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EMPLOYEE HANDBOOK

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1. WELCOME TO THE COMPANY

Welcome to TWGW, Inc. (hereafter TWGW or the Company)!

Tony and Gail Wilson opened their first NAPA Auto Parts store in 1987. TWGW is now owned by the Wilsons and six of their family members. The once-small Company they started together in Newberg, Oregon, has grown to include 16 stores operating in multiple states, and over 200 employees.

TWGW sincerely believes that clear communication between management and employees enables all of us to establish a harmonious working relationship. With this goal in mind, we have prepared this policy manual to acquaint you with the policies and procedures we expect you to follow at our NAPA Auto Parts stores, and the current benefits we offer our employees.

Reference is made in this handbook to several people by their job title only. Listed here are the current holders of these titles:

**Owners: Tony & Gail Wilson
Eric & Tina Wilson
Jerry & Marcia Schaecher
Robert & Katie Wilson
Jeff Wilson**
**Managers: Manager on Site
Human Resources (Manager): Caroline Mouille**

The term “Management” is used to collectively refer to the Owners and/or manager and/or Office Manager.

1.1 About This Handbook

The purpose of the Employee Handbook is to establish some Company rules and procedures that can be used as a guideline by our employees. Based on special needs or circumstances, management may find it necessary to deviate from policies set forth in this handbook.

This handbook is not to be construed as a contract for employment or benefits. In providing employees with this handbook, our intent is to provide information that can be used as a working tool. Our intent is to comply with all federal and state laws in all states where we operate NAPA Auto Parts stores. However, employment laws change frequently, and circumstances and needs change over time. We, therefore, retain the right to modify, revoke or update any policy at any time for any reason. We will always try to communicate those changes to you in writing as they occur.

We hope that our employment relationship with you will be ongoing and rewarding. However, your employment is “at will” and may be terminated at any time, with or without cause, by either you or the Company. No one in our organization has the authority to enter into any agreements for employment for a specified period of time, or to make any other oral representations or agreements inconsistent with the policies in this handbook. Any agreement modifying the terms of your employment or the policies in this handbook must be in writing and signed by a member of Management.

All policies and procedures in this manual will become effective March 1, 2013. This manual supersedes all previous policies, rules, procedures, and benefits, both oral and written, and all past practices.

Please read this handbook carefully. One of your first responsibilities is to be familiar with its contents. Please review it with the office manager if you have any questions.

2. FAIR TREATMENT POLICIES

2.1 Equal Employment Opportunity Policy

TWGW offers equal employment opportunities without regard to race, color, religion, national origin, sex, sexual orientation, age, marital status, source of income, disability, veteran or other protected status. We require that all employees cooperate fully to ensure the fulfillment of this commitment in all actions and decisions, including:

- Hiring, placement, promotion, transfer, and discharge;
- Recruitment, advertising, or solicitation for employment;
- Compensation and benefits; and
- Selection for training.

Selection of personnel for hiring and promotion is based on such factors as education, experience, proven skills, initiative, dependability, cooperation, availability, and growth potential. Our employees are encouraged to recommend for promotion those individuals whose past performance demonstrates an ability to assume greater responsibility. Such recommendations are in no way allowed to be influenced by an individual's race, sex, or other protected factors.

We will make reasonable accommodations for the known physical or mental disabilities of an otherwise qualified applicant or employee, unless an undue hardship would result. Any applicant who requires accommodation in the hiring process or employee who requires accommodation to perform the essential functions of a job should contact Human Resources, and advise the Company of what accommodation he or she believes is needed.

TWGW will also make reasonable accommodations to enable employees to participate in religious practices and observances, unless an undue hardship would result. Any employee who requires time off for religious observance or seeks other accommodation for a religious practice or observance should contact Human Resources and advise the Company of what accommodation he or she believes is needed.

2.2 Policy Against Discrimination, Harassment and Retaliation

Every TWGW employee is entitled to work an environment that is professional and free of harassment based on race, color, religion, national origin, sex, sexual orientation, age, marital status, source of income, disability, veteran or other protected status. We do not condone such harassment, regardless of whether the conduct is verbal, physical or environmental. Such conduct will not be tolerated by any employee, customer or supplier.

Under federal law, sexual harassment is defined as unwelcome or unwanted conduct of a sexual nature, whether verbal or physical, when:

- (a) submission to or rejection of the conduct by an individual is used as a factor in decisions affecting hiring, promotion, transfer, evaluation or other aspects of employment; or
- (b) the conduct interferes with an individual's employment or creates an intimidating, hostile or offensive work environment.

Sexual harassment also includes harassing conduct that is not sexual in nature, but is directed at an individual because of his or her sex.

For the purpose of this policy, the following types of conduct are prohibited whether or not they meet the legal definition of sexual harassment: sexual advances; demands for sexual favors in exchange for favorable treatment or continued employment; sexual jokes, flirtations, advances or propositions; verbal abuse of a sexual nature; graphic, verbal commentary about an individual's body, sexual prowess or deficiency; leering, whistling, touching, assault, sexual acts or suggestive, insulting or obscene comments or gestures; and display in the workplace of sexually suggestive objects or pictures. The foregoing list is not exhaustive.

Similar behaviors (*e.g.*, derogatory comments, jokes, cartoons, physical aggression, epithets, slurs, negative stereotyping, intimidation, circulation or posting of written or graphic materials that show hostility toward a particular group, etc.), that are based on or directed at an individual because of his or her race, color, religion, age, gender, national origin, disability or other legally protected status, also violate this policy.

Discrimination, Harassment, and Retaliation Are Prohibited. Harassment based on an individual's protected status is a form of discrimination prohibited by the Company. Sexual harassment, as well as harassment based on any protected status, is unacceptable in the workplace and other work-related settings, such as business trips, deliveries, and business related social functions. We will not tolerate any form of harassment that violates this policy.

Retaliation refers to adverse action or treatment directed at an employee for engaging in activity protected by law. Protected activities include the exercise of employment-related rights, such as reporting or opposing harassment, discrimination, or illegal or unsafe activity to management through appropriate channels, cooperating in an internal or agency investigation, participating in union activity, and invoking other employment-related rights or benefits that are granted by law. Retaliation also violates this policy.

2.3 Complaint Procedure

Any employee who believes he/she has witnessed or been subjected to discrimination, harassment, or retaliation in violation of TWGW policy should immediately report the incident to Human Resources. If the Human Resources Manager is unavailable or you are uncomfortable reporting the incident to Human Resources, the employee may report the incident to any member of Management, so that corrective action may be taken. The person receiving the complaint should immediately inform Human Resources, unless the report involves Human Resources. Employees should follow the reporting procedures outlined in this policy when reporting a violation of any Company policy or other matter of concern.

Reports and complaints of discrimination, harassment, or retaliation, and any other violation or concern will be promptly investigated by the Human Resources Manager, Management, or their designee. At a minimum, the individual making the report or complaint and the individual identified as the perpetrator will be separately interviewed to determine the facts. If the investigator determines that the behavior violated the Company's EEO, harassment or other Company policy, appropriate corrective action will be taken, up to and including discharge.

Cooperation. All employees must fully cooperate with the Company in any investigation made pursuant to this policy. Cooperation requires that you respond truthfully and in a timely manner to an investigator's questions, allow access to documents and computer files, and respond in a timely and cooperative manner to any other requests for information made by an investigator. Employees are prohibited from destroying documents or deleting files that have been requested by an investigator or that the employee reasonably believes may be relevant to an investigation.

No Retaliation for Reporting. The Company will not retaliate in any way against an employee who reports discrimination, harassment, or retaliation, or other violation or concern, nor will the Company permit any other employee to do so. Any person who is found to have retaliated against another employee for making a report or participating in an investigation will be subject to disciplinary action, up to and including termination of employment.

Confidentiality. All reports and complaints of discrimination, harassment, retaliation, or other violation or concern brought to the attention of the Human Resources Manager or Management will be treated as confidentially as possible, consistent with the Company's duty to investigate and respond to the complaint. Employees who make the report or become aware of a complaint are also expected to maintain confidentiality during the investigation, so as to protect the integrity of the process and the privacy of the persons involved (this expectation does not apply to communications with outside agencies, like the EEOC). Investigations will be kept confidential to the extent practicable and appropriate under the circumstances.

2.4 Sustainability Policy

TWGW is committed to sustainable business practices that take into account the financial, social, and environmental impacts of our decisions.

Fiscal Responsibility. Profitability is essential to the Company's success. Everyone has the ability to contribute to that success by considering the financial impact of their decisions and actions on our bottom line. All employees are expected to be thoughtful in their use of Company resources and to conserve whenever possible.

Environmental Responsibility. The Company is committed to minimizing its environmental footprint by limiting its consumption of resources, and recycling and re-using materials whenever reasonably possible. Examples of ways in which we minimize our use of resources include using recycled content paper, electronic methods for communication and data storage, and double-sided copying; purchasing from companies that employ "green" practices, turning off lights, and shutting down computers when not in use, etc. The Company employs a variety of recycling methods that include donating, recycling, or giving away used equipment and other unwanted items; re-using items; and recycling paper, glass and cans.

Social Responsibility. We strive to create a great work environment where we embrace diversity and treat each other with respect. As we grow, our policy is to pay employees competitive salaries and provide meaningful benefits. We will directly serve the community by donating

money and service to charitable organizations. We will provide support to individual employees involved in charitable giving and service to the community through matching donations, supporting fund-raising events, and making Company resources available to support charitable activities.

Human Resources and Management are responsible for further reducing the Company's use of resources (paper, food, energy, water, office supplies), increasing our recycling and/or re-use of materials, and working to educate our employees on how to become more sustainable. Anyone with ideas for improving the Company's environmental or social performance is encouraged to contact human Resources or a member of Management.

2.5 Whistleblower Policy

TWGW is committed to the highest possible standards of ethical, moral, and legal business conduct. Consistent with this commitment and our commitment to open communication, this policy encourages our employees, as well as Management and those who do business with us, to report concerns of ethical, moral, or legal violations by anyone affiliated with our organization. This policy provides a safe avenue for employees to raise such concerns and protects employees from retaliation for submitting a good faith report.

Individuals are encouraged to report concerns about ethical, moral or legal violations that involve the Company to the Human Resources or Management. The types of actions that may be reported include actions that:

- may lead to incorrect financial reporting
- are unlawful
- are not consistent with ours Conflicts of Interest and Business Ethics policy
- violate the Equal Employment Opportunity policy, our Policy Against Discrimination, Harassment and Retaliation, abuse, violence, or this Whistleblower Policy
- otherwise concern unethical, immoral, or illegal conduct.

We will not retaliate in any way against an employee who reports good faith concerns about ethical, moral, or legal violations that involve the Company, its employees, Management, or others with whom the Company does business, nor will we permit retaliation by any other person. Any individual who is found to have retaliated against an employee for making a good faith report under this policy or for participating in an investigation will be subject to disciplinary action, up to and including termination of employment.

Any employee who believes that he or she has witnessed or been subjected to retaliation in violation of this policy should immediately report the incident to the Human Resources Manager or a member of Management for investigation and appropriate corrective action. Reports and complaints of discrimination and harassment will be promptly investigated by the Company. We will follow the Complaint Procedure whenever the Company receives a report under this policy.

3. COMPENSATION AND HOURS OF WORK

3.1 Employment and Wage Classifications

For the purpose of determining benefit eligibility, we recognize the following employment classifications:

Regular Employee: One who has successfully completed any applicable introductory or waiting period (if it is required) and who regularly works 35 hours or more per week on a regular basis, as opposed to working on a seasonal or temporary basis. Regular employees are eligible for all Company-sponsored benefits.

Temporary Employee: One who is hired to work for the Company on a short term, temporary, project, or seasonal basis. Temporary employees are not eligible for benefits.

Non-Exempt (Hourly) Employee: One who is paid an agreed-upon hourly rate for the first 40 hours of work performed in a work week. For hours worked in excess of 40 in any work week, non-exempt employees are paid 1.5 times the regular hourly rate. The 40-hour sum (regular pay) and the overtime sum (time and one-half) are added together to arrive at the gross pay for that work week.

Exempt Employee: One who is paid on a salary basis and is not entitled to overtime pay, regardless of the number of hours worked in any work week. An exempt employee is generally a professional, manager, department head, or outside salesperson.

