, or any other legitimate business reason.

Statements of specific grounds for termination set forth in this manual or elsewhere are not all inclusive and are not intended to restrict the Company’s right to terminate at will.

Definitions of Employment Status

The following terms will be used to describe the classification of team members and their employment status:

- **Full-Time**
 - Team members normally scheduled to work 30 hours or more per week. Full-time team members are eligible for most Company benefits.
- **Part-Time**
 - Team members normally scheduled to work fewer than 30 hours per week. Part-time team members are eligible for some, but not all, Company benefits. If a team member changes from part-time to full-time, they are eligible for benefits accrual credit based on hours worked.

- **Exempt Team Members**
 - Exempt team members are team members whose job assignments meet specific tests established by the federal Fair Labor Standards Act (FLSA) and state law and who are exempt from minimum wage and/or overtime pay requirements.
- **Non-Exempt Team Members**
 - Non-exempt team members are team members whose job positions do not meet FLSA or applicable state exemption tests, and who are not exempt from minimum wage and overtime pay requirements. Non-exempt team members are eligible to receive overtime pay for hours worked in excess of 40 hours in a given workweek, or as otherwise required by applicable state law.
- **Temporary Team Members**
 - Team members who are hired for a pre-established period, usually during peak workloads or for vacation relief. They may work a full-time or part-time schedule. Generally, temporary status is not used when the employment will extend beyond six months. Temporary team members are ineligible for Company benefits except as required by law; however, time on the job as a temporary team member will count towards benefit waiting periods based on hours worked, if hired into a regular position.
- **Casual Team Members**
 - Team members working on an as-needed or on-call basis for an undetermined period, usually as fill-in or to cover periods of increased production. Casual workers can have long periods between work times and experience fluctuations in the number of hours worked at any time. Because of the nature of casual work, individuals in this classification are not eligible for any benefits or benefits accruals except as required by law. Time worked under casual classification will not apply to any future health benefits waiting periods.

Equal Employment Opportunity/Unlawful Harassment/Other Accommodation

No Discrimination

The Company is dedicated to the principles of equal employment opportunity and endeavors to provide an environment at its facilities wherein human dignity prevails. Equal employment opportunity applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation, and training.

We prohibit unlawful discrimination against applicants or team members on the basis of age and over, race, sex (including pregnancy, childbirth, pregnancy-related conditions, breastfeeding, or medical conditions related to breastfeeding), color, religion, national origin, disability, military status, genetic information, sexual orientation, gender identity or any other class or expression protected by applicable state or local law. This prohibition includes unlawful harassment based on any of these protected classes. Unlawful harassment includes verbal or physical conduct which has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or

offensive work environment. This policy applies to all team members, including managers, supervisors, co-workers, and non-team members such as guests, clients, vendors, consultants, etc.

For team members in Nevada, the Company also complies with the Nevada law that restricts the circumstances under which employers can request or consider a consumer credit report or other credit information when evaluating a prospective or current team member and prohibits unlawful discrimination against applicants or team members based on HIV/AIDS, legal use of lawful products outside of work, National Guard membership, and use of a service animal.

All team members are expected to treat each other with courtesy, respect, and professionalism.

Religious and Other Accommodations

The Company provides reasonable accommodations for team members whose religious belief, practice, or observance conflicts with a workplace requirement unless doing so would result in an undue hardship to the Company. The Company provides reasonable accommodations for team members based on gender identity in dress/grooming standards and facilities and for team members based on pregnancy, childbirth, breastfeeding, or related conditions, unless doing so would result in an undue hardship to the Company. Team members needing such accommodation are instructed to contact their supervisor or Team Services (HR) immediately.

Sexual Harassment

The Company strongly opposes sexual harassment and inappropriate sexual conduct. Sexual harassment includes, but is not limited to, (a) unwelcome sexual advances, requests for sexual favors and other offensive conduct that is either sexual in nature or directed at someone because of their gender, or (b) any time that submission to such conduct is made explicitly a term or condition of employment. Sexual harassment occurs when submission to or rejection of unwanted sexual conduct is used as the basis for employment decisions, or when unwelcome sexual conduct has the purpose or effect of substantially interfering with an individual's work performance or creates an intimidating, offensive, or hostile working environment.

All Team members are always expected to conduct themselves in a professional and businesslike manner. Harassment, whether sexual or based on the other protected classes listed above, may take many forms including but not limited to:

- **Verbal Conduct**
 - Derogatory jokes, comments or conversations that could be perceived as inappropriate, name calling, innuendos, demeaning slurs, unwanted sexual advances, demands of any kind or any threat, whether the act is carried through.
- **Visual Conduct**
 - Leering, gestures, derogatory or sexually oriented posters or pictures, photography, cartoons, drawings, graffiti, electronic images or electronic messages, whether they were meant to be seen by another party or not. Under no circumstances should materials of this nature be viewed, kept or displayed anywhere on Company property or with Company equipment.

- **Physical Conduct**
 - Offensive and unwelcome touching of any kind including assault. Blocking of normal movement or interfering with work. Violent acts causing harm to others or any property. All threats, whether the act is carried through.
- **Threats/Demands**
 - To require someone to submit to requests, whether sexual in nature or not, as a condition of employment or employment decisions.

Addressing Harassment

If you experience or observe such conduct, tell the person that the behavior is offensive and that you want it to stop. If you are uncomfortable addressing the harasser or are unsuccessful in convincing them to stop, follow the complaint procedure.

Complaint and Resolution Procedure

Team members who have experienced or witnessed prohibited discrimination or harassment by another team member, a member of management, a guest, vendor or anyone doing business with the Company, are encouraged to come forward, with a timely report so the Company can investigate and correct any behavior that may be in violation of this policy.

Report the incident or situation to your Supervisor, Manager, Director, or a Team Services (HR) department representative. Reports to management require collaboration with a member of the Team Services (HR) department staff who will investigate the matter and take appropriate corrective action to resolve discrimination and harassment issues within the Company.

Our Company recognizes that the issue of whether discrimination, harassment or sexual harassment has occurred requires a factual determination based on a fair review of facts and evidence. Reports of alleged discrimination and harassment are treated as discreetly and confidentially as possible.

The Company prohibits retaliation against any team member for filing a complaint under this policy or for participating in an investigation. If you believe there has been a violation of our policy or our retaliation standard, you should notify a Team Services (HR) department representative.

Team members who are found to have discriminated or harassed a guest, team member, vendor or anyone doing business with our Company, will be in direct violation of this policy, and will be subject to disciplinary action up to and including termination.

Disability and Accommodation Policy

The Americans with Disabilities Act (“ADA”) and the ADA Amendments Act (“ADAAA”) are federal laws that prohibit discrimination against individuals with disabilities in all areas of public life, including jobs and employment. Among other things, the purpose of these laws is to make sure that people with disabilities have the right to be free from discrimination based on those disabilities and have the same rights and opportunities as other team members and job applicants without disabilities. Under these laws, the Company may be required to provide reasonable accommodations to applicants and team members with disabilities who are otherwise qualified for a job so that they can perform the essential job duties of the job position, unless doing so would cause an “undue hardship” on the Company.

It is the policy of the Company to comply with all federal and state laws concerning the employment of persons, including the ADA and the ADAAA. Team members have the right to be free from discrimination based on disabilities recognized under the ADA and ADAAA, and the Company will not discriminate against qualified individuals with disabilities regarding recruitment, pay, hiring, firing, promotion, job assignments, training, leave, lay-off, benefits, all other employment related activities. The ADA prohibits an employer from retaliating against an applicant or team member for asserting their rights under the ADA.

Generally, a team member with a disability must inform the Company that an accommodation is needed for the team member to perform the essential functions of their job. Under the ADA, the Company and such team member must then engage in an informal interactive process to clarify what the team member needs and identify whether an effective reasonable accommodation can be made. If the disability or the need for an accommodation is not obvious, the Company may ask for more information, including documentation to establish that the team member has a disability and that it necessitates a reasonable accommodation.

The Company may require that such documentation come from a qualified health care professional. The Company may also consider and propose other accommodations, if the accommodation is effective, meaning it provides the team member with an opportunity to perform the essential functions of their job. The Company is not required to provide an accommodation if doing so would result in an “undue hardship” to the Company or cause a direct threat to health or safety.

All team members are required to comply with the Company’s safety standards. Current team members who pose a direct threat to the health or safety of themselves, other individuals in the workplace, guests or the public may be placed on leave until an organizational decision has been made regarding the team member’s immediate employment situation. Team members who are currently using illegal drugs are excluded from coverage under the ADA and the Company’s ADA policy.

Questions about this policy or requests for accommodation should be made through management working with a Team Services (HR) department representative.

Complaint Procedure

Team members have the right to be free from retaliation for reporting or opposing discriminatory behavior in violation of the ADA. Team members who believe they have been subject to any such discriminatory or retaliatory behavior in violation of the ADA, whether actual or threatened, should immediately report the situation by notifying supervisor, a member of the Company’s senior management group or a Team Services (HR) representative.

Although addressing ADA issues with your direct management chain is recommended, team members do not have to report using their normal chain of command. Accommodation requests, discriminatory behavior and retaliation related to ADA can also be addressed through the following individuals:

Name	Title	Phone	Location
Mike Fischio	HR Manager	801-786-8863	Distribution Center
Cindy Risbeck	Sr. HR Generalist	801-978-8987	Corporate Office
<i>If needed, additional support is available through:</i>			
Tim Conner	VP of HR	801-978-8985	All Areas
Justin Atwater	In-House Counsel	801-913-0258	All Areas

Conflict of Interest

It is a policy of the Company that a team member must not engage in activities where personal interests conflict with the interests of the Company. Given the changing nature of our business, conflicts of interests or even the perception of a conflict can change over time. Check with your supervisor or Team Services (HR) for any questions concerning, or interpretations of, a potential conflict of interest.

This policy is designed to prevent conflicts of interest from interfering with any team member's ability to make decisions in the best interest of the Company. The definition of "personal interest" includes any interest, financial or otherwise, that would influence a judgment or decision to the benefit of another party dealing with the Company.

No team member or team member's immediate family shall accept from an actual or prospective customer or supplier any service, product, compensation, gift, advance, loan, or other favor which is of consequential value. Team members must notify management prior to engaging any vendor or service provider in a personal service arrangement or in any activity that benefits the team member. Team members should obtain approval from management prior to accepting a position as a member of the board of directors of an organization. The team member's manager should be informed first. The manager will make additional contacts within the Company up to the President/CEO level as needed. Under no circumstances should a gift or entertainment be accepted which could influence your judgment.

Team members must not:

- Be employed outside the Company as an officer, partner or consultant or own a substantial interest in any business that competes with the Company, provides products or services to the Company or seeks to provide products or services to the Company without the prior approval of the President/CEO.
- Engage in outside business which would conflict with the team member's work schedule, including overtime, or the performance of Company assignments.
- Use Company time, materials, information or other assets in connection with outside employment or other personal interests.
- Directly or indirectly benefit, or seek to benefit, from their position as a team member from any sale, purchase, and financial activity of the Company or leveraging vendor relationships for personal gain.

- Utilize for personal purposes and/or the financial gain of themselves or others, any confidential, proprietary, or inside information concerning the Company.
- Donate or give away product belonging to the Company, whether outdated, damaged, or undamaged to outside organizations with which they have any personal involvement. It is strictly prohibited to donate product to any outside organization other than the ones that have been established by the Company without the proper approval of a member of the Executive Staff.

Team members employed by member stores in any management position or in any position in which product is directly ordered by a Company team member should notify the Team Services (HR) department immediately. If it is determined a conflict of interest exists, team members may be required to adjust accordingly.

Conduct, Discipline and Termination

Occasionally, the actions or behavior of a team member may require corrective action or discipline up to and including termination. Discipline is intended to help team members identify and correct problems. Certain conduct cannot be tolerated, both for the good of the organization and other team members. Disciplinary action may include informal counseling, formal reprimand, written reprimand, probation, suspension without pay, and/or termination. The Company's management takes action, which in its opinion, seems appropriate based on its judgment of the seriousness of the offense, the offender's prior work record, and other relevant circumstances.

Unacceptable behavior will lead to disciplinary action, up to and including termination of employment. This is true for any unacceptable behavior, even if the team member is away from the Company premises, if the behavior harms the Company's reputation or product; renders a team member unable to perform his/her duties or to appear at work.

As a team member of the Company, there are certain rules which the Company expects you to observe. The list of rules below is exemplary, is not all-inclusive and does not reflect every circumstance that may result in disciplinary action. Some infractions are more serious than others and may result in immediate termination. **Such rule infractions include, but are not limited to:**

- Dishonesty in any form, including falsification of documents, manipulation of timekeeping records, and providing misleading or false information
- Disclosing confidential Company information
- Theft, embezzlement and other forms of dishonesty
- Inappropriate or unauthorized use of Company products, property and services
- Fighting, threatening, harassing, intimidating, or coercing others
- Lewd or vulgar behavior, excessive use of profane, obscene, or abusive language
- Conduct contrary to enhancing a team environment
- Conduct which may adversely affect work performance, safety, business operations, or the Company's reputation in the community
- Creating a hostile, offensive or intimidating work environment
- Retaliation of any type against team members or the Company

- Damage, loss, or destruction of property belonging to the Company, guests, or other team members due to willful, reckless, careless, or negligent acts
- Failure to observe safety and health rules or regulations
- Horseplay or repeated violation of safety rules
- Negligent and illegal use of any electronic device or cell phone while utilizing company equipment
- Failure to report injury, accident, defective equipment or any safety hazards
- Any type of criminal activity
- Violation of commonly accepted standards of responsible personal conduct
- Possessing a weapon in violation of policy or using tools/equipment in a threatening manner
- Substandard quality and quantity of work, failing to meet job standards, lack of care performing job duties, or gross negligence
- Excessive unexcused/unscheduled absenteeism or tardiness
- Failure to report (no call/no show) or respond to communication from the company
- Leaving job without permission
- Extending breaks and lunch periods beyond allotted times
- Soliciting or gambling on Company property
- Use, possession, or solicitation of drugs or alcoholic beverages on Company property, and/or on Company time
- Reporting for work while impaired, due to alcohol or drugs
- Refusing a drug or alcohol test and/or altering specimens or failure to provide a usable specimen
- Sleeping on the job
- Insubordination or willful refusal to perform work or follow instructions or direction
- Repeated violation of Company policies

Nothing stated in this policy changes any Employment-at-Will relations that exists. The Company still reserves the right to terminate employment at any time with or without notice, and with or without cause, as allowed by law.

