

Sun Deep Inc

EMPLOYEE HANDBOOK

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1.0 Welcome

1.1 Welcome

Welcome! You have just joined a dedicated organization. We hope that your employment with Sun Deep Inc will be rewarding and challenging. We take pride in our employees as well as in the products and services we provide. We conduct business in compliance with all applicable environmental laws, rules and regulations. Environmental impact is mitigated through recycling and control of waste with respect to ground, air and water, as well as usage of renewable resources.

Please take the time now to read this handbook carefully and acknowledge that you have read, understood, and agree to the contents of this handbook, which sets out the basic rules and guidelines concerning your employment. This handbook supersedes any previously issued handbooks or policy statements dealing with the subjects discussed herein. The Company reserves the right to interpret, modify, or supplement the provisions of this handbook at any time. Neither this handbook nor any other communication by a management representative or other, whether oral or written, is intended in any way to create a contract of employment. Please understand that no employee handbook can address every situation in the work place.

If you have questions about your employment or any provisions in this handbook, contact Human Resources.

We wish you success in your employment here at Sun Deep Inc!

All the best,

Sun Deep Inc.

1.2 At-Will Employment

Your employment with the Company is on an "at-will" basis. This means your employment may be terminated at any time, with or without notice and with or without cause. Likewise, we respect your right to leave the company at any time, with or without notice and with or without cause.

Nothing in this employee handbook or any other Company document should be understood as creating a contract, guaranteed or continued employment, a right to termination only "for cause," or of any other guarantee of continued benefits or employment. Only the corporate officers has the authority to make promises or negotiate with regard to guaranteed or continued employment, and any such promises are only effective if placed in writing and signed by the corporate officers.

2.0 Introductory Language and Policies

2.1 About the Company

Sun Deep Cosmetics is a prestigious and progressive private label manufacturer of natural and organic personal care cosmetics, toiletries and OTC products. Sun Deep offers custom formulated products and solutions for retailers, distributors, marketers, and entrepreneurs.

2.2 Ethics Code

Sun Deep Cosmetics will conduct its business honestly and ethically wherever operations are maintained. We strive to improve the quality of our services, products, and operations and will maintain a reputation for honesty, fairness, respect, responsibility, integrity, trust, and sound business judgment. As per international standards on ethics we strive to provide a workplace free of bribery and corruption by complying with all applicable laws relating to bribery, money-laundering and corruption, as well as prohibiting the exchange of money or anything else of value to or from anyone, including government officials, to influence actions. Our managers and employees are expected to adhere to high standards of business and personal integrity as a representation of our business practices, at all times consistent with their duty of loyalty to the Company. There is no forced, bonded, indentured or involuntary labor.

We expect that officers, directors, and employees will not knowingly misrepresent the Company and will not speak on behalf of the Company unless specifically authorized. Sun Deep Cosmetics takes great care to secure the details and privileged information of its operations and its clientele, any dissemination to any other person both personally and professionally without authorization is a clear violation of this policy. The confidentiality of trade secrets, proprietary information, and similar confidential commercially-sensitive information (i.e. financial or sales records/reports, marketing or business strategies/plans, product development, customer lists, patents, trademarks, etc.) about our Company or operations, or that of our customers or partners, is to be treated with discretion and only be disseminated on a need-to-know basis (see policies relating to privacy).

Violation of the Code of Ethics can result in discipline, up to and including termination of employment. The degree of discipline imposed may be influenced by the existence of voluntary disclosure of any ethical violation and whether or not the violator cooperated in any subsequent investigation.

2.3 Mission Statement

We strive to be a progressive force in the market through innovation and technology.

2.4 Revisions to Handbook

This employee handbook is our attempt to keep you informed of the terms and conditions of your employment, including Company policies and procedures. The handbook is not a contract. The Company reserves the right to revise, add,

or delete from this handbook as it determines to be in its best interest except for the policy concerning at-will employment. When changes are made to the policies and guidelines contained herein, we will endeavor to communicate them in a timely fashion.

2.5 Organization

For a current organizational chart please contact your supervisor.

2.6 Company Facilities

A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Employees, supervisors and management will take adequate steps to prevent accidents and injury to health arising out of, associated with or occurring in the course of work by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Applicable occupational health and safety regulations will be adhered to, and a working environment that is safe and conducive to good health shall be provided. Worker training will be provided and shall be applicable to the specific roll of the employee. Access to clean toilet facilities and to potable water will be provided. Responsibility for health and safety shall be assigned to a senior management representative.

For a current map of the facilities please contact your supervisor.