Continuous Employment: The total length of service from your hire date, for the purpose of determining your benefit eligibility. Continuous employment by the Company may be interrupted by: (1) resignation or discharge; or (2) failure to return to work following an authorized leave of absence or vacation; or (3) absence from work for more than seven calendar days for any reason other than authorized leave of absence or vacation.

3.2 Business Hours and Work Week

Normal operating hours of the Company vary by location, but generally are as follows:

7:00 a.m. - 7:00 p.m. Monday through Friday
8:00 a.m. - 5:30 p.m. Saturday
9:00 a.m. - 5:00 p.m. Sunday.

You are expected to be available to work during business hours. Depending on the nature of your job, you may be required to work a different schedule.

Our work week is defined as 12:00 am Sunday through 11:59 PM Saturday.

3.3 Meals and Breaks

Non-exempt employees are required to take a paid ten minute break for every four hours worked. Non-exempt employees are also required to take a meal period of at least thirty minutes if they work six hours or more during the work day. The meal period is unpaid unless you are required to continue working or to be "on call" during your meal. Meals and breaks should be scheduled through your supervisor. Employees are not permitted to combine their meal and/or break time, or skip their meal/break time and leave early.

Breaks to Express Breast Milk. Female employees may take a reasonable break period to express breast milk for a nursing child for up to one year after the child is born (Oregon

employees may take a 30-minute break for every four hour work period to express milk until their child is 18 months old). Such breaks should be taken at the same time as the required paid break or meal periods that are otherwise provided to you. For non-exempt employees, this means that you will be paid for the period of your break to express milk to the extent this time overlaps with a paid rest or break period.

We will endeavor to provide a clean, private space with an electrical outlet (other than a restroom) within our facility for employees to express breast milk. This space may vary according to availability.

If you have any questions or concerns regarding the availability of breaks for expression of milk or the facilities we have designated for that purpose, please let the Human Resources Manager know right away so that your concerns can be addressed.

3.4 Overtime

Due to the nature of our business, employees may be asked to work additional hours during the regular workday. Employees are expected to work additional hours as necessary to meet the needs of our business. Non-exempt employees will be paid overtime in accordance with state and federal law. Non-exempt employees may not work overtime without prior authorization from their supervisor.

3.5 Time Cards

Non-exempt employees are responsible for accurately reporting the time they work each day. Employees are responsible for accurate computer tracking of their own time, including time in and out and for lunch. Early log-ins (logging in prior to the scheduled start of the shift) must be approved by Management. Falsification of time records is ground for disciplinary action.

Exempt employees must keep their supervisor and colleagues informed of their whereabouts and must account for time away from the store.

To process payroll and be paid on time, non-exempt employees must sign bi-weekly printouts of their hours to verify the accuracy of their time worked. If you do not turn your signed time record, it may delay the processing of your pay.

3.6 Pay Periods

We pay employees bi-weekly, every other Friday. The pay period covers two work weeks, ending the Saturday before each pay day.

When the pay day falls on a holiday, pay day will be on the last regular working day before the holiday. The Company cannot guarantee the time of day that paychecks will be ready on pay days. The Manager will inform you when your paycheck is ready.

3.7 Deductions

Your pay will net of all withholdings and deductions required by law, such as state and federal tax, FICA (Social Security), FUTA, and any court-ordered garnishments. We will also withhold additional amounts that you authorize (*e.g.*, for contributions to health insurance premiums, charitable deductions, payment on your NAPA account, etc.). Employees must sign a Payroll

Deduction Form to authorize any voluntary deductions and designate the amount that is to be deducted from each paycheck.

It is our policy to comply with the salary basis requirements of the Fair Labor Standards Act (FLSA) and state wage and hour law. Therefore, we prohibit any supervisor or manager from authorizing or making any improper deductions from the salaries of exempt employees. We want employees to be aware of this policy and the Company's prohibition on deductions that violate the FLSA or state law.

If you believe that an improper deduction has been made to your salary, you should immediately report this information to your direct supervisor, or to the payroll department. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, you will be promptly reimbursed for any improper deduction made.

4. COMPANY POLICIES AND WORK RULES

4.1 Performance and Conduct

All employees are expected to exercise reasonable judgment and perform to the best of their best abilities at all times. Our goal is to provide input and direction as needed on a day-to-day basis. However, we sometimes find it necessary to provide more formal guidance or take more serious action in response to specific situations.

Employees will be disciplined for inappropriate workplace conduct and inadequate performance through the use of oral and written warnings, work plans, suspensions with or without pay, and/or termination of employment. The Company may, at its sole discretion, use any one or a combination of these methods, including termination of employment, depending on the particular circumstances.

The following is a nonexclusive list of the conduct that could result in immediate termination of employment:

- Violation of the Company's EEO or Discrimination, Harassment, and Retaliation Policy
- Inadequate performance
- Fighting or horseplay
- Violation of Company's Drug and Alcohol Policy
- Falsifying entries on a time card or making entries on another employee's time card
- Theft or dishonesty
- Engaging in behavior that is discourteous to a customer or another employee
- Smoking on Company premises
- Excessive unexcused absences
- Disclosing confidential, proprietary or trade secret information to persons outside the Company
- Vandalism or destruction of any Company property
- Insubordination
- Falsifying Company documents, including an employment application
- Possession of weapons, firearms or explosives on Company premises
- Violating Company policy or procedure
- Engaging in behavior that tends to discredit the Company

4.2 Attendance Standards

Employees are expected to report to work on time and as scheduled. Punctuality and regular attendance are an essential part of your total job performance. Poor attendance negatively impacts our ability to meet our client's expectations and places an additional burden on your co-workers.

If you are unable to report to work, you must call your supervisor as far in advance as possible, but in no event less than **30 minutes** before your scheduled start time. It is not satisfactory to leave a message with any other employee. You will need to report the reason you are not going to be at work and when you expect to be in. You are responsible for keeping your supervisor informed of your status each day that you are absent from work, unless your absence has been approved in advance. If you do not follow the call-in procedure, your absence will be treated as a no call/ no show, you will be subject to disciplinary action, and you will not be permitted to use paid time off, unless the failure to call in is for a reason that is protected by law. Absent such extenuating circumstances, an absence without calling in will ordinarily be deemed a voluntary resignation.

If you are absent due to illness for three (3) or more days, you will not be allowed to return to work without a note from your doctor that verifies your need to be off work for those days and certifies your fitness for duty.

Employees should try to schedule routine medical and dental appointments outside scheduled work hours. If you find it necessary to make a doctor or dentist appointment during your regularly scheduled shift, you are to notify Management of your appointment date as soon as it is scheduled to allow Management to cover your absence.

Employees with an unacceptable number of late arrivals, early departures, and/or unexcused absences from work will be disciplined, up to and including termination of employment. A pattern of questionable unexcused absences (*e.g.*, Fridays, Mondays, before or after a holiday) may also result in discipline. Absences that qualify for Family Medical Leave, Crime Victims/Domestic Violence Leave, Military Family Leave, worker's compensation, as a reasonable accommodation to a qualified individual with a disability, jury duty, or other time off that is protected by law are deemed excused and will not be considered when evaluating an employee's attendance for disciplinary purposes.

4.3 Business Ethics

All employees must exercise the highest levels of integrity, ethics and objectivity in actions and relations that may affect TWGW, including circumstances where the employee represents or negotiates on behalf of the Company. Employees must not misuse the authority of their positions in dealing with employees or any third parties.

- Employees are expected to be courteous and thoughtful with all customers, co-workers, business contacts and competitors.
- Employees must disclose any conflict of interest that may influence, affect, or have the appearance of affecting, their decisions with respect to the Company. An employee has a conflict of interest when he/she has a direct or indirect interest in the outcome of a transaction, policy or decision due to the existence of a financial, romantic, familial, or close personal relationship.

- Employees may not solicit, request or accept any gratuity, kickback or special favors from customers, vendors, agencies, suppliers or contractors of the Company.
- Employees may not utilize for personal use any vehicles, premises or facilities owned or supplied by customers, vendors, suppliers or contractors of the Company.
- Entertainment of and/or gifts to customers or vendors should always be in good taste, modest and not of a character or amount that can influence the independent decision-making process.
- Discussions, meetings or arrangements with competitors on any subject that could possibly be in violation of antitrust laws are prohibited.
- All information contained within any internal memoranda and management reports must be true and correct to the best knowledge of the person preparing the memorandum or report.

Any violation of this policy should be brought to the attention of a manager as soon as is practicable.

4.4 Conflicts of Interest

TWGW complies with all laws applicable to our business in all states where we conduct business. The purpose of the Conflicts of Interest and related Company policies and procedures is to set standards that will ensure ethical behavior and full compliance with applicable laws.

At TWGW, compliance with the law means observing both the letter and spirit of the law, and conducting our business affairs so that we maintain the highest respect in our industry. If you are unsure about what the law is and whether it applies to you, contact your supervisor or department manager, a Company officer, or Human Resources.

A "conflict of interest" describes any circumstance that might cast doubt on your ability to act with objectivity and independent business judgment with regard to the Company's interests. The Company recognizes your right to engage in financial, business, and other private activities unrelated to your job. However, these activities must be lawful and free of conflicts with your responsibilities to the Company. You must not misuse Company resources or influence, or discredit TWGW's good name and reputation.

Potential conflicts of interest can arise in many circumstances, such as procurement, expense reporting, outside activities, use of Company property, and internal business controls. We maintain policies on each of these subjects to ensure that no conflicts of interest occur.

Procurement. Employees are expected to exercise due diligence in selecting and retaining any third party (e.g., vendors, representatives, suppliers) to supply, represent, or perform work for the Company. Third parties who represent the Company are also required to comply with all applicable laws and report to the Company any concern regarding violations of the law or ethical business conduct by our employees, agents or representatives.

Use of Company Resources. TWGW's resources, including computers, materials, services, and supplies, are to be used for Company business. While incidental use of Company computers and telephones (other than long distance) is not forbidden, the use of Company

equipment and facilities for personal use is discouraged, and you should seek alternate commercially available resources. If you have a personal need to use Company resources, prior authorization must be obtained from your supervisor or manager.

Use of Automated Systems. You must comply with the Company's security measures and internal controls established for safeguarding computer systems, including licensing agreements and copyright laws protecting computer software. Data stored and accessible through our computer systems is Company property and may not be used for non-Company purposes. Personal use of email is permitted on a very limited basis and only if that use: (1) does not interfere with the user's work performance, (2) does not interfere with the ability of others to use the network, (3) would not embarrass the Company if the email were made public, (4) does not violate any Company policies, and (5) is not for the purpose of conducting an outside business or competing with the Company's business. Please see the Automated Systems policy for further information on the use of other electronic systems.

Outside Activities. While on Company time, you are expected to devote your full time and best efforts to the interest of TWGW and the conduct of its affairs. You may not engage in any outside work that interferes with your duties at TWGW. No outside work may be done during regular business hours and no Company facilities, equipment, labor or supplies are to be used to conduct any outside activities.

While we have no wish to intrude on your private life, some outside activities and relationships can create an actual conflict or the appearance of a conflict of interest, and require full disclosure to allow the Company to evaluate whether a conflict exists. It is impossible to list all of the circumstances that might result in a conflict of interest, but the following types of situations would require full disclosure:

- If you do outside work after regular business hours, you must also advise your client that the work you do is not by or in any way connected with the Company.
- If you, your parent, spouse, significant other, child, sibling, or roommate is engaged in a business that competes with or is similar in nature to the Company's business.
- If a supplier or customer attempts to give you a gift. TWGW employees are prohibited from accepting a retainer, commission, consulting fee, or any other remuneration from vendors or customers that arises, directly or indirectly, out of their employment.

Any questions regarding a possible conflict of interest should be discussed with the Owners or a manager. Failure to disclose or discuss information related to any of the above points may lead to corrective action up to and including discharge.

4.5 Use of Automated Systems

The Company encourages employees to access information and communicate with Management co-workers, and customers using the most effective means available, including voicemail, email, and the Internet. The purpose of this policy is to set forth guidelines for using those systems.

Company Systems. All of the Company's automated systems, including electronic mail, voice mail, Internet access, and electronic storage systems, are Company property, and are not confidential. the Company reserves the right to access, monitor, and review these systems at any time, and to read and retrieve messages.

Electronic Mail and Internet Access. Electronic mail, both within the Company and via the Internet, is an important communication tools used by the Company. It is important that the email system be reliable, non-intrusive, useful, and secure. The following guidelines and requirements are designed to help keep the e-mail system functioning well for the whole Company. Abuses of the systems and the spirit of these guidelines may result in disciplinary action.

