



THE SALTY



DOG CAFE

THE OFFICIAL  
**EMPLOYEE HANDBOOK**

REVISED JANUARY 2019

**CORPORATE OFFICE**  
224 SOUTH SEA PINES DRIVE  
HILTON HEAD ISLAND, SC 29928  
843.671.6465 // SALTYDOG.COM



## **DISCLAIMER**

### ***THIS IS NOT A CONTRACT***

EMPLOYEES OF THE COMPANY ARE EMPLOYED AT WILL WHICH MEANS THAT EITHER THE EMPLOYEE OR THE COMPANY MAY END EMPLOYMENT AT ANY TIME AND FOR ANY REASON. NOTHING IN THE COMPANY'S HANDBOOKS, MANUALS, POLICIES, RULES, OR OTHER WRITTEN DOCUMENTS CREATES ANY CONTRACT OF EMPLOYMENT. THIS HANDBOOK SUPERSEDES ANY PRIOR HANDBOOK OR POLICY ON THE SAME SUBJECT. ANY AND ALL POLICIES, PRACTICES, OR PROCEDURES MAY BE CHANGED BY THE COMPANY FROM TIME TO TIME. ORAL OR WRITTEN ASSURANCES AND/OR REPRESENTATIONS OF THE COMPANY AND/OR ITS MANAGERS, SUPERVISORS, OR AGENTS DO NOT FORM A CONTRACT OF EMPLOYMENT UNLESS (1) THE TERMS ARE IN WRITING AND INCLUDE THE DURATION OR TERM OF THE CONTRACT; (2) THE WRITING OR DOCUMENT IS LABELED "CONTRACT OF EMPLOYMENT;" AND (3) THE DOCUMENT IS SIGNED BY AN OFFICER OF THE COMPANY.

I agree that I have received a copy of the employee handbook, that I have read the disclaimer above, and that I understand that THIS DOCUMENT IS NOT A CONTRACT OF EMPLOYMENT.

\_\_\_\_\_  
Printed Name of Employee

\_\_\_\_\_  
Signature of Employee

Date: \_\_\_\_\_



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\_\_\_\_\_  
Printed Name of Employee

\_\_\_\_\_  
Signature of Employee

Date: \_\_\_\_\_



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THIS MANUAL IS FOR REFERENCE TO ALL EMPLOYEES OF JOHN BRADDOCKS, INC., THE SALTY DOG, INC., SOUTH BEACH REAL ESTATE COMPANY, INC., SOUTH BEACH MARINA, INC., SOUTH BEACH SWIMMING POOL, INC., AND SOUTH BEACH MANAGEMENT GROUP, INC., WHICH REFERS TO ALL COMPANIES LISTED BELOW BUT NOT LIMITED TO:

**The Salty Dog, Inc. dba**  
Salty Dog T-shirt South Beach  
Salty Dog T-Shirt Arrow Road  
Salty Dog T-Shirt Tanger 2  
Jake's Cargo Warehouse  
Kid's Activities

**South Beach Real Estate Co., Inc. dba**  
South Beach Marina Inn & Rentals  
Maintenance

**John Braddock's Inc. dba**  
Salty Dog Café  
Salty Dog Ice Cream  
Jake's Draft & Dog House  
Kiwi's Cookout  
Land's End Tavern  
The Wreck of the Salty Dog  
Salty Dog Bluffton  
Jake's Salty Dog Pizza  
The Salty Dog Cruise

**South Beach Marina Inc. dba**  
Blue Water Bait & Tackle Shop  
Maintenance

**South Beach Swimming Pool, Inc.**  
South Beach Management Group, Inc.

**Beadog, Inc.**

**THROUGHOUT THIS HANDBOOK,  
THESE ESTABLISHMENTS ARE  
REFERRED TO COLLECTIVELY AS  
“THE COMPANY.”**



# 1. The Company

## Welcome

All of the companies mentioned throughout this handbook strive to give employees a number of enjoyable benefits and rewards throughout the year. We also feel we offer competitive pay in all job categories and we spend a lot of time investing in your future with us. This handbook was created to protect you, the guest, The Company, and your coworkers in a fair and safe manner. Whether you have just joined our staff or have been at The Company for a while, we are confident that you will find our company a dynamic and rewarding place in which to work, and we look forward to a productive and successful association. We consider the employees of The Company to be one of its most valuable resources. This handbook has been written to serve as the guide for the employer/employee relationship. Please do your part by working hard, being honest, and treating this company as if it were your investment. We hope to have an enjoyable working relationship with you for many years to come.

There are several things to keep in mind about this handbook. First, it contains only general information and guidelines. It is not intended to be comprehensive or to address all the possible applications of, or exceptions to, the general policies and procedures described. For that reason, if you have any questions concerning eligibility for a particular benefit or the applicability of a policy or practice to you, you should address your specific questions to the corporate office. Neither this handbook nor any other company document confers any contractual right, either expressed or implied, to remain in the company's employ. Nor does it guarantee any fixed terms and conditions of your employment. Your employment is not for any specific time and may be terminated at will with or without cause and without prior notice by The Company, or you may resign for any reason at any time. No supervisor or other representative of The Company, except Robert Gossett, has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the above.

The procedures, practices, policies and benefits described here may be modified or discontinued from time to time. We will try to inform you of any changes as they occur.

This handbook and the information in it should be treated as confidential. No portion of this handbook should be disclosed to others, except The Company employees and others affiliated with The Company whose knowledge of the information is required in the normal course of business.

Some subjects described in this handbook are covered in detail in official policy documents. Refer to these documents for specific information because the handbook only briefly summarizes those guidelines and benefits. Please note that the terms of the written insurance policies are controlling and override any statements made in this or other documents.



## Our History

Founded in 1987, The Salty Dog started out as a small outside bar serving shrimp sandwiches to the local fishermen. It has now matured into an island institution that is based around the Legend of Jake, The Salty Dog. People travel from all over the world to escape and relax on the shores of Brad-docks Cove and enjoy the atmosphere of The Salty Dog.

In the beginning, The Salty Dog was simply an outside bar, similar to other bars on the island. Friendly bartenders prepared the lunches from scratch daily. In the early days, musicians like Bruce Crichton would entertain guests from the back of his pickup while kids would sing and dance all night long. It was truly a family environment. In 1995, Dave Kemmerly joined in on the party, and it has been growing ever since.

As The Salty Dog's popularity grew, so did its boundaries. Captain John's Galley joined the family in the mid 90's helping The Salty Dog grow into a year-round, all-weather restaurant with a full kitchen. But that wasn't enough! It wasn't long before The Salty Dog ventured into other areas to accommodate its customers. Jake's Pizza, The Salty Dog Ice Cream Shop, and Kiwi's Island Cookout began offering a variety of dining options at South Beach. Over the years we have blossomed into even more choices with The Wreck of the Salty Dog in 2004, the acquisition of Land's End Tavern in 2006, the Salty Dog Cruise in 2015, and the opening of Salty Dog Bluffton in 2016. 2019 is poised for even more growth.

The riddle of The Salty Dog is which came first - the restaurant or the T-shirt? No one really knows the answer, because they have both been around since 1987. Originally, the Classic Salty Dog T-shirt was screen printed from a handmade screen and dried in a kitchen oven in Bluff Villas. Soon, the Salty Dog shirt started a revolution that required its own store in 1990. Hence, The Salty Dog T-shirt Factory was born. The original shirt has evolved into a variety of colors, sweatshirts, jackets, and products that are born here on Hilton Head Island everyday at our facilities on Arrow Road. Now our t-shirts can be purchased at one of our four local shops, by mail order, or on our website. We offer a toll-free order line and provide an internet catalog for our out of town guests. With the addition of our online store, Salty Dog T-shirts are available 24 hours a day and shipped around the world. We receive hundreds of pictures each year of people sporting their Salty Dog tees in exotic locations like The Pyramids of Egypt and The Great Wall of China. All of which can be seen at [www.saltydog.com](http://www.saltydog.com).

Almost 30 years has brought a lot of change to Hilton Head Island and The Salty Dog. People have come and gone, but some have decided to stay. Many of the faces you've seen in the early years are still here, they have just moved to different positions within the Salty Dog family. We are very proud of our success and all of the people working hard to get us there. Our work environment could not be better. It is a life we are all lucky to live. The only thing that makes it possible is the loyal visitors that faithfully return to The Salty Dog year after year. We thank them for their business and look forward to serving them for many years. Let's keep the legend alive by continuing to work together to keep our quests happy and coming back for years to come!



## **Our Mission**

Our goal is to provide an exceptional experience for our customers and guests that exceeds their expectations in quality of product, services and amenities while offering a safe, productive and challenging work environment for our staff and maintaining an innovative spirit.

## **Our Values**

A set of company values has been created to provide a framework for encountering your new work environment, your fellow co-workers and our customers. Ideally, in conjunction with the following procedures and policies outlined within this handbook, the company values will allow all of us to achieve our mission statement.

### **The Company values are as follows:**

**Integrity:** We always try to do the right thing, be honest and trustworth and ultimately treat others as we would like to be treated. This goes for our fellow coworkers, our vendors and our customers.