Managers are required to submit all proposed termination decisions or discipline decisions resulting in substantial changes in employment terms and conditions to the Team Services (HR) Department before any such discipline is implemented.

Problem Resolution Procedures

All team members who desire to discuss important subjects about the Company, their jobs, inappropriate behavior or something that is bothering them are encouraged to communicate openly and honestly with management. Our Open-Door Policy guarantees the fair and courteous treatment of all team members. If there is a situation you wish to discuss, please follow this plan of action:

- First, talk to your immediate department supervisor about your situation. Your supervisor knows your job and knows how to resolve the situation promptly and fairly. If you are not satisfied with the answer or are uncomfortable in discussing the situation with your supervisor/department manager, you have the right to take the next step.
- Next, discuss your situation with your manager.

- If you want further assistance with your situation, please feel free to contact Team Services (HR) or any executive officer in the Company.
- If you have not been satisfied with the answers up to this point, the President of the Company can review your situation.

Team members who have substantial evidence and feel they have received unfair disciplinary action or termination must also utilize the above steps. In this type of situation, the team member must follow through with their grievance within seven (7) days from the date of the disciplinary action or termination.

Weapons Policy

In the interest of maintaining a workplace that is safe and free of violence, the Company prohibits all team members who are on or enter Company property from carrying a dangerous weapon, regardless of whether the person is licensed to carry the weapon.

Team members are also prohibited from carrying a dangerous weapon while in the course and scope of performing their job for the Company whether they are on Company property at the time or not and whether they are licensed to carry the weapon or not.

This policy applies to all Company team members, contract and temporary team members, visitors, retailers and customers on Company property, regardless of whether they are licensed to carry a concealed weapon. Anyone not employed by the Company who comes onto Company property and disregards the weapons policy will be asked to leave. In the event of any type of problem, the police will be contacted immediately.

Dangerous weapons include, but are not limited to, handguns, firearms, ammunition, explosives, tasers, large knives, and other weapons further defined by State statute and/or ordinance(s). If team members have questions regarding whether an item is covered by this policy, they should contact the Team Services (HR) department. Team members have the responsibility to make sure that any item not specifically listed is not prohibited by this policy.

Company property covered by this policy includes all Company-owned or leased buildings and surrounding areas such as sidewalks, walkways, lawn areas, adjacent undeveloped land, driveways, and parking lots. In the state of Utah, driveways and parking lots under the Company's ownership or control are included except when a team member, who is legally permitted to possess a firearm, stores or transports a firearm within a personal vehicle in the Company parking lot. The firearm must not be in plain view and the unoccupied vehicle must be locked.

Company-owned or leased vehicles are always covered by this policy regardless of whether they are on Company property at the time.

Any team member who violates this policy may be subject to disciplinary action, up to and including termination. This policy shall not be construed to create any duty or obligation on the part of the Company to take any actions beyond those required of an employer by existing law.

Workplace Violence

The Company values team member safety. It is our goal to maintain a work environment free from intimidation, threats, or violent acts. To that end, the Company has adopted a zero-tolerance policy regarding violence in the workplace. This includes, but is not limited to, intimidating, threatening, or hostile behaviors; physical abuse; vandalism; arson; sabotage; use of weapons; openly carrying or brandishing weapons of any kind; or any other act, which in management's opinion, is inappropriate to the workplace.

Team members who feel they have been subjected to any of the behaviors listed above are requested to immediately report the incident to their supervisor or a Team Services (HR) representative. Complaints will be fully investigated.

Team members who observe or have knowledge of any violation of this policy should immediately report it to Company management. The Company will act when unforeseen events transpire and look to team members for support of this policy. Team members are empowered to contact the proper law enforcement authorities without first informing management if they believe a threat to the safety of others exists.

Inspection

Company-owned property such as storage facilities, vehicles, desks, lockers, or other property are always subject to inspection. Permission to enter or leave Company premises with briefcases, lunch boxes, personal vehicles, or any other closed containers is conditional on the team member granting the Company a right of inspection on request. A request for inspection does not necessarily imply an accusation of wrongdoing. Failure to cooperate or consent may result in discipline, up to and including termination.

Complimentary Gifts and/or Entertainment

Anytime a team member is entertained or receives anything from a supplier, vendor, retailer or business partner (except for a product sample or a monogrammed pen); the team member is responsible to make an entry in the Business Entertainment Book (BE Book) which is located online in My Info Center. The entry should include details of anything that was received and its approximate value. Entries must be made promptly and in the case of entertainment should be entered no later than the first (1st) business day after your return to work. All team members must comply with this policy and if you have any questions, please contact your supervisor.

Samples

Individual samples of product the Company buys for resale may be taken home for testing by Buyers, Advertising Coordinators, or others assigned to observe or measure product quality after written approval by your direct supervisor. Product should not leave the premises without a supporting document indicating approval.

Gifts and Premiums

Team members must not accept any personal gift, premium or gratuity that could influence or appear to influence judgment concerning any present or prospective supplier, vendor, retailer or business partner of the Company. Only gifts and premiums of modest value may be accepted. For purposes of this policy,

modest value is generally defined as total value of \$50 or less. Cash gifts cannot be accepted for any reason. Visa type gift cards must be turned into Team Services (HR). Gift cards to a restaurant or like establishment may be accepted but must not exceed \$50 in total value. Cards of this nature that exceed \$50 must be turned into Team Services (HR). As stated previously, all gifts and premiums retained by team members are to be recorded in the BE book.

Entertainment, Meals and Recreational Activities

It is recognized that infrequent and modest entertainment, such as: breakfast, lunch, dinner, golf, sporting events, or other entertainment may contribute to productive discussions or negotiations. As the purpose of such entertainment is for the benefit of the Company, such entertainment is only permitted if a vendor or supplier is present for the event or approval is granted by your direct supervisor. Team members must remain aware of the emphasis on "modest" and "infrequent". Oftentimes, raffles and drawings take place at certain events. Should a team member by chance win something in a raffle or drawing, they may keep that item so long as the event and items won are logged into the BE Book.

Trips and Travel

Trips to a supplier's out of state plant or distribution center sometimes provide needed experience for our team members. Any such invitation, however, must be approved in writing by a member of the Executive Staff and recorded in the BE Book.

Contest

Team members may not enter any contest connected with the food industry whose entry blanks are not circulated publicly.

Travel Policy

Travel expense should be kept at reasonable levels through advance planning and good common sense. The Company will reimburse or provide a Company credit card to team members for business travel expenses. Unless a team member's spouse is specifically requested by the Company to travel with a team member, no reimbursement for a spouse's travel expense will be paid by the Company.

Air Travel

- Book as far in advance of the trip as possible with a Company Travel Coordinator. All air travel must be approved by an authorized supervisor prior to purchasing a ticket.
- Use lowest cost fare given requirements of trip. Unused tickets or compensation by the airlines for over bookings should be turned in to the Travel Coordinator.
- We allow team members to retain credits on frequent flyer programs if abuse (such as booking unnecessary or more expensive flights to obtain points) does not occur.
- The Company will not reimburse a team member for frequent flyer mileage used for business.

Hotel Accommodations

- Reservations should be made by a Company Travel Coordinator.
- Because of the broad rating of hotels and the fact that from city to city, ratings will differ, it is suggested that the class of hotel should not exceed Best Western or Holiday Inn. However, if

the purpose for traveling is to attend a special function (i.e., conference or seminar), staying in the conference hotel or one that is affiliated with the conference is recommended.

- If you will not use a room that was "guaranteed for late arrival," call the hotel to cancel. Charges incurred as a result of not canceling guaranteed room reservations will be the responsibility of the team member.

Rental Cars/Auto Usage

- Rental cars may also be used for business travel when the total charge for such rental, including gas charges and the acceptance of all the insurance, is less than the amount a team member would be reimbursed for use of their personal automobile.
- All team members will be reimbursed for the lesser of actual mileage or the posted rental car rate, including insurance and fuel charges, when using their personal automobile for Company business. All team members using their personal automobiles for Company business must ensure that their personal insurance covers business use of the vehicle. Commuting to and from home to work is not reimbursable. When a team member does not travel to or from the office on a given day, but is engaged in business travel, the normal amount of commuting mileage for one day must be deducted from the mileage to be reimbursed. Mileage must be recorded each day and submitted on the electronic expense report. The expense report must be authorized and approved by the team member's immediate supervisor. The supervisor will forward the approved expense report to the Payroll Department for reimbursement. Charges incurred by fueling, repairing, or insuring private vehicles cannot be billed to the Company.
- If a team member is traveling out of town for business to a destination served by the airlines and will be extending their stay for non-business purposes, the team member has the option of going by air or automobile and receive, as reimbursement the lesser of the least expensive airline ticket or auto allowances stated above. The reimbursement amount shall have a prior approval by the team member's supervisor. Additional time taken to drive over the time required to fly must be taken as vacation.

Meals and Incidental Expense (MIE) – Per Diem

- While traveling out of town overnight, the Company will reimburse team members for reasonable meals and incidental expenses. Covered expenses include, but are not limited to, the following: meals, car rental, hotel tips, and/or business-related postage. (Please reference IRS guidelines for definition of reasonable).
- Team members are entitled to reimbursement for one meal when not out of town overnight when:
 - Working twelve or more hours including driving time.
 - Away from their normal place of business.
 - The trip home is more than one hundred miles.
 - Expenses NOT covered by the incidental expense policy would include, but are not limited to, the following: personal postage, entertainment (not prior approved), non-meal room service charges, personal telephone calls, lunches, etc.

Entertainment

- Personal entertainment costs (movies, etc.) are at the team member's expense.
- The only reimbursable entertainment costs are for meals for which guests are invited to conduct further discussions with a defined business purpose. Receipts and the following documentation are required for reimbursement:
 - Date
 - Location
 - Attendees
 - Business relationship
 - Business Purpose

Miscellaneous Expenses

Miscellaneous business expenses such as business-related postage, tolls, parking, shuttle, taxi (or similar transportation service), etc., are reimbursable.

Conduct Requirements at Business Related Social Events

From time to time team members may be invited to participate in business related social activities such as retailer events, industry conferences or vendor events. While attending these activities, as Company representatives, team members are expected to conduct themselves according to the standards contained in the team member handbook and with the utmost professionalism. Therefore, while these are social events and alcohol often is served, team members are expected to be moderate in consuming alcoholic beverages. Any behavior contrary to the general code of conduct or public intoxication, while on Company-related business activities, may result in disciplinary action.

Hiring and Internal Transfer of Relatives/Significant Others (Nepotism)

The Company will accept applications from relatives or significant others of team members and will give each due consideration for employment. However, the employment of relatives or significant others can create difficult situations affecting both the team member and the Company. This policy will include team members, consultants, temporary help, and other independent contractors who are engaged or seek to be engaged by the Company.

For the purpose of this policy, the following definitions apply:

- **Significant others**
 - Two individuals, who live together, share joint responsibility for basic living expenses and have an intimate and committed relationship.

- **Relatives**

- Spouse, children, sisters, brothers, and parents. (This includes anyone with whom there may be a real or perceived conflict of interest due to a relationship.)

Relatives or significant others of present team members may be hired if the individuals concerned will not work in a situation where there is a direct reporting relationship. If any real or perceived conflicts of interest are created, Team Services (HR) will review the situation and decide an appropriate resolution.

Team members who marry or become significant others will be permitted to continue their employment only if they do not work in a supervisory relationship with one another. Should this situation occur, efforts will be made to reassign individuals to other positions for which they are qualified. If there are no available alternatives, at least one of the individuals may be required to leave the Company.

Team members are expected to disclose to Team Services (HR) their relationships that might be affected by this policy.

Leaders (supervisors, managers, directors, executives, etc.) should avoid engaging in romantic relationships with subordinates. In the event a romantic relationship develops between a leader and subordinate, the parties are required to report the relationship to Team Services (HR).

The Team Services (HR) Department and the Executive Staff must approve exceptions to this policy.

Dress and Grooming Standards

One of the many keys to the success of the Company is the professionalism displayed to the community, to customers, and to each other. An important factor in professionalism is the standard by which we dress.

Policy Statement

Our apparel guidelines are divided into three team member areas:

- Distribution Center team members (including offices located within the warehouse)
- Logistic/Transportation team members
- Corporate Office team members (including perishable offices located in Farr West)

Distribution Center Managers, Supervisors, and Team Members

Team members are always expected to maintain an acceptable work appearance in the distribution center. Acceptable work appearance is defined as:

- **Hair**

- Clean and trimmed. If team members wear their hair long, they must ensure that it is pulled back and not a safety hazard. Clean sport hats/caps or Company logo hats/caps may be worn. Beards and/or mustaches should be trimmed to a reasonable length to avoid safety hazards.

- **Dress**

- Work apparel should be clean and neat. Clothing should be appropriate (specifically, this means no revealing clothing or any T-shirts with unprofessional or offensive language or logos). Torn clothing is not acceptable and may be a safety hazard. Shirts

should be worn when working in the distribution center and are required when team members are outside of the distribution center on Company property. Footwear must enclose the entire foot. Sandals, flip-flops, or bare feet are not permitted. Steel toed shoes and non-slip soles are recommended. Loose, hanging jewelry should be removed while in the distribution center as it may be a safety hazard (this includes necklaces and earrings).