- The purpose of internal communication systems, including e-mail and voicemail, is to conduct Company business. Personal messages are to be kept to a minimum. Personal use of communication systems (including the Internet) that interfere with the user's productivity or work performance, or the productivity or work performance of others, is prohibited.
- Email should be used in a respectful and appropriate way. The Company expects everyone who uses the email system to exercise good judgment and common sense with regard to mail generated both internally and externally. The Company's policies prohibiting discrimination and harassment apply equally to the email system.
- For security, all employees are required to password protect their electronic mailboxes.
- To prevent unauthorized access to electronic mailboxes or the network system generally, all employees are required to log out of the network at the end of the workday.
- Employees are not permitted to read, intercept, copy, use, or disclose email communications directed to others without express authorization. Accessing another employee's electronic mailbox without the latter's express permission is strictly prohibited.
- Employees may not forward any email that is marked "confidential," "privileged," or that contains proprietary or sensitive Company information.
- Internet email may not be used for any commercial purpose other than Company business. Employees are not permitted to use the Company's Internet email system for "spamming" (distributing commercial, religious, or political messages indiscriminately) or for pyramid or chain letters or other junk mail.
- The Internet is not necessarily secure or confidential, nor is there any guarantee that Internet email will be delivered timely or at all. Those employees who rely on Internet email should consider the time-sensitivity of the communication, and consider following up by telephone.
- The Company's access to the Internet World Wide Web is to be used solely for Company business purposes. Authorized business use does not include sites that contain sexually explicit materials, news groups dedicated to hate or violence, gambling, shopping, or job searches. This list is not exhaustive. The Company reserves the right to access and review records of employee use of the Internet.
- Employees are not permitted to download any software from the Internet without authorization from Management.

4.6 Use of Landline and Cellular Telephones

Company telephones are to be used for business purposes in serving the interest of our customers in the course of normal Company operations. On occasion, personal calls may be necessary, but we ask your cooperation in limiting your incoming and outgoing calls to emergencies or essential personal business.

Employees are not permitted to use Company phones for long distance calls. In the event of an emergency that requires you to make a long-distance call on a Company telephone, you are expected to pay for the call as soon as the amount of the call can be determined.

No personal cell phones are allowed on the sales floor or in NAPA vehicles. Cellular phones must remain in your purse/jacket in employee break room or in your car. You may check your phone on breaks or lunch. Employees issued a Company cell phone are prohibited from using it for personal calls or texts.

Employees who violate this policy will be subject to discipline, up to and including termination of employment.

4.7 Confidentiality

All employees are expected to protect the confidentiality of the Company's Confidential Information (defined below). This obligation continues even when you are no longer employed by the Company. Anyone who violates this policy is subject to discipline up to and including termination of employment, and possible prosecution.

"Confidential Information" is data that has been researched, compiled, developed and/or maintained by the Company, and that is not generally known within the industry. Confidential Information includes, but is not limited to, trade secrets, information, ideas, knowledge, data, or know-how related to products, processes, software, designs, formulae, tests, research, business and/or marketing plans and strategies, profits, sales and parts cost information, Company and customer pricing, customer relations, personnel data (to the extent it is derived the Company's business records or the employee's privileged role within the Company), financial information, capitalization and other non-public corporate data, and information about or obtained from customers, authors, suppliers, consultants, licensees, or affiliates. Confidential Information also includes information the Company has received from third parties in confidence.

The following practices are not all-inclusive and are intended as examples of the type of conduct that is expected:

- Employees will not discuss any Confidential Information with the Company's competitors, past employees, or any person outside the Company.
- Within the Company, employees should limit their discussion of Confidential Information to those employees who have a legitimate business need to know.
- After meetings in conference rooms, employees must remove any documents containing Confidential Information and erase white boards.

- Employees will protect the confidentiality of information in the computer network by using a password on their computers and logging off their terminal while away from their desks.
- Employees must promptly file confidential documents and lock file cabinets when outside the office.
- Upon termination of employment with the Company, employees must promptly deliver to a Company representative all equipment, documents and other records that relate to the Company's business activities.
- Nothing in the policy prohibits employees from engaging in communications with the EEOC, NLRB, or other state or federal agency with jurisdiction over the Company.

4.8 Customer Contact

During the course of your employment you may have an occasion to deal directly with our customers. All employees are Company representatives and impressions, good or bad, may reflect upon the organization as a whole. With this in mind, you are required to be polite, courteous, and helpful at all times towards customers of the Company. If there is a problem you have with any customer, immediately advise Management, who will help resolve the issue.

4.9 Communication with the Media

From time to time, we receive calls from the media with inquiries about the Company or specific Company transactions. This policy covers all forms of responses to the media on behalf of the Company, including off the record and anonymous statements.

Employees are not authorized to speak on behalf of the Company. If you receive an inquiry from the media asking for information on behalf of the Company, you should not respond in any manner except to state that you will notify an appropriate Company representative of the inquiry. All inquiries regarding any Company matter or specific transaction should be referred to Management. If a Manager is not available, the matter should be referred to the Owners.

4.10 Bulletin Board

The Company maintains a bulletin board to communicate Company information to employees and to post notices required by law. These bulletin boards are for the posting of Company information and notices only, and only Managers and their designees may place notices on or take down material from the bulletin boards. The unauthorized posting of notices, photographs, or other printed or written materials on bulletin boards or any other Company property is prohibited.

4.11 Solicitation and Distribution Policy

The Company prohibits solicitation and distribution on its premises except as provided in this policy. Non-employees are prohibited from soliciting funds or signatures, conducting membership drives, distributing literature and gifts, offering to sell merchandise or services (except for representatives of suppliers properly identified), or engaging in any other solicitation, distribution, or similar activity on Company premises.

Employees are prohibited from any solicitation or distribution activities during their working time. Working time does not include meal or rest breaks. An employee who is not on working time may not solicit or distribute any materials to an employee who is on working time or in any working areas. Working areas are defined as those areas in which employees are engaged in work activities.

Selling merchandise, tickets, or the like, or soliciting funds, donations, or political support, is prohibited by everyone associated with the Company unless they obtain written permission from management. Any employee who has observed soliciting or distribution in violation of this policy must report it immediately to his/her supervisor.

4.12 Dress and Personal Appearance

Employees are expected at all times to present a professional, businesslike image to customers and the public. Favorable personal appearance, like proper maintenance of work area, is an ongoing requirement of employment with the Company. Radical departures from conventional dress or personal grooming standards are not permitted. Management has the authority to make the ultimate decision as to what is acceptable.

The following guidelines apply to employees working the counter, driver, outside sales, stockroom, and cashier positions.

Shirts- Men and Women: Prescribed shirt as designated by the Company, to be worn tucked in unless prior management approval is given.

Pants- : Blue or black jeans/slacks that are in good condition. Summer wear can include blue or black hemmed shorts at an appropriate length. Cutoff jeans are not allowed.

Shoes- : Shoes should be professional in appearance and suitable for the work being performed. For safety purposes, no open-toed shoes or sandals are allowed.

Hats- Only NAPA hats are allowed to be worn.

Makeup- Excessive makeup, perfume, and exotic nail polish colors are not allowed.

Uniform Expense Allowance- All regular full time employees will receive three (3) shirts per year. New employees will receive their shirts at the time of hire.

4.13 Driving Requirements

Employees whose jobs require that they drive a Company vehicle must, as a condition of employment, maintain a driving record that is acceptable to the Company's automobile insurance carrier. Employees who receive tickets or are involved in accidents that disqualify them as an acceptable risk to our insurance Company, will no longer qualify for their position and may be terminated from employment with the Company.

Forklift Certification must be obtained through the Company before any employee may operate a Company forklift.

4.14 Job Duties

All employees might be asked from time to time to perform one or more of the following duties, which may not be part of their regular job description. It is every employee's responsibility to understand the rules regarding these duties.

Cashiering -

Cash Refund invoices must have:

1. Legible Customer Signature (print customer name if not legible)
2. Customer phone number
3. Employee signature and employee # handling the transaction

Acceptable forms of payment and proper procedures to follow when taking payments

1. Money Orders - we do not accept
2. Travelers Checks - we do not accept
3. Personal and Business Checks - we accept checks from existing cash and charge customers who have a customer account # with us. In addition, store managers and Owners can authorize checks. If in doubt, ask a manager or person in charge.
4. Credit Cards - we accept with photo ID and signature (which must match name and signature on card). Employee are to initial on charge slip that ID and signature matches.

Non-NAPA Special Orders and Payments

1. Special orders for cash customers must be invoiced and paid for before ordering from supplier.
2. Credit Card information must be taken over the phone from customers who do not wish to come into the store to pay. Parts will not be ordered until credit card has been successfully charged. A copy of credit card transaction saying "phone order" must be submitted with deposit. Customer will sign both VISA slips when parts are picked up, ID will be checked, and signed merchant copy will then be sent by itself (not with deposit) to office for filing.
3. Special orders for charge customers must also be invoiced at time of order.
4. Any exceptions to these rules must be authorized by a manager

Freight Check-in/put away.

All employees are expected to help put away stock, and may also be asked to help with freight check-in. Any employee lifting 20lbs or more on a regular basis must have access at all times to a protective back belt. Each store will have back belts in sizes ranging from S to XXL hanging in freight check-in area. Any employee who is engaged in repetitive lifting, bending, or twisting must wear a back belt during times when this type of activity is being performed.

4.15 Inclement Weather

It is the Company's policy to remain open during normal operating hours during inclement weather. We recognize that inclement weather or hazardous commuting conditions may occasionally make it impossible for employees to report to work on time. However, you are expected to make a diligent effort to report to work when conditions permit. If you determine that you are unable to report to work because of inclement weather conditions, inform your supervisor as soon as possible in accordance with our call-in policy.

In the unlikely event it becomes necessary to shut down our stores due to weather conditions or other emergency, every effort will be made to notify employees. If there is a question as to whether the store where you work will be open, you should call-in for verification.

4.16 Personnel Files

Important events in each employee's history with the Company will be recorded and kept in the employee's personnel file. Change of status records and disciplinary warnings are examples of the kinds of records maintained. This file is considered confidential. You may review your file upon request.

4.17 Change in Personal Information

In order for the Company to keep personnel records complete and up-to-date, employees are asked to report changes in the following areas: Name, home address, phone number, marital status, dependents, emergency contact, driver's license, tax withholding information, bank account #'s for payroll direct deposits, or any other information relevant to your employment.

5. BENEFITS

5.1 Paid Time Off

The Company provides paid time off (PTO) to all regular employees. PTO may be used for vacation, personal or family illness, and other personal reasons. All regular employees who have completed at least one year of continuous employment are eligible for PTO as follows:

After completing one (1) year of continuous employment, one week (40 hours)

After completing two (2) years of continuous employment, two weeks (80 hours)

After completing ten (10) years of continuous employment, three weeks (120 hours)

PTO time is available for use in the 12 months following the anniversary of your hire date. PTO may not be carried over from year to year.

Requesting Time Off. All non-emergency requests for PTO must be submitted at least one month in advance, will be scheduled on a first-come, first-serve basis, and must be approved by Management. The Company reserves the right to deny requests for PTO that would cause the business undue hardship. Although PTO may be taken at any time of the year, we encourage employees not to apply for time off during the busy parts of the year, when business needs may prevent us from granting your request. To be eligible for PTO for unforeseen personal or family illness, employees must comply with the call-in policy for absences.

PTO is paid at your rate of pay in effect at the time you take it. Employees may not "cash out" their PTO in lieu of taking time off.

After completing one full year of service, employees will be paid for unused accrued PTO upon termination of employment, unless the termination resulted from the employee's violation of a Company policy.

Reporting PTO. PTO will be entered by the office as non-worked hours. In order to receive PTO, all employees must complete and submit a PTO Request form, which will go first to the store manager for approval, then on to the Wilsonville office for final approval, then to Human Resources. This form must be submitted prior to receiving any PTO.

5.2 Holidays

All regular employees who have been employed at least three months are eligible for paid holidays. The Company observes six paid holidays per calendar year. They are:

Holiday	Date Observed
New Years' Day	January 1
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving	Fourth Thursday in November
Christmas Day	December 25

Eligible employees will receive eight hours straight-time pay for a holiday. If you are required to work on a paid holiday, you will receive the holiday pay in addition to whatever pay is earned for that day. If a paid holiday falls within your scheduled paid vacation period, you will receive an additional paid vacation day.