3.0 Hiring and Orientation Policies

3.1 EEO Statement and Nonharassment Policy

Equal Opportunity Statement

Our Company is committed to the principles of equal employment. We are committed to complying with all federal, state, and local laws providing equal employment opportunities, and all other employment laws and regulations. It is our intent to maintain a work environment that is free of harassment, discrimination, or retaliation because of age (40 and older), race, ethnicity, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex (including pregnancy, childbirth, breastfeeding and/or related medical conditions), gender, gender identity, gender expression, sexual orientation, military or veteran status, or any other status protected by federal, state, or local laws. The Company is dedicated to the fulfillment of this policy in regard to all aspects of employment, including but not limited to recruiting, hiring, placement, transfer, training, promotion, rates of pay, and other compensation, termination, and all other terms, conditions, and privileges of employment.

The Company will conduct a prompt and thorough investigation of all allegations of discrimination, harassment, or retaliation, or any violation of the Company's Equal Employment Opportunity Policy in a confidential manner. The Company will take appropriate corrective and remedial action, if and where warranted. The Company prohibits retaliation against any employee who provides information about, complains, or assists in the investigation of any complaint of discrimination or violation of the Company's Equal Employment Opportunity Policy.

We are all responsible for upholding this policy. You may discuss questions regarding equal employment opportunity with your [manager, supervisor, etc.] or any other designated member of management.

Policy Against Workplace Harassment

Sun Deep Inc has a strict policy against all types of workplace harassment, including sexual harassment and other forms of workplace harassment based upon an individual's age, race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex (including pregnancy, childbirth, breastfeeding and/or related medical conditions), gender, gender identity, gender expression (including transgender), sexual orientation, military or veteran status, citizenship status, or any other status protected by federal, state, or local laws. All forms of harassment of, or by, employees, applicants, unpaid interns, volunteers, vendors, visitors, customers, and clients are strictly prohibited and will not be tolerated.

A. Sexual Harassment

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when (1) submission to such conduct is made either explicitly or implicitly as a term or condition of an individual's employment; (2) submission to, or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

While it is not possible to identify every act that constitutes or may constitute sexual harassment, the following are some examples of sexual harassment:

- Unwelcome requests for sexual favors;
- Lewd or derogatory comments or jokes;
- Comments regarding sexual behavior or the body of another;
- Sexual innuendo and other vocal activity such as catcalls or whistles;
- Obscene letters, notes, emails, invitations, photographs, cartoons, articles, or other written or pictorial materials of a sexual nature;
- Repeated requests for dates after being informed that interest is unwelcome;
- Retaliating against another for refusing a sexual advance or reporting an incident of possible sexual harassment to the Company or any government agency;
- Offering or providing favors or employment benefits such as promotions, favorable evaluations, favorable assigned duties or shifts, etc., in exchange for sexual favors; and
- Any unwanted physical touching or assaults, or blocking or impeding movements.

B. Other Harassment

Other workplace harassment is often verbal or physical conduct that insults or shows hostility, intimidates or aversion towards an individual because of the individual's age, race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex (including pregnancy, childbirth, breastfeeding and/or related medical conditions), gender, gender identity, gender expression, sexual orientation, military or veteran status, or any other status protected by federal, state, or local laws is prohibited.

Again, while it is not possible to list all the circumstances that may constitute other forms of workplace harassment, the following are some examples of conduct that may constitute workplace harassment: (a) the use of disparaging or abusive words or phrases, slurs, negative stereotyping, or threatening, intimidating or hostile acts that relate to the above protected categories; (b) written or graphic material that insults, stereotypes or shows aversion or hostility towards an individual or group because of one of the above protected categories and that is placed on walls, bulletin boards, email, voicemail, or elsewhere on the Company's premises, or circulated in the workplace; and (c) a

display of symbols, slogans, or items that are associated with hate or intolerance towards any select group.

Reporting Discrimination and Harassment

Any employee who feels that he or she has witnessed, or been subject to, any form of discrimination or harassment is required to immediately notify their supervisor, Human Resources manager, or other manager at the Company.

The Company prohibits retaliation against any employee who, based on a reasonable belief, provides information about, complains, or assists in the investigation of any complaint of harassment or discrimination.

We will promptly and thoroughly investigate any claim and take appropriate corrective and/or remedial action where we find a claim has merit. If the Company begins an investigation, we will endeavor to conduct the investigation in a timely manner and we will keep the investigation confidential to the extent possible. In the same way, anyone involved in an investigation of harassment has an obligation to keep all information about the investigation confidential. That is why the Company will only share information about a complaint of harassment with those who need to know about it. Failure to keep information about an investigation confidential may result in disciplinary action. Investigations will be documented and tracked for timely resolution.

When the investigation has been completed, the Company will normally communicate the results of the investigation to the complaining individual, to the alleged harasser and, if appropriate, to others who are directly involved. If the Company's policy against harassment is found to have been violated, appropriate corrective action, up to and including termination, will be taken against the harasser so that further harassment will be prevented. Both the rights of the alleged harasser and the complainant will be considered in any investigation and subsequent action.