Logistics and Transportation Managers, Supervisors, and Team Members

The issues of driving safety and customer service are especially important for Logistics/Transportation team members. Acceptable work appearance is defined below:

- **Hair**
 - Clean and trimmed. If team members wear their hair long, they must ensure that it is pulled back and not a safety hazard. Clean sport hats/caps or AFS logo hats/caps may be worn. Beards and/or mustaches should be trimmed to a reasonable length to avoid safety hazards.
- **Dress**
 - All Logistics/Transportation team members will be required to wear "Company approved" uniforms consisting of a shirt with the AFS logo and clean jeans/slacks/pants/or casual shorts. Athletic or Lycra shorts are not allowed. The Company will provide "basic" shirts at the Company's expense. Upgrades on shirts and additional apparel are available at the option and cost of the team member. Uniforms should be kept clean. Torn coveralls or uniforms should be mended immediately or replaced. Footwear must enclose the entire foot. Sandals and flip-flops are not permitted. Steel toed shoes and non-slip soles are recommended. Loose hanging jewelry must be removed. Drivers may not wear inappropriate jewelry such as nose rings or oversized earrings.

Additional Expectations for Farr West Facility Leadership

Leaders are expected to maintain an appearance, and standard of behavior, that provides the ability for an outside observer to differentiate them from the rest of the distribution center workforce. This differentiation is intended to assist in maintaining that slight degree of difference that is required of a leader to maintain discipline and order, while maintaining cultural camaraderie and unity. Collared polo or golf shirts are recommended as a minimum base expectation for distribution center leadership. In the event a leader is engaged in the performance of physical front-line tasks, it would be appropriate for the individual to be dressed in a more appropriate work clothing such as T-shirts. Short pants can be worn by leadership individuals, but the shorts shall be neat in appearance, and should not be casual or athletic shorts. A leader is expected to provide a safe place for team members to come to with questions, issues, or concerns. Apparel, hats, or piercings which are offensive, or intimidating are not permitted.

Corporate Office Managers, Supervisors, and Team Members

Because team members interact with customers daily, it is important that grooming and attire be in good taste. Those working in retail stores should follow the guidelines of the retail location. No piercing

jewelry will be worn that is on any visible part of the body (including the tongue) except for conservative earrings in the ear. Ear “gauging” is not permitted.

Normal Workweek Dress Code, unless otherwise communicated, casual dress is the acceptable standard and includes:

- Collared shirts and/or collared sweaters
- No T-shirts, sweatshirts or “hoodies”
- No attire with logos or printed messages other than those approved for AFS
- Ball caps or hats of any kind are **NOT** allowed in the office setting
- Casual pants and jeans in good, clean condition are allowed. No holes, tears, low riding, or dirty jeans
- All footwear must be consistent with a professional setting
 - Sneakers, running shoes, or tennis shoes are allowed if they are clean and in good condition
 - Shoes should cover feet completely in production and retail environments

Business Casual Attire is also acceptable and may be required at specific times. This includes:

- Sport slacks or casual pants which are tasteful
- No jeans, shorts or sweats
- Collared shirts/tops that present a professional image

At times, **professional business** attire may be warranted or required. Please use judgment and dress appropriately for the situation. Professional attire is defined as:

- Suit, dress, or sport jacket with dress shirt and tie

Remember, all clothing should be neat and clean. Torn/frayed clothing or cutoffs are not permitted. Shoes should complement the attire and be professional.

All policies and guidelines, as stated above, must be followed by all team members unless they have received approval by their department director/manager or team services (HR).

Smoking Policy (Smoke-Free Environment)

The Company is strongly committed to maintaining and improving the health and well-being of all team members, and comply with all local, state, and federal laws pertaining to smoking. We therefore operate our business as a smoke-free work environment, compliant with all state and federal laws pertaining to smoking and the use of electronic smoking devices. Additionally, with our commitment to promoting healthy lifestyles for our team members and guests alike, we extend the following policy as it applies to smoking, the use of electronic smoking devices, and smokeless tobacco products by the Company’s team members:

- As required by some states in which we operate, outdoor smoking, or use of other tobacco products as defined by law, must be a minimum of twenty-five (25) feet away from any entrance, exit, open window, or air intake. Extinguished cigarettes must be disposed of by placing them in the available receptacles provided for that purpose. Tobacco products which are expelled must be properly disposed of in an outdoor receptacle.

- Smoking and the use of other tobacco products or electronic smoking devices are not permitted in Company buildings, facilities, or company vehicles. Customers and team members who are found smoking, using electronic smoking devices or other tobacco products in Company buildings or facilities will be asked to extinguish the smoking material, remove chewing tobacco, or leave and may be disciplined for violation of this policy.

Additional Information for **Transportation Team Members**:

- Drivers are prohibited from smoking, using electronic smoking devices or other tobacco products in any piece of equipment (tractor, trailer, or other vehicle) owned, leased, or rented by the Company.
- Drivers are prohibited from smoking, using electronic smoking devices or other tobacco products at retail customers or back-haul locations in violation of rules at the respective locations.
- Smoking or using electronic smoking devices while fueling vehicles is not permitted.

Team members who do not follow the smoke-free environment policy will be subject to disciplinary action up to and including termination.

Attendance

All team members are expected to be punctual and show up for work as scheduled. Consistent, regular and timely attendance is a requirement for continued employment at the Company.

Absences are defined as time when a team member is not present at work during a normally scheduled work period. The following includes various types of absences:

- **Planned Absences**
 - Absences scheduled with and approved by management as far in advance as possible, but no later than twenty-four (24) hours prior to the absence occurrence.
- **Unexpected/Unscheduled Absences**
 - Any time a team member can't come to work on a scheduled workday without pre-approval to be off. In these cases, a team member must notify their supervisor of the absence as soon as possible, but no later than thirty (30) minutes after the scheduled start time. If the immediate supervisor is not available, contact must be made with another supervisor of the department or shift.
- **Absences Without Notice (No Show / No Call)**
 - Being absent from work without notifying management prior to the shift start time or within thirty (30) minutes of the shift starting. Missing consecutive days without notice or communication may be considered job abandonment and result in voluntary termination.
- **Excessive Absences**
 - Excessive absences are defined as more than three (3) separate unexpected / unscheduled absence occurrences, of any length, within a six (6) month period.

- **Punctuality**
 - Punctuality is defined as being to work and punched into the time clock no more than 5 minutes before or after your scheduled shift start time. Punctuality is a requirement for continued employment at the Company.
- **Excessive Tardiness**
 - Excessive tardiness is defined as more than six (6) separate tardy occurrences within a six-month period.

Team members who are excessively absent, tardy or in violation of any part of this policy may be subject to disciplinary action up to and including termination.

Time Keeping Requirements (Non-Exempt Team Members)

Accurately recording time worked is the responsibility of every hourly team member. Federal and state laws require the Company to keep an accurate record of time worked in order to calculate the pay and benefits of team members. Time worked is all the time spent on the job performing job-related duties.

Non-exempt team members should accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shift or departure from work for personal reasons.

Team members are expected to be on the clock when at work. Non-exempt team members are not permitted to perform work “off the clock”. Team members who find themselves working overtime or “off the clock” are required to report the hours worked to their supervisor immediately.

Altering, falsifying, tampering with time records, recording time for another team member, or failure to record time as required is prohibited

Overtime (Non-Exempt Team Members)

From time to time, circumstances may require that the team member work in excess of 40 hours during the work week. Each non-exempt (hourly) team member will be paid at the rate of one and one-half times their regular hourly rate for hours worked in excess of 40 during the established workweek. The Company also complies with any local, state or industry specific overtime requirements. Overtime must be approved in advance by your supervisor.

According to the federal Fair Labor and Standards Act (FLSA), only actual hours worked are computed for purposes of determining hours worked for overtime calculation. Therefore, the Company will not count vacation time, sick time, holiday time, or any other time, for which you are compensated but do not actually perform work, when computing overtime hours worked in a work week.

The work week for payroll purposes is Sunday through Saturday.

Breaks and Meals

The Company believes that team members work most efficiently when they have regular breaks from work in each day. It is the policy of the Company to permit team members to take meal and rest breaks.

The schedule for meal and break periods is set by the department manager or supervisor and may be completed in a manner which allows business operations to continue uninterrupted during the day. In fairness to fellow team members, please observe the time limits set for rest and meal periods.

- **Breaks**

- Team members may take one fifteen (15) minute-break for every four (4) hours worked or one thirty (30) minute-break during a shift as per department schedule. The timing and sequence of breaks is at the discretion of management. Because rest breaks are considered working time they are paid when you remain on Company premises. If you leave Company property during the break period, you need to clock out and you will not be paid for the time. Periodically, workflow may require a supervisor to ask team members to work through breaks.

- **Meal Breaks**

- Team members may take the standard meal break for their department during each shift. The meal break may be spent on or off premises as allowed by the shift and supervisor. Unless authorized, specified meals should be taken off the clock. Generally, meal periods are 30 - 60 minutes in length. You are prohibited from performing any work while on your unpaid meal period. Nonexempt team members must take a full 30-minute lunch period. Notify your supervisor immediately, if your lunch is shorter than 30 minutes or if your lunch is interrupted by work.
- Should team members be required to remain on call or to work during a meal break, it will be considered working time and will be paid.

In Colorado, the Company complies with the Colorado Overtime and Minimum Pay Standards Order (COMPS Order #36). Non-exempt team members who work five or more consecutive hours will be provided at least one unpaid 30-minute meal break. During the break, team members will be relieved of all duties and permitted to pursue personal activities. If the nature of the business activity or other circumstances exist that makes an uninterrupted meal break impracticable, the team member will be allowed to consume an on-duty meal without any loss of time or compensation. Team members should take a compensated ten-minute rest period for every four hours of work.

Paydays and Final Pay

It is the policy of the Company to pay team members bi-weekly (every other week) on Thursdays. If an error is discovered in a paycheck, notify your supervisor immediately.

Team members who voluntarily terminate (resign) will receive their final pay on the next regularly scheduled payday. Team members who are involuntarily terminated (released at will, for cause, or laid off) will be issued their final pay by the close of the next business day or in accordance with the laws of the State where they are employed. Final pay will be issued via direct deposit to the team member's account on record.

Pay for Exempt Team Members

Exempt team members must be paid on a salary basis. This means exempt team members will regularly receive a predetermined amount of compensation for each work week. The Company is committed to complying with salary basis requirements which allows properly authorized deductions.

If you believe an improper deduction has been made to your salary, you should immediately report this information to Team Services (HR). Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, then you will be promptly reimbursed.

Resignation and Termination Notice

If you decide you no longer want to continue to work for the Company, the Company would appreciate you providing at least a two (2) weeks' notice of your resignation, so that the Company will have time to find a replacement. Failure to provide a two-week notice may result in ineligibility for rehire with the Company. You are required to return all Company property at the time your employment with the Company ends.

Telecommuting

Telecommuting allows team members to work at home, on the road or in a satellite location for some of their workweek. Associated Food Stores (AFS) considers telecommuting to be a viable, flexible work option when both the team member and the job are suited to such an arrangement. Under normal circumstances, team members should report to their physical work location at least 50% of their worked time during each week (or such other percentage required by the company from time to time). In some circumstances, full-time telecommuting may be warranted but requires the approval of the executive officers of the operating department and team services (HR). Telecommuting may be appropriate for some team members and jobs but not for others. Telecommuting is considered an extension of the office environment and the same level of professionalism is expected when interacting with fellow team members, retailers, vendor partners and guests remotely. That requires that we simulate the office environment to the extent possible by minimizing distractions. That includes providing for adequate care of children and pets during work hours so those potential distractions don't affect our professionalism, productivity, and effectiveness. Telecommuting is not an entitlement, it is not a companywide benefit, and it in no way changes the terms and conditions of employment with AFS.

Procedures

Telecommuting can be informal, such as working from home for a short-term project or on the road during business travel, or a formal, set schedule of working away from the office as described below. Either a team member or a supervisor can suggest telecommuting as a possible work arrangement.

Any telecommuting arrangement made will be on a trial basis for the first three months and may be discontinued at will and at any time at the request of either the telecommuter or AFS. Every effort will be made to provide 30 days' notice of such change to accommodate commuting, child care and other issues that may arise from the termination of a telecommuting arrangement. There may be instances, however, when no notice is possible.

Eligibility

Individuals requesting formal telecommuting arrangements must be employed with AFS for a minimum of 90 days of continuous, regular employment and must have a satisfactory performance record. Exceptions to this requirement may be granted with executive staff approval.

Before entering into any telecommuting agreement, the team member and manager, with the assistance of the team services (HR) department, will evaluate the suitability of such an arrangement, reviewing the following areas:

- Team member suitability. The team member and manager will assess the needs and work habits of the team member, compared to traits customarily recognized as appropriate for successful telecommuters.
- Job responsibilities. The team member and manager will discuss the job responsibilities and determine if the job is appropriate for a telecommuting arrangement.
- Equipment needs, workspace design considerations and scheduling issues. The team member and manager will review the physical workspace needs and the appropriate location for the telework.
- Schedule and hours expectations. Generally, team members are expected to be available while telecommuting under the same timelines as they would were they to report to a physical location. Just as there is some daily flexibility in individual work schedules at physical work locations, similar parameters are in place for telecommuting.
- Tax and other legal implications. The team member must determine any tax or legal implications under IRS, state and local government laws, and/or restrictions of working out of a home-based office. Responsibility for fulfilling all obligations in this area rests solely with the team member.

If the team member and manager agree, and the human resource department concurs, a draft telecommuting agreement will be prepared and signed by all parties, and a three-month trial period will commence.

Evaluation of telecommuter performance during the trial period will include regular interaction by phone, video conference and e-mail between the team member and the manager, and weekly face-to-face meetings to discuss work progress and problems. At the end of the trial period, the team member and manager will meet to discuss and evaluate the success of the arrangement and make recommendations for continuance or modifications. Evaluation of telecommuter performance beyond the trial period will be consistent with that received by team members working at the office in both content and frequency but will focus on work output and completion of objectives rather than on time-based performance.