Any employee who wishes to take a day off for observance of a sincerely-held religious belief that is not already recognized as a paid holiday may make arrangements with Management. You may either use PTO or take the time unpaid.

Employees are not eligible for holiday pay for any holiday that occurs during an unpaid leave of absence from the Company.

In order to receive holiday pay, you must work your regular scheduled work days before and after a holiday (s), unless the absence is excused for a justifiable reason, such as jury duty, a death in family, or due to illness covered by family medical leave.

5.3 Employee Purchases

Employee charge accounts may be opened 90 days after your hire date. Purchases may be made solely for personal use at cost plus 10 percent gross profit by employees and their immediate family members living in the same household. Accounts have a \$300 limit, which cannot be exceeded without prior authorization by store manager and Human Resources. Employees are responsible for maintaining their balance below the \$300 limit.

All employee purchases require two signatures: both the employee that is invoicing the transaction and the employee whose account is being used must sign the store copy of the invoice. All purchases made charged to your Company account will be tabulated by the 26th of each month.

If you choose to pay on your account, you must notify the corporate office prior to the 25th of the month in which you are purchasing parts. Your account must be paid in full by the 10th of the following month or the balance of the previous month's purchases will be deducted from

your paycheck. To maintain an account, employees must sign an authorization allowing the Company to deduct any unpaid balances from their pay.

Employee accounts that are not paid in full each month through either self-pay or payroll deduction will be converted to a cash-only basis, and interest charges of 2% per month will be applied to the outstanding balance.

Misuse of an employee account will result in disciplinary action up to and including termination.

5.4 Health Insurance

The Company maintains group health insurance coverage that provides medical and dental benefits for employees and their qualified dependents. All regular employees are eligible for coverage under the Company's group health plan, effective the first day of the month following the completion of three full months of employment. To qualify, you must complete the required enrollment forms by the time you become eligible for coverage, or you will have to wait until the next open enrollment period. For details, please refer to the benefit booklet that contains the controlling terms of the plan.

The Company will contribute a designated amount toward the premium cost for employees who wish to enroll in the plan. The remaining of the premium is paid by employees, who may also cover family members at their own expense. The amount of the Company's premium contribution is subject to change annually.

5.5 Worker's Compensation Insurance

The Company provides workers' compensation insurance coverage for all employees. Workers' compensation covers medical expenses and time-loss resulting from work related injuries or illness. Generally, any injury resulting from the course of employment is covered by workers' compensation.

If you are injured on Company premises or while traveling on official Company business, seek medical attention at once. No matter how slight an injury may seem, you must also report the details of any work-related injury or illness to Management immediately. You must also complete a report for every injury—no matter how small—to keep the Company's coverage in force and to obtain any compensation to which you may be entitled. A delay in reporting an injury may result in the denial of your claim. We value healthy employees and a safe working environment, and need all employees to be aware of how important Management notification is to the Company.

The amount you will receive as time loss is set by the Legislature in the state where you work..

6. LEAVES OF ABSENCE

6.1 Jury Duty

Employees summoned for jury duty will be granted time off for the required period of jury service. If you receive a jury duty summons, you must notify your supervisor as soon as possible and provide him/her with a copy of the jury summons.

Jury service for non-exempt employees is unpaid. Exempt employees will receive their regular pay.

All employees excused from jury service during working hours at a time that reasonably permits them to report for work must call in to see if they need to report to work that day.

6.2 Oregon Family Medical Leave (Oregon Employees Only)

The Company provides unpaid, job-protected leaves of absence to eligible employees under the Oregon Family Medical Leave laws (OFLA). Your eligibility under OFLA depends on how long you have been working for the Company and the average number of hours per week you work. As the laws governing family medical leave are complicated and change frequently, this policy may, at times, be out of step with the most current law. If that happens, we will comply with the current law, even if it means deviating from this policy. As it is impossible to address every possible situation in a policy, you should consult Human Resources with any questions you may have. In most cases, eligible employees are entitled to 12 weeks of continuous or intermittent family medical leave (OFLA leave) in a backward rolling 12-month period. In some cases, additional leave is available, up to a maximum of 36 weeks. Both the Company and employees who wish to take OFLA leave have specific rights and obligations under the laws.

Reasons For Taking Leave. Leave may be granted to an employee for any of the following reasons:

- To care for a child after birth or placement for adoption or foster care (“parental leave”);
- To care for a family member with a serious health condition (family leave”);
- For a serious health condition that makes the employee unable to perform one or more essential functions of his or her job, including a disability related to pregnancy or childbirth, or absence for prenatal care (“medical leave”);
- To care for a child of the employee who is suffering from an illness, injury or condition that is not a serious health condition but requires home care, and for which no other family member is willing and able to provide care (“sick child care”).

A “serious health condition” is an illness, injury, impairment or physical or mental condition of an employee or family member that:

- requires inpatient care in a hospital, hospice or residential medical care facility;
- in the medical judgment of the treating health care provider poses an imminent danger of death or is terminal in prognosis with a reasonable possibility of death in the near future;
- requires constant or continuing care;

- involves a period of incapacity (an inability to perform at least one essential job function, attend school or perform regular daily activities) for more than three consecutive calendar days and any subsequent treatment or recovery period for the same condition (the incapacity must involve two or more treatments by a health care provider or one treatment plus a regimen of continuing care);
- results in a period of incapacity or treatment for a chronic serious health condition that requires periodic visits for treatment by a health care provider, continues over an extended period of time, and may cause episodic rather than a continuing period of incapacity;
- involves permanent or long-term incapacity due to a condition for which treatment may not be effective (*e.g.* Alzheimer’s disease, severe stroke, or terminal stages of a disease);
- involves multiple treatments for restorative surgery or for a condition which, if left untreated, would likely result in incapacity of more than three days (*e.g.*, asthma, diabetes, or epilepsy); or
- involves any period of disability due to pregnancy or childbirth or absence for prenatal care.

The term “family member” includes the employee’s spouse, registered domestic partner, custodial parent, non-custodial parent, adoptive parent, foster parent, biological parent, parent-in-law, parent of registered domestic partner, grandparent or grandchild of the employee, or a person with whom the employee is or was in a relationship of in loco parentis. It also includes the biological, adopted, foster or stepchild of an employee or the child of an employee’s registered domestic partner. For the purposes of OFLA, an employee’s child in any of these categories may be either a minor or an adult at the time serious health condition leave is taken.

A “child” for the purposes of parental and sick child leave only (not for the purposes of serious health condition leave), means a biological, adopted, foster or stepchild, the child of an employee’s registered domestic partner or a child with whom the employee is or was in a relationship of in loco parentis. The child must be under the age of 18 or an adult dependent child who is disabled.

Who Is Eligible. Employees are eligible to take OFLA leave under any of the following circumstances:

- For the purpose of parental leave, you worked for the Company for at least 180 days immediately preceding the date on which the leave commences;
- For all other leave purposes, you worked for the Company an average of at least 25 hours per week during the 180 days immediately preceding the date on which the leave commences.

How to Apply For Leave. You may request OFLA leave by completing a Request for Leave form, which may be obtained from the Human Resources Manager. Requests for OFLA leave must be submitted in writing at least 30 days prior to the beginning of the leave period. If you are unable to submit a written request for OFLA leave in advance because of unexpected qualifying

circumstances (e.g., premature birth, medical emergency), you must provide oral or written notice to the Human Resources Manager within 24 hours before or after the start of the leave, and provide written notice within three days after you return to work. **You must provide sufficient information for the Company to determine whether your absence qualifies for OFLA leave.** If you are unable to provide the notice yourself, another person may provide the notice on your behalf. If you cannot comply with the applicable notice requirements, you must provide oral or written notice to the Human Resources Manager as soon as practicable, along with the reason you were unable to comply with the call-in policy. Absent extenuating circumstances, failure to comply with applicable notice requirements may result in disciplinary action and/or your leave being reduced by up to three weeks.

Requests for OFLA leave will be reviewed by the Human Resources Manager, who will notify you if the leave request is approved or denied. Approved leaves will be counted against your annual leave period, and will run concurrently with any qualifying disability, domestic violence, military family leave, or other applicable leave. Failure to timely notify the Company of the reason for any absence, whether partial or full day, which might qualify for OFLA leave could result in the absence being counted against you for attendance or other purposes (e.g., pay increases, promotional opportunities, etc.).

All employees on approved OFLA leave must call to report their status every **two weeks**. If you are on intermittent leave, you may be required to call in on a more frequent basis, and must comply with our call-in policy for absences and either identify the leave as OFLA leave or that your absence is due to your OFLA-qualifying reason (calling in “sick” will not constitute sufficient notice under this policy). You are expected to immediately report to your manager or the Human Resources Manager any change in your need for leave or your intention to return to work.

Medical Certification. You must provide a medical certification from your health care provider within 15 days of submitting a written request for leave or, if the need for leave is not foreseeable, within 15 days after the leave begins. The Company will pay the cost of obtaining a required medical certification to the extent that it is not covered by insurance. Medical Certification forms may be obtained from and returned to the Human Resources Manager. Failure to provide the required certification may delay the taking of leave, or prevent the request from qualifying as OFLA leave.

If the OFLA leave is for a serious health condition, the Company may require you to obtain a second opinion at its expense from a qualified health care provider designated by the Company. If the first and second medical opinions differ, the Company may require at its expense a third opinion by a provider designated by the first two providers.

If you have taken more than three days of OFLA leave in a one year period for sick child care, the Company may require you to obtain at its expense a medical certification from a qualified health care provider of the child’s need for you to provide care and thus miss time from work.

Before restoring you to work after your own serious health condition, we may require you to provide a medical certification from your health care provider that you are able to resume work, and clearly explain any work limitations or restrictions.

Continuation of Benefits. OFLA leave is unpaid. Employees taking OFLA leave will be required to first exhaust all accrued or available paid leave, which will be counted toward the available OFLA leave for that year.

While on approved OFLA leave, you may continue, at your expense, the same level of health insurance benefits as if you had continued to work. If we pay any part of your share of health or other insurance premiums while you are on leave, we may deduct up to ten percent (10%) from your gross pay each pay period after you return to work until the amount is repaid.

Reinstatement. Upon your return from an approved OFLA leave, you will be returned to the position you held before the leave began unless the position has been eliminated or you would have been displaced had you not taken OFLA leave, in which case you will be restored to an available, equivalent position. Employees on OFLA leave are subject to layoff the same as similarly situated employees who are not taking OFLA leave.

Failure to Return to Work After OFLA Leave. If you fail to return to work at the conclusion of an approved OFLA leave and do not qualify for other protected leave, you will be deemed to have voluntarily terminated your employment, and you may be required to reimburse the Company for health insurance premiums it paid on your behalf during your OFLA leave.

6.3 Federal Family and Medical Leave (Oregon Employees Only)

The Company provides unpaid, job-protected leaves of absence to eligible employees under the federal Family Medical Leave Act (FMLA). Your eligibility under FMLA depends on how long you have been working for the Company, the number of hours you have worked over the last year, and the number of employees working at or within 75 miles of your store location. As the laws governing family medical leave are complicated and change frequently, this policy may, at times, be out of step with the most current law. If that happens, the Company will comply with the current law, even if it means deviating from this policy. As it is impossible to address every possible situation in a policy, you should consult Human Resources with any questions you may have. In most cases, eligible employees are entitled to 12 weeks of continuous or intermittent family medical leave (FMLA leave) in a backward rolling 12-month period. In some cases, additional leave is available, up to a maximum of 26 weeks. Both the Company and employees who wish to take FMLA leave have specific rights and obligations under the laws.

Reasons for Taking Leave. Leave may be granted to an employee for any of the following reasons:

- To care for a child after birth or placement for adoption or foster care (“parental leave”);
- To care for a spouse, minor or disabled son or daughter, or parent with a serious health condition (“family leave”);
- For a serious health condition that makes the employee unable to perform one or more essential functions of his or her job;
- For a “qualifying exigency” (as defined under 29 CFR 825.126) that arises from the fact that the employee’s spouse, son, daughter or parent is on covered active duty or has been notified of an impending call or order to covered active duty in the Armed Forces (“covered active duty leave”); or

- To care for a spouse, son, daughter, parent or next of kin who is a covered service member with a serious injury or illness sustained while on covered active duty (“military caregiver leave”).