Discipline for violation of this policy may include, but is not limited to reprimand, suspension, demotion, transfer, and discharge. If the Company determines that harassment or discrimination occurred, corrective and remedial action will be taken to effectively end the harassment. As necessary, the Company may monitor any incident of harassment or discrimination to assure the inappropriate behavior has stopped. In all cases, the Company will follow up as necessary to ensure no retaliation for making a complaint or cooperating with an investigation.

In addition to the Company's internal complaint procedure, employees may also contact either the Equal Employment Opportunity Commission (EEOC) or the California Department of Fair Employment and Housing (DFEH) to report unlawful harassment. The EEOC and the DFEH serve as neutral fact-finders and will attempt to assist the parties to voluntarily resolve their disputes. For more information, contact the Office of Human Resources, or you may contact the nearest EEOC or DFEH office.

3.2 Disability Accommodation

Sun Deep complies with the Americans with Disabilities Act (ADA), the Pregnancy Discrimination Act, and all applicable state and local fair employment practices laws, and is committed to providing equal employment opportunities to qualified individuals with disabilities (including pregnancy-related disabilities). Consistent with this commitment, the Company will provide a reasonable accommodation to disabled employees if the reasonable accommodation would allow the individual to perform the essential functions of the job, unless doing so would create an undue hardship.

If you require an accommodation because of your disability, notify your [manager, supervisor, etc.]. When making your request for an accommodation, make sure to include relevant information, such as:

- A description of the proposed accommodation.
- The reason you need an accommodation.
- How the accommodation will help you perform the essential functions of your job.

After receiving your request, the Company will engage in an interactive dialogue with you to determine the precise limitations of your disability and explore potential reasonable accommodations that could overcome those limitations. The Company encourages you to suggest specific reasonable accommodations that you believe would allow you to perform your job. However, the Company is not required to make the specific accommodation requested by you and may provide an alternative accommodation, to the extent any reasonable accommodation can be made without imposing an undue hardship on the Company.

The Company will not discriminate or retaliate against any employee for requesting an accommodation.

3.3 Religious Accommodation

Sun Deep Cosmetics is dedicated to treating the religious diversity of all our employees equally and with respect. Employees, unpaid interns, and volunteers may request an accommodation when their religious beliefs causes a deviation from Sun Deep's dress code, grooming practices, schedule, basic job duties, or other aspects of employment. Accommodations that violate GMP standards or federal, state and local regulations may not be allowed. The Company will consider the request but reserves the right to offer its own accommodation to the extent permitted by law. Some, but not all, of the factors that the Company will consider are cost, the effect that an accommodation will have on current established policies and the burden on operations, including other employees, when determining a reasonable accommodation. At no time will the Company question the validity of a person's belief.

Religious accommodation request are to be made in writing to your supervisor.

3.4 Conflicts of Interest

Sun Deep Cosmetics is concerned with conflicts of interest that create actual or potential job related concerns, especially in the areas of confidentiality, customer relations, safety, security, and morale. Any actual or potential conflict of interest between an employee of the Company and a competitor, supplier, distributor, or contractor to the Company, must be disclosed by the employee to Senior management. If an actual or potential conflict of interest is determined to exist, the Company will take such steps as it deems necessary to reduce or eliminate this conflict.

3.5 Employment of Relatives and Friends

We will not employ friends or relatives in circumstances where actual or potential conflicts may arise which could compromise supervision, safety, confidentiality, security, and morale at the Company. It is your obligation to inform the Company of any such potential conflict so the Company can determine how best to respond to the particular situation.

3.6 Job Descriptions

Sun Deep attempts to maintain a job description for each position. If you do not have a copy of a current job description you should request one from your supervisor. Job descriptions prepared by Sun Deep serve as an outline only. Due to the needs of business, you may be required to perform job duties not within your written job description. Furthermore, the Company may have to revise, add to, or delete from your job duties according to company needs. On occasion, the Company may need to revise job descriptions with or without advance notice to the employee.

If you have any questions regarding your job description, or the scope of your duties, please speak with your supervisor.

3.7 New Employees and Introductory Periods

The first 90 days of your employment is considered an introductory period. During this period you will become familiar with Sun Deep Inc and your job responsibilities. During this time we will have the opportunity to monitor the quality and value of your performance and make any necessary adjustments in your job description or responsibilities. Your introductory period with the Company can be shortened or lengthened as deemed appropriate by management and Human Resources. Completion of this introductory period does not imply guaranteed or continued employment. Nothing that occurs during or after this period should be construed to change the nature of the "at-will" employment relationship.

3.8 Training Program

In most cases, and for most departments, employee training is done on an individual basis by the department manager. Even if an employee has had previous experience in their specified functions, it is necessary for them to learn

our specific procedures, as well as the responsibilities of the specific position. If you ever feel you require additional training, please consult your supervisor or department manager.

3.9 *Employment Authorization Verification*

New hires will be required to complete Section 1 of federal Form I-9 on the first day of employment and must present acceptable documents authorized by the U.S. Citizenship and Immigration Services proving identity and employment authorization no later than the third day after starting employment with the Company. If you are currently employed and have not complied with this requirement or if your status has changed, inform your [manager, supervisor, etc.].