An appropriate level of communication between the telecommuter and supervisor will be agreed to as part of the discussion process and will be more formal during the trial period. After conclusion of the trial period, the manager and telecommuter will communicate at a level consistent with team members working at the office or in a manner and frequency that is appropriate for the job and the individuals involved.

Equipment

AFS will determine, with information supplied by the team member and the supervisor, the appropriate technology needs (including hardware, software, modems, phone and data lines and other office equipment) for each telecommuting arrangement. The team services (HR) and information technology departments will serve as resources in this matter. AFS does not provide telecommuting team members with equipment or office furnishings for their home offices. Team members are responsible for equipping and maintaining their home office so they can accomplish their work in an efficient and

expeditious manner at their own expense; this includes adequate internet and phone service to support technology needs. With approval, a team member may be permitted to use company issued equipment both in their physical office location and remotely (e.g. laptop). Any equipment supplied by AFS will be maintained by AFS. Equipment supplied by the team member, if deemed appropriate by AFS, will be maintained by the team member. AFS accepts no responsibility for damage or repairs to team member-owned equipment. AFS reserves the right to make determinations as to appropriate equipment, subject to change at any time. The telecommuter is expected to take appropriate action to protect company equipment from damage or theft. Upon termination of employment, all company property will be returned to the company, unless other arrangements have been made.

AFS will supply the team member with appropriate office supplies (pens, paper, etc.) as deemed necessary by AFS. AFS will also reimburse the team member for business-related expenses consistent with the AFS reimbursement policy.

The team member will establish an appropriate work environment within their home for work purposes. AFS will not be responsible for costs associated with the setup of the team member's home office, such as remodeling, furniture or lighting, nor for repairs or modifications to the home office space.

Security

Consistent with the organization's expectations of information security for team members working at a physical work location, telecommuting team members will be expected to ensure the protection of proprietary company and customer information accessible from their home office. Steps such as secure file cabinets and desks, regular password maintenance, and any other measures appropriate for the job and the environment.

Safety

Team members are expected to maintain their home workspace in a safe manner, free from safety hazards. Injuries sustained by the team member in a home office location and in conjunction with their regular work duties are normally covered by the company's workers' compensation policy. Telecommuting team members are responsible for notifying their supervisor of such injuries as soon as practicable. The team member is liable for any injuries sustained by visitors to their home worksite.

Telecommuting is not designed to be a replacement for appropriate child care. Although an individual team member's schedule may be modified to accommodate child care needs, the focus of the arrangement must remain on job performance and meeting business demands. Prospective telecommuters are encouraged to discuss expectations of telecommuting with family members prior to entering a trial period.

Time Worked

Telecommuting team members who are hourly paid and not exempt from the overtime requirements of the Fair Labor Standards Act will be required to accurately record all hours worked using AFS' time-keeping system. Hours worked in excess of those scheduled per day and per workweek require the advance approval of the telecommuter's supervisor. Failure to comply with this requirement may result in the immediate termination of the telecommuting agreement.

Ad Hoc Arrangements

Temporary telecommuting arrangements may be approved for circumstances such as inclement weather, special projects or business travel. These arrangements are approved on an as-needed basis only, with no expectation of ongoing continuance.

Other informal, short-term arrangements may be made for team members on family or medical leave to the extent practical for the team member and AFS and with the consent of the team member's health care provider, if appropriate.

All informal telecommuting arrangements are made on a case-by-case basis, focusing first on the business needs of the organization.

All telecommuting arrangements are at the discretion of the company and should not be considered permanent or as a default reasonable accommodation.

Compliance with AFS Policies

All team members participating in a telecommuting agreement must follow all AFS policies whether in the office or working remotely; including, without limitation, attendance, confidentiality, code of conduct, dress code, safety, anti-harassment and social media.

Flexible Work Schedules

- **Flextime**
 - An arrangement that may include either consistent or variable daily schedules with individualized starting and ending times. The varying daily schedule may include consistent hours per day throughout the week or a varying daily schedule.
- **Compressed Workweek**
 - An arrangement that enables a full-time team member to work longer days in exchange for a shorter day or a day off each week. Examples of a compressed workweek schedule are: four ten-hour days with no work on the fifth day; or a four and one-half day workweek where 40 hours are worked in four and one-half days; or four (4) days one week and five (5) days the next week on an alternating basis.

Eligibility

Eligibility for participation in flextime or a compressed workweek schedule will depend on an assessment by the department head that the team member's proposed work schedule will enable the team member to fully meet job responsibilities and performance expectations. Participation in a flexible schedule arrangement is a privilege and not an entitlement.

Each department head is responsible for determining the best use of a flexible work arrangement and must consider the impact on work effectiveness. The supervisor is responsible for ensuring the department is appropriately staffed and trained in order to satisfy all service needs during normal business hours. Flexible work schedules are to be considered on a case-by-case basis and will be reviewed based on feasibility and assurance that the department's services will not be interrupted.

While it is not required that alternate work schedules be uniformly available to all positions in a department, the department head is responsible for ensuring the fair and equitable administration of this procedure to eligible team members.

If a team member wants to be considered for a flexible work schedule, he/she should submit the request in writing to the supervisor. The supervisor and the department head should review the plan and forward it to Team Services (HR) for review.

Departments are encouraged to make reasonable efforts to meet team member's requests for flexible work schedules but recognize that flextime and compressed workweeks are considered exceptional. Approval is granted only when the department head believes that the change in working hours will enhance the effective and efficient operation of the department and the team member's work performance will not be adversely affected. This decision is at the sole discretion of the Company.

Guidelines

- Flexible work schedules must first take into consideration the safety of our team members. Hours that are either too early or too late for adequate participation and teamwork should be avoided. Team members should not work alone or in isolated areas.
- Flexible work schedules shall not adversely affect the services that are provided to our Retailers or Internal Customers. The quantity, quality, and timeliness of team member work must be enhanced or maintained.
- Adequate supervisory contact and/or team member accountability must be maintained. Flexible work schedules **must not** cause or contribute to the need for additional staff or for existing staff to work additional overtime hours.
- It is **not required** that flexible work schedules be uniformly available to all positions in a department. Not every function is conducive to such scheduling because of service requirements. This should not deter supervisors from approving or establishing flexible work schedules for positions where such scheduling is possible and/or would enhance services. Where multiple team members request the use of a flexible work schedule, a method for the equitable allowance of flextime or compressed workweek should be developed by the department.
- Team members are not required to participate if they choose not to do so. Opting out of a flexible schedule should be established for a minimum of 90 days.
- Full-time hourly team members must be provided at least a 30-minute unpaid meal break each day.
- Flexible work schedules should be established for a minimum of 90 days.
- Compressed workweek schedules should be established for a minimum of 90 days.
- Flexible work schedules should be agreed to in advance by the supervisor and the team member and documented in writing.
- A department that has established a flexible work schedule may discontinue, temporarily suspend and/or alter the arrangement if work needs change or service is impaired.
- A team member may also request a change in schedule.
- During weeks which include a paid holiday, flexible work schedules will be suspended for that week to ensure effective completion of work in an already shortened week.

- Schedule changes initiated by the supervisor typically require a 30-day notice, to allow for personal life adjustments to be made by the team member.
- Documentation must demonstrate how productivity and performance will be monitored and measured for those arrangements that allow team members to work during times when supervisors will not be present.
- Vacation and sick leave will reflect the hours scheduled for the workday. If a team member is scheduled for 9 hours on Monday and requests vacation for the day, 9 hours of vacation will be recorded for payroll.

The Company reserves the right to suspend, cancel or amend this policy at any time. The Company also reserves the right to cancel or suspend use of flexible work schedules at any time and to return a team member to their standard schedule if the team member's schedule does not allow the department to operate effectively and efficiently; if changes in circumstances necessitate the return to standard schedule; or if a team member experiences performance problems deemed to be related to the new schedule. Such circumstances will be evaluated on an individual basis.

Time off Section

Please note: It is a general policy not to allow team members to take unpaid time off if they have a balance in their current vacation, holiday or sick accounts (as applicable). Any exceptions to this rule must be approved, when possible before the time off is scheduled, by the team member's supervisor or Team Services (HR).

Vacation Pay

The Company believes that vacation time promotes the productivity and well-being of its team members. Each team member will earn vacation time for personal paid time away from work. It is the intention of the Company that vacation time be used.

Eligibility

Team members begin earning vacation time from their first day of employment.

Full-time team members and part-time team members will accrue vacation hours based upon average hours worked.

Team members are eligible to use accrued vacation hours after 90 days of full-time service.

Salaried/non-exempt team members and Drivers are eligible to use accrued vacation hours from the first day of employment after it has been accrued and placed into the team members accrued vacation bank.

Vacation Accrual and Use

Vacation time accrues on a bi-weekly basis and is subject to hours worked in the pay period.

Vacation Accruals & Increases General Guidelines:

- **First Year of Employment:** Forty (40) Hours = up to 1.54 per pay period
- **Second Year of Employment:** Eighty (80) Hours = up to 3.08 per pay period
- **Eight Year of Employment:** One hundred twenty (120) hours = up to 4.62 per pay period

- **Twentieth Year of Employment:** One hundred sixty (160) hours = up to 6.15 per pay period

Vacation can't be utilized to pay for time taken off until it is accrued on the schedule and showing in the team members accrued vacation bank total. Vacation cannot be used until it is earned.

Vacation time may be taken in increments of not less than one (1) hour and in all cases must be scheduled and approved in advance by the supervisor. The Company will attempt to grant all team members vacation when they desire to take it; however, the Company must always maintain adequate staffing. Vacation scheduling is at the discretion of management.

Vacation pay is the regular compensation amount, excluding incentive, overtime and/or holiday. Additionally, vacation pay does not count towards the calculation of overtime. If the regular compensation varies from week to week, vacation may be taken according to the team member's desire, allowing for adequate staffing.

Environmental or differential pay is not calculated and paid on when vacation hours are input.

Hospitalized on Vacation

If a team member is hospitalized while on vacation, the time from the date of hospitalization until the doctor's release may, at the team member's option, be charged against Sick Leave or Salary Continuance Plan (SCP) benefits if applicable and eligible, rather than vacation time. If this happens, the supervisor and Team Services (HR) must be notified.

Vacation Pay at Termination

Vacation accrued and not used will be paid out upon termination. Team members with less than 90-days of employment are not eligible for payout of accrued vacation, including salaried/non-exempt team members and Drivers.

In Colorado, any accrued, but unused vacation will be paid out upon separation no matter the cause and no matter how long the team member worked for the company.

Maximum Vacation Accrual

- The maximum aggregate accrual for vacation pay is two hundred forty (240) hours.
- Once a team member's accrual has reached two hundred forty (240) hours during any calendar year, no further bi-weekly accrual occurs.

Maximum Weekly Pay Guidelines with Vacation Hours

From time to time, team members taking vacation for a regularly scheduled workday are *asked by their supervisor to work an additional unscheduled shift* to meet the need of the business. This results in the team member potentially generating total hours that exceed the normal 40 hours of total pay for the week.

Team members in this circumstance will be given the opportunity of deciding whether to payout their vacation hours taken, even if it exceeds the normal 40 hours of pay. They may also elect to not be paid the vacation hours and maintain them in their bank if they so choose.

This opportunity is only extended to team members that are directly asked by their supervisor to work an extra shift to meet the needs of the business. When this occurs, leadership is expected to notify Payroll to authorize payment or banking of vacation hours.

Holidays

After ninety (90) days of service, all eligible team members will receive an extra day's pay in the week in which a Company designated holiday falls. Salaried team members and Drivers will receive holiday pay from the first day of employment.

Additionally, hourly team members who work any hours on the holiday may elect to bank a floating holiday that can be used some time in the future, in lieu of the extra day's pay in the week the holiday falls, with supervisor approval.

Banked holiday may be carried forward into the next calendar year. The maximum aggregate accrual for holiday hours is forty-eight (48) hours. Once a team member's holiday bank has reached forty-eight (48) hours, no further accrual occurs.

The Company has designated the following as holidays:

- New Year's Day
- President's Day
- Memorial Day
- Independence Day
- Pioneer Day (Utah Only)
- Labor Day
- Thanksgiving Day
- Christmas Day
- Floating Holiday: (For team members employed outside of Utah)

Hourly team members who are scheduled to work any hours during a Company designated holiday will be paid at time and one half (1 ½) for all hours worked on the holiday OR for hours worked over 40 hours in their workweek, whichever is greater.

Team members will receive the extra day of pay holiday benefit provided the following conditions are satisfied:

- Work the scheduled shift prior to the paid holiday
- Work the scheduled shift following the holiday
- Should the team member be unable to work either of these shifts because of illness, disability, FMLA event, or an unforeseeable circumstance, the supervisor may use discretion to determine payment (Proof may be required)

The extra day of pay holiday benefit **will not be paid** if a team member:

- Has been on the payroll for less than ninety (90) days (except for salaried/exempt team members and Drivers)
- Is a temporary, casual or seasonal team member
- Is on lay-off status
- Works in a department not in operation because of a temporary shutdown
- Is on leave-of-absence when the holiday occurs
- Is required to work a paid holiday and refuses

In areas of the Company where operations are closed due to the holiday the following applies: If a designated holiday falls on a Saturday, the holiday will usually be observed on the preceding Friday. If the holiday falls on a Sunday, the following Monday will usually be observed as the holiday.

Environmental or differential pay is not paid on the extra day of pay holiday benefit, nor does it count towards the calculation of overtime.

Accrued but unused holiday pay hours are not paid upon termination.

Sick Pay

The Company believes that team members should be given the opportunity to maintain income when they are unable to work due to personal illness not related to work or other approved reasons.

The total hours of accrued sick pay depend on the hours worked in the pay period. Full-time team members can accrue up to 1.85 hours of sick pay for each bi-weekly pay period worked. Part-time team members can accrue up to .92 hours of sick pay for each bi-weekly pay period.

Eligible team members begin accruing sick pay on the first day of employment and may begin using accrued sick pay after ninety (90) days of employment. Salaried/non-exempt team members and Drivers are eligible to use sick pay from the first day of employment after it has been accrued and placed into the team members accrued vacation bank.