**Legendary Service:** We provide the best experience for our guests by being in tune with their needs, understanding why they visit and shop with us and going above and beyond to create a memorable experience.

**Continual Improvement:** We make decisions to get better for our customers and ourselves each and every day. Improvements can be both big and small.

**Teamwork:** We realize that we need each other to achieve our goals. We work together, support each other and do our best together.





## 2. GENERAL EMPLOYMENT INFORMATION

No employee may begin work at our establishment without presenting us with the proper forms filled out on or before their scheduled start date. A new employee must complete the following:

- Form I-9 Employment Eligibility Verification
- Form W-4
- Employment Notice
- 2 Employee Handbook Disclaimers, one for your records and one to return
- Emergency/Personal Contact Information
- Confidentiality Agreement

We participate in E-Verify. This program allows us to provide the Social Security Administration and the Department of Homeland Security with information to confirm work authorization. In order to maintain consistency among our various polices, any previous employee who returns to employment with the company after being separated from service for six months or longer will be treated as a new hire by the company. Please contact the corporate office for more information.

An employee's Form W-2 tax form will be mailed to the address that was provided to the corporate office upon employment. If an employee changes his/her address prior to the mailing, it is his/her responsibility to provide the corporate office with the correct mailing information. Failure to provide a current address may result in a \$5.00 charge if the original Form W-2 is not forwarded to a current address and HR is required to provide another copy.

Employees are required to provide the corporate office with current and correct information. This information consists of any work permits, address, and telephone contact information. It is each employee's responsibility to inform the corporate office of any changes, in writing, as soon as the information is available.

### Cell Phone Policy

All employees should be aware that personal cell phones are not permitted at work. This is a zero-tolerance policy and applies to all employees. Cell phones are not permitted anytime an employee is on paid work time. It may be grounds for immediate termination if an employee uses a personal cell phone while on the clock. Please leave cell phones at home – not in backpacks or purses while at work. If a personal cell phone is left in a vehicle, it should not be checked during work time.

Employees should contact a manager immediately if they have a personal reason to make or receive a phone call at work. We will assist employees in making or receiving any emergency phone calls while working. Our business phones are not for making or receiving personal phone calls without the prior approval of management. In the event of an emergency, family members may contact the corporate office at (843) 671-6465.

Please remember this same policy applies to smart watches, personal laptops, PDA's, iPod's and other related devices. The use of headphones while on the clock is prohibited.



The following employees are permitted to carry The Company cell phones at work:

COO, CFO, directors, managers, evening patrol staff, and maintenance staff.

These phones are to be used for business purposes during normal working hours. These employees are subject to the same zero-tolerance policy and may not receive or make personal phone calls on their work phones. These employees should avoid placing or taking cell phone calls while operating a motor vehicle. Any voicemail, text message, or other communication that is sent to or from or is stored on a Company cell phone is subject to review.

### **Attendance at Work**

Under normal operating conditions, company policy limits hourly employees to 42 hours a week at all businesses operated by The Company combined. A manager must approve all hours an employee works every week. A list of all of our affiliated businesses can be found in the front of this handbook (behind the table of contents).

It is important that employees come to work on time and in uniform. Employees should arrive five minutes early for their shift. Any tardiness or absence causes problems for fellow employees and management. When an employee is absent, his or her work must be performed by others. Excessive absenteeism, tardiness, and late arrivals without management approval is disruptive, must be avoided, and is grounds for termination. Should an employee be running late for any reason, it is imperative that he/she call a supervisor as soon as possible. It is not sufficient to send an email or leave a voice message. The employee must actually speak to a supervisor. Any employee who fails to report to work without proper notification to his/her supervisor for a period of two days will be considered to have voluntarily terminated employment.

### **Breaks**

All employees are required to take one break of a minimum of 30 consecutive minutes for food or rest, for each 8.5 hours worked daily. All employees must clock out for their 30 minute break. Furthermore, all employees must remove themselves from their immediate place of business during their break. All employees are entitled to one additional five minute break between 10 am and 11 am, 3 pm and 5 pm, and 9 pm and 10 pm. These five minute breaks are not deducted from paid time. While on their shift, employees are not allowed to consume food unless they have a manager's approval or it is during an employee's scheduled break. This does not include short breaks consisting of going to the restroom or getting something to drink, etc. All employees are required to wash their hands after any break.

Please be aware that we are here to serve guests of the marina first. With this being said, if an employee is going to order food and there is a line, or the restaurant is on a wait, employees should reconsider their dining options. Restaurant managers may deny employee food orders for the benefit of our guests at any time. Please be aware of this. Employee discounts are a courtesy to our employees, not a right. Guests always come first. Please plan meal breaks accordingly.

Smoking, e-cigarette, and tobacco use is prohibited by any clocked in employee.



## Working Hours

The hourly requirements of an employee's job with us are expected to be a priority. Consider this when accepting additional employment outside the company. Employees are expected to arrive on time and to be committed to their work schedule. We will not accept excuses for tardiness. Employees are required to complete any necessary tasks they have been assigned prior to leaving work to tend to a second job. Managers are subject to additional restrictions on secondary employment.

Hourly employees must accurately record time worked on the computer or fingerprint system for payroll purposes. Employees are required to record their own time at the beginning and end of each work shift. Clocking in/out another employee, allowing another employee to clock someone else in or out or altering anyone's time may be grounds for termination. Any error on a time card should be reported to a manager immediately. Be sure to clock in under the correct job code.

**IMPORTANT:** Except in actual emergencies, employees may not work overtime without getting the express permission of a supervisor IN ADVANCE. Employees should clock in no more than five minutes before scheduled start time and clock out no more than five minutes after scheduled quitting time. Employees may not work longer than assigned hours without advanced permission to do so. This rule is necessary in order to meet business efficiency needs, and violation of it may subject employees to discipline up to and including discharge.

All scheduling is done through a web-based program called HotSchedules.

Schedules will be posted on or by Friday afternoon for the second week out. Employee schedules can only be changed with the approval of management. Managers are to have their schedules approved by their supervisor. It is each employee's responsibility to take notice of scheduled hours and cover shifts they cannot work. Management approval is required for a shift exchange and will be approved through HotSchedules. Special schedule requests must be made at least 14 days in advance and through HotSchedules. A schedule request may not be guaranteed, but will be considered based on business needs and on a first come basis.

## Employee Parking & Sea Pines Gate Passes

All employees are required to park their cars in spaces not directly adjacent to the businesses. Please save the best parking spaces for our guests. During the months from April through September, employees working at South Beach Marina are required to use the company shuttle, Sea Pines Trolley, or carpool and park the carpool vehicle at the corporate office at 224 S. Sea Pines Drive. Overnight parking on our property is not permitted. In the event a vehicle is incapable of movement, notify a manager.

Employee gate passes will only be issued to employees who need access to Sea Pines. These passes are furnished to employees only for entering the Plantation for work purposes with The Company and are required to be surrendered upon termination or end of employment for the season. Paper gate passes are not to be given away to any other person(s). Employees will receive one pass every three months. Please take care not to lose passes. In order to receive a Sea Pines Employee decal an employee must be regularly employed with us, with a vehicle in the employee's name registered in SC or GA. Please alert a manager the day before a current paper gate pass expires.



## Severe Weather & Hurricane Evacuation Plan

**Bad Weather:** Especially in our tropical environment, weather changes can be sudden, periodic or sometimes constant throughout the day. Employees should utilize the following guidelines should inclement weather be upon us:

- ALWAYS ASSUME THAT EMPLOYEES ARE EXPECTED TO REPORT TO WORK AS SCHEDULED. If an employee will not be needed due to weather changes, a supervisor will make attempts to reach the employee at least one hour in advance of his/her shift and make arrangements to reschedule the employee.
- We do want employees to arrive safely! Employees should leave early if they feel that traffic may hamper arrival. If weather or traffic plays a factor in the ability to get here on time, call a supervisor as soon as possible.

**Hurricanes** - A HURRICANE WATCH means that hurricane-like conditions COULD affect our area at some point. It means that meteorologists will keep a close eye on the storm as it pertains to our area over the next few hours or days. It does not mean that a strike is eminent. A HURRICANE WARNING means that a hurricane strike or hurricane-like conditions are probable for our area. Evacuation of the island will occur.

- All of our businesses remain open while the storm is at sea and during hurricane watch periods. Employees are expected to report to work during these periods. We will continue to watch the storm should it near our area. Employees should also be aware of the storm as it approaches. Be assured that there is plenty of time to evacuate our area should a hurricane warning be issued.
- Should a hurricane warning be issued, we expect that employees will want to make arrangements to leave the island. If employees are at work when the warning is issued, we will close the business and prepare to leave. Employees should check with a manager before leaving so that we can make arrangements to speak with everyone during or after the storm. Again, there should be plenty of time, usually at least a day or two, at this point to get to a safe area.
- A hurricane evacuation is a last resort and should not be considered a two or three day holiday. OUR BUSINESS WILL REMAIN CLOSED ONLY UNTIL THE THREAT PASSES OUR AREA. When the warning is lifted and the island is re-opened, we expect employees to report back to work.
- All employees need to call The Salty Dog Information Line while we are closed due to hurricane evacuation. Employees should do this at least once a day to keep abreast of the situation. Employees can call toll free at 1-800-828-9518, if they are away, or check our website at [www.saltydog.com](http://www.saltydog.com). Please call 843-671-2232, if on the island. A message indicating the status of the storm can be found at any of these places, as well as the time and day we will re-open for business. Employees are expected to take that information and report to work as indicated on the message.