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

3.10 *Child Labor*

Sun Deep complies with all local, state (<https://www.dir.ca.gov/dlse/dlse-cl.htm>), federal and international rules and regulations concerning child labor laws.

4.0 *Wage and Hour Policies*

4.1 *Introduction*

An employee's pay depends on a wide range of factors, including pay scale surveys, individual effort, profits, and market forces. If you have any questions about your compensation, including matters such as paid time off, overtime, benefits, or paycheck deductions, please speak with your supervisor or Human Resources.

Wages and benefits paid for a standard workweek shall meet, at a minimum, national legal standards.

Wages shall be paid directly to the workers, at the agreed intervals and in full.

Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned.

4.2 *Pay Period*

The standard pay period is weekly to biweekly for all employees. Employees paid by agencies may have a different pay date. Pay dates are generally on Fridays. Should any pay period fall on a holiday, you will be paid on the

preceding or following workday. Review your paycheck for accuracy and report any concerns to your [manager or supervisor] immediately. If you have been overpaid or underpaid, the error will be corrected as soon as possible.

4.3 Paycheck Deductions

The Company is required by law to make certain deductions from your pay each pay period. This includes income and unemployment taxes, Federal Insurance Contributions Act (FICA) contributions (Social Security and Medicare), as well as any other deductions required under law or by court order for wage garnishments. The amount of your tax deductions will depend on your earnings and the number of exemptions you list on your federal Form W-4 and applicable state withholding form. You may also authorize voluntary deductions from your paycheck, including contributions for insurance premiums, retirement plans, spending accounts, or other services. Your deductions will be reflected in your wage statement.

Contact the Payroll Department or Human Resources for any questions about your paycheck.

4.4 Recording Time

The company is required by applicable federal, state, and local laws to keep accurate records of hours worked by certain employees. To ensure that the Company has complete and accurate time records and that employees are paid for all hours worked, nonexempt employees are required to record all working time using Company time sheets, punch clock or timekeeping application. Speak with your [manager or supervisor] for specific instructions.

You must accurately record all of your time to ensure you are paid for all hours worked, and must follow established Company procedures for recording your hours worked. Time must be recorded as follows:

Immediately before starting your shift.

Immediately after finishing work, before your meal period.

Immediately before resuming work, after your meal period.

Immediately after finishing work.

Immediately before and after any other time away from work.

Immediately upon leaving the work premises.

If you are required to clock in, you should clock in no more than five minutes ahead of your start time and clock out no later than five minutes after your quitting time.

Notify your [manager or supervisor] of any pay discrepancies, unrecorded or misrecorded work hours, or any involuntarily missed meal or break periods.

Falsifying time entries is strictly prohibited. Falsifying time entries includes working "off the clock." If you falsify your own time records, or the time records of co-workers, or if you work off the clock, you will be subject to discipline up to and including termination. Immediately report to the supervisor any employee, supervisor, or manager who falsifies your time entries or encourages or requires you to falsify your time entries or work off the clock.

Working hours comply with national laws. Applicable hour and benefits comply with laws relative to the industry and/or local labor market.

4.5 Overtime Authorization for Nonexempt Employees

Overtime is voluntary for all Sun Deep Inc employees.

If you are a nonexempt employee, you may qualify for overtime pay. All overtime must be approved in advance, in writing, by your supervisor. At certain times the Company may request you to work overtime. We will attempt to give as much notice as possible in this instance. However, advance notice may not always be possible. Overtime is voluntary however working unauthorized overtime may result in discipline, up to and including discharge.

Nonexempt employees will be paid one and one-half times their regular straight time rate for all hours worked over 40 hours in a work week, over eight hours in a work day, or for the first eight hours on the seventh consecutive day of work in a work week. Nonexempt employees will be paid two times their regular rate for all hours worked in excess of 12 hours in a workday or in excess of eight hours on the seventh consecutive day of work in a workweek. Holidays, vacation days, and sick leave days do not count as time worked for computing overtime.

4.6 Attendance Policy

If you know ahead of time that you will be absent or late, provide reasonable advance notice to your supervisor. Employees may be required to provide documentation of any medical or other excuse for being absent or late where permitted by applicable law.

The Company reserves the right to apply paid time off to unauthorized absences. Absences resulting from approved leave, vacation, or legal requirements are exceptions to the policy.

4.7 Job Abandonment

If an employee fails to show up for work or call in with an acceptable reason for the absence for a period of three consecutive days, he or she will be considered to have abandoned his or her job and voluntarily resigned from the company.

4.8 Travel Expenses

The purpose of this policy is to define non-exempt employee travel rules and the authority for incurring and approving travel expenses. All Company

approved travel must be approved in writing and approved by board of director staff.