Sick pay is available for the following types of absences when authorized by the team members' supervisor or manager as indicated:

Type of Sick Pay Absence	Authorization Required
Your own personal illness	Manager/supervisor must be notified at least thirty minutes before scheduled shift starts or as early as possible.
Excused medical/dental appointments	Must be requested and approved at least twenty-four hours prior to the appointment.
Care of a sick family member	When expected: Must be requested and approved at least twenty-four hours prior to the appointment, or sooner if possible.
	When unexpected: Manager/supervisor must be notified at least thirty minutes before scheduled shift starts or as early as possible.
Funeral/Bereavement	Requires approval from management at time of need. Can be used in coordination with funeral pay, not to exceed two weeks total time. More than two weeks must be approved and documented by Team Service (HR).

Birth of Child	Must be approved and documented by Team Services (HR) in conjunction with leave and paid parental leave policies.
Other qualifying FMLA or Voluntary Leave	Must be approved and documented by Team Services (HR).

The following types of absences are events **NOT** authorized for use of Sick Pay:

- Attendance of sporting events
- Birthday
- Disabled vehicles
- Home emergencies
- Rest and relaxation
- School events
- Vacation time

The above list is not intended to be all inclusive for further clarification, check with your manager or Team Services (HR).

Sick pay may be taken in one (1) hour increments. A team member can never use more sick pay than they have accrued. Environmental or differential pay is not paid on hours where sick pay is used.

After an individual gives a separation notice, sick pay is only available for use with documentation that proves the need.

Accrued but unused sick pay hours are not paid upon termination and do not count towards the calculation of overtime.

The cap on accrued sick pay is four-hundred eighty (480) hours. Up to an additional forty-eight (48) hours above the cap can be accrued during a calendar year and will be converted to bonus vacation time as a reward for not using sick pay.

Bonus Vacation Time in Exchange for Unused Sick Pay

Team members who have in excess of five-hundred and four (504) hours of sick pay at the end of a calendar year will have their sick leave hours above the cap exchanged for bonus vacation hours as outlined below.

Sick Hours	Eligibility
504 to 515	Ten (10) bonus vacation hours
516 to 527	Twenty (20) bonus vacation hours
528	Thirty (30) bonus vacation hours

Once the bonus vacation hours are calculated and transferred, the sick pay balance will drop to the four-hundred and eighty (480) hour cap.

Bonus vacation time will not be added to the vacation bank if the vacation balance is at the two-hundred forty (240) hour accrual cap at time of exchange.

Accrued but unused sick pay hours are not paid upon termination and do not count towards the calculation of overtime.

Sick Pay Donation Policy

The Sick Pay Donation Policy (SPDP) provides an opportunity for team members who experience a catastrophic, life threatening illness or injury—or have a dependent family member who experiences a catastrophic life-threatening illness or injury—to receive additional sick pay beyond what they have earned. SPDP consists of a bank of sick hours that have been donated by fellow team members to assist those with a crucial need. To be eligible, a team member must contribute eight (8) hours of their own Sick Pay annually during Open Enrollment and be approved by the Sick Pay Donation Committee. Also, team members are required to exhaust their own sick pay and all but forty (40) hours of their own vacation time before receiving any SPDP hours.

Bereavement/Funeral Pay

The Company recognizes the need for team members to express grief in a private and family related setting. All full-time (averaging 30 hours per-week) and part-time team members are eligible for paid time off when specific relatives pass away. The length of the paid time off varies from one (1) to ten (10) days as follows.

1. Spouse, child or stepchild: Up to ten (10) days (maximum of 80 hours).
2. Parent or stepparent, sibling, father or mother-in-law, son or daughter-in-law, brother or sister-in-law, grandparent, or grandchild: Up to five (5) days (maximum of 40 hours).
3. Aunts, uncles, nieces, nephews, cousins, grandparent-in-law, or great-grandchild: Up to one (1) day (maximum of 12 hours).

Part-time team members may take leave in the same amounts as described above, but the amount of paid time is based on the average number of hours worked per day in the four (4) weeks prior to the bereavement leave.

Additional requests for time off in excess of bereavement and funeral pay guidelines will require use of personal, sick, or vacation accruals to cover the additional time off, subject to management approval. Team members will only be approved for personal, sick, and vacation time already banked and available for use.

Incentive, environmental, or differential pay is not calculated and applied on funeral pay.

Bereavement leave does not count towards the calculation of overtime.

Death Benefit for Team Members

If a current team member (active or on leave of absence) passes away, the Company will provide a one-time cash payment of \$1,500.00 to assist in supporting the family. This is available separate from existing insurance policies the team member may have.

Leaves of Absence

All type of leaves of absence are unpaid, but can be used in conjunction with any available banked sick, personal, or vacation hours (in accordance with the Company's policy); or Sick Pay Donation Policy (SPDP) as per our policy; or any income protection benefits such as the Salary Continuance Plan (SCP) or Long-Term Disability which are optional benefits coverages a team member must elect when available for benefit enrollments.

Team members may request extended leaves of absence under certain circumstances. In general, a leave of absence is defined as an absence from the workplace, whether paid or unpaid, that **exceeds two (2) weeks**. The Company may treat absences of less than two (2) weeks as extended leave for purposes of the Company's 26-week (6-month) maximum extended leave policy. Extended leave doesn't include absences related to accrued vacation time, non-FMLA qualifying sick pay, jury duty, or military service, as explained more fully below under the heading "Military Family Leave Entitlements."

Extended leave includes voluntary leave, leave under the Family and Medical Leave Act ("FMLA"), leave as an accommodation under the Americans with Disabilities Act ("ADA") or a combination of these.

Leave taken under the FMLA and the ADA may be for periods of less than two (2) weeks and will be administered in accordance with those laws and their implementing regulations. Leave qualifying under the FMLA and the ADA are an employee's "right" under those laws, whereas voluntary non-FMLA and non-ADA leaves of absence are considered a privilege. Voluntary non-FMLA and non-ADA leaves of absence will be subject to management approval, which will be conditioned upon, among other things, the team member's work record, the reason for the request, and departmental needs.

In general, a team member may not take more than twenty-six (26) weeks of any combination of FMLA, ADA and voluntary leave in any rolling 52-week period measured backward from the date a team member uses any leave under this policy.

Family and Medical Leave Act (FMLA)

The Family and Medical Leave Act (FMLA) entitles eligible employees to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave. The Company will provide eligible team members up to 12 weeks of leave during any 52-week period (or up to 26 weeks of military caregiver leave to care for a covered servicemember with a serious injury or illness). Eligible team members are those who have worked for the Company at least one (1) year and over 1,250 hours during the prior 52-weeks and who have a qualifying reason for FMLA. The 12-month period is a rolling period measured backward from the date an employee uses any FMLA leave. Leave under FMLA may be paid, unpaid or a combination of paid and unpaid leave, depending on the circumstances of the leave and the availability of vacation or sick pay.

Eligible team members can take up to 12 weeks of unpaid, job-protected leave in a 12-month period for the following reasons:

- The birth of a child or placement of a child for adoption or foster care;
- To bond with a child (leave must be taken within one year of the child's birth or placement);
- To care for the employee's spouse, child, or parent who has a qualifying serious health condition;

- For the employee's own qualifying serious health condition that makes the employee unable to perform the employee's job.

The FMLA also includes certain military family leave provisions:

- **Military Caregiver Leave**
 - Entitles eligible team members who are the spouse, son, daughter, parent, or next of kin of a covered servicemember (current member or veteran of the National Guard, Reserves, or Regular Armed Forces) with a serious injury or illness incurred or aggravated in the line of duty to take up to 26 workweeks of FMLA leave during a single 12-month period to care for their family member.
- **Qualifying Exigency Leave**
 - Entitles eligible team members to take up to 12 workweeks of FMLA leave in a 12-month period for a "qualifying exigency" related to the foreign deployment of the employee's spouse, son, daughter, or parent.

Under the FMLA, a "spouse" means a husband or wife. Husband or wife refers to the other person with whom an individual entered into marriage as defined or recognized under state law for purposes of marriage in the state in which the marriage was entered into or, in the case of a marriage entered into outside of any state, if the marriage is valid in the place where entered into and could have been entered into in at least one state. This definition includes an individual in a same-sex or common law marriage that either (a) entered in a state that recognizes such marriages or (b) if entered outside of any state, is valid in the place where entered and could have been entered in at least one state.

A "serious health condition" is defined as a condition that requires inpatient care at a hospital, hospice or residential medical care facility, including any period of incapacity or any subsequent treatment in connection with such inpatient care or a condition that requires continuing care by a licensed health care provider.

This policy covers illnesses of a serious and long-term nature, resulting in recurring or lengthy absences. Generally, a chronic or long-term health condition that would result in a period of three (3) consecutive days of incapacity with the first visit to the health care provider within seven (7) days of the onset of the incapacity and a second visit within 30 days of the incapacity would be considered a serious health condition. For chronic conditions requiring periodic health care visits for treatment, such visits must take place at least twice a year.

Team members with questions about what illnesses are covered under this FMLA policy or under the Company's sick pay policy are encouraged to consult with the Team Service (HR) department.

If a team member takes sick pay for a condition that progresses into a serious health condition and the team member requests unpaid leave as provided under this policy, the Company may designate all or some portion of related leave taken as leave under this policy, to the extent that the earlier leave meets the necessary qualifications.

Military Family Leave Entitlements

An eligible team member whose spouse, son, daughter or parent on active military duty or who has been notified of an impending call or order to covered active military duty in the National Guard,

Reserves or regular component of the Armed Forces may use their 12-week FMLA leave for reasons related to or affected by the family member's call-up or service. The qualifying exigency may include one of the following:

- Short-notice deployment,
- Military events and activities,
- Child-care and school activities,
- Financial and legal arrangements,
- Counseling,
- Rest and recuperation,
- Post-deployment activities, or
- Any additional activities agreed upon by the employer and team member that arise out of the military member's active duty or call to active duty.

The FMLA also includes a special leave entitlement that permits eligible team members to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform their duties and for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

Eligible team members requesting leave as a military caregiver should contact the Team Services (HR) Department for additional information and requirements.

Requesting Family and Medical Leave

To obtain FMLA leave, team members should provide notice in advance regarding their condition or the condition of a family member with a serious health concern. The team member must contact Team Services (HR) to request a Leave of Absence at least 30 days in advance of the date that the leave begins, when the leave is foreseeable. If for emergency reasons notice in advance cannot be given, the team member or a family member must notify the Team Services (HR) Department at their earliest opportunity.

Team members must provide sufficient information for the Company to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the team member is unable to perform job functions; the family member is unable to perform daily activities; the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Team members also must inform the Company if the requested leave is for a reason for which FMLA leave was previously taken or certified.

Team members also may be required to provide a certification and periodic recertification supporting the need for leave. The Company may require second and third medical opinions at the Company's expense. Documentation confirming family relationship, adoption, or foster care may be required.

The Team Services (HR) Department will provide the team member with FMLA documentation and notification, as appropriate. If the team member has not already submitted a medical certification, they will be provided with a certification form that must be completed by the appropriate health care

providers. Failure to return the medical certification form within fifteen (15) days from the date of the notification and documentation could result in the leave being denied.

Certain highly compensated key team members also may be denied reinstatement when necessary to prevent “substantial and grievous economic injury” to the Company’s operations. A “key” team member is an eligible salaried team member who is among the highest paid ten percent of the Company’s team members within 75 miles of the worksite. Team members will be notified of their status as a key team member, when applicable, after they request FMLA leave.

All time off work which meets the definitions of leave under FMLA will be charged against the yearly FMLA allowance.

Coordination of Paid Leave

FMLA Leave is coordinated with other forms of **paid leave** as follows:

- Team members may request use of earned sick pay during the period
- Salary Continuance Program (Short Term Disability) for partial salary replacement
- Worker’s Compensation salary replacement for work related injuries
- Team members may also elect to apply earned vacation, holiday, and/or personal hours (as applicable) during time on leave.

Team members are only eligible to receive one type of paid leave at a time.

Status Reports

Team members are required to remain in contact with the Company while on FMLA and may be asked to regularly provide information related to leave status and availability for work. Team members are expected to be responsive and cooperative in communications about their status.

Intermittent or Reduced Leave

In some circumstances team members may not need continuous time off. An **intermittent or reduced-schedule leave** permits team members to continue to work and take time off for qualified FMLA reasons. It is the team member’s obligation to obtain medical treatment and care at times that do not disrupt the Company’s business operation. If this cannot be done, an intermittent or reduced-hour schedule may be granted. Only the amount of leave taken will be counted toward the twelve (12) week FMLA allowance.

Team members may be required to transfer temporarily to an alternative available position with equal pay and benefits that can better accommodate an intermittent or reduced-schedule leave. Medical certification of the need for intermittent or reduced hours leave will be required under the same terms as outlined above and before an intermittent leave can be approved or the team member transfers to a position that can better accommodate an intermittent or reduced hours schedule. This medical certification must include the following:

- The dates treatment will be given and the duration of treatment
- A statement of the medical necessity for an intermittent leave or reduced leave schedule

Health and Other Benefits During FMLA

Health and other benefits during FMLA will continue as if the team member is actively working. This means that the team member must continue to pay any team member cost and the Company will continue to pay the Company contribution for an eligible team member's health insurance and other benefits for up to twelve (12) weeks.

In the event the team member does not pay their portion of the health insurance or other benefits while on FMLA, coverage may be terminated by the Company for lack of payment, however, the team member remains entitled to reinstatement upon return from leave with restoration of health insurance coverage at that time, without qualification requirements.

Team members may be required to reimburse the Company its share of health insurance premiums paid on the team member's behalf if the team member does not return to work following the end of the FMLA leave unless the reason the team member doesn't return to work is due to: 1) the continuation, recurrence, or onset of a serious health condition which would entitle the team member to FMLA leave; 2) the continuation, recurrence, or onset of a covered servicemember's serious injury or illness which would entitle the team member to FMLA leave; or 3) other circumstances beyond the team member's control.