## Employee Health

Due to the nature of our business it is required that all employees report certain symptoms of illness and diagnosis of illness to a manager as soon as they occur. In addition, employees must also make managers aware immediately when they are exposed to certain illnesses. It is then management's responsibility to report the information to the health department if appropriate.

Symptoms requiring employee reporting:

- Intestinal upset
- Jaundice (yellowing of the skin and/or eyes)
- Sore throat with fever
- Infected cuts or wounds, boils, or lesions containing secreting fluids on an exposed part of the body

Diagnosed illnesses requiring employee reporting:

- Norovirus
- Salmonella Typhi (typhoid fever)
- Shigella spp. infection
- E. coli infection (Escherichia coli O157:H7 or other EHEC/STEC infection)
- Hepatitis A

Exposure requiring employee reporting:

- An outbreak of Norovirus, typhoid fever, Shigella spp. infection, E. coli infection, or Hepatitis A.
- A household member with Norovirus, typhoid fever, Shigella spp. infection, E. coli infection, or hepatitis A.
- A household member attending or working in a setting with an outbreak of Norovirus, typhoid fever, Shigella spp. infection, E. coli infection, or Hepatitis A.

Once symptoms or diagnosis occur employees may be excluded from work or restricted in the duties they are permitted to perform. If employees are excluded from work, they may not come to work. If employees are excluded from work for having symptoms of intestinal upset, they will not be able to return to work until a minimum of 24 hours have passed since any symptoms occurred. If employees are excluded from work for exhibiting symptoms of a sore throat with fever or for having jaundice, Norovirus, Salmonella Typhii (typhoid fever), Shigella spp. infection, E. coli infection, and/or Hepatitis A, they will not be permitted to return to work until health department approval is granted.

## Security & Reporting Injuries

Abusive behavior will not be tolerated by guests or employees. Immediately notify the manager if a guest gets out of line or becomes difficult. THE PHONE NUMBER FOR SEA PINES SECURITY IS 671-7170. Do not hesitate to call them when necessary.

## Injury/Incident Reporting

All injuries must be reported immediately to a manager for both employees and guests alike, and the appropriate forms must be completed to document the incident, even if medical attention is not necessary at the time. Managers must inform Robert Gossett (President and CEO) of any incidents via phone/text (843-384-6463) and email (bob@saltydog.com) and Tim Stearns (843-683-6473, tim@saltydog.com) immediately.



### **3. WORKPLACE PROFESSIONALISM/EMPLOYEE CONDUCT & PERFORMANCE**

#### **Equal Employment Opportunity Policy Statement**

The Company provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran in accordance with applicable federal, state and local laws. The Company complies with applicable state and local laws governing nondiscrimination in employment in every location in which The Company has facilities. This policy applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation and training.

The Company expressly prohibits any form of unlawful employee harassment based on race, color, religion, gender, sexual orientation, national origin, age, genetic information, disability or veteran status. Improper interference with the ability of The Company employees to perform their expected job duties is absolutely not tolerated. Any employee or applicant who believes that he has been discriminated against in violation of this policy should report the matter to Robert Gossett, the CFO, or Human Resources immediately.

#### **ANTI-HARASSMENT/ANTI-DISCRIMINATION POLICY**

The Company is committed to providing a work environment in which individuals are treated with the appropriate respect and dignity. It is our goal to ensure that each individual has the opportunity to work in a professional atmosphere which promotes equal employment opportunities and prohibits discrimination, including unlawful harassment. All employees are expected to conduct themselves in an appropriate manner in accordance with this policy. Individuals who are the subject of or who witness or receive a report of discrimination or harassment in violation of this policy are required to report that violation immediately as described in the reporting procedure found in this policy.

#### **HARASSMENT GENERALLY**

Harassment is one form of discrimination. Harassment includes any verbal, visual, or physical conduct that is directed at an individual because of his race, color, sex, disability, religion, national origin, or other protected status, which

- as the purpose or effect of creating an intimidating, hostile or offensive work environment;
- has the purpose or effect of unreasonably interfering with an individual's work performance;
- or
- otherwise adversely affects an individual's employment opportunities.

Harassing conduct might take many forms such as jokes, ridicule, slurs, threats, written or graphic material, photographs, illustrations, e-mail, or any other communication or conduct that shows hostility or aversion to an individual or group based on a protected status.



## SEXUAL HARASSMENT

The EEOC defines sexual harassment like this:

Unwelcomed sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature are considered sexual harassment when

- the conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creates an intimidating, hostile or offensive work environment;
- an employee's submission to or rejection of such conduct is used as the basis of employment decisions that affect the employee; or
- submission to the conduct is implied or stated to be a term or condition of the employee's employment.

## INDIVIDUALS AND CONDUCT COVERED BY THIS POLICY

This policy applies to all applicants and employees, and prohibits harassment, discrimination and retaliation whether engaged in by coworkers, supervisors, managers, or a member of the general public. Conduct prohibited by this policy is unacceptable at the workplace and in any work-related setting outside the workplace, such as business trips, business meetings, and business-related social events.

## RETALIATION IS PROHIBITED

It is a violation of this policy to retaliate in any manner against an individual who reports discrimination or harassment or who participates in an investigation of such a report. Retaliation can sometimes take subtle forms, and it is extremely important that employees report violations immediately using the reporting procedure below so that corrective measures can be taken. Individuals who retaliate against reporters of harassment or discrimination will be subject to discipline up to and including discharge.

## REPORTING PROCEDURE

If an employee has experienced or witnessed harassment or discrimination, or if an employee has any other evidence that this policy has been violated by a coworker, supervisor, or anyone with whom they come into contact on the job, they are required to report the incident(s). Employees should make that report at our corporate office at 224 South Sea Pines Drive or by calling 843-671-6465. A human resource administrator is available Monday - Friday 9am - 5pm. Other resources include:

- **Tim Stearns, COO** can be reached via phone/text (843-683-6473) or email (tim@saltydog.com)
- **Robert Gossett, President and CEO** and can be reached via phone/text (843-384-6463) or email (bob@saltydog.com)



## **IMPORTANT NOTICE ABOUT REPORTING VIOLATIONS**

Employees who have experienced conduct they believe is in violation of this policy have an obligation to take advantage of the complaint procedure and the protections that this policy offers. Early reporting and employer intervention are the most effective means of preventing and resolving actual or perceived discrimination including harassment. The availability of the reporting procedure does not preclude individuals from also promptly informing the offender that his or her behavior is unwelcome and requesting that it stop.

In order to avoid misunderstandings, complaints must include a written report, either by the employee or the person to whom the employee reports. An employee may write out a complaint in any format they like, or the person to whom they report will supply a form to use, and assist the employee, if needed, in filling it out. If the employee writes out their own complaint, it must contain at least the following information: (1) the name of the person who is violating the policy; (2) a brief description of the conduct/violation; (3) any witnesses who have information about the violation; and (4) the names of any other employees who have experienced the same conduct from the violating individual. Employees should be sure to get a copy of this form to confirm that they have complied with this procedure.

## **INVESTIGATION AND RESPONSE**

Any reported allegations of discrimination or harassment will be appropriately investigated. The investigation process will vary widely depending on the nature of the complaint. Complaints will be handled as confidentially as possible in keeping with the need to investigate. All employees have an obligation to cooperate fully and truthfully with any investigation and not to discuss the investigation. Any effort to hinder an investigation will be considered a policy violation just as is the actual discrimination/harassment or any retaliation against reporting individuals.

When the investigation leads to the conclusion that a violation occurred, appropriate action will be taken to remedy the violation.

Individuals who are determined to have violated this policy in any manner are subject to disciplinary action up to and including discharge from employment

## **General Grievance Procedure**

The Company encourages employees to ask questions, voice concerns, and make suggestions regarding our business practices. Employees are expected to report to management suspected violations of the law or of internal policies and procedures. In the event that an employee has a grievance or concern that is not covered under harassment or discrimination, or is not covered within the guidelines and employment practices of The Company as stated in the Employee Handbook, the following procedure should be used:

- A. The employee should speak with his/her immediate supervisor regarding the problem.
- B. If an agreeable solution cannot be found at that level, the employee and supervisor should contact Robert Gossett (President and CEO) of any incidents via phone/text (843-384-6463) or email (bob@saltydog.com) and Tim Stearns via phone/text (843-683-6473) or email (tim@saltydog.com) immediately.

The Company will not retaliate against its employees for voicing concerns. We believe open door communication helps promote fairness and respect for the dignity of all employees.





## **Americans with Disabilities Act (ADA) and the ADA Amendments Act (ADAAA)**

The Americans with Disabilities Act (ADA) and the Americans with Disabilities Amendments Act, known as the ADAAA, are federal laws that prohibit employers with 15 or more employees from discriminating against applicants and individuals with disabilities and that when needed provide reasonable accommodations to applicants and employees who are qualified for a job, with or without reasonable accommodations, so that they may perform the essential job duties of the position.