Travel expenses are the reasonable and necessary expenses incurred by employees when traveling on approved Company business trips. Company travel is limited to business activities for which other means of communication is inadequate and for which prior approval of the employee's supervisor has been received.

Advances

The Company does not generally provide cash travel advances. Normally, employees are expected to use personal credit cards and/or their own cash and submit their approved expenses on the standard Expense Report Form.

Travel Expenses

The Company pays the actual amounts incurred for appropriate expenses when employees are on travel assignments. Company will only reimburse expenses for transportation, lodging and event entry if applicable:

- Airline tickets.
- Lodging.
- Car rental, bus, taxi, parking.
- Associated gratuities.
- Other expenses necessary to achieve the business purposes.

Family Members

The Company will not pay the travel expenses of spouses or other family members.

Air Travel

Employees are to use economy or tourist class airfares when traveling on Company business, unless authorized in writing. In addition, private, noncommercial aircraft or chartered aircraft is not to be used, and no more than two Company officers should travel together on the same flight.

Airfares are to be charged to personal credit cards and subsequently turned in on a monthly expense report.

Hotels

Neither in-room movies nor refreshment bars are approved Company expenses.

Insurance

The Company does not pay for personal travel insurance for employees.

Rental Cars

Employees are to use rental firms having existing relationships with the Company and, where feasible, have negotiated discounts rates. Reasonable transportation available is to be used.

Personal Vehicles

All employees using their own vehicle for business purposes must maintain insurance coverage as required by law and may not have more than [2 points] on their driving record. Travel between the employee's home and primary office is not considered to be business travel. Employees are not authorized to use personal vehicles for business travel without authorization. Every attempt should be made to utilize the use of courier and delivery services in order to avoid hazard of liability and the time away from work. Employees will be reimbursed for vehicle use at the standard IRS mileage rate. Senior corporate officers must authorize any deviation from this policy.

Employee Reporting

Employees are to report their approved expenses on the standard Expense Report Form and must include a description of the expense, its business purpose, date, place, and the participants.

4.9 Business Expenses

The purpose of this policy is to define approved nontravel employee business expenses and the authority for incurring and approving such expenses. All business expenses must be approved in writing by a corporate officer. Furthermore only employees pre-designated in writing by the company's corporate officers are ever allowed to incur business expenses.

Approved business expenses are the reasonable and necessary expenses incurred by employees to achieve legitimate business purposes that are not covered by normal Company procurement processes.

Business Meetings (Company-Sponsored Events and Meetings)

The Company pays for expenses necessary to achieve a valid business purpose when meetings are held with customers, vendors, or other Company employees. The most senior Company employee present is to pay and report all expenses.

The Company will make every effort to have a master account set up for Company-wide and large group events. However, if you are at a small meeting or staying by yourself at a hotel, pay individually and submit for reimbursement accordingly.

Entertainment

The Company pays for entertainment expenses only when they clearly benefit the Company and include customers and are promotional in nature. The most senior Company employee present is to pay and report all expenses.

Technical and Training Seminars

The Company pays for expenses associated with attendance at classes and seminars that enhance job-related skills. Prior approval must be obtained by the employee's manager/supervisors and appropriate management.

Other Expenses

The Company will pay for postage and telephone expenses that are for business purposes only.

Employee Reporting

Employees are to report their approved expenses on the standard Expense Report Form and must include a description of the expense, its business purpose, date, place, and the participants.

4.10 Use of Company Credit Cards

Every employee in the possession of a Company issued credit card will adhere to the strictest guidelines of responsibility for the proper protection and use of that card. Company credit card purchases related to Company vehicle use (gas, oil, etc.) under \$100 do not require prior approval. Company credit card purchases for vehicle use over \$100 and any other business purchases over \$25 must receive prior approval from your supervisor or manager.

All sales receipts generated by use of the Company credit card must be turned in monthly to accounting. Company credit cards are not to be used for personal reasons. Use of the company credit card is restricted to approved business related expenses. All approvals can be done verbally by any corporate officer.

Any unauthorized purchases made with a Company issued credit card will be the cardholder's responsibility. Any such purchase will be reimbursed to the company by the employee within 5 days.

Lost or stolen Company issued cards must be reported immediately to your supervisor or manager. Failure to follow this policy may result in disciplinary action up to and including discharge.

4.11 Rest and Meal Periods

The Company strives to provide a safe and healthy work environment and complies with all federal and state regulations regarding rest and meal periods. Check with your supervisor regarding procedures and schedules for rest and meal breaks. The Company requests that employees accurately observe and record meal and rest periods. If you know in advance that you may not be able to take your scheduled break or meal period, let your supervisor know; in addition, notify your supervisor as soon as possible if you were unable to or prohibited from taking a meal or rest period.

Nonexempt employees who work in excess of five hours in a workday will be provided with at least a 30-minute unpaid meal period not later than the end of

their fifth hour of work (no later than the start of their sixth hour of work). Those who work in excess of 10 hours in a workday are eligible to receive a second meal period of no more than 30 minutes.