Team member will not accrue vacation, holiday, sick, or personal hours (as applicable) during time on leave.

End of FMLA – Return to Work

It is the team member's responsibility to contact the Team Services (HR) Department two (2) weeks in advance of their return to work date to make scheduling arrangements. The team member must return on the day they are scheduled to return to work. If the team member fails to return on time, the Company reserves the right to terminate employment. Upon the team member's return within the guidelines above, they will be restored to their original or equivalent position with equivalent pay and benefits. Under limited circumstances, a team member who qualifies as a "key employee" under the law may be denied reinstatement after a leave.

Unlawful Acts

FMLA makes it unlawful for the Company to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA.
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement

A team member may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against the Company for any violation of the FMLA. FMLA does not affect any federal or state law prohibiting discrimination or supersede any state or local law or collective bargaining agreement which provides greater family or medical leave rights.

Voluntary/Non-FMLA Leave

Voluntary leaves of absence will be approved or denied on a case-by-case basis at the Company's sole and absolute discretion. If the Company determines that time away from the job will be in the best

interest of the team member and the Company, the team member may be granted a personal leave of **up to fourteen (14) weeks**. This leave can be used for:

- Personal requests of a non-medical nature
- Medical needs for personal injuries or illnesses, or work-related injuries, if not eligible for FMLA, including injuries or illnesses recognized under the ADA
- Extended medical leave for team members unable to return after FMLA leave

At the end of a voluntary leave, a team member may or may not be reinstated to their same job or rate of pay.

Applying for Voluntary/Non-FMLA Leave

To request voluntary leave, team members should provide advance notice regarding their need for this leave. The team member must fill out and submit to the Team Services (HR) department an application for a Voluntary Leave of Absence thirty (30) days in advance of the date the leave begins when the leave is foreseeable. If for emergency reasons any notice in advance cannot be given, the team member or a family member must notify the Team Services (HR) department at their earliest opportunity, but no later than seven (7) days of a qualifying event. In the event a voluntary leave is for medical reasons, a medical certification will be required. Medical certification must be provided within fifteen (15) days from the date of notification. Failure to provide documentation could jeopardize leave and/or the team member's employment.

Status Reports

Team members are required to remain in contact with the Company while on voluntary leave and may be asked to regularly provide information related to the status of the leave and their availability for work. Team members must respond in a timely manner to messages and requests for contact. Failure of a team member to remain in contact or respond to requests for contact while on voluntary leave may be considered a voluntary separation for failure to report.

Coordination of Paid Leave

Voluntary Leave is coordinated with other forms of **paid leave** as follows:

- Team members may request to use banked sick pay while on leave
- Salary Continuance Program (Short Term Disability) for partial salary replacement
- Worker's Compensation salary replacement for work related injuries
- Team members may also elect to apply earned vacation, holiday, and/or personal hours (as applicable) during time on leave

Team members are only eligible to receive one type of paid leave at a time.

Benefits during Voluntary/Non-FMLA Leave

During the voluntary leave period, if the team member wants to continue health and other benefits with the Company, the entire cost of benefits must be paid in full by the team member.

Grace Period for Payment of the Cost of Health Benefits

If a team member's payment is more than thirty (30) days late, the Company's obligation to maintain health and other benefits for the team member ends. The Company will send out monthly notices of premiums that are due and will notify the team member, by mailing notice to the last known address on

file with the Health Benefits Administrator, of pending termination of the health and other benefits due to non-payment.

Returning to Work After Voluntary/Non-FMLA Leave

A team member returning from voluntary leave of absence **may or may not be reinstated to the same or equivalent job or rate of pay**. Again, this type of leave is granted at the Company's discretion. It is the team member's responsibility to contact the Team Services (HR) Department two (2) weeks in advance of the return to work date to make scheduling arrangements. The team member must return to work on the day they are scheduled to return. If the team member fails to return, the Company reserves the right to terminate employment.

A team member wishing to further extend the voluntary leave must contact the Team Services (HR) Department and submit an extension request two (2) weeks prior to the expiration of the ongoing leave period. Failure to remain in contact could expose the team member to separation.

Misrepresentation of the reason for a leave of absence request (whether voluntary or FMLA-related) or misuse of the leave of absence benefit is prohibited.

A team member who is on voluntary leave may not perform work for any other employer during this leave unless it is performing military or public service.

Leave for a Living Organ Donation

The Company is committed to the life altering benefits provided by organ donation and to the support of team members who make the selfless decision to become a living organ donor. In keeping with this commitment, team members working for the Company will be eligible for up to two hundred (200) hours of paid leave to cover medical recovery when they willingly donate an organ. Part-time team members will be eligible for up to one hundred (100) hours.

The hours granted for living organ donation would be separate from all other leave banks and accruals. The hours will be granted on a weekly basis, as needed, and cannot be banked for any other purpose. If the donation requires more than two hundred (200) hours away from work, team members will be required to use sick, vacation or personal accruals to cover the additional time off.

Individuals taking leave to provide an organ will be subject to all other leave rules, policies and procedures.

Any team member desiring to take a leave for donation of an organ must contact Team Services (HR) at least three (3) weeks prior to the event and provide medical documentation outlining the need for the leave. Team members must have at least 90 days of service to be eligible.

Military Leave

The Company supports the military obligations of all team members and grants leaves for uniformed service in accordance with applicable federal and state laws. If a team member requires time off from work to fulfill military duties, they will be treated in accordance with applicable requirements of state and federal laws. Team members are expected to notify their supervisor and provide a copy of their orders as soon as possible. If a team member is unable to provide notice before leaving for uniformed service, a family member should notify the supervisor as soon as possible.

An eligible team member who provides notice of reserve training or military service will be granted an unpaid military leave of absence for up to five (5) years. During your military leave of absence, the team member's benefit coverage will be the same as for any other team member on an unpaid leave of absence. Health and other benefits may be continued based on the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). Team members may apply any earned, accrued vacation time before the beginning of their unpaid military service leave if they wish, provided they are not obligated to do so.

Upon return from military leave, team members will be granted the same seniority, pay and benefits as if they had worked continuously during their deployment. Failure to report for work within the prescribed time after completion of military service will be considered a voluntary termination. All team members who enter military service may accumulate a total absence of five (5) years and still retain employment rights.

Civil Air Patrol

Regular full-time and part-time team members who are members of the Civil Air Patrol are entitled to an unpaid leave of absence, not to exceed 15 work days in any calendar year, when called to serve on a Civil Air Patrol mission. Upon return from the leave, team members will be reinstated to their former position or to a similar position, so long as they:

- Had a non-temporary job before taking leave;
- Return as soon as practicable to their position after being relieved from service for the mission;
- Provide evidence that the service was satisfactorily completed; and
- Are still qualified to do the job.

Absence for Civil Air Patrol service will not affect a team Members rights to receive normal vacation, sick leave, bonuses, advancement or other advantages of employment that would otherwise be expected for the employee's job.

Jury Duty

The Company believes in supporting team members in fulfilling their civic duties concerning jury duty. Jury duty is treated as a paid absence. Team members will be paid for the time they serve on a jury, less the amount of any fee received for jury duty.

Notice of jury duty should be given to the team member's supervisor two (2) weeks in advance when possible but no later than three days prior. A copy of the summons should accompany the request.

When jury duty ends before the completion of the team member's regular shift, the team member must report to work.

Under no circumstances will team members be terminated, threatened, coerced, or penalized because they request or take leave in accordance with this policy.

Witness Duty

All team members who are asked to participate as a witness on behalf of the Company will receive their standard compensation for all time spent in attendance at the proceedings, less any amount paid by the court. This time will be counted as time worked when determining overtime pay.

The Company encourages team members to appear in court as a witness when they have been subpoenaed. Exempt team members appearing as a subpoenaed witness will not receive deductions of pay for absences of less than one work week. Non-exempt team members will receive time off without pay. If a team member receives a subpoena, they should immediately advise their supervisor. Under either circumstance, team members are expected to report for their regular duties when temporarily excused from attendance in court.

Under no circumstances will employees be terminated, threatened, coerced, or penalized because they request or take leave in accordance with this policy.

Minor Child Court Appearance Leave

Team members who are the parent, guardian or legal custodian of a minor child or ward who must appear in court will be allowed leave for the purpose of appearing in court with the child.

Team members seeking leave under this policy must request leave at least seven days in advance of the need for leave. However, if an employee does not receive notice of the hearing seven or more days in advance, then the employee must request leave within 24 hours of receiving notice of the hearing.

Leave under this policy will be unpaid except that exempt team members may be paid as required by applicable law.

Crime Victim Leave (Montana)

Eligible employees may take time off from work to participate at the prosecuting attorney's request in preparation for or attendance at a criminal justice proceeding. Employees are eligible for leave if the employee is:

- The victim of the crime at issue in the proceedings; or
- The victim's spouse, child by birth or adoption, stepchild, parent, stepparent or sibling.

Employees are not eligible for leave if the employee is accountable for the crime at issue in the proceedings.

Time off under this policy will be without pay except that exempt employees will not incur any reduction in pay for a partial week's absence for leave to appear as a witness.

Crime Victim Leave (Colorado)

Team members may take time off from work for the purpose of responding to a subpoena to testify in a criminal proceeding or to participate in the preparation of a criminal proceeding, if:

- The team member is a victim of the crime at issue in the proceeding;
- The team member is the crime victim's spouse, child by birth or adoption, stepchild, parent, stepparent, sibling, legal guardian or significant other (i.e., someone in a family-type living arrangement who would constitute the spouse or partner of the victim if they were married); or
- The victim is deceased or incapacitated, and the team member is the victim's spouse, partner, parent, child, sibling, grandparent, significant other or other lawful representative.

Employees, who are in custody for the crime, accused of the crime or otherwise accountable for the crime, are not eligible for time off under this policy. Leave under this policy will be unpaid except that exempt employees will not incur any reduction in pay for a partial week absence due to witness duty

Domestic Violence Victim Leave (Colorado)

Team members who are victims of domestic violence, including sexual abuse, stalking, sexual assault or any other crime including an act found by a court to be domestic violence, may take up to three working days of leave time within a 12-month period. Only team members employed with the Company for 12 or more months are eligible for this leave.

The time taken may be paid using banked vacation or sick time with management approval.

Team members may use leave available under this policy to:

- Seek a civil protection order to prevent domestic abuse;
- Obtain medical care and/or medical health counseling for the team member or the team member's children to address physical or psychological injuries resulting from the act of domestic abuse, stalking, sexual assault or other crime involving domestic violence;
- Make the team member's home secure from the perpetrator of the crime or seek new housing to escape the perpetrator; or
- Seek legal assistance to address issues arising from the crime and attend and prepare for court-related proceedings arising from the act or crime.

Except in a case of imminent danger, a team member seeking leave from work under this policy must provide the Company with advance notice of the leave. In addition, the Company may require the employee to provide documentation verifying the need for the leave.

Confidentiality of the situation will be maintained to the extent possible. The Company will not retaliate or tolerate retaliation against any employee who seeks or obtains leave under this policy

Voting

The Company encourages team members to exercise their voting rights in all municipal, state, and federal elections. Under most circumstances, it is possible for team members to vote either before or after work. If it is necessary for team members to arrive late or leave work early to vote in any election, team members should arrange with their supervisor no later than the day prior to Election Day. Team members will not be paid for time spent voting except where required by law. Proof of having voted may be required.

Paid Parental Leave

The Company supports team members in caring for and bonding with a newborn or a newly adopted child. In recognition of this support, the Company will provide up to two weeks of paid parental leave following the birth of the team member's child or the placement of a child with a team member in connection with a legally recognized adoption. This policy will run concurrently with Family and Medical Leave Act (FMLA) leave, as applicable.

Paid parental leave is available to full-time team members who have attained at least 12 months of service. Team members must provide their supervisor and the Team Services (HR) department with notice of the request for leave at least 30 days prior to the proposed date of the leave (or if the leave

was not foreseeable, as soon as possible). The team member must complete the necessary HR forms and provide all documentation as required by the Team Services (HR) department to substantiate the request.

Eligible team members must have given birth to a child, be the biological parent of a newborn child, be the legally recognized spouse of a birthing parent or have adopted a child (age 17 or younger). The adoption of a new spouse's child is excluded from this policy.

Eligible team members will receive a maximum of two weeks of paid parental leave per birth or adoption of a child/children. The fact that a multiple birth or adoption occurs (e.g., the birth of twins or adoption of siblings) does not increase the two-week total amount of paid parental leave granted for that event. In addition, in no case will a team member receive more than two weeks of paid parental leave in a rolling 12-month period, regardless of whether more than one birth, or adoption event occurs within that 12-month time frame.

Upon approval, paid parental leave will be added to the team member's banked hours on a separate code titled "paid parental leave". Approved paid parental leave must be taken in one continuous period of leave and must all be paid out during the 12-week leave time frame associated with the qualifying event date. Any unused paid parental leave will be forfeited at the end of the 12-week time frame.

Each week of paid parental leave is compensated at 100 percent of the team member's regular, straight-time weekly pay, not to exceed 40 hours per week. Pay is calculated based on average hours over the last 52-week period, excluding time missed for qualified FMLA events. Paid parental leave does not count towards the calculation of overtime. Paid parental leave will be issued biweekly on regularly scheduled pay dates and is subject to all payroll taxes and deductions including court ordered child support and garnishments.

In the event of a female team member who herself has given birth, the two weeks of paid parental leave will commence at the conclusion of any short-term disability leave/benefit provided to the team member for the team member's own medical recovery following childbirth. As a result, female team members who have given birth may receive additional paid time beyond the parental leave benefit when accessing other forms of leave.

Upon termination, team members will not be paid for any unused paid parental leave for which they were eligible.