It is the policy of The Company to comply with all federal and state laws concerning the employment of persons with disabilities and to act in accordance with regulations and guidance issued by the Equal Employment Opportunity Commission (EEOC). Furthermore, it is The Company policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions and privileges of employment.

The Company will reasonably accommodate qualified individuals with a disability so that they can perform the essential functions of a job unless doing so causes a direct threat to these individuals or others in the workplace and the threat cannot be eliminated by reasonable accommodation and/or if the accommodation creates an undue hardship to The Company. Contact the corporate office with any questions or requests for accommodation.

## **Workplace Violence**

The Company will not tolerate any type of workplace violence. This refers to acts of violence conducted in the workplace against employees. These acts are committed by someone who has either an employment-related connection or an outsider involving:

- 1) Any physical act against another person or property.
- 2) Verbal or written threats which are meant to harm or create a hostile environment.
- 3) Visual acts which are threatening or intended to convey injury or hostility.

Employees are expected to observe these preventative measures:

- 1) Understand what violence is.
- 2) Understand themselves, including their own attitudes, motivations, and decision-making styles so they will not resort to violence.
- 3) Follow prescribed security measures and designated devices.
- 4) Report any persons who may or have committed a violent act.

All employees are expected to report any threat or act of violence to a manager. Employees concerns are taken seriously and the matter will be investigated and dealt with expeditiously without any fear of reprisal.



## Workplace Bullying

The Company defines bullying as repeated inappropriate behavior, either direct or indirect, whether verbal, physical or otherwise, conducted by one or more persons against another or others, at the place of work and/or in the course of employment. Such behavior violates The Company Values.

The purpose of this policy is to communicate to all employees, including managers, that The Company will not tolerate bullying behavior. Employees found in violation of this policy may be disciplined up to and including termination.

Bullying may be intentional or unintentional. However, it must be noted that where an allegation of bullying is made, the intention of the alleged bully is irrelevant and will not be given consideration when meting out discipline. As in sexual harassment, it is the effect of the behavior upon the individual that is important. The Company considers the following types of behavior examples of bullying:

- **Verbal bullying:** Slandering, ridiculing or maligning a person or his/her family; persistent name calling that is hurtful, insulting or humiliating; using a person as the butt of jokes; abusive and offensive remarks.
- **Physical bullying:** Pushing, shoving, kicking, poking, tripping, assault or threat of physical assault; damage to a person's work area or property.
- **Gesture bullying:** Nonverbal threatening gestures or glances that convey threatening messages.
- **Exclusion:** Socially or physically excluding or disregarding a person in work-related activities.

## Employee Conduct & Expectations

Employees are expected to follow the guidelines for each Company's dress code policy. Employees must be in dress code when they clock in.

Everyone must work effectively and efficiently to be employed by The Company. Upon clocking in, immediately begin working. Please do not stand around, eat breakfast, drink coffee or sodas, snack, or other non-productive activity. Employees should ask the manager on duty if an employee has any question pertaining to their job description or what duties they should be performing.

It is very important that we work together as a team, not just for ourselves. Helping each other allows greater success for everyone.

Do not argue with coworkers or use profanity or inappropriate tone or gestures in front of our guests. If there is a problem, talk to a manager.

Employees are not permitted to have personal packages, etc. shipped to any Company affiliated business. This includes via UPS, Fed Ex, etc. Please have them shipped elsewhere.

Employee visitors, including someone's ride, family members, children and friends are not permitted during work shifts. Furthermore, employee visitors will not be allowed in work areas such as offices, stores, kitchens, behind the bar, etc. Also, pets or animals are not allowed in the workplace. Similarly, if an employee is not working, they are to abide by the same rules.



Any large function requesting a majority of the staff to attend may be brought to a manager's attention so that possible arrangements can be made for any group employee attendance.

Employees that terminate employment themselves (or quit) without proper notice provided to their supervisor, will not be considered for re-employment for at least one year, should they reapply for any job within The Company.

### **Guest Service Information**

Please remember we are a guest oriented company. Employees should focus attention on guests' needs, and keep personal conversation not related to guest service to a minimum.

Good telephone manners are a necessity at all times. Messages must be written down for accurate follow-up. Employees are expected to have general knowledge of the business and be able to relay this information to guests who call on the phone.

Chewing gum is not permitted while working in any situation that may require an employee to interact with our guests.

All guests must be greeted upon arriving and thanked upon leaving the premises. We want our guests to know that we are happy to have them. It is an employee's duty as a Company employee to smile, give great service, have a pleasant attitude, and to be courteous to our guests. Employees were selected to work here because we believe they are a quality person and will perform in such a manner. Any variations of the above fall out of our guidelines and may result in dismissal.

No overnight tabs for guests or employees are permitted. All personnel are required to settle any tabs with a guest or employee before leaving their shift. The person serving is responsible for paying that tab, or any other unpaid tabs, should one be left unpaid.

No solicitation of our guests or other employees is permitted during work times, business hours, or on our property. This includes employees or anyone representing an outside interest. Our employees are here to work, and our guests are here to relax and enjoy themselves, not to get a sales pitch. Employees discovered promoting an outside interest may be disciplined, up to and including termination.

The music played at our establishment is for our guests' enjoyment. Keep volume levels at a reasonable level. The music selections that we have chosen are not to be varied from. Volume levels are marked at each stereo.

Our guests that require service animals are not restricted in the use of our facilities. Service animals are not considered pets and as such are not confined to the courtyard by the Inn. Service animals often do, but are not required to, wear special tags, collars, and/or coats to help identify them. We do not require our guests to provide proof that their service animal is indeed one. Please refer to a manager if there are any questions in regards to service animals.

DHEC regulations and other considerations prohibit pets from being in our facilities. Guests with pets may use the courtyard area by the Inn and consume take out food there.



DHEC regulations and other considerations prohibit pets from being in our facilities. Guests with pets may use the courtyard area by the Inn and consume take out food there.

## **Theft**

Theft is an ongoing issue with many companies. The Salty Dog Cafe & all of our affiliate companies are heavily committed to keeping our facilities free from such improprieties. We encourage all employees to inform management if they suspect someone to be taking part in suspicious or illegal activities related to our businesses.

Our management employs a number of policies and controls to maintain upstanding service and to operate these businesses efficiently. Recording cameras, supervision, spending time helping out in various locations, watching transactions take place, and periodic cash register counts are only some of the ways they are responsible for supervising daily sales. We want an employee's experience at our establishments to be fun, lucrative, and very enjoyable. However, theft will simply not be tolerated. Any person(s) caught stealing at our establishments WILL be prosecuted to the fullest extent of the law. We will not hesitate to seek the help of law enforcement should any employee be observed unlawfully taking (or giving away or discounting) inventory, equipment, money, etc.

We carefully check the references of ALL new employees prior to hiring.

In the event an employee believes there may be a suspect employee working with us, please speak to a manager as soon as possible. We will always listen closely to any concerns and/or comments.

Please keep in mind that by taking any portion of illegally obtained money or products, that you too, are responsible for a stealing employee's actions. Food theft at a restaurant is no different than stealing food from a grocery store.

Be certain that all sales, cash and otherwise, are entered into our register systems immediately upon receipt of payment. All tips should be allocated correctly. Receipts must be provided to all guests following payment. Any unclaimed receipts must be set aside and delivered to managers daily.

Employees distributing or receiving free food/trading out goods for free goods/services will be terminated.

## **Monitoring in the Workplace**

There are surveillance cameras and recording equipment in key locations throughout our businesses and property. These cameras are capable of recording hours of high quality video. The system uploads live video, which is monitored from remote locations. Managers have the capability to monitor and record business activity via the Internet. Do not for any reason touch the cameras, or by any means obstruct their view. If an employee is a witness to any such activity, please notify management directly. Be aware that these cameras will not be installed in restrooms, dressing rooms, or similar places where one would normally expect privacy.



## **Use of Company Equipment & Electronics**

Computers at work are not to be used for personal reasons. They are present to add value to the efficiency of the work we engage in while on Company property. Internet surfing, Facebook, Twitter, personal emails, downloading music, working on personal projects, etc. are all grounds for disciplinary action up to and including dismissal.

Employees are not permitted to make or receive personal phone calls during their shift, except in the case of emergency. Any non-emergency phone calls will not be accepted and will be redirected for the party to call the employee during non-work hours. In the case of an emergency, please get permission from a direct supervisor prior to making a personal phone call. See Cell Phone Policy.

Internet use and communication (emails, voicemails, etc.) are considered part of The Company's business records. Such communications are not to be considered private or personal to any individual employee. Please ask a manager should there be any questions.

Employees should not create, send, receive, or store any personal information on our systems that he/she would not want the Company or other employees to read or publish.

## **Social Media Policy**

Employees need to know and adhere to The Company's Code of Conduct, Employee Handbook, and other company policies when using social media in reference to The Company. Guidance for employee use of social media, which should be broadly understood for purposes of this policy to include blogs, wikis, message boards, chat rooms, electronic newsletters, online forums, social networking sites, and other sites and services that permit users to share information with others in a contemporaneous manner.