Nonexempt employees must also take a 10-minute duty-free rest period for each four hours of work or major portion of each four hours as scheduled by their supervisor. Any rest period is considered time worked. Your work schedule will be determined by your supervisor.

5.0 Performance, Discipline, Layoff, and Termination

5.1 Performance Improvement

Sun Deep will make efforts to periodically review your work performance. The performance improvement process will take place annually, or as business needs dictate. You may specifically request that your supervisor assist you in developing a performance improvement plan at any time.

The performance improvement process is a means for increasing the quality and value of your work performance. Your initiative, effort, attitude, job knowledge, and other factors will be addressed. You must understand that a positive job performance review does not guarantee a pay raise or continued employment. Company pay raises and promotions are based on numerous factors, only one of which is job performance.

5.2 Promotions

In an effort to match you with the best job for you and to meet the business needs of the Company, you may be transferred from your current job. It is the Company's policy to promote from within the Company only when the most qualified candidate is available and minimal disruptions of moving employees arise. Promotions are made on an equal opportunity basis according to employees possessing the needed skills, education, experience, and other qualifications that are required for the job.

All employees promoted into new job positions will undergo a 90-day introductory period as described in the New Employees and Introductory Periods section. Unlike new hires, however, such employees will continue to receive Company benefits for which they are eligible.

5.3 Pay Raises

Depending on the Company's financial health and other factors, efforts will be made to give pay raises consistent with Company profitability, job performance, and the consumer price index. Sun Deep may also make individual pay raises based on merit or due to a change of job position.

5.4 Transfer

Sun Deep may transfer your employment from one position to another with or without notice, as required by production or service needs, or upon request by an employee and management approval. Transfers in excess of 90 days may be considered final and your paycheck may be increased or decreased consistent with the pay scale for your new position.

5.5 Workforce Reductions (Layoffs)

If necessary based upon the needs of the business, management may decide to implement a reduction in force (RIF). We acknowledge that RIFs can be a trying experience for management and employees alike, and the Company will

make its best effort to make sound business decisions while acknowledging the needs of its workforce.

5.6 Standards of Conduct

Sun Deep wishes to create a work environment that promotes job satisfaction, respect, responsibility, integrity, and value for all of our employees, clients, customers, and other stakeholders. Every employee has a shared responsibility toward improving the quality of our work environment. By deciding to work at this Company, you agree to follow the Company's rules.

While it is impossible to list every item that could be considered misconduct in the workplace, what is outlined here is a list of common-sense infractions that could result in discipline, up to and including immediate termination of employment. This policy is not intended to limit the Company's right to discipline or discharge employees for any reason permitted by law. In fact, while we value our employees, the Company retains the right to terminate an employee on an "at-will" basis.

Examples of inappropriate conduct include:

- Violation of the policies and procedures set forth in this handbook.
- Possessing, using, distributing, selling, or negotiating the sale of illegal drugs or other controlled substances.
- Being under the influence of alcohol or any controlled substance during working hours on Company property (including Company vehicles), or on Company business.
- Inaccurate reporting of the hours worked by you or any other employee.
- Providing knowingly inaccurate, incomplete or misleading information when speaking on behalf of the Company or in the preparation of any employment related documents including, but not limited to, job applications, personnel files, employment review documents, intra-Company communication or expense records.
- Taking or destroying Company property.
- Removing company or client purchased components, raw materials or finished goods of any kind from the premises.
- Possession of potentially hazardous or dangerous property [where not permitted] such as firearms, weapons, chemicals, etc., without prior authorization.
- Fighting with, or harassment (as defined in our EEO policies) of, any fellow employee, vendor, or customer.
- Disclosure of Company trade secrets and proprietary and confidential commercially-sensitive information (i.e. financial or sales records/reports, any and all client information, marketing or business strategies/plans, product development, customer lists, patents, trademarks, etc.) of the Company or its customers, contractors, suppliers, or vendors.
- Refusal or failure to follow directions or to perform a requested or required job task.
- Refusal or failure to follow safety rules and procedures.
- Excessive tardiness or absences.

- Smoking in nondesignated areas.
- Working unauthorized overtime.
- Solicitation of fellow employees on the Company premises during working time (Refer to Nonsolicitation/Nondistribution Policy).
- Failure to dress according to Company policy.
- Use of obscene or harassing (as defined by our EEO policies) language in the workplace.
- Outside employment which interferes with your ability to perform your job at this Company.
- Gambling on Company premises.
- Lending keys or keycards to Company property to unauthorized persons.
- Entering company premises outside your designated work schedule.

Nothing in this policy is intended to limit employee rights under the National Labor Relations Act, or to modify the at-will employment status where at-will is not prohibited by state law.