[Coordination of Paid Parental Leave \(PPL\) with other Policies](#)

Paid parental leave taken under this policy will run concurrently with leave under the FMLA; thus, any leave taken under this policy that falls under the definition of circumstances qualifying for leave due to the birth or adoption will be counted toward the 12 weeks of available FMLA leave per a 12-month period. All other requirements and provisions under the FMLA will apply. In no case will the total amount of leave—whether paid or unpaid—granted to the team member under the FMLA exceed 12 weeks during the 12-month FMLA period. Please refer to the Family and Medical Leave Policy for further guidance on the FMLA.

After the paid parental leave is exhausted, the balance of FMLA leave (if applicable) will be compensated through team member's accrued sick, vacation and personal time. Upon exhaustion of accrued sick, vacation and any short-term disability leave for team members giving birth, any remaining leave needed

will be unpaid leave. Please refer to the Family and Medical Leave Policy for further guidance on the FMLA.

The Company will maintain all benefits for team members during the paid parental leave period just as if they were taking any other Company paid leave such as paid vacation leave or paid sick leave.

If a Company holiday occurs while the team member is on paid parental leave, such day will be charged to holiday pay; however, such holiday pay will not extend the total paid parental leave entitlement.

A team member who takes paid parental leave that does not qualify for FMLA leave will be afforded the same level of job protection for the period that the team member is on paid parental leave as if the team member was on FMLA-qualifying leave. This will also be considered and noted as voluntary leave as per Company voluntary leave policy.

Leave for Team Members who Volunteer (Nevada)

Team members employed in Nevada may take time off from work to serve as search and rescue, sheriff's department, civil air patrol or emergency responder volunteers. Team members will not be terminated for requesting or taking time off in accordance with this policy. Team members who are or who become volunteers must immediately notify management. This is unpaid time unless management approves use of banked time off or as required by applicable law.

School-Related Activities (Nevada)

The Company will grant up to four (4) hours of un-paid time off during any school year to Nevada team members who are the parent, legal guardian or custodian of a child enrolled in public school to: attend a parent-teacher conference, appear at a conference requested by their child's school administrator; attend school related activity during regular school hours, volunteer or otherwise be involved at the school in which the team member's child is enrolled, attend school-sponsored events, or respond to notice from their child's school of an emergency involving their child. Leave must be taken in minimum of one (1) hour increments. Team members must submit a written request for leave to their supervisor at least five (5) school days in advance. The leave will be at a time mutually agreed upon by the employee and the Company.

The Company may require employees to provide documentation verifying that, during the time of leave, the employee attended an eligible school-related activity.

Time off under this policy will be without pay, except that exempt employees may receive pay for partial day absences, as required by applicable law.

Benefits Section

Benefits Eligibility

Full-time team members who work a weekly average of thirty (30) or more hours are eligible for medical, dental and vision insurance benefits after ninety (90) days of employment. Salaried exempt team members, hourly paid department managers and professional drivers are eligible to enroll in health, dental and vision benefits on the first day of employment.

For health benefits to take effect, team members must complete the appropriate benefit application and return it to the Team Services (HR) Department within the allotted timeframe of submission. (Contact the Team Services (HR) Department for current team member contribution rates.)

Full-time team members may purchase Employee only, Employee plus Spouse, Employee plus Child(ren), or Family health benefits for family members by completing the appropriate benefit application and returning it to the Team Services (HR) Department.

Benefits When Working for More Than One Division within Associated Food Stores

From time to time, Team members may work for more than one operating entity within Associated Food Stores. As an example, they may work for AFS Wholesale at the Distribution Center full-time and in a Macey's retail location on a part-time basis. These two operating entities will report income on separate W-2 forms for income tax purposes, but employment is combined for purposes of overtime calculations, benefits eligibility, and administration.

Team members will be assigned a single location as their primary work location and all benefits will be administered in that one location. In the example above, the Distribution Center is the primary employment location and all benefits would be administered there. Credit will be received for all hours worked in all locations and accruals will reflect those hours up to the maximum benefit.

Pyramiding of benefit accruals or matching contributions are not permitted beyond that of a singular place of employment. For example, sick leave will be accrued as a singular employee in a singular work location. Should you have any specific questions for your situation regarding this policy, please contact Team Services (HR).

Benefits for Retired Team Members

For Medical Benefits only, regular retirees between the age of 60 years up to the age of Medicare eligibility (currently 65), with a minimum of 10 years of service are eligible to continue medical benefits they are enrolled in at the time of retirement. Retirees are only eligible to continue medical benefits, at current coverage levels, for those already on the plan at the time of retirement. Retirees may elect lesser coverage if so desired; for example, they may elect single coverage instead of continuing with existing employee plus spouse coverage. Coverage must continue uninterrupted from the date of retirement. Should a retiree elect to not continue coverage, they cannot rejoin later.

Dependent coverage is limited to a maximum term of five (5) years or up to the age of dependent Medicare eligibility (currently 65); whichever comes first. Should the retiree reach the maximum term of eligibility, eligible dependents may continue with the appropriate level of coverage up to the dependent maximum. If the retiree is Medicare eligible at the time of retirement, dependents who are not Medicare eligible may continue coverage at the appropriate level up to the noted maximum of five (5) years or up to the age of dependent Medicare eligibility.

Retirees are responsible for the full monthly premiums plus administrative fees.

Benefits for Returning Team Members

It is the policy of the Company to provide team members returning from an involuntary reduction in force or layoff with an equitable reinstatement plan for benefits. "Returning team members" refers to

individuals who have previously worked at the Company and lost their opportunity to continue due to workforce adjustment or layoff.

Reinstatement of service date and benefits will not be available to team members who leave the Company.

All full-time team members who return thirty (30) days or less from their date of termination are eligible for full benefit coverage and vesting under Health and Retirement Benefit Programs (where possible and desired) in accordance with applicable plans, practices, and co-payments, and will be effective upon returning to full-time employment.

All full-time team members who return six (6) months or less from their date of termination, are eligible for reinstatement of their vacation accrual level, but must complete the standard eligibility requirements prior to reinstatement of any other Health and Retirement Benefit Program benefits. At the end of the standard eligibility period, the team member's benefits status will be reinstated at the level attained prior to termination. The provisions of each plan document will govern plan benefits.

All team members, who return after six (6) months from their date of termination, are treated as new team members and are subject to standard eligibility requirements. The provisions of each plan document will govern plan benefits.

COBRA

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) provides team members and their qualified beneficiaries the opportunity to continue health benefits under the Company's health plan when a "qualifying event" would normally result in the loss of coverage. Some common qualifying life events are resignation, termination of employment (for reasons other than gross misconduct), or death of a team member; a reduction in a team member's hours or a leave of absence; a team member's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Team members must notify the company of a qualifying life event as soon as possible and no later than 30 days.

The Company provides each eligible team member with a written notice describing rights granted under COBRA when team members become eligible for the Company's health benefits plan. The notice contains important information about team member's rights and obligations. Team members will have 60 days to elect continued benefits from the date the team member or participating dependents may no longer qualify for benefits due to a qualifying event or, in the event of termination of employment, the date of termination, or 60 days from the date of notification, whichever is later.

Under COBRA, the team member or beneficiary pays the full cost of health benefits at the Company's group rates plus an administrative fee. Benefits will end if any of the following events should occur: The Company no longer provides group health benefits to any of its team members; the cost of benefits is not paid; the team member becomes covered under another group health plan; or the team member becomes eligible for Medicare.

Tuition Assistance

This policy is designed to give financial assistance to team members who are furthering their formal education to increase their effectiveness in the Company.

Eligibility

All full-time and part-time team members who have completed ninety (90) days of employment are eligible for this program. Team members must be on active status while taking the course. Changes between active and leave status may result in loss of tuition assistance benefits.

Approved Courses

- Authorized courses include high school or college credit courses, extension courses and correspondence courses leading to a diploma, undergraduate or graduate degree.
- Courses should be related to your present job and can include courses for improvement of specialized skills or general management.
- All courses and schools must be approved by your department manager/supervisor and the Team Services (HR) department prior to taking a class for which a reimbursement is anticipated.

How to Apply

- If you are interested in the tuition assistance plan, speak with your supervisor and contact the Team Services (HR) department.
- Team Services will supply you with a Request for Tuition Assistance form. Final approval must be obtained before commencement of the course.
- A separate Request for Tuition Assistance form must be submitted for each course for which you seek tuition assistance.

Payment

- You will receive payment for having completed the course after the presentation of your final grade(s) to Team Services (HR).
- The Tuition Assistance Plan will reimburse for tuition or program costs up to \$200 per class for full-time and \$100 for part-time team members.
- Payment will not apply for classes in which less than a 'C' grade is received.
- A team member who voluntarily leaves employment with the Company or is terminated prior to completing the course is responsible for all expenses associated with that course.

401K Retirement and Savings Plan

Eligible regular full-time and regular part-time team members may participate in the Company sponsored 401K plan to save and invest for retirement. Team members must be over 21 years old and have been employed with the Company for at least one year to be eligible. The Company may match team member contributions up to a maximum of four (4) percent per year.

Information Security Policy (Computer Usage)

All team members are responsible for protecting Company information from unauthorized access, modification, duplication, destruction, or disclosure. As team members of the Company, we share a common responsibility to protect the Company's interest. If you have a concern about potential violations of this policy contact your supervisor.

The computer and electronic communications systems maintained by the Company for business are the property of the Company, unless otherwise specified. Team members should not have an expectation of privacy in anything they create, store, send, or receive on those systems. All usage is subject to audit or

review by management without additional notification to the individual employee. Full cooperation of all team members is required during any such audits or review.

It is expected that during work hours the computer, its systems, and the Internet will be used for business purposes. Incidental personal use should be kept to a minimum.

Acquisition of Hardware and Software

All hardware and software acquired for use on Company computer systems will be obtained through established procedures. This includes purchase, lease, rental and trial use hardware and software.

Copyright and Software License Compliance

The Company strives to respect all computer software copyrights and to adhere to the terms of all software licenses to which the Company is a party. Unless the Company or its team members are expressly authorized to do so by written agreement with the owner/author, team members are strictly prohibited from duplicating any licensed software or related documentation (except for backup and archival purposes) for use either on the Company's premises or elsewhere.

Unauthorized use or duplication of software may subject individual team members and the Company to civil and/or criminal penalties, including fines or imprisonment, under the United States Copyright Act or other state or federal laws.

Likewise, team members are not permitted to install software personally purchased onto the Company's computers. The Company reserves the right to inventory all software on each Company-owned computer or laptop.

Copying, sending, or receiving trademarked, copyrighted materials, trade secrets, proprietary information, or other similarly sensitive materials such as documents, graphics, video clips, audio clips, or third-party software without the express written permission of the owner or the proper license is prohibited.

Electronic Communication (E-mail, Facsimile, Voice)

Electronic communication capabilities are provided to team members to facilitate communication and their use is intended to satisfy a business need. All electronic messages created, sent, or received by the Company's team members using Company electronic systems are the property of the Company. Incidental personal use of electronic communication systems may be allowed, but such use must comply with all corporate policies and guidelines. Examples of forms of electronic communications include E-mail, facsimiles and voice communication systems (telephone usage).

Team members have no right of privacy in any electronic communication. The Company reserves the right to access, monitor, audit and/or disclose all active or archived messages sent electronically. Electronic messages are subject to review by management without additional notification to the individual employee. Most electronic communication systems create a record that can be saved, replayed, and shared with others and should always be considered a non-private communication method. Team members should be aware that even when an electronic message has been deleted, a record or back-up copy might remain and be accessible by the Company.

Team members should draft electronic messages with the same thought and concern as they would give to written correspondence. Sending or attempting to send disruptive, discriminatory, harassing,

offensive, abusive, obscene, defamatory information or statements, and/or threatening electronic communication to any other user is expressly prohibited.

The telephones at the Company are intended for business use. Your personal calls should be kept to a minimum.

Company Corporate Logos

The Company controls its logos and trademarks (known as "marks" and typically designated by TM, [®] or SM) in order to protect their integrity in the marketplace and registered status.

Company owned marks are to be used for authorized Company business only. Misuse or unauthorized use of Company marks is strictly prohibited. The marks or logos can only be used as they appear in the file format and cannot be altered or modified. The Advertising Department must approve modifications or alterations.

Marks or logos cannot be combined with other companies' trade or service marks/logos.

Internet Use

Team members may be provided with access to the Internet when there is a business need to do so. Incidental personal use of the Internet may be allowed as defined by your supervisor or manager, but such use must comply with all corporate policies and guidelines. The access, display, storage, or transmission of pornographic materials or other such information whose political, sexual, racial, religious, or other content could be considered offensive by team members, clients, or third parties is expressly prohibited. If this privilege is abused, the ability to access the Internet may be removed, and further corrective action may result.

Transmitting of unauthorized sensitive information via the Internet is restricted including, employee information, client lists, claims information, credit card information, and unauthorized transfer of software or vendor information.

All Internet usage including downloading information may be monitored and a log may be maintained for everyone identifying the sites visited and time spent on the Internet. This log is subject to review by management without additional notification to the individual employee.

Mobile Computing

All Company policies apply to the use of computing resources outside the office. It is the team member's responsibility to use reasonable precautions to protect assets from theft or unauthorized access.

Only approved hardware and software is allowed for remotely connecting to the Company network. Computer hardware and software provided by the Company for remote access purposes must not be altered or enhanced in any way. Such hardware must be returned when the team member terminates employment with the Company or transfers to a different position.

Remote access is permitted for team members with a business need, with management approval.

Computer Security

Team members are responsible for respecting the privacy of others. Team members may not alter or copy a file belonging to another employee without first obtaining permission from the owner of the file.

Monitoring or accessing another employee's information may not be done without business reasons and authorization. The capability to access a file belonging to another employee does not imply permission to read, alter, or copy that file.

Team members may not gain or attempt to gain unauthorized access to restricted areas or files on any Company computer systems including bypassing Company data protection measures or uncovering security loopholes. Team members may not alter any software protections or restrictions placed on computer applications, files, or directories without authorization.