The following principles apply to professional use of social media on behalf of The Company as well as personal use of social media when referencing The Company.

Employees should be aware of the effect their actions may have on their images, as well as The Company's image. The information that employees post or publish may be public information for a long time.

Employees should be aware that The Company may observe content and information made available by employees through social media. Employees should use their best judgment in posting material that is neither inappropriate nor harmful to The Company, its employees, or customers. Content regarding an employee's whereabouts or medical/health status can be monitored via social media. (i.e. calling out sick and posting pictures from the beach may result in disciplinary action)

Although not an exhaustive list, some examples of prohibited social media conduct include posting commentary, content, or images that are defamatory, pornographic, proprietary, harassing, libelous, or that can create a hostile work environment.



Employees are not to publish, post, or release any information that is considered confidential or not public. If there are questions about what is considered confidential, employees should check with Robert Gossett (President and CEO) via phone/text (843-384-6463) or email (bob@saltydog.com) and Tim Stearns via phone/text (843-683-6473) or email (tim@saltydog.com) immediately.

Social media networks, blogs and other types of online content sometimes generate press and media attention or legal questions. Employees should refer these inquiries to Robert Gossett (President and CEO) via phone/text (843-384-6463) or email (bob@saltydog.com) and Tim Stearns via phone/text (843-683-6473) or email (tim@saltydog.com) immediately.

If an employee encounters a situation, related to The Company, while using social media that threatens to become antagonistic, the employee should disengage from the dialogue in a polite manner and seek the advice of a manager.

Employees should get appropriate permission before you refer to or post images of current or former employees, members, vendors, or suppliers. Additionally, employees should get appropriate permission to use a third party's copyrights, copyrighted material, trademarks, service marks or other intellectual property.

Social media use shouldn't interfere with an employee's responsibilities with The Company.

It is highly recommended that employees keep The Company's social media accounts separate from personal accounts.

### **Alcohol Policy**

No employee or contractor of The Company is permitted to consume or purchase alcoholic beverages on South Beach Marina Village property or any Company property at any time, on or off duty. Any employee who is on the clock may not purchase or consume alcohol if they leave Company property on a errand, etc. Employees may lose their job by breaking this rule.

The Company has a vital interest in maintaining a safe, healthy, and efficient working environment. Being under the influence of alcohol on the job poses serious safety and health risks to the user and to all those who work with or are served by the user. Under The Influence means that there is any detectable amount of alcohol in the employee's system, and/or a condition in which a person is affected by alcohol in any detectable manner. The symptoms include but are not confined to those consistent with misbehavior, or the obvious impairment of physical or mental ability such as slurred speech or difficulty in maintaining balance.

The following acts by employees are prohibited:

- Reporting to or being at work under the influence of alcohol from present or prior use.
- Consuming alcohol on work time.
- Consuming alcohol on Company premises, either on or off duty.
- Possession of alcohol on Company premises other than for the purposes of stocking or serving guests.
- Action which constitutes a violation of any alcoholic beverage control law, or law which governs driving while intoxicated, based upon conduct occurring in the workplace.
- Reporting to or being at work smelling of alcohol.



Employees who are suspected of violating this policy may be required to submit to an alcohol test when determined appropriate by The Company. A test is not necessary in order to find an employee in violation of this policy.

Any employee injured on the job that requires medical treatment under the Worker's Compensation Insurance program is required to submit to an alcohol and drug test.

Any violation of this policy will subject an employee to discipline up to and including immediate discharge.

### **Drug Use and Testing Policy**

It is well recognized that drug abuse has a harmful effect on public health and safety, on the welfare of employees, on morale, and on productivity. Furthermore, it is the policy of all Companies to which this handbook applies (collectively "The Company" hereinafter), to comply with the Drug Free Workplace Act, to comply with applicable government regulations, to establish and maintain drug-free workplaces, and to prohibit the unauthorized or unlawful manufacture, distribution, dispensation, possession, and use of controlled substances on or off the job.

For these reasons, The Company has adopted a formal drug use and testing policy. The full text of that policy is published as Appendix A at the back of this handbook.

It is important that employees carefully read, understand, and comply with the policy. Failure to do so may subject employees to discipline up to and including immediate discharge.

### **Performance Evaluations**

An employee's first 90 days of work are generally considered a trial or probationary period. During and at the end of this time, management will attempt to address any changes necessary for continued employment. If performance is not satisfactory, supervisors may, at The Company's discretion, attempt to place the employee in a position more suited to both parties, discuss other alternatives, or terminate employment. The fact that an employee has completed the 90-day period does not in any way alter the at will employment status. Any employment relationship may be ended at any time by either The Company or the employee.

Customer rating forms and blind evaluations by our guests will be done at random to better evaluate our service. Employees who do not receive a satisfactory rating will be retrained and tested again at a later date. Unsatisfactory performance and/or complaints will be recorded in the employee's file. Poor performance may result in termination. Poor service is unacceptable at all The Company locations. It is our goal to give the best service to all of our guests.



## Employee Discipline

The Company expects employees to conduct themselves in a courteous and professional manner. Some conduct is unacceptable and may result in discipline including discharge, even on a first offense. Although this handbook offers guidelines to unacceptable behavior, it is not possible to list or anticipate every act or omission that might result in discipline or discharge.

What conduct is unacceptable and what discipline, if any, will be imposed in any particular situation will be determined at The Company's sole discretion. Normally, The Company will consider factors such as the nature and seriousness of the conduct or omission, and the work and disciplinary history(ies) of the individual(s) involved. Which factors are considered in any particular situation and the weight given them will be determined at The Company's sole discretion.

Although The Company may elect to impose discipline in increasing levels when a particular situation warrants that approach, there is no "progressive discipline" mandate. Any infraction may result in any discipline including discharge, even on a first offense.

Although it is not possible to list or anticipate all acts or omissions that might result in discipline or discharge, the following is a list of some of the more obvious examples of unacceptable conduct:

- Any violation of The Company's drug or alcohol policies.
- Failure to support The Company's mission statement or values.
- Any violation of The Company's policy prohibiting sexual or other harassment or discrimination.
- Clocking in or out for another employee or allowing another employee to clock in or out for you, or any other falsification of work records.
- Working unauthorized overtime, except in emergencies.
- Excessive or unexcused absenteeism or tardiness. What constitutes "excessive" or "unexcused" is determined in The Company's sole discretion.
- Failure to properly call in or report an absence or late arrival.
- Sleeping or giving the appearance of sleeping on the job.
- Stealing from The Company, employees or guests.
- Destruction or unauthorized use of Company property.
- Possession of firearms or any other weapons on The Company property.
- Any act or threat of physical violence.
- Failure or refusal to wear or use safety gear or equipment; or any act or omission compromising workplace safety.
- Untruthfulness or dishonesty.
- Refusal to work as assigned or instructed.
- Neglect of job duties.
- Abuse of break privileges.
- Misuse of employee discount privileges.
- Use of personal cell phones at work.
- Improper use of The Company cell phones, computers, or other equipment.
- Rude or discourteous behavior toward or in front of guests.
- Any criminal conduct on work time or The Company property.
- Criminal conduct off duty which is relevant to the employee's duties.
- Tampering with security cameras, alarms, locks, or other security systems.
- Violation of any rule or policy in this handbook or other procedure manuals.





Policy violations and any form of employee violation including but not limited to: arriving late for work, guest complaints, missing scheduled shifts, and not performing work to company standards should be recorded in writing by the manager on duty. Any such documentation must be signed and dated by the employee and will be kept in our employee records. The employee's signature does not mean that he/she necessarily agrees with the discipline, but that he/she has been made aware of it.

## 4. COMPENSATION & BENEFITS

### Payroll Information

An employee's pay scale, earnings, and bonuses should be considered confidential information.

Payperiods will run from Monday to Sunday. Paychecks will be issued on Friday afternoons by 3 pm for the preceding payperiod. Employees must clock in & out under the proper job code in order to receive correct pay. Tipped employees must declare tips.

Direct deposit is offered. Employees who do not use direct deposit will be paid at their work areas.

Cash, debts owed to The Company, uniforms, tools, equipment, vehicles, instruction manuals, keys and other items belonging to The Company and advanced or issued to an employee and not repaid or returned by him/her at the time of his/her termination are considered advances of wages the value of which may be deducted from his/her final pay check(s). By accepting or continuing employment, the employee authorizes these deductions.

### Employee Classification Categories

All employees are designated as either nonexempt or exempt under state and federal wage and hour laws. The following is intended to help employees understand employment classifications and employees' employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. The right to terminate the employment at will relationship at any time is retained by both the employee and The Company.

Nonexempt employees are employees whose work is covered by the Fair Labor Standards Act (FLSA). They are NOT exempt from the law's requirements concerning minimum wage and overtime.

Exempt employees are generally managers or professional, administrative or technical staff who ARE exempt from the minimum wage and overtime provisions of the FLSA. Exempt employees hold jobs that meet the standards and criteria established under the FLSA by the U.S. Department of Labor.

The Company has established the following categories for both nonexempt and exempt employees:

- *Full Time*: Employees who are not in a temporary status and who are regularly scheduled to work the company's full-time schedule of 30 hours or more per week. Generally, these employees are eligible for the benefits package, subject to the terms, conditions and limitations of each benefits program.