5.7 Criminal Activity/Arrests

Involvement in criminal activity, whether on or off Company property, during employment may result in disciplinary action including suspension or termination of employment. Disciplinary action depends upon a review of all factors involved, including whether or not the employee's action was work-related, the nature of the act, or circumstances which adversely affect attendance or performance. Any disciplinary action is not dependent upon the disposition of any case in court.

Employees are expected to be on the job, ready to work, when scheduled. Inability to report to work as scheduled as a result of an arrest may lead to disciplinary action, up to and including termination of employment, for violation of an attendance policy or job abandonment.

Any disciplinary action taken will be based on information reasonably available. This information may come from witnesses, police, or any other source as long as management has reason to view the source as credible.

5.8 Disciplinary Process

Disciplinary actions may be recorded and will be fair, proportionate and fully compliant with local laws. Violation of Company policies or procedures may result in disciplinary action including demotion, transfer, leave without pay, or termination of employment. The Company encourages a system of progressive discipline depending on the type of prohibited conduct. However, the Company is not required to engage in progressive discipline and may discipline or terminate an employee where he or she violates the rules of conduct, or where the quality or value of the employee's work fails to meet expectations at any time. Again, any attempt at progressive discipline does not imply that your employment is anything other than on an "at will" basis.

In appropriate circumstances, management will provide the employee first with a verbal warning, then with one or more written warnings, and if the conduct is not sufficiently altered, eventual demotion, transfer, forced leave, or termination of employment. Your supervisor will make every effort possible to allow you to respond to any disciplinary action taken. Understand that while the Company is concerned with consistent enforcement of our policies, the Company is not obligated to follow any disciplinary or grievance procedure and that depending on the circumstances, employees may be disciplined or terminated without any prior warning or procedure.

5.9 Problem-Solving Procedure

We strive to provide a comfortable, productive, legal, and ethical work environment. To this end, the Company wants you to bring any problems, concerns, or grievances you have about the work place to the attention of your supervisor and, if necessary, to Human Resources or upper level management. To help manage conflict resolution we have instituted the following problem solving procedure:

If you believe there is inappropriate conduct or activity on the part of the Company, management, its employees, vendors, customers, or any other persons or entities related to the Company, bring your concerns to the attention of your supervisor at a time and place that will allow the supervisor to properly listen to your concern. Most problems can be resolved informally through dialogue between you and your immediate supervisor. If you have discussed this matter with your supervisor before and do not believe you have received a sufficient response, or if you believe your supervisor is the source of the problem, we request you present your concerns to Human Resources or upper level management. Please indicate what the problem is, those persons involved in the problem, efforts you have made to resolve the problem, and any suggested solution you may have.

5.10 Outside Employment

Outside employment which creates a conflict of interest or which affects the quality or value of your work performance or availability at the Company is prohibited. The Company recognizes that employees may seek additional employment during off hours, but expects, in these cases, that any outside employment will not affect job performance, work hours, or scheduling, or otherwise adversely affect the employee's ability to effectively perform his or her duties. Any conflicts should be reported to your supervisor. Failure to adhere to this policy may result in discipline up to and including termination.

5.11 Exit Interview

You may be asked to participate in an exit interview when you leave the Company. The purpose of the exit interview is to provide management with greater insight into your decision to leave employment; identify any trends requiring attention or opportunities for improvement; and to assist the Company in developing effective recruitment and retention strategies. Your cooperation in the exit interview process is appreciated.

5.12 *Post-Employment Reference Policy*

The Company policy is to confirm dates of employment and job title and a brief explanation of our experiences with the employee only. The Company may confirm compensation, with written authorization. All post-employment references are at the companies discretion and company reserves the right not to participate in any employment verification. Please forward any requests for employment verification to Human Resources or accounting.

6.0 General Policies

6.1 Telecommuting Policy

Telecommuting is defined as an employee regularly working a full or partial workday from home or some other alternate work site.

The company will make telecommuting available to employees when it benefits organizational and departmental needs only. The option to telecommute may be cancelled at company's discretion at any time. This option may not be available in some job classifications due to business needs. Each department manager will determine, in his or her discretion, which positions within the department are suitable for telecommuting. All requests for telecommuting must be approved in writing by corporate director staff, such approval is including but not limited, access to company files, hours approved to work and location(s) and methods approved for telecommuting.

Those granted a telecommuting arrangement will be subject to the same performance standards as if they were prior to telecommuting. Telecommuting work areas may be evaluated to ensure that appropriate safety standards are met.

6.2 Use of Company Vehicles

Company vehicles are to be used for Company business only. Unless the use of the vehicle has been approved for personal use, personal or outside business use is strictly prohibited.

Drivers of Company vehicles are to immediately report all infractions or violations while driving a Company vehicle and all restrictions, suspensions, or revocations against their driver's license to their supervisor, manager, or Human Resources immediately.

When a Company vehicle cannot be operated, is unsafe for use, or has been damaged, notify a supervisor or manager immediately.

The driver of a Company vehicle is responsible for the vehicle while in his or her charge and must not permit unauthorized persons to drive it.