Responsibility for Passwords

Team members are responsible for safeguarding passwords they use to access Company computer systems. All activity generated from the team member's ID and passwords are the responsibility of the owner. Team members may not disguise their identity while using the computer systems. Use of passwords to gain access to the computer systems, files or messages does not imply that team members should have an expectation of privacy in the material they create or receive on the computer systems.

Team members may use approved encryption and password methods to prevent access to their work on the computer system only with supervisor approval.

Allowed Use of Computer Resources

Team members may be permitted access to the computer system to assist them in the performance of their jobs. Incidental and occasional personal use of the computer system may also be permitted, provided that the use does not interfere with the team member's work performance, with any other team member's work performance, or violate any policy or guideline of the Company. Use of systems and/or networks to gain unauthorized access to remote systems is strictly prohibited. At all times, team members have the responsibility to use computer resources in a professional, ethical, and lawful manner.

Team members are not permitted to use computer systems to electronically post or display material that is offensive, libelous, or harassing in nature. Religious or political lobbying is also prohibited.

Personal use of the computer system is a privilege that may be revoked at any time.

Use of Technology Assets

Team members will not be permitted to bring non-Company owned computer hardware and attach it to any Company technology assets unless the team member has received prior approval from their supervisor and network administration. This includes hardware such as printers, scanners, workstations, laptops, digital cameras, and modems. If you have any questions regarding appropriate use of a technology not specifically identified in this policy, please contact your supervisor and network administration.

Virus Checking

A computer virus is defined as any computer software program that causes or influences either hardware or software to operate in a manner contrary to the intentions or in a manner unapproved by the original owner/user of said software or hardware. Viruses may be intentionally or inadvertently introduced into a computer and then spread or self-replicated to other systems. Examples of how

viruses can be spread are the use of electronic storage devices acquired from external sources, opening e-mail from unknown authors, or downloading files from Internet sites.

It is the responsibility of each team member to use reasonable care to prevent the introduction of viruses into their systems and the possible further destruction of other systems. If you receive notification that your personal computer has a virus, contact your Information Services Help Desk immediately.

All Company team members are expected to ensure that all Company owned computers, electronic files, and electronic media used to conduct Company business are protected from computer viruses. Removing or disabling installed virus checking software is prohibited.

Privacy When Using Company Computers and E-mail

E-mail and other computer files provided by the Company are to be used for business purposes only; all computer passwords must always be available to the Company. Voice mail messages and other phone messages are provided for team member use but are considered the property of the Company. Team members should expect that the E-mail files, voice mail messages, and computer files related to workstations they occupy may be monitored or reviewed by the Company without specific notice to them. Team members have no personal privacy right in anything created, received, or sent on or from the e-mail or voicemail system and by accessing the system, team members expressly waive any right of privacy in anything they create, store, send, or receive on the system. By accessing the system, team member's further consent to allowing personnel of the Company to access all material created, sent, or received on the system.

Social Media Guidelines

Team members should refrain from using social media while on work time or on equipment the Company provides, unless it is work-related as authorized by management and consistent with our Computer Usage Policy.

Do not use the Company e-mail address to register on social networks, blogs or other online tools utilized for personal use. At all times, team members who use social media such as blogs, wikis, and social networking sites that may contain postings related to the Company, or its team members or affiliates, must comply with the following guidelines, regardless of where or when the use of social media takes place.

Team members may not speak on behalf of the Company, unless permission is specifically granted by the President of the Company. Information shared via social media is the opinion of the team member only – not the Company – and this should be communicated to recipients of the information. Never represent yourself as a spokesperson for the Company.

Company's logos, trademarks, and any other Company intellectual property may also not be used in connection with any personal social media activity.

Team members must maintain the confidentiality of the Company's trade secrets and private or confidential information.

Team members must comply with the Company's equal opportunity/unlawful harassment standard. Be civil. Ensure postings are consistent with these policies. Inappropriate postings that include discriminatory remarks, harassment, and threats of violence that are based on an individual's membership in a protected class or similar inappropriate or unlawful conduct will not be tolerated.

Use good judgement. Be fair and courteous to fellow team members, customers/guests, suppliers/vendors or people who work on behalf of the Company. Keep in mind that you are more likely to resolve work-related conflicts by speaking directly with your co-workers or utilizing our problem-solving process 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 malicious, obscene, or threatening, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to defame someone, or posts that create a hostile work environment as described in the Company's Equal Employment Opportunity/unlawful harassment/accommodation policies.

Be honest and accurate. Make sure you are always honest when posting information or news, and if you make a mistake, correct it quickly. Never post any information or rumors that you know to be false about the Company, fellow team members, customers/guests, suppliers/vendors, people working on behalf of the Company, or competitors.

Blogs and other forms of social media communications are individual interactions, not Company communications. Information shared via social media is generally public and may easily be viewed by Company supervisors, team members, and customers/guest. Ultimately, you are solely responsible for what you post online. Before creating online content, consider the risks that are involved. Keep in mind that conduct that adversely affects your job performance, the performance of fellow team members, or otherwise adversely affects members, customers/guests, suppliers/vendors, or people who work on behalf of the Company in pursuit of the Company's legitimate business interests is prohibited.

Report concerns. Your personal (or anyone else's) blog, wiki, or social networking site is not the most appropriate place to make a complaint regarding discrimination, harassment, or safety issues. To ensure your concerns are appropriately brought to the attention of the Company, we encourage team members to report such issues directly to their immediate supervisor, but any team member who is concerned or apprehensive about reporting to their direct supervisor may instead report such issue to the Team Service (HR) department.

Cellphones and Other Electronic Devices

The use of personal cell phones or any other electronic devices while on Company time or working on the sales floor is prohibited. This includes, but is not limited to, sending or receiving text messages, pictures, or checking email.

If an emergency arises and you need to make a phone call, cease operating equipment, exit the work production area, and conduct the call in a safe place, out of the presence of customers/guests.

The Company prohibits team members from using handheld mobile phones either for voice or non-voice communications for business reasons while driving, or for any reason while driving for work-related purposes, whether the team member is driving a Company-owned vehicle, rental vehicle or their own vehicle. Team members should also be aware that operating a mobile phone whether for voice or non-

voice communications may be a violation of local law, in addition to be a violation of Company policy. Team members are not allowed to operate a vehicle while manually typing or entering text into a handheld wireless communication device or while sending or reading data using a handheld wireless communication device to access or search the Internet.

Drivers and distribution center team members should also review department/area specific transportation and warehouse cell/mobile phone guidelines.

Solicitation/Distribution Policy

Definitions

- **Solicitation**
 - To solicit or request contributions, information, trade, or support.
- **Distribution**
 - To distribute materials or flyers on Company premises or placement on team member vehicles.

Internal Policy

To protect team members from unwanted solicitations that can interfere with work duties, productivity or create tension and discord among team members, the following rules will apply to all team members.

Team members may not solicit or ask other team members to purchase goods or services, make donations or contributions, sign cards or petitions, or join or support groups, organizations or causes in any work areas during working times. Team members may not distribute any literature or written materials that are not job-related and approved by the Company at any time in any work area.

It is the Company's policy to limit access to our premises to guest /customers, team members and vendors, for the purposes of shopping and conducting Company business. Accordingly, solicitations by non-Team members or distributions of any type of materials or literature by persons other than team members (and our vendor/business partners), on the Company's premises, is prohibited to the full extent of the law.

External Policy

Social solicitation activities and other solicitation activities, including the distribution of flyers and literature, are acceptable with certain limitations. This policy will provide guidance for team members and non-team members when engaging in these activities.

The Company will not allow outside solicitation or distribution on its property without prior approval of Team Services (HR). Salespersons will not be permitted to solicit team members on Company property. Anyone who comes onto Company property to solicit/distribute without prior approval will be asked to leave and, if necessary, escorted off the premises. If someone with the intent to sell something or distribute information approaches any team member, please contact the facility Team Services (HR) Representative immediately.

Additional Information

- Team members need to seek advance approval by management before soliciting co-workers or distributing literature. In addition, any solicitation or distribution must be on non-work time

and in areas where the activity will not disturb other people who are working. Solicitation and distribution by team members who are on break or lunch will be permitted only in break room/cafeteria areas.

- The Company will not tolerate the solicitation/distribution of offensive, vulgar, and/or obscene literature. Political, religious or civic material is also prohibited (unless approved by the Executive Staff). Materials to be distributed may not be produced or reproduced on Company equipment or by using Company supplies.
- The solicitation/distribution of any materials that conflict with the Company's stated mission/vision or is perceived to be in direct competition with our member retailers will not be permitted.
- To avoid disruption of Company operations, the following rules apply to solicitations and distribution of literature on Company property:
 - Team members may not solicit other team members for membership, contributions, funds, or other purposes during the team member's working time or at any other time if the solicitation interferes with other team members who are scheduled to work.
 - Team members may not distribute literature during working time for any purpose.
 - Team members may not distribute literature (other than Company information) at any time, for any purpose in working areas.
- Please be courteous to co-workers. If someone expresses the desire not to be solicited or refuses an offered flyer or piece of literature, respect that person's wishes.
- Working time includes the working time of both the team member doing the soliciting and/or distributing and the team member to whom the soliciting and/or distributing is directed. Working time does not include break periods and/or meal periods.

In some instances, the collection of money for presents, flowers, parties, donations, or for cases of hardship can be considered appropriate. In these exceptional cases, such collections may be permitted with the approval of management. All such approved solicitations should be made during regularly scheduled rest and lunch periods.

The only exception to the above is that the Company may authorize the solicitation of funds for recognized and established charities which benefit the general community.

Safety and Security

Team members are expected to do their best to help safeguard themselves, fellow team members and our guests. Most workplace injuries are caused by human failure or negligence. The Company tries to provide a safe workplace; however, it is the team members who can make this a truly safe workplace. The job is only as safe as those doing the work. Observance of Company guidelines and use of safety devices as instructed are a condition of employment.

All accidents must be reported to a supervisor or management immediately.

If you are injured at work, even if it is a minor injury, immediately report the injury to your direct supervisor.

All accidents involving outside medical care or accidents that cause significant damage to property, equipment, or product must have a first report of injury and/or an accident report filled out and signed

by team member and management. Once the accident is reported an appropriate investigation will be conducted. First aid or medical care, if needed, will be provided either on-site or at a Company approved treatment site.

The Company values its team members' safety.

It is our goal to maintain a work environment free from intimidation, threats, or violent acts. To that end, we have adopted a zero-tolerance policy regarding violence in the workplace. This includes, but is not limited to, intimidating, threatening, or hostile behaviors; physical abuse; bullying; vandalism; arson; sabotage; use of weapons; openly carrying or brandishing weapons of any kind; or any other act, which in management's opinion, is inappropriate to the workplace. Team members should immediately report any such occurrences to management.

Drug and Alcohol Policy

The Company is committed to a safe, healthy and productive work environment for all team members, free from the effects of illegal or non-prescribed drugs and alcoholic beverages. Use of drugs and alcohol alters team members judgment resulting in increased safety risks, team member's injuries, and faulty decision making. Therefore, the possession, use, sale of controlled substances or illegal sale of alcohol on Company premises or during Company time is prohibited and may lead to termination of employment. This includes working after the apparent use of marijuana, regardless of marijuana's legal status. Furthermore, working after the use of alcohol, a controlled substance or abuse of any other substance is prohibited.

Testing is an important element in the Company's efforts to ensure a safe and productive work environment.

The Company has issued a separate statement for this testing program. Please refer to this separate statement and contact Team Services (HR) if you have specific questions.

NOTE: Drivers are subject to specific federal rules/standards and should refer to the specific drivers' drug and testing policy.

Team members in Montana may refer to the "Drug and Alcohol Booklet" for additional information on state requirements.

Drug Testing Policy

All Company team members are subject to drug testing of various types and under a variety of circumstance including:

1. Pre-employment testing,
2. Random testing,
3. Reasonable suspicion testing, and/or
4. Post-accident testing

Individuals who refuse to participate in a test, fail to provide a specimen, substitute or tamper with a specimen, or fail to provide a specimen within the required time period are subject to termination.

Team members who test positive for marijuana, on any type of drug test, are still subject to termination as per current company policy, even if they report having a medicinal marijuana card.

The Company offers an assistance program to team members who formally notify management or a Team Services (HR) representative of a substance abuse problem and agrees to enter a treatment program. This formal notification must occur prior to a drug test event and only applies to team members with at least 90-days employment with the Company.

Privacy: How it Relates to the Drug and Alcohol Policy

Company managers are trusted to identify job performance and on-the-job behavior that may reflect drug or alcohol use. When a manager concludes that declining job performance or erratic on-the-job behavior may be the result of impairment, the manager has the option of referring the team member for testing.

To protect the safety of all concerned, the Company reserves the right to ask team members to take tests designed to determine compliance with Company alcohol and drug policy. All testing will be conducted using reasonable procedural safeguards.

The Company may inspect its property that is under the team member's control (such as a locker, desk or equipment) and the team member's personal effects or automobile (while located on Company property). Failure to submit to a test or inspection may lead to corrective discipline, up to and including termination.

Access to Personnel Files

Personnel records are maintained on every team member. These records are Company property. They are held as confidential as is reasonably possible. Information will not be released to anyone who does not have the right or need to know.

Files are kept in an electronic format. Information is available and accessible to team members through electronic means or by request to the Team Services (HR) Department.

The information available for viewing includes any documentation that has been entered into the official Company employment record including wage change information, enrollment information, absentee records, disciplinary action documents, etc.

The following records are not subject to inspection by team members: records related to the investigation of possible criminal offenses committed by the team member; letters of reference for the team member, portions of test documents (other than cumulative score); materials used by the Company for staff management planning; personal information about another team member, the disclosure of which would constitute an unwarranted invasion of that person's privacy; records relevant to any pending claim between the Company and the team member, which may be discovered in judicial proceeding; and certain medical records.

If, after review, there is a disagreement about any information in the file, removal or correction of the information may be agreed upon by the team member and the Company. If no agreement can be reached, the team member may submit a written statement explaining their position, which will be placed in the file.