- *Part Time*: Employees who are not in a temporary status and who are regularly scheduled to work less than the full-time schedule of 30 hours each week. Regular, part-time employees are eligible for some of the benefits offered by the company subject to the terms, conditions and limitations of each benefits program.
- *Temporary*: Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project and who are temporarily scheduled to work the company's full-time schedule for a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.

Temporary workers are not eligible for company benefits unless specifically stated otherwise in company policy or are deemed eligible according to plan documents.

### **FLSA Salary Deductions Policy (applies to salaried exempt employees)**

The federal Fair Labor Standards Act (FLSA) is a federal law which requires that most employees be paid minimum wage and overtime premiums. However, certain employees who meet FLSA tests are exempt as "executive," "administrative," or "professional" employees. There also are other exemptions. To qualify as an exempt employee, an individual must be paid on a salary basis. In addition, the employer may not make deductions from that salary except as allowed by the FLSA.

Generally, deductions from salary are permitted when:

- the employee is absent for one or more full days for personal reasons;
- the employee is absent for one or more full days for sickness or injury in accordance with the Company's sick or other paid leave plan;
- the deduction is an offset for jury or witness fees; or
- for certain unpaid disciplinary suspensions of one or more full days.
- Salary may be pro-rated in an employee's first and last weeks of employment.

It is our policy to comply with the salary basis requirements of the FLSA. Therefore, we prohibit all improper deductions from the salaries of exempt employees. We want our employees to be aware of this policy.

If an employee believes that an improper deduction has been made from his/her salary, the employee should immediately report this information to his/her supervisor or to the corporate office at 224 South Sea Pines Drive, (843) 671-6465. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, the employee will be promptly reimbursed for any improper deduction.



## Benefits

The Company offers direct deposit, employee discounts, a retirement plan, and medical, life, and dental insurance to eligible employees. Those eligible employees who wish to be included in the insurance plan are required to pay their portion of the monthly premium for that coverage on a weekly payroll deduction basis. If an employee does not have enough paid hours in any particular pay period to cover his/her medical, life, and dental premiums he/she is responsible for paying the amount owed.

## Eligibility

To qualify for health insurance, 90 days of continuous service is required. Temporary and part time employees (< 30 hours per week) are not eligible to participate.

To qualify for participation in the 401(k) retirement plan, 1000 hours of service within 12 consecutive months of service and at least 21 years of age are required.

More information regarding insurance policies and/or retirement plans can be obtained from the Corporate Office.

## Employee Discounts

All food and goods must be paid for immediately.

- *Food Establishments:*

Please see the employee menu available at all locations for discounted food items.

- *Retail Establishments:* 25% off full price merchandise is available for EMPLOYEES ONLY. Sale items may be purchased at the sale price without a discount or at full price with a discount.

## Background and Reference Checks

To ensure that individuals who join The Company are well qualified and to ensure that The Company maintains a safe and productive work environment, it is our policy to conduct pre-employment background checks on all applicants. Background checks may include verification of any information on the applicant's resume or application form.

All offers of employment are conditioned on receipt of a background check report that is acceptable to The Company. All background checks are conducted in conformity with the Federal Fair Credit Reporting Act, the Americans with Disabilities Act, and state and federal privacy and antidiscrimination laws. Reports are kept confidential and are only viewed by individuals involved in the hiring process.

If information obtained in a background check would lead The Company to deny employment, a copy of the report will be provided to the applicant, and the applicant will have the opportunity to dispute the report's accuracy. Background checks may include a criminal record check, although a criminal conviction does not automatically bar an applicant from employment.

Additional checks such as a driving record or credit report may be made on applicants for particular job categories if appropriate and job related.

The Company also reserves the right to conduct a background check for current employees to determine eligibility for promotion or reassignment in the same manner as described above.



## Leave of Absence Policy

An employee who is on a leave of absence from work for any reason, other than qualifying military leave under the Uniformed Services Employment and Re-employment Rights Act, will be separated from the payroll after a maximum of twenty-six weeks. Any employee who cannot, for any reason return to duty after the exhaustion of all available leave will be automatically separated from employment. However, he/she remains eligible to apply for rehire as a new employee in the event of future openings for which he/she is qualified. In order to maintain consistency among our various policies, any previous employee who returns to employment with the company after being separated from service for six months or longer will be treated as a new hire by the company, including the E-Verify system and I-9 requirements. This action shall not affect the employee's eligibility to be considered for hire as a new employee at some future time. Hiring decisions will be based on The Company's needs at the time of re-application.

Under no circumstances will an employee on a leave of absence have a greater right to a job than if leave had not been taken under this policy.

The following policies provide additional detail on medical leaves of absence.

*Family and Medical Leave Act* - Applies only to employees employed 12 months or longer and who have worked 1250 hours or more in the preceding 12 months, both prior to commencement of leave, and who work at a location where there are 50 or more employees within a 75 mile radius. Employees on qualifying military leave under USERRA will have the normal hours of work missed credited towards the 1250 hour threshold. Hours credited for other forms of leave such as, but not limited to, vacation, sick leave, holidays and worker's comp will not be counted towards the 1,250 hour threshold.

*General* - Employees who meet the length of service and hours worked requirement described above have rights under the Family and Medical Leave Act. As a general rule, employees must request leaves of absence under this law and policy, but in appropriate situations, employees may be placed on leave status without application.

### Reason for Leave of Absence

**Medical and Family Leave:** An eligible employee may be entitled to a leave of absence under this law and policy if a serious health condition, including disability resulting from an on-the-job injury, prevents the employee from being able to perform his/her job, if the employee's spouse, child or parent has a serious health condition and the employee must be absent from work in order to care for that relative, or to care for a natural child, adopted child, or formally placed foster child, provided that entitlement to leave to care for a child who is newly born or newly received in the employee's household shall end 12 months after a natural child is born or 12 months after an adopted or foster child is received in the employee's household.

**Military Caregiver Leave:** An eligible employee whose spouse, parent, child or next-of-kin is a covered service member of the Armed Forces of the United States may be entitled to a leave of absence to care for the service member if he/she is injured while on active duty.



**Qualifying Military Exigency Leave:** An eligible employee whose spouse, parent or child is a member of the National Guard or Reserves of the U.S. Armed Forces and is on active duty or called to active duty in federal service may be entitled to a leave of absence due to one or more qualifying exigencies arising out of the active duty or call to active duty.

**Qualifying exigencies are:** 1) Short-notice deployment (i.e., notice of 7 days or less); 2) Military events and related activities; 3) Childcare and school activities (regular or routine childcare by the employee does not count); 4) Financial and legal arrangements; 5) Counseling; 6) Rest and recuperation; 7) Post-deployment activities; and 8) Additional activities not encompassed in the other categories, but agreed to by the employer and employee.

Proof of need for leave of absence may be required regardless of the type of leave taken.

### **Length of Leave**

**Medical and Family Leave:** An eligible employee may take the equivalent of a total of 12 work weeks of leave during a 12 month period for his/her own serious health condition, that of a parent, spouse or child\*, or to care for a newly born or newly received child. The company uses a rolling 12 month period that looks backward from the time the leave is requested. Any leave taken during the preceding 12 month period prior to the commencement of the leave will be used to determine the amount of available leave time. Leave to care for a newly born or newly received child must be taken consecutively. Leave required because of the employee's own serious health condition or that of a spouse, child, or parent, may be taken intermittently or by means of a modified work schedule when necessary.

\*For purposes of the FMLA, a "child" is defined as "under the age of 18; or 18 or older but incapable of self-care because of physical or mental disability."

**Military Caregiver Leave:** Leave to care for an injured service member may be taken for up to 26 work weeks in a single 12 month period.

**Qualifying Military Exigency Leave:** Leave taken because of a qualifying exigency is available for up to 12 work weeks in a 12 month period. Leave taken because of a short notice deployment is limited to 7 days from the date of notice, and leave taken to be with the service member during periods of rest and recuperation is limited to 5 days per period of rest and recuperation. Leave taken to attend post-deployment activities must be taken within 90 days of the end of active duty service.

**Multiple Leave Types:** Leave taken for any covered reason counts toward an employee's total annual maximum. For example, an employee who takes two weeks of military exigency leave and later needs medical leave in the same 12-month period will be limited to 10 weeks of medical leave (for a total of 12 weeks in that 12-month period. Normally, an employee has a maximum of 12 weeks of FMLA leave per 12-month period. The only exception is for Military Caregiver Leave where up to 26 weeks of leave is available. However, leave for other reasons (such as medical leave) count toward the 26 weeks of leave permitted to care for an injured service member.



Employees who are unable to or do not return by the end of the covered leave (including any non-FMLA extension) will be considered to have resigned from employment. This does not impact the employee's ability to reapply with the company at some point in the future, but all employment decisions will be made based on the company's needs at the time. In order to maintain consistency among our various polices, any previous employee who returns to employment with the company after being separated from service for six months or longer will be treated as a new hire by the company, including the E-Verify system and I-9 requirements. If rehired, benefits will apply as if the employee is a new hire, unless otherwise required.