“Armed Forces” means the United States Armed Forces, including the National Guard and Reserves.

“Covered active duty leave” means (a) duty during deployment to a foreign country of a member of the regular component of the Armed Forces; or (b) duty during deployment to a foreign country of a member of a reserve component of the Armed Forces under a call or order to covered active duty.

A “covered service member” means (a) a member of the Armed Forces who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or (b) a veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces at any time during the five years preceding the first date on which the eligible employee takes leave to care for the covered veteran (the period between October 28, 2009 and March 8, 2013 is excluded for the purpose of determining the five-year period).

A “serious injury or illness” means (a) with respect to a covered member of the Armed Forces, an injury or illness incurred or aggravated in the line of duty on active duty that may render the member medically unfit to perform the duties of the member’s office, grade, rank, or rating; or (b) with respect to a covered veteran, a qualifying injury or illness (as defined by the Secretary of Labor) incurred or aggravated in the line of duty on active duty that manifested itself before or after the member became a veteran and (1) rendered the member unable to perform the duties of the service member’s office, grade, rank, or rating, (2) qualified the member for a VA Service Related Disability Rating (VASRD) of 50 percent or greater, (3) impairs the member from working or would do so absent treatment, or (4) on the basis of which the member has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers. A “serious health condition” is an illness, injury, impairment or physical or mental condition of an employee or family member that involves inpatient care or continuing treatment.

“Inpatient care” means at least one overnight stay in a hospital, hospice or residential medical care facility, including any period of incapacity or subsequent treatment in connection with such inpatient care.

“Continuing treatment” means any one or more of the following:

- A period of incapacity (the inability to perform at least one essential job function, attend school or perform regular daily activities due to a serious health condition) for more than three consecutive, full calendar days, and any subsequent treatment or incapacity relating to the same condition, that also involves:
 - (1) two or more in-person treatments, within 30 days of the incapacity, by a health care provider, a nurse under the health care provider’s direct supervision, or by a provider of health care services (*e.g.*, physical therapist) at the direction of the health care provider; or

- (2) in-person treatment by a health care provider on at least one occasion that results in a regimen of continuing treatment under the supervision of the health care provider; and
 - (3) the first (or only) in-person treatments with a health care provider as described in sections (1) and (2) must occur within seven days of the first day of incapacity.
- Any period of incapacity or treatment for a chronic serious health condition. A chronic condition is one that requires periodic in-person treatment at least twice per year by a health care provider or nurse under the direction of a health care provider, continues over an extended period of time, and may cause episodic rather than a continuing period of incapacity (*e.g.*, asthma, diabetes or epilepsy);
 - A period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective (*e.g.*, Alzheimer's, severe stroke, or terminal stages of a disease), and involves continuing supervision of a health care provider;
 - A period of absence to receive multiple treatments for restorative surgery or for a condition which, if left untreated, would likely result in incapacity of more than three days (*e.g.*, chemotherapy, physical therapy, dialysis);
 - Any period of disability due to pregnancy or childbirth or absence for prenatal care; or
 - For the purpose of service member family leave, an illness or injury sustained while on covered active duty in the Armed Forces that may render the service member medically unfit to perform the duties of his or her office, grade, rank, or rating.

Who is Eligible. Employees are eligible to take FMLA leave under any of the following circumstances:

- (1) You have worked for the Company for at least 12 months;
- (2) You worked at least 1,250 hours in the 12 months preceding the date on which the leave begins; and
- (3) There are at least 50 employees working at or within 75 miles of your worksite on the date you give notice of your need for leave.

How to Apply for Leave. You may request FMLA leave by completing a Request for Leave form, which may be obtained from the Human Resources Manager. Requests for FMLA leave must be submitted in writing at least 30 days prior to the beginning of the leave period, or as soon as practicable. Failure to provide the required notice when leave is foreseeable may result in your FMLA leave being delayed by up to 30 days. If you are unable to submit a written request for FMLA leave in advance because of unexpected qualifying circumstances (*e.g.*, premature birth, medical emergency), you must comply with the Company's call-in policy for absences and state the reason you are requesting leave. **You must provide sufficient information for the Company to determine whether your absence qualifies for FMLA leave.** If you are unable to provide the notice yourself, you may have someone provide the notice on your behalf. If you cannot comply with the applicable notice requirements, you must provide oral or written notice

to the Human Resources Manager as soon as practicable, along with the reason you were unable to comply with the call-in policy. Absent extenuating circumstances, employees who fail to comply with applicable call-in requirements will be subject to disciplinary action, and their leave may be delayed or denied.

Requests for FMLA leave will be reviewed by the Human Resources Manager, who will notify you if you are eligible and whether the leave request is approved or denied. Approved leaves will be counted against your annual leave period, and will run concurrently with any qualifying disability, workers compensation, or other applicable leave. Failure to timely notify the Company of the reason for any absence, whether partial or full day, which might qualify for FMLA leave could result in the absence being counted against you for attendance or other purposes (e.g., pay increases, promotional opportunities, etc.).

All employees on approved FMLA leave must call to report their status every **two weeks**. If you are on intermittent leave, you may be required to call in on a more frequent basis, and must comply with the Company's call-in policy for absences and either identify the leave as FMLA leave or that your absence is due to your FMLA-qualifying reason (calling in "sick" will not constitute sufficient notice under this policy). You are expected to immediately report to your manager or the Human Resources Manager any change in your need for leave or your intention to return to work.

Medical Certification. Medical certifications are required when requesting FMLA leave for your own serious health condition, or to care for a family or service member with a serious health condition or service related injury or illness. You must provide a fully completed medical certification from your or your family member's health care provider within 15 days of submitting a written request for leave or, if the need for leave is not foreseeable, within 15 days after the leave begins. Medical Certification forms may be obtained from and returned to the Human Resources Manager. If the certification is incomplete or otherwise inadequate, you must provide clarification within 7 days of a written request from the Company. Failure to provide the completed certification may delay the taking of leave, or prevent the request from qualifying as FMLA leave.

If the FMLA leave is for a serious health condition, the Company may require you to obtain a second opinion at Company expense from a qualified health care provider designated by the Company. If the first and second medical opinions differ, the Company may require at Company expense a third opinion by a provider agreed upon by the Company and you.

Before restoring you to work after your own serious health condition, the Company may require you to provide a medical certification from your health care provider that you are able to resume work, and clearly explain any work limitations or restrictions.

Certification Related to Active Duty Leave. Certification of a qualifying exigency for covered active duty leave will be required. You must provide a fully completed certification within 15 days of submitting a written request for leave or, if the need for leave is not foreseeable, within 15 days after the leave begins.

Continuation of Benefits. FMLA leave is unpaid. Employees taking FMLA leave will be required to first exhaust all accrued paid leave, which will be counted toward the available FMLA leave for that year. Employees receiving time loss or disability payments under worker's compensation or a disability plan are not required to exhaust paid leave, but may elect to

supplement their time loss or disability payments with paid leave to achieve 100% of their regular pay.

While on approved FMLA leave you will continue to receive the same level of health insurance benefits as if you had continued to work, provided your contribution to health insurance premiums is timely paid by you during the period of FMLA leave. If your required premium payment is more than 30 days late, you may be dropped from coverage under the Company's health insurance plan.

Reinstatement. Upon your return from an approved FMLA leave, you will be returned to the position you held before the leave began or, if the position is no longer available, an equivalent position, unless you are unable to perform an essential function of your position or your job has been eliminated during your absence. Except for the benefits you used during your FMLA leave, you will return to work with all of the accrued benefits you had when your leave began. If you fail to return to work following FMLA leave, the Company may require you to repay its share of the insurance premiums paid on your behalf during the leave.

Enforcement. It is unlawful for an employer to interfere with, restrain, or deny the exercise of any right provided under the Family Medical Leave Act (FMLA) or comparable state law, or to discharge or discriminate against an employee for opposing any unlawful practice or participating in any proceeding under those laws. An employee may file a complaint with the U.S. Department of Labor or bring a private lawsuit against an employer for a violation of the FMLA.

6.4 Federal/Washington Family Medical Leave (Washington Employees Only)

TWGW provides unpaid, job-protected leaves of absence to eligible employees under Washington and federal Family Medical Leave laws and other applicable state laws. As the laws governing family medical leave are complicated and change frequently, this policy may, at times, be out of step with the most current law. If that happens, TWGW will comply with the current law, even if it means deviating from this policy. As it is impossible to address every possible situation in a policy, you should consult Human Resources with any questions you may have. In most cases, eligible employees are entitled to 12 weeks of continuous or intermittent family medical leave (FML) in a backward rolling 12-month period. Women who experience sickness or disability related to pregnancy or childbirth may be eligible for additional unpaid time off for the periods of disability. Employees may also be eligible for unpaid time off of up to 26 weeks in a 12-month period to care for a covered service member. Both TWGW and employees who wish to take leave have specific rights and obligations under the laws.

Reasons for Taking Leave. Leave may be granted to an employee for any of the following reasons:

- To care for a child after birth or placement for adoption or foster care ("parental leave");
- To care for a spouse, minor or disabled son or daughter, or parent with a serious health condition ("family leave");
- For a serious health condition that makes the employee unable to perform one or more essential functions of his or her job;
- For any period of sickness or disability due to pregnancy or childbirth (pregnancy

disability leave” or “PDL”);

- For a “qualifying exigency” (as defined under 29 CFR 825.126) that arises from the fact that the employee’s spouse, son, daughter or parent is on active duty or has been notified of an impending call or order to covered active duty in the United States Armed Forces (“active duty leave”); or
- To care for a spouse, son, daughter, parent or next of kin who is a covered service member with a serious health injury or illness sustained while on covered active duty (“military caregiver leave”).

“Armed Forces” means the United States Armed Forces, including the National Guard and Reserves.

“Covered active duty leave” means (a) duty during deployment to a foreign country of a member of the regular component of the Armed Forces; or (b) duty during deployment to a foreign country of a member of a reserve component of the Armed Forces under a call or order to covered active duty.

A “covered service member” means (a) a member of the Armed Forces who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or (b) a veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces at any time during the five years preceding the first date on which the eligible employee takes leave to care for the covered veteran (the period between October 28, 2009 and March 8, 2013 is excluded for the purpose of determining the five-year period).

A “serious injury or illness” means (a) with respect to a covered member of the Armed Forces, an injury or illness incurred or aggravated in the line of duty on active duty that may render the member medically unfit to perform the duties of the member’s office, grade, rank, or rating; or (b) with respect to a covered veteran, a qualifying injury or illness (as defined by the Secretary of Labor) incurred or aggravated in the line of duty on active duty that manifested itself before or after the member became a veteran and (1) rendered the member unable to perform the duties of the service member’s office, grade, rank, or rating, (2) qualified the member for a VA Service Related Disability Rating (VASRD) of 50 percent or greater, (3) impairs the member from working or would do so absent treatment, or (4) on the basis of which the member has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

A “serious health condition” is an illness, injury, impairment or physical or mental condition of an employee or family member that involves inpatient care or continuing treatment.

“Inpatient care” means at least one overnight stay in a hospital, hospice or residential medical care facility, including any period of incapacity or subsequent treatment in connection with such inpatient care.

“Continuing treatment” means any one or more of the following:

- A period of incapacity (the inability to perform at least one essential job function, attend school or perform regular daily activities due to a serious health condition) for more than three consecutive, full calendar days, and any subsequent treatment or incapacity relating to the same condition, that also involves:

- (1) two or more in-person treatments, within 30 days of the incapacity, by a health care provider, a nurse under the health care provider's direct supervision, or by a provider of health care services (*e.g.*, physical therapist) at the direction of the health care provider; or
 - (2) in-person treatment by a health care provider on at least one occasion that results in a regimen of continuing treatment under the supervision of the health care provider; and
 - (3) the first (or only) in-person treatments with a health care provider as described in sections (1) and (2) must occur within seven days of the first day of incapacity.
- Any period of incapacity or treatment for a chronic serious health condition. A chronic condition is one that requires periodic in-person treatment at least twice per year by a health care provider or nurse under the direction of a health care provider, continues over an extended period of time, and may cause episodic rather than a continuing period of incapacity (*e.g.*, asthma, diabetes or epilepsy);
 - A period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective (*e.g.*, Alzheimer's, severe stroke, or terminal stages of a disease), and involves continuing supervision of a health care provider;
 - A period of absence to receive multiple treatments for restorative surgery or for a condition which, if left untreated, would likely result in incapacity of more than three days (*e.g.*, chemotherapy, physical therapy, dialysis);
 - Any period of disability due to pregnancy or childbirth or absence for prenatal care; or
 - For the purpose of service member family leave, an illness or injury sustained while on active duty in the Armed Forces that may render the service member medically unfit to perform the duties of his or her office, grade, rank, or rating.