The driver is responsible for the daily housekeeping of the vehicle; it is to remain clean and uncluttered.

No employee may operate a motor vehicle while under the influence of alcohol or a chemical substance or other substance that can impair judgment. In addition, no employee may operate a motor vehicle while texting, emailing, or otherwise using a cell phone or other handheld device without utilizing a hands-free device.

Multiple driving moving violations that appear on the annual state department of motor vehicle check will result in suspension of rights to drive a company vehicle or drive a personal vehicle on company business. Suspension of rights

will continue until one year has passed with no infractions. If there are persistent and ongoing problems with driving infractions, and driving a vehicle is a part of successful execution of job responsibilities, termination of employment is possible.

6.3 *Notice of GPS Monitoring Policy of Company Vehicles*

Our company desires to strike the appropriate balance between today's technologies, an employee's desire for privacy, and the company's interests in protecting its vehicles, equipment, and drivers. Due to safety, efficiency, and other business purposes, the Company may use GPS technology to monitor the whereabouts of our vehicles at all times.

Questions concerning the use of the system should be directed to the Human Resources. Questions concerning the proper use of any vehicles should be directed to the employee's immediate supervisor and/or the safety officer.

Any employee who abuses the privilege of driving company vehicles will be subject to corrective action, up to and including termination of employment. If necessary, the Company will also advise law enforcement officials of any illegal conduct.

6.4 *Personnel and Medical Records*

The Company maintains personnel files separate from any type of medical records or files if retained by the company. If files contain medical records they are stored separate and apart from any business-related records in a safe, inaccessible location. A medical file is the repository for sensitive and confidential information related to an individual's health or medical status. Medical records are kept confidential in compliance with applicable laws and access is on a "need-to-know" basis only.

Supervisors and others in management may have access to your personnel file for possible employment-related decisions. All employees have the right to inspect and receive a copy of their personnel records. The Company will make such records available for inspection and/or to receive a copy within 30 calendar days of a written request. Payroll records will be made available to inspect or receive a copy of within 21 calendar days of a verbal or written request.

All requests by an outside party for information contained in your personnel file will be directed to Human Resources, which is the only department authorized to give out such information.

6.5 *Employee Privacy and Right to Inspect*

Company property, including but not limited to, lockers, phones, computers, tablets, desks, work place areas, vehicles, or machinery, remains under the control of the Company and is subject to inspection at any time, without notice to the employee, and without the employee's presence. Employees should have no expectation of privacy in any of these areas. We assume no responsibility for

the loss of, or damage to, any employee property maintained on Company premises including that kept in lockers and desks. Company property is continually monitored by security cameras and this footage may be viewed by your supervisors at any time.

If the Company provides lockers for the personal possessions of its employees then these lockers should be maintained in a clean and sanitary condition. As part of the employee's privilege for use of these lockers, employees must agree to allow the Company to inspect or otherwise gain access to the locker and its contents at any time, with or without notice to the employee, and without the employee's presence.

6.6 Voicemail, Email, and Internet Policy

This Voicemail/Email/Internet Policy is intended to provide each employee of the Company with the guidelines associated with the use of the Company's voicemail/email/Internet system (the system). This policy applies to all employees, contractors, vendors, partners, or associates, and any others accessing and/or using the Company's system through onsite or remote terminals.

General Provisions

- The system, and all data transmitted or received through the system, are the exclusive property of the Company. No individual should have any expectation of privacy in any communication over this system. Any individual permitted to have access to the Company's system will be given a voicemail, email and/or Internet address and/or access code, and will have use of the system, consistent with this policy.
- The Company reserves the right to monitor, intercept, and/or review all data transmitted, received, or downloaded over the system. Any individual who is given access to the system is hereby given notice that the Company will exercise this right periodically, without prior notice and without the prior consent of the employee.
- The Company's interests in monitoring and intercepting data include, but are not limited to: protection of Company trade secrets, proprietary, and similar confidential commercially-sensitive information (i.e. financial or sales records/reports, marketing or business strategies/plans, product development, customer lists, patents, trademarks, etc.); managing the use of the Company's computer system; and/or assisting the employee in the management of electronic data during periods of absence. No individual should interpret the use of password protection as creating a right or expectation of privacy. In order to protect everyone involved, no one can have a right or expectation of privacy with regards to the receipt, transmission or storage of data on the Company Voicemail/Email/Internet system.

Any employee who violates the policies in this handbook will be subject to corrective action, up to and including termination of employment. If necessary, the Company will also advise law enforcement officials of any illegal conduct.

6.7 Social Media Policy

At Sun Deep, we recognize the Internet provides unique opportunities to participate in interactive discussions and share information using a wide variety of social media. However, use of social media also presents certain risks and carries with it certain responsibilities. To minimize risks to the Company, you are expected to follow our guidelines for appropriate use of social media.

This policy applies to all employees who work for the Company.

Guidelines