An employee will be informed at the beginning of the leave period of the date on which his leave ends. If the employee does not understand or has questions about the amount of FMLA available, it is the employee's responsibility to contact the company on this matter. No additional notice will typically be provided informing an employee that leave eligibility is about to expire.

### **Coordination of Leave and Paid Time Off**

An employee who must be absent for an FMLA-qualifying reason will be paid for time lost from work from accrued vacation, sick leave, or other paid time off balances, if any, until these benefits are exhausted. The balance of time under FMLA or extended leave will be unpaid by The company.

The lone exception is when FMLA leave occurs as a result of a Worker's Comp injury. In this case, employees may be eligible for payment of a portion of lost wages through The company's Worker's Comp insurance carrier and accrued benefit time will not be used unless requested by the employee to bridge any waiting periods.

Leave taken under this policy counts towards the employee's FMLA eligibility and any granted extensions, regardless of whether all or part of the employee's leave is company paid or is covered by Worker's Comp.

### **Effect of Leave on Accrual of Fringe Benefits**

Health benefit plan: Employees taking leave under this policy must continue to pay their portion of health benefit plan premiums on the same date that such portion of premiums would be deducted from the employee's wages, unless other arrangements are made in writing and acknowledged by the employee and The Company. If an employee is otherwise eligible, but elects not to return to work at the end of the FMLA leave period, the employee may be required to reimburse the company for the cost of premiums paid during the leave period.

Accrual of paid leave: Unpaid time lost from work due to leave granted under this policy is not considered time worked for the purpose of accrual of paid time off.

### **Employee Responsibility**

Employees who request leave under this policy must give 30 days advance notice or such lesser amount of notice as is possible in the particular circumstances. When the need for leave is unforeseeable, the employee must follow the normal company procedures for reporting an absence. When a request for leave is received, The Company normally will require a certification of the need for leave. Where deemed appropriate, The Company, at its expense, has the option of requiring an examination by a second health care provider designated by the company.



Employees who are on intermittent leave or are working in any way while on FMLA leave are required to make every effort to schedule health care appointments so as to provide as little disruption to the company's operations as possible.

*Termination of Leave of Absence:* A leave of absence under this policy will end when the need for the leave of absence ends, or when the maximum leave available under the law has been taken, whichever occurs sooner.

*Reinstatement:* At or before the conclusion of the FMLA leave of absence the employee is entitled to reinstatement to his/her former position or to a position equivalent to his/her former position. The employee must give reasonable notice of intent to return to work. For a leave granted for personal medical reasons, the company may require a fitness for duty statement from a health care provider prior to reinstatement.

*Extension of Leave Without Benefits:* An employee who is unable to perform the duties of his/her position due to his/her own disability and who has exhausted entitlement to leave under the Family and Medical Leave Act by taking 12 consecutive weeks of leave may, upon advance written request and submission of written medical certification of a continued serious health condition, be granted up to an additional 14 weeks of leave. Requests for extended leave will be reviewed by the company and decisions will be made on a case-by-case basis.

This additional leave of absence does not entitle the employee to reinstatement or to payment of any portion of health benefit plan premiums. If able to return to work prior to the exhaustion of the extended leave, the employee may be returned to his or her previous position if it is vacant and is to be filled, or to some other position of equal or lesser compensation if qualified and there is a vacancy to be filled. If the employee is not returned to active employment, the extended leave of absence may be continued until a return is possible or the extended leave of absence expires, whichever occurs sooner. Reinstatement after a disability leave will require a fitness for duty release.

Employees who have exhausted their FMLA leave under other circumstances, but who continue to require leave which would qualify for FMLA leave if such leave had not been exhausted, may apply for an extended leave of absence for personal reasons. Such extended leaves are granted only at the discretion of Robert Gossett, CEO.

*Automatic Termination of Employment:* An employee's employment will automatically terminate if he does not return to full active employment status at the conclusion of his/her leave of absence, including any granted extension. It is the employee's responsibility to stay apprised of the amount of leave remaining and to stay in contact with The Company regarding ability and intent to return.

*Special Situations:*

**Spouses:** When both spouses are employed, their combined right to a leave of absence to care for a child or parent is 12 weeks in a 12 month period, or 26 weeks in a single 12 month period to care for an injured service member.

**Key employees** (salaried employee in highest paid 10% of all employees): Such employees may be denied reinstatement rights if reinstatement would cause substantial and grievous economic injury to operations.



**Full Time Employees Who Have Worked More Than 90 Days But Less Than 12 Months or Who Have Worked Less Than 1250 hours in the Past 12 Months or Who Work at a Location Where There are Less Than 50 Employees Within a 75 Mile Radius:** Employees in this category may be granted a leave of absence for the reasons defined above for up to twenty-six (26) weeks in a 12 month period as defined above; however, the company cannot guarantee employees that their original position or an equivalent position will be available when they desire to return. The employee may be reinstated to his or her original position if available, or to any position of equal or less compensation where there is a vacancy and for which the employee is qualified. If no such vacancy exists at the time the employee wishes to return to work, the employee's leave may be continued. Any employee who – for any reason -- has not been reinstated within 26 weeks following the commencement of a leave may be terminated. This action shall not affect the employee's eligibility to apply for re-hire at some future date. In order to maintain consistency among our various polices, any previous employee who returns to employment with the company after being separated from service for six months or longer will be treated as a new hire by the company, including the E-Verify system and I-9 requirements.

The company will pay its portion of the health insurance premium for any employee for whom the company has been paying such premium for the balance of the month in which the leave begins. At that time, the employee will be responsible for the full cost of the health insurance subject to the terms and conditions of our insurance plan document.

**Part-Time Employees, Temporary Employees and Employees Who Have Worked Less Than 90 Days:** Employees in this category are not eligible for a leave of absence. Employees who are absent more than five (5) consecutive workdays for any reason may be terminated, but may be eligible for rehire at a later date.

*Notice of Rights:* Federal law requires that the company provide you with notice of your rights and responsibilities under the Family and Medical Leave Act as they appear on WHD Publication 1420 Revised February 2013 "Employee Rights and Responsibilities under the Family and Medical Leave Act".





# EMPLOYEE RIGHTS UNDER THE FAMILY AND MEDICAL LEAVE ACT

THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

## LEAVE SETTLEMENTS



Eligible employees may take a covered employer's leave up to 26 weeks of unpaid, job-protected leave for 12 months paid for the following reasons:

- The birth of a child or placement of a child for adoption or foster care
- To care for the child of an employee, child or parent who has a qualifying serious health condition
- To care for the employee's spouse, child, or parent who has a qualifying serious health condition
- For the employee's own qualifying serious health condition that makes the employee unable to perform the employee's job
- For qualifying exigencies related to the foreign deployment of a military member who is the employee's spouse, child, or parent.

An eligible employee who is a covered employer's spouse, child, parent, or next of kin may also take up to 26 weeks of FMLA leave for single 26 weeks period to care for the employee's child with a serious injury or illness.

An employee does not need to use leave in one block. When the need arises, leave may be taken intermittently or on a reduced schedule.

Employers may allow, or even require, use of accrued paid leave while taking FMLA leave. If an employer substitutes accrued paid leave for FMLA leave, the employer must comply with the employer's normal paid leave policies.

While employees are on FMLA leave, employers must maintain health insurance coverage while employees are not working.

Leave taken from FMLA leave, most employees must be restored to the same job or one nearly identical to the job, including pay, benefits, and other employment terms and conditions.

An employer may not interfere with an individual's FMLA rights or retaliate against someone for using or taking FMLA leave, or deny someone leave entitled by the FMLA, or interfere with leave provided under the FMLA.

## ELIGIBILITY REQUIREMENTS

An employee who works for a covered employer must meet three criteria to take leave under the FMLA. The employee must:

- Have worked for the employer for at least 26 weeks
- Have at least 1,250 hours of service in the 12 months before taking leave<sup>1</sup> and
- Work at a location where the employer has at least 50 employees within 75 miles of the employee's worksite.

<sup>1</sup>Special "severed service" requirements apply to former full-time employees.

## REQUIREMENTS FOR LEAVE

Generally, employers may limit "30-day" advance notice of leave for FMLA leave. If it is not possible, give 30-day notice, or employer reasonably the employer cannot accept it, give as much notice as the employer's circumstances.

Employees do not have to share certified diagnosis. Instead, provide enough information for the employer to know whether the leave qualifies for FMLA protection. Sufficient information could include information on whether the employee is or will be unable to perform his or her job functions for a family member's serious condition, or that hospitalization or continuing medical treatment is necessary. Employees must inform the employer if the need for leave is for a reason for which FMLA leave was previously taken or certified.

Employees may require a certification or provide reasonable supporting documents for leave. If the employer determines that the certification is necessary, it must provide written notice including what additional information is requested.

## EMPLOYER RESPONSIBILITIES

Once an employer has determined an employee's need for leave is for a reason that may qualify under the FMLA, the employer must notify the employee if leave also qualifies for FMLA leave and, if eligible, must describe a notice of rights and responsibilities under the FMLA. If the employer is not eligible, the employer must provide a written notice of ineligibility.