Who Is Eligible. Women are eligible to take PDL from the time of hire. Employees are otherwise eligible to take FML under any of the following circumstances:

- (4) You have worked for TWGW for at least 12 months;
- (5) You worked at least 1,250 hours in the 12 months preceding the date on which the leave begins; and
- (6) There are at least 50 employees working at or within 75 miles of your worksite on the date you give notice of your need for leave.

How to Apply for Leave. You may request FML or PDL by completing a Request for Leave form, which may be obtained from the Human Resources Manager. Requests for FML and PDL must be submitted in writing at least 30 days prior to the beginning of the leave period, or as soon as practicable. Failure to provide the required notice when leave is foreseeable may result in your FML being delayed by up to 30 days. If you are unable to submit a written request for FML or PDL in advance because of unexpected qualifying circumstances (*e.g.*, premature birth, medical emergency), you must comply with TWGW's call-in policy for absences and state the reason you are requesting leave. **You must provide sufficient information for TWGW to determine whether your absence qualifies for FML or PDL.** If you are unable to provide the

notice yourself, you may have someone provide the notice on your behalf. If you cannot comply with the applicable notice requirements, you must provide oral or written notice to the Human Resources Manager as soon as practicable, along with the reason you were unable to comply with TWGW's call-in policy. Absent extenuating circumstances, employees who fail to comply with applicable call-in requirements will be subject to disciplinary action, and their leave may be delayed or denied.

Requests for FML and PDL will be reviewed by the Human Resources Manager, who will notify you if you are eligible and whether the leave request is approved or denied. Approved leaves will be counted against your annual leave period, and will run concurrently with any qualifying disability, workers compensation, or other applicable leave. Failure to notify TWGW of the reason for any absence, whether partial or full day, which might qualify for FML or PDL could result in the absence being counted against you for attendance or other purposes (*e.g.*, pay increases, promotional opportunities, etc.).

All employees on approved FML or PDL must call to report their status every two weeks. If you are on intermittent leave, you may be required to call in on a more frequent basis, and must comply with TWGW's call-in policy for absences and either identify the leave as FML or that your absence is due to your FML-qualifying reason (calling in "sick" will not constitute sufficient notice under this policy). You are expected to immediately report to your manager or the Human Resources Manager any change in your need for leave or your intention to return to work.

Medical Certification. Medical certifications are required when requesting leave for your own serious health condition or to care for a family or service member with a serious health condition or service related injury or illness. You must provide a fully completed medical certification from your or your family member's health care provider within 15 days of submitting a written request for leave or, if the need for leave is not foreseeable, within 15 days after the leave begins. Medical Certification forms may be obtained from and returned to the Human Resources Manager. If the certification is incomplete or otherwise inadequate, you must provide clarification within 7 days of a written request from TWGW. Failure to provide the completed certification may delay the taking of leave, or prevent the request from qualifying as FML or PDL.

If the FML is for a serious health condition, TWGW may require you to obtain a second opinion at Company expense from a qualified health care provider designated by TWGW. If the first and second medical opinions differ, TWGW may require at Company expense a third opinion by a provider agreed upon by TWGW and you.

Before restoring you to work after your own serious health condition, TWGW may require you to provide a medical certification from your health care provider that you are able to resume work, and clearly explain any work limitations or restrictions.

Certification Related to Active Duty Leave. Certification of a qualifying exigency for covered active duty leave will be required. You must provide a fully completed certification within 15 days of submitting a written request for leave or, if the need for leave is not foreseeable, within 15 days after the leave begins.

Continuation of Benefits. FML and PDL are unpaid. Employees taking FML and PDL will be required to first exhaust all accrued paid leave, which will be counted toward the available FML

and/or PDL for that year. Employees receiving time loss or disability payments under worker's compensation or a disability plan are not required to exhaust paid leave, but may elect to supplement their time loss or disability payments with paid leave to achieve 100% of their regular pay.

While on approved FML or PDL you will continue to receive the same level of health insurance benefits as if you had continued to work, provided your contribution to health insurance premiums is timely paid by you during the period of FML or PDL. If your required premium payment is more than 30 days late, you may be dropped from coverage under TWGW's health insurance plan.

Reinstatement. Upon your return from an approved FML or PDL, you will be returned to the position you held before the leave began or, if the position is no longer available, an equivalent position, unless you are unable to perform an essential function of your position or your job has been eliminated during your absence. Except for the benefits you used during your FML or PDL, you will return to work with all of the accrued benefits you had when your leave began. If you fail to return to work following FML or PDL, TWGW may require you to repay its share of the insurance premiums paid on your behalf during the leave.

Enforcement. It is unlawful for an employer to interfere with, restrain, or deny the exercise of any right provided under the Family Medical Leave Act (FMLA) or comparable state law, or to discharge or discriminate against an employee for opposing any unlawful practice or participating in any proceeding under those laws.

An employee may file a complaint with the U.S. Department of Labor or bring a private lawsuit against an employer for a violation of the FMLA.

6.5 Domestic Violence and Crime Victim's Leave (Oregon Employees Only)

TWGW allows eligible employees to take unpaid job-protected time off from work to obtain services or treatment relating to domestic violence, sexual assault, criminal harassment, and stalking (as defined under state law). The terms and conditions of leave are set forth in this policy. To the extent a leave under this policy also qualifies for family medical leave under Company policy, the leaves will run concurrently. We will also provide reasonable safety accommodations to eligible employees so long as it does not present an undue hardship.

Who is Eligible. You are eligible for leave under this policy if:

- (a) you worked an average of at least 25 hours per week for the 180 days immediately preceding the date on which the leave commences, and
- (b) you are a victim of domestic violence, sexual assault, criminal harassment, or stalking, or you are the parent or guardian of a minor child or dependent who is a victim of domestic violence, sexual assault, criminal harassment, or stalking, or
- (c) you are a victim of certain "person felonies" as defined by Oregon law (including felonies such as murder, felony assaults; felony sex crimes, robbery I, arson I, felony DUII and other crimes).

Purposes For Which Leave is Allowed. Eligible employees who are victims of domestic violence, sexual assault, criminal harassment or stalking (section (b) above) may take a

reasonable amount of leave from work for the following purposes to the extent such leave does not present an undue hardship to the Company:

- (1) To seek legal or law enforcement assistance or remedies to ensure the health and safety of the victim, including time preparing for and participating in protective order proceedings or other civil or criminal legal proceedings related to domestic violence, sexual assault, criminal harassment, or stalking.
- (2) To seek medical treatment for or to recover from injuries to the victim caused by domestic violence, sexual assault, criminal harassment, or stalking.
- (3) To obtain counseling for the victim from a licensed mental health professional related to an experience of domestic violence, sexual assault, criminal harassment, or stalking.
- (4) To obtain services for the victim from a victim services provider.
- (5) To relocate or take steps to secure an existing home to ensure the health and safety of the victim.

As used in this section, the term “”victim” means the employee or the employee’s minor child or dependent who was the victim of domestic violence, sexual assault, criminal harassment, or stalking, or an employee who suffered financial, social, psychological, or physical harm as a result of domestic violence, sexual assault, criminal harassment, or stalking committed against the victim, including a member of the victim’s immediate family.

Eligible employees who are victims of certain “person felonies” as defined by Oregon law (section (c) above) may take a reasonable amount of leave from work for the purpose of attending a criminal proceeding to the extent such leave does not present an undue hardship to the Company.

Safety Accommodations. The Company will make reasonable safety accommodations for known risks to any employee who is a victim of domestic violence, sexual assault, criminal harassment, or stalking, unless an undue hardship would result. Any employee who requires a safety accommodation (such as an escort to your car at night, notification to security personnel regarding a restraining order, etc.), should contact the Human Resources Manager, and advise the Company of what accommodation he or she believes is needed. Employees requesting accommodation may be required to provide certification that they are a victim of domestic violence, sexual assault, criminal harassment, or stalking.

How to Apply For Leave. Eligible employees who wish to take leave under this policy must provide the Company with reasonable advance notice unless giving the advance notice is not feasible. You may request leave under this policy by completing a Request for Leave form, which may be obtained from the Human Resources Manager. Leave requests must be submitted in writing at least 14 days prior to the beginning of the leave period, or as soon as practicable.

If you are unable to give advance written notice of your need for leave due to an unanticipated or emergency situation, you must provide oral or written notice to Human Resources Manager as soon as practicable. Failure to timely notify the Company of the reason for any absence, whether partial or full day, which might qualify for leave under this policy could result in the absence

being counted against you for attendance or other purposes (e.g., pay increases, promotional opportunities, etc.).

All employees on leave approved under this policy must call to report their status once a week. If you are on intermittent leave, you may be required to call in on a more frequent basis, and must comply with our call-in policy for absences, unless it is not practicable. You are expected to immediately report to your supervisor or the Human Resources Manager any change in your need for leave or your intention to return to work.

Certification. Eligible employees are required to provide certification that the employee or his/her minor child or dependent is a victim of domestic violence, sexual assault, criminal harassment, or stalking, or the employee suffered financial, social, psychological or physical harm as a result of domestic violence committed against the victim, and the request for leave is for one of the purposes allowed by this policy. Certification must be provided within a reasonable time for the leave to qualify under this policy. Any of the following will satisfy the certification requirement:

- (a) A copy of a police report indicating that you or your minor child or dependent are a victim of domestic violence, sexual assault, criminal harassment or stalking (as defined by state law);
- (b) A copy of a protective order or other evidence from a court, administrative agency, or attorney that you or your minor child or dependent appeared in or was preparing for a civil or criminal proceeding related to domestic violence, sexual assault, criminal harassment, or stalking;
- (c) Documentation from an attorney, law enforcement officer, health care professional, licensed mental health professional or counselor, member of the clergy or victim services provider that the you or your minor child or dependent were undergoing treatment or counseling, obtaining services or relocating as a result of domestic violence, sexual assault, criminal harassment, or stalking.

Certifications should be provided within two weeks of the request for leave or extension of an approved leave. Failure to provide certification within a reasonable time may prevent the time off from qualifying for Leave and result in the absence being counted against you for attendance or other purposes (e.g., pay increases, promotional opportunities, etc.).

Pay During Leave. Leave under this policy is unpaid. However, employees may elect to use accrued or available paid leave.

Confidentiality. All records and information the Company receives regarding an eligible employee's leave under this policy, including the fact that the employee has requested or obtained leave under this policy, is confidential and will not be released without the express permission of the employee, unless otherwise required by law.

6.6 Domestic Violence Leave (Washington Employees Only)

the Company allows eligible employees to take job-protected time off from work to obtain services or treatment relating to domestic violence, sexual assault, and stalking (as defined under state law). The terms and conditions of the leave are set forth in this policy. To the extent a leave

under this policy also qualifies for Family Medical Leave, Family Care Act Leave, or other applicable leave under the Company's policy, the leaves will run concurrently.

Who is Eligible. You are eligible for leave under this policy if you or a member of your family is a victim of domestic violence, sexual assault or stalking. For the purpose of this policy, "family member" means anyone whose relationship to the employee may be classified as a child, spouse, registered domestic partner, parent, parent-in-law, grandparent, or person with whom the employee has a dating relationship.

Purposes For Which Leave is Allowed. Eligible employees may take a reasonable amount of leave from work for the following purposes:

- To seek legal or law enforcement assistance or remedies to ensure the health and safety of the victim, including time preparing for and participating in protective order proceedings or other civil or criminal legal proceedings related to domestic violence, sexual assault, or stalking.
- To seek treatment by a health care provider for physical or mental injuries to the victim caused by domestic violence, sexual assault, or stalking.
- To obtain services from a domestic violence shelter, rape crisis center, or other social services program for relief from domestic violence, sexual assault, or stalking.
- To obtain mental health counseling for the victim related to an incident of domestic violence, sexual assault, or stalking.
- To participate in safety planning, relocate, or take other actions to increase the safety of the victim from future incidents of domestic violence, sexual assault, or stalking.