Employees may only be designated as FMLA leave, and if so, leave must be covered by designated as FMLA leave.

## EMPLOYMENT

Employers may file a complaint with the U.S. Department of Labor Wage and Hour Division, or may bring a private lawsuit against an employer.

The FMLA does not affect any federal or state employment laws that provide more expansive or state or federal labor or collective bargaining agreements that provide greater family or medical leave rights.






For additional information or to file a complaint:

**1-866-4-USWAGE**  
(1-866-487-9243) TTY: 1-877-889-5627

[www.dol.gov/whd](http://www.dol.gov/whd)

U.S. Department of Labor | Wage and Hour Division



# APPENDIX A

## DRUG USE & TESTING

### EMPLOYEE DRUG USE AND DRUG TESTING POLICY

It is well recognized that drug abuse has a harmful effect on public health and safety, on the welfare of employees, on morale, and on productivity. Furthermore, it is the policy of all Companies to which this handbook applies (collectively “the Company” hereinafter), to comply with the Drug Free Workplace Act, to comply with applicable government regulations, to establish and maintain drug-free workplaces, and to prohibit the unauthorized or unlawful manufacture, distribution, dispensation, possession, and use of controlled substances on or off the job.

For these reasons, the Company adopts the following policy:

#### I. GENERAL RULE

Effective immediately, all employees of the Company are prohibited from swallowing, inhaling, injecting, dealing in, or otherwise using illegal drugs and substances (such as marijuana, cocaine, LSD, heroin, etc.) and unlawfully using prescription drugs. This prohibition applies to use at any time, both on-the-job and off-the-job. Employees also are prohibited from working while under the influence of any lawful drug which impairs the ability to safely perform the job duties.

#### II. APPLICANTS FOR EMPLOYMENT

The Company may conduct pre-employment drug tests for all applicants tentatively selected for employment. The Company shall not hire any applicant tentatively selected for employment who refuses to submit to a drug test or who tests positive for use of illegal or unauthorized substances. Any applicant who is rejected under this policy may be considered for future vacancies if he/she can demonstrate he/she is no longer a user of any unlawful substances. (This may include participation in and successful completion of a rehabilitation program as well as a negative drug test result.)

#### III. CURRENT EMPLOYEES

A. All employees are subject to random testing for illegal or unauthorized drug use.

B. All Company employees are subject to drug testing by urinalysis where “particularized suspicion” of drug use in violation of this policy exists or under other lawful conditions.

Particularized suspicion is deemed to exist when:

1. information that an employee has used illegal drugs or substances is provided by a reliable informant;
2. an employee exhibits any of the following:
  - a) extreme mood swings;
  - b) slurred speech;
  - c) unusual clumsiness;
  - d) staggering;
  - e) dilation of pupils;
  - f) sleeping on the job or lethargy;
  - g) excessive unexplained sweating; or
  - h) other aberrational behavior;



3. an employee has been arrested for violation of drug laws;

Particularized suspicion testing shall not be conducted without the approval of the President of the Company or his designee(s).

C. All Company employees are subject to a test when an accident occurs to which the Company determines the employee's conduct caused or contributed. Any employee injured on the job that requires medical treatment under the Workers' Compensation Insurance program is required to submit to an alcohol and drug test. Any other accident may result in a test. However, a serious accident should always result in a test. A "serious accident" is defined as:

1. an accident involving a fatality;
2. an accident causing bodily injury which requires medical care away from the scene of the accident;
3. an accident causing total aggregate property damage of \$2,000.00 based on reliable estimates;
4. an accident in which one or more motor vehicles incurs disabling damages as a result of the accident, requiring the towing of one or more of the vehicles from the scene by a tow truck or other vehicle.

D. If an employee refuses to submit to a drug test when ordered to do so, the refusal shall be treated as a positive test result for the purpose of this policy.

E. Tampering with or otherwise interfering with a test or test result is considered a violation of this policy and will subject an individual to discipline up to and including discharge.

#### **IV. TESTING PROCEDURE**

A. Drug testing will normally be by urinalysis. Other testing means may be used when determined necessary or appropriate by the Company.

B. The collection of samples will be performed under reasonable and sanitary conditions.

C. Urine normally will be collected under conditions of semi-privacy -- that is, a person of the same gender will be in a position to observe obvious attempts to substitute or adulterate a urine sample. Collection of the urine sample may be directly observed by a person of the same gender, however, where the person supervising the collection believes an employee has tampered with an earlier urine sample or the employee has previously admitted or been proved to have used drugs in violation of this rule.

D. Urine samples will be sealed, labeled, and documented in accordance with the procedure of the drug testing company. Labeling, storage, and transportation of samples shall be performed so as reasonably to preclude the probability of erroneous identification, sample contamination, or sample adulteration.



E. Specimens will be checked for at least the following six drugs:

1. marijuana
2. cocaine
3. opiates
4. amphetamines
5. phencyclidine
6. barbiturates

Specimens may also be checked for alcohol.

F. Applicants and employees will have an opportunity to provide any information which they consider relevant to the test, including identification of currently used prescription or nonprescription drugs, or other relevant information.

G. Samples which initially result in a positive finding for drug use will be re-tested by the gas chromatography/mass spectrometry (GCMS) method. If the GCMS test results in a positive finding of drug use, and is verified by the Medical Review Officer, the written report of the Medical Review Officer shall be conclusive for all employment-related purposes.

H. The Company's Medical Review Officer will normally allow an employee whose drug test results have been confirmed as positive the opportunity to justify the result before the Medical Review Officer notifies the Company.

## **V. NOTICE TO EMPLOYEES**

The Company shall attempt to distribute to all employees a copy of this policy. Additional copies of this policy are available upon request. By continuing to work, the employee agrees that he/she will abide by the policy as a condition of employment.

## **VI. NOTICE TO EMPLOYER, STATE AND FEDERAL GRANTOR/CONTRACTING AGENCIES, AND LAW ENFORCEMENT AUTHORITIES**

A. As a condition of employment, employees agree to notify the Company within five calendar days after any criminal conviction for the workplace manufacture, distribution, dispensation, possession, or use of illegal drugs and prescription drugs not prescribed for the individual employee's use. The Company shall notify all state and federal grantors/contracting agencies of such employee convictions as required by the state and federal Drug Free Workplace Acts. "Conviction" means a finding of guilt, imposition of a sentence, a plea of no contest, or a plea of guilty.

B. The Company shall notify law enforcement authorities whenever illegal drugs are found in the workplace.

## **VII. CONSEQUENCES OF VIOLATING THIS POLICY**

Violations of this policy will result in discipline up to and including discharge.

A. For probationary employees, the Company shall terminate the employee if he is found to be in violation of this policy.

B. For all other employees, the Company shall impose discipline up to and including discharge for an employee who is found to be in violation of this policy.



1. The Company, in lieu of terminating an employee, may condition the continued or future employment of an employee who tests positive for or admits to the use of illegal drugs, upon the successful completion of a drug counseling/rehabilitation program.
2. If the Company, after considering all of the relevant circumstances, agrees to allow an employee who is found to be in violation of this policy to continue as a Company employee, the Company will do the following:
  - a) Refer the employee for drug abuse counseling at the employee's expense;
  - b) Retest the employee for controlled substances before allowing the employee to return to duty;
  - c) Require the employee to authorize the Employee Assistance Program or other facility to report periodically to the Company during the course of treatment/counseling;
  - d) Place the employee on probation for at least six months following the employee's return to duty; and
  - e) Require the employee to submit to unannounced follow-up drug testing for a period not to exceed three years.
- C. Should an employee, whose continued or future employment is conditioned upon the successful completion of a counseling or rehabilitation program, refuse or fail to participate in a single counseling or treatment session, the employee will be terminated.
- D. An employee whose return to duty test sample does not indicate that the employee has discontinued use of illegal drugs will be terminated.

### **VIII. COMING FORWARD WITH SUBSTANCE ABUSE PROBLEMS**

- A. Employees (other than probationary employees) who have substance abuse problems and report them to the Company before being selected for testing, and before the occurrence of an event which normally would result in testing, normally will not be disciplined upon the first violation but will be subject to Part VII (B) of this policy.
- B. If an employee admits to a violation of this policy or tests positive for drugs in violation of this policy, but seeks counseling and remains an employee of the Company, the employee will be discharged if he/she again either admits to a violation of this policy or tests positive for drugs in violation of this policy.

### **IX. CONFIDENTIALITY**

Any drug test results or information supplied by employees and applicants as part of the Company's drug testing program will be kept as confidential as possible, consistent with the purposes of this policy.

### **X. TESTING COSTS**

The Company will pay the costs of all drug tests to which the Company requires an employee to submit. However, an employee subject to unannounced follow-up testing pursuant to Part VII (C)(2)(e) of this policy will be solely responsible for the cost of all follow-up tests.



## **XI. NOTIFICATION OF TEST RESULTS**

- A. Applicants will be notified of the results of a pre-employment drug test, provided the applicant requests the results within 60 days of being notified of the disposition of the employment application.
- B. Employees will be notified of the results [including the drug(s) discovered] of all drug tests, provided the results are positive.

## **XII. NOT A CONTRACT**

This policy creates neither a contract nor a property interest in employment.