As used in this section, the term "victim" means the employee or the employee's family member who was the victim of domestic violence, sexual assault, or stalking.

Notice of the Need For Leave. Eligible employees who wish to take leave under this policy must provide the Company with reasonable advance notice unless such notice cannot be given because of an emergency or unforeseen circumstances due to domestic violence, sexual assault, or stalking. You may request leave under this policy by completing a Request for Leave form, which may be obtained from Human Resources. Leave requests must be submitted in writing at least 30 days prior to the beginning of the leave period. If you are unable to give advance written notice of your need for leave because of an emergency or unforeseen circumstances due to domestic violence, sexual assault, or stalking, you must provide oral or written notice to Human Resources as soon as practicable, but no later than the end of your first day of leave.

Certification. Eligible employees are required to provide certification that the employee or his/her family member is a victim of domestic violence, sexual assault, or stalking, and the request for leave is for one of the purposes allowed by this policy. Certification must be provided within a reasonable time for the leave to qualify under this policy. Any of the following will satisfy the certification requirement:

- (a) A copy of a police report indicating that you or your family member is a victim of domestic violence, sexual assault, or stalking (as defined by state law);

- (b) A copy of a protective order or other evidence from a court or attorney that you or your family member appeared in or is scheduled to appear in court in connection with an incident of domestic violence, sexual assault or stalking;
- (c) Documentation from an attorney, law enforcement officer, health care professional, licensed mental health professional or counselor, member of the clergy, or victim services provider that the you or your family member is a victim of and sought assistance for that domestic violence, sexual assault or stalking; or
- (d) A written statement from the employee or the employee's family member that he/she is a victim of domestic violence, sexual assault or stalking, and that the leave taken was for one of the purposes permitted by this policy.

If the victim is the employee's family member, the verification of the familial relationship may include a birth certificate, court document, or other similar documentation, or a statement from the employee.

Failure to provide certification within a reasonable time may prevent the time off from qualifying as Domestic Violence Leave and result in the absence being counted against you for attendance or other purposes (e.g., pay increases, promotional opportunities, etc.).

Pay and Benefits During Leave. Leave under this policy is unpaid. However, employees may elect to use any accrued or available paid leave during their time off. To the extent permitted by law, the Company will maintain your group health insurance coverage during the period of leave, provided you continue to timely pay your portion of any applicable premium.

Confidentiality. All records and information the Company receives regarding an eligible employee's leave under this policy, including the fact that the employee has requested or obtained leave under this policy, are confidential and will not be released without the express permission of the employee, unless otherwise required by law.

Job Protection. Upon returning from a Domestic Violence Leave, employees will be reinstated to their former position, or to an equivalent position with equivalent pay, benefits, and other terms and conditions of employment, unless the employee's position was temporary or project specific and the term or project is over when the employee returns to work.

6.7 Military Leave

Employees who are absent from employment to serve in the uniformed services are eligible for an unpaid military leave of absence and re-employment in accordance with the requirements of state and federal law. To qualify for military leave, employees must provide the Company with advance oral or written notice of service, unless the giving of notice is precluded by military necessity or is impossible or unreasonable under the circumstances.

To qualify for re-employment, employees must provide timely notice of their availability to return to work. Eligible employees returning to the Company following an approved military leave will be restored to a position of like seniority, status and pay, and eligible for seniority rights and benefits they would have attained if continuously employed.

The amount of notice required to qualify for military leave and re-employment varies, depending on the type of service. Please contact Human Resources for further information about eligibility and notice requirements.

6.8 Oregon Military Family Leave (Oregon Employees Only)

The Company provides unpaid leaves of absence to eligible employees under the Oregon Military Family Leave (OMFL) Act. Eligible employees are entitled to take up to 14 days of leave per deployment. Both the Company and employees who wish to take leave have specific rights and obligations under the law.

Reasons For Taking Leave. During a period of military conflict, leave may be granted to an eligible employee to be with a spouse or registered domestic partner who is a member of the Armed Forces of the United States, the National Guard or the military reserve forces of the United States, who has been notified of an impending call or order to active duty, or is deployed and on leave from active duty.

Who is Eligible. Employees are eligible to take OMFL leave under any of the following circumstances:

- (a) You are employed in the state of Oregon on the date leave is to begin;
- (b) You worked for the Company an average of at least 20 hours per week during the 180 days immediately preceding the date on which the leave commences; and
- (c) You are the spouse or registered domestic partner of a member of the Armed Forces of the United States, the National Guard or the military reserve forces of the United States, who has been called to active duty or notified of an impending call or order to active duty, or is deployed and on leave from active duty during a period of military conflict.

How to Apply For Leave. You may request OMFL by completing a Request for Leave form, which may be obtained from the Human Resources Manager. Requests for OMFL must be submitted in writing at within five business days of receiving official notice of an impending call or order to active duty or of a leave from deployment or, if official notice is provided less than five days from commencement of the leave, as soon as is practicable. You must provide a photocopy of the service member's orders at the time of your request, or within a reasonable time thereafter. Failure to timely provide the required notification may prevent the request from qualifying as OMFL.

Requests for OMFL will be reviewed by the Human Resources Manager, who will notify you if the leave request is approved or denied. Approved leaves will be counted against your 12-week OFLA entitlement.. To the extent your need for OMFL is also covered by the qualifying exigency entitlements of FMLA, the leave will also be counted toward your annual FMLA entitlement. Failure to notify the Company of the reason for any absence, whether partial or full day, which might qualify for OMFL could result in the absence being counted against you for attendance or other purposes (e.g., pay increases, promotional opportunities, etc.).

OMFL may be taken continuously or on an intermittent basis. If you are on intermittent leave, you must comply with the Company's call-in policy for absences. You are expected to immediately report to the Human Resources Manager any change in your need for leave or your intention to return to work.

Continuation of Benefits. OMFL is unpaid. Employees taking OMFL may elect to use all accrued or available paid leave, which will be counted toward the available OMFL for that year. While

on approved OMFL, you will continue to receive the same level of health insurance benefits as if you had continued to work.

Reinstatement. Upon your return from an approved OMFL, you will be returned to the position you held before the leave began, unless the position has been eliminated or you would have been displaced had you not taken OMFL, in which case you will be restored to an available, equivalent position. Employees on OMFL are subject to layoff the same as similarly situated employees who are not taking OMFL.

Failure to Return to Work After OMFL. If you fail to return to work at the conclusion of an approved OMFL, you will be deemed to have voluntarily terminated your employment, and you may be required to reimburse the Company for health insurance premiums it paid on your behalf during your OMFL.

6.9 Washington Military Family Leave (Washington Employees Only)

The Company allows eligible employees to take job-protected time off from work during times of military conflict to be with a spouse or registered domestic partner who is called to or serving on active duty. The terms and conditions of the leave are set forth in this policy. To the extent a leave under this policy also qualifies for Family Medical Leave, Family Care Act Leave, or other applicable leave under the Company's policy, the leaves will run concurrently.

Who is Eligible. You are eligible for leave under this policy if you work at least 20 hours per week and your spouse or registered domestic partner is called to service or is serving on active duty in the United States armed forces, national guard, or reserves during a period of military conflict (as defined by law).

Purposes For Which Leave is Allowed. Eligible employees may take Military Family Leave to be with a spouse or registered domestic partner who has received notice of an impending call or order to active duty or been deployed to active duty. Leave may be taken before deployment or when the military spouse or registered domestic partner is on leave from deployment. Eligible employees may take up to 15 days of leave per deployment.

Notice of the Need For Leave. Employees who wish to take leave under this policy must provide the Company with notice of their intent to take leave within five (5) business days of receiving official notice of their spouse's or registered domestic partner's impending call or order to active duty or of a leave from deployment.

Pay During Leave. Leave under this policy is unpaid. However, employees may elect to use any accrued or available paid leave during their time off.

Job Protection. Upon returning from a Military Family Leave, employees will be reinstated to their former position, or to an equivalent position with equivalent pay, benefits, and other terms and conditions of employment.

6.10 Family Care Act Leave (Washington Only)

Any employee that has accumulated paid leave (vacation, sick time, personal holidays) is eligible for Family Care Act (FCA) leave. FCA leave only applies when you have paid leave available. You may take FCA leave in any of these circumstances:

- To care for a child with a health condition that requires treatment or supervision;
- To care for a spouse, parent, parent-in-law, or grandparent who has a serious health condition; or
- To care for a spouse, parent, parent-in-law, or grandparent who has an emergency condition.

A “health condition requiring treatment or supervision” means:

- Any medical condition requiring treatment or medication that the child cannot self-administer;
- Any medical or mental health condition that would endanger the child’s safety or recovery without the presence of a parent or guardian; or
- Any condition warranting treatment or preventive healthcare for the child, such as physical, dental, optical, or immunization services, when a parent must be present to authorize the treatment and sick leave may otherwise be used for the employee’s preventive health care.

A “serious health condition” is any illness, injury, impairment, or physical or mental condition: Requiring inpatient care (*i.e.*, an overnight stay in a hospital or other medical-care facility); Resulting in a period of incapacity or treatment or recovery following inpatient care; or Requiring continuing treatment by a health-care provider and including a period of incapacity (*i.e.*, the inability to work, attend school, or attend to regular daily activities).

An “emergency condition” is a health condition that is a sudden, generally unexpected occurrence or set of circumstances related to one’s health that demands immediate action, and is typically very short term in nature.

Employees should provide as much advance notice of a need for FCA leave as possible. In the case of an emergency, employees must notify their immediate supervisor as soon as practicable concerning the need for leave. Employees must notify their immediate supervisor before leaving work. Certification from a health care provider may be required to support the need for leave, consistent with the requirements under Pettit Oil’s FML policy. If FCA leave also qualifies as family medical leave (FML), the Company will count the time towards your available FML for the year.

Upon your return from FCA leave, you will be returned to the position you held before the leave began or, if the position is no longer available, an equivalent position, unless you are unable to perform an essential function of your position, or your job has been eliminated for business reasons during your absence.

6.11 Personal Leave of Absence

Employees who have exhausted their vacation may be eligible for an unpaid personal leave of absence for time off that would not otherwise qualify as excused or protected time. Whether a request for personal leave will be granted depends on a number of factors including, but not limited to, business needs, the length of employment, length of time requested, quality of past work performance, attendance record, disciplinary history, and the reasonableness of the request.

To be eligible for a leave of absence, you must have completed at least one year of continuous employment and be a regular employee. The maximum time allowed for a personal leave of absence for any reason is six months. The granting of a request for personal leave of absence does not guarantee that you will be reinstated to your previously held position, which may be reduced or eliminated during your absence.

A personal leave of absence must be requested at least two weeks in advance of the proposed start date. This notice period may be shortened if necessitated by illness, injury, or urgent personal needs. The request must include the reason for leave, the start date, and the return date.

If you find during your leave that you need an extension beyond your scheduled return date, you must request this as far as possible in advance of the original return date. If you fail to return to work on your scheduled return date, your employment will be terminated.

Personal leave of absence is unpaid. Employees may continue their health insurance at their own expense during an approved personal leave.

7. SAFETY AND SECURITY

7.1 Safety

The Company makes every effort to provide safe working conditions for its employees. We comply with the safety laws and regulations in the states in which we do business. No one will knowingly be required to work in any unsafe manner or situation. It is every employee's responsibility to keep the Company a safe place to work.

Each store in the Company has a safety committee that which meets once a month. It is the duty of all employees to report possible safety violations to a member of the committee. We also welcome any suggestions at any time on how we can improve safety.

Located in each store are both paper copies and electronic versions of MSDS (Material Safety Data Sheets) on the graphic workstations of all the products in use by the Company. Please be aware that this information is available for your use.

7.2 Drug and Alcohol Policy

The Company values the health and safety of all of its employees. Problems with drugs and alcohol use on and off the job can affect employees' health, safety, and job performance, as well as the confidence of customers. The purpose of the Company's drug and alcohol policy is to further our commitment to safety and high standards of employee performance, productivity, and reliability.

Employees must report to work in condition to perform their duties safely and efficiently. The Company requires that all employees refrain from the use of alcohol and drugs during the work day and any other time that such use might impair their ability to perform or represent the Company. Employees who have problems with drugs and/or alcohol are encouraged to seek help before the problem affects their work.

While the Company does not wish to unnecessarily intrude on the private lives of its employees, its policy is to maintain a workplace free of the influence of drugs and alcohol. To that end, we require that employees submit to drug and alcohol testing under certain circumstances. All employees are required to sign a written acknowledgment that they have read and understand the Company's drug and alcohol policy.

Definitions:

"Drug" means any narcotic, hallucinogen, stimulant, sedative, or other substance that may impair coordination, perception, motor skills or judgment, not legally available "over the counter" or prescribed by a licensed health care provider for the person using it. "Drug" also means any prescription or "over the counter" medication taken in excess of the quantity prescribed or indicated on the product label, and any "controlled substance" as defined under 21 U.S.C. §§ 802(6), 812.

"Under the influence" means impaired by drugs or alcohol in coordination, perception, motor skills or judgment.

"Company premises" includes, but is not limited to: Company offices, work locations, desks, parking lots and Company vehicles.

A "positive" test result is one that has been confirmed by laboratory procedures approved under applicable federal and/or state law, and verified by a Medical Review Officer (MRO).

Rules of Conduct:

The following conduct is prohibited:

- Being under the influence of drugs, or having drugs present in the body, when reporting to work, driving a Company vehicle or engaging in Company business.
- Manufacturing, distributing, using, transferring, or possessing drugs on Company premises or while engaged in Company activity off-premises.
- Using, possessing or distributing paraphernalia related to illegal drug use while on Company premises or while engaged in Company activity off- premises.
- Being under the influence of alcohol, or having alcohol present in the body, when reporting to work, driving a Company vehicle or driving a personal vehicle for Company use, or while on Company time.
- Violating any drug law while on Company time.

Prescription and Over-the-Counter Medications. An employee may maintain on the Company premises prescription drugs and over-the-counter medication, provided:

- The drugs have been legally prescribed for the employee's use.
- The employee is taking the prescription drugs as prescribed.
- The drugs are kept in their original container.

Safety Reporting. Employees who perform safety sensitive functions (e.g., driving, operation of heavy equipment or machinery) are required to notify their immediate supervisors when taking over-the-counter or prescription medication bearing warning labels regarding drowsiness or impairment of coordination, perception, motor skills or judgment, or when taking any medication that is known by the employee to create a risk of such impairments. In addition, employees who experience physical or mental side effects from any medication that actually impairs their coordination, perception, motor skills or judgment on the job should inform their supervisors immediately, and refrain from the operation of motor vehicles or other machinery. Information provided to supervisors about prescribed medication will be treated as confidential.

Drug and Alcohol Testing. The Company administers drug and alcohol tests under the following circumstances:

Post-accident: Employees will be tested for drugs and alcohol following an accident resulting in injury to a person or damage to property when the Company reasonably believes that the employee's use of drugs or alcohol may have caused or contributed to the accident.

Post-accident drug testing will be conducted within twenty-four (24) hours of the accident. Post-accident alcohol testing will be conducted within two (2) hours of the accident. If testing cannot be conducted within the prescribed time limits, the reason such testing was not conducted shall be documented.

Employees must immediately report any accident which results in an injury, and may leave the scene of an accident for the period of time necessary to obtain assistance in responding to the accident or to obtain necessary medical care. Employees subject to post-accident testing must otherwise remain available for drug and/or alcohol testing until they have been informed that no test will be required, or their alcohol test or urine specimen collection has been completed. The failure to remain available will be considered a refusal to take the test, unless the employee is seriously injured and cannot provide a specimen for testing. In that event, the employee may be requested to authorize the release of relevant hospital reports or other documentation that would indicate whether there were any drugs or alcohol in the employee's system at the time of the accident.

Reasonable suspicion: Employees will be drug and/or alcohol tested if the Company reasonably believes that the employee is under the influence of drugs or alcohol while on Company premises or engaged in Company business. Factors supporting a reasonable belief must be documented and placed in the employee file. The following factors may be considered in assessing whether an employee is under the influence of drugs or alcohol:

- Drowsiness
- An odor of alcohol about the employee
- A change in speech pattern from the employee's normal speech (such as slurred or incoherent speech)
- Possession of drugs or drug paraphernalia

- Reported use of drugs or alcohol at work or during the work day, while in Company vehicles, or while engaged in Company business
- Recurring late arrivals or absences
- Frequent unexplained errors, mistakes, accidents or injuries
- Careless operation of equipment
- Frequent damage of inventory or materials during handling
- Unusual behavior, including moodiness or inappropriate responses to stimuli

The foregoing list is non-exhaustive.

Follow-up testing: An employee who tests positive for drugs or alcohol or voluntarily discloses a drug or alcohol problem before it is revealed through testing will be subject to random, follow-up testing for twenty-four months after returning to work, or successfully completing any recommended rehabilitation, treatment or counseling program, whichever is longer.

Random testing: The Company conducts random drug testing of drivers. During each calendar year, the Company will conduct random drug tests of at least **50%** of the employees who are subject to random testing.

Employees tested post-accident or for reasonable suspicion will be immediately removed from the workplace and considered suspended without pay. Employees may not return to work while test results are pending or if they have refused to submit to a drug or alcohol test required under this policy. Employees will be reinstated and paid for lost work time resulting from participation in the drug testing program when the results of non-injury post-accident or reasonable suspicion tests are negative. If an injury related post-accident test is negative, the employee's wages will be paid consistent with workers compensation laws and the Company's paid leave policies.

Employees who refuse to sign a consent form, refuse to submit to testing, or fail to cooperate fully in testing procedures will be terminated. Employees whose tests come back "dilute," altered, or questionable will be retested. If a second test is returned with questionable test result, the employee will be terminated.

Drug and alcohol test results are kept confidential, except as necessary to deal with the affected individuals.

Sanctions. A positive drug or alcohol test is ground for disciplinary action, up to and including termination of employment.

Employees seeking help on their own or who are referred for treatment by the Human Resources Manager will be provided assistance on a confidential basis without jeopardizing their employment status.

7.3 Smoking

There is a no smoking policy inside any Company buildings. Employees who smoke are asked to smoke in areas away from the building and recognize the needs and wishes of non-smokers.

7.4 Use of Cellular Phones While Driving

Employees are not permitted to use cellular phones while operating a moving motor vehicle for the Company unless the cellular phone is in hands free mode (in other words, you must be using the cellular phone with a headset or earpiece, or by using voice control on a speaker). If you cannot answer or control the operations of the cellular phone without holding or looking at it, then your use of the cellular phone is not considered “hands free” for the purpose of this policy.

7.5 Personal Property and a Secure Workplace

You are responsible for your personal property. To ensure a secure workplace, employees must enter and leave their stores only through the front door when starting or finishing their shifts, or leaving for and returning from breaks. Customers are not permitted to use side or back doors. Employees are expected to notify Management immediately if an unattended customer is not in the retail area.

In addition, prior to disposing of trash in the dumpster, all trash will be collected daily in clear bags and will remain inside the store until a Manager inspects the contents.

7.6 Theft by Employees

Employee theft will not be tolerated by the Company. Any article of personal property found in the possession of an employee who is not the owner will be considered stolen. Similarly, any article of Company property that is found in the possession of an employee will be considered stolen. Examples include but are not limited to parts, money, and Company tools or equipment. An employee in possession of personal or Company property that does not belong to him or her will be terminated.

8. LEAVING THE COMPANY

8.1 Exit Interview

Management is always looking for ways to make our Company better. Therefore, we conduct exit interviews with every employee who separates from the Company, whether voluntarily or involuntarily. This interview will be conducted, whenever possible, by Human Resources and an Owner or Manager. It is our hope that that these interviews will know what we are doing right and where we can improve, and will make this a better place for employees to work. You will be paid for the time spent in this interview.

8.2 Resignation

Employees who find it necessary to terminate their employment with the Company are expected to notify the Management. The Company requests that employees provide at least two weeks' notice.

8.3 Final Paycheck and Benefits

Upon termination of employment, you will receive payment for all hours worked through the termination date as well as payment for any vacation benefits due. Deductions for standard withholding, advances, and other lawful deductions agreed upon between you and the Company will be subtracted from the final check. Final checks will be delivered in accordance with applicable federal and state laws. Any profit sharing that is due will be paid in a timely manner, after forms have been completed by employee and submitted to Human Resource, and Pension Plan Specialists, PC have sent the Company disbursement instructions.

8.4 Rehire

Employees who are terminated for any reason, including lay-offs, whether voluntary or not, may be considered for rehire. In the event of a rehire, all wages and benefits will be treated in the same manner as if you have never worked for the Company before.

9. GRIEVANCE PROCEDURE

We believe that employees should have the opportunity to present their work-related concerns to Management. Employees are encouraged to consult with their supervisors, other members of Management or Human Resources when they have a concern or question about Company policies or practices. The Company will consider each issue received and attempt to resolve it promptly under the guidelines of this policy.

Procedure for Submitting a Grievance

An appropriate grievance is defined as an employee's, or group of employees', expressed dissatisfaction concerning any interpretation or application of Company policies, procedures or rules. Only those grievances that are presented in good faith and signed by the employee(s) or presented in person by the employee(s) will be considered. Employees will not be retaliated against for asserting a grievance in good faith under this policy.

STEP ONE: Present the issue to your supervisor within one week of the occurrence. An employee should first present the concern to his or her supervisor. Most problems, when openly discussed, can be resolved at this point. If the grievance involves your supervisor, or if you are otherwise uncomfortable presenting the grievance to your supervisor, you should start at **STEP TWO**. A supervisor who receives a grievance should respond within five business days.

STEP TWO: If you do not get a response within five business days or you are not satisfied with the supervisor's response, you may submit written documentation of the grievance to the Human Resources Manager. The written grievance must be submitted within five business days of the date the supervisor responded or, if no response was received, within five business days of the date the response was due. A written grievance submitted to Human Resources will be reviewed and a decision made within ten business days of the date on which the written documentation was received.

STEP THREE: If you do not get a response from Human Resources within the time limitation or you are not satisfied with the response, you may request a hearing with Management or its designee. A written request must be submitted within five business days of the date the Human Resources Manager responded or, if no response was received, within five business days of the date the response was due. The hearing will be informal and will take place by telephone or in person within thirty days of the date the request for hearing was submitted.

You, your supervisor, and/or the Human Resources Manager may present any information they deem relevant to Management at the hearing. Management will issue a written decision within ten business days after the hearing. Any such decision is final.

The time limits for the Company to respond to an employee grievance may be extended to allow for further investigation of the grievance. You will be notified in writing of any extension. Information concerning an employee grievance will be kept confidential to the extent practicable under the circumstances. Members of the Management team responsible for the investigation and/or responding to the grievance will discuss it only with those individuals who have a need to know about the issue or who are needed to supply background information or advice. Employees who file a grievance are also required to maintain confidentiality during the pendency of the grievance procedure (the expectation does not apply to outside agencies with jurisdiction over the Company, such as the EEOC and the NLRB).

The Company, at its discretion, may proceed with disciplinary action against an employee even if the employee has a grievance pending under this policy.

ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYER EMPLOYEE HANDBOOK

I acknowledge that I have received a copy of TWGW, Inc.'s, Employee Handbook. I understand all of the following:

- The statements contained in the Employee Handbook are not a contract, but do provide a summary of the employment policies and procedures that I am expected to follow. I agree to abide by the policies in the Employee Handbook, as amended from time to time.
- The Employee Handbook may be changed at any time and I am responsible for familiarizing myself with new policies and revisions to existing policies. I understand that the Company has the final authority in interpreting and administering the terms of this Employee Handbook and that the Company has the discretion to deviate from its policies in any particular instance.
- My employment is at-will, meaning I may resign, or the Company may terminate my employment at any time, with or without cause. I understand that the at-will nature of my employment cannot be modified except in a written document signed by the President of the Company.
- No one at the Company has the authority to orally modify the policies set forth in the Employee Handbook.
- This Employee Handbook supersedes any and all prior handbooks and manuals issued by the Company and, regardless of my date of hire, I am subject to any amendments, deletions and changes in the Employee Handbook, whether or not I sign a new acknowledgement form.
- I have read the Grievance Procedure and agree that I will not initiate a legal action against the Company without first complying with the Grievance Procedure (this does not apply to administrative charges filed with a government agency, such as the EEOC or the NLRB).

I have asked and received answers in connection with any policies I did not understand.

Employee Signature

/ /
Date Signed

(This form to be retained in the employee's personal file.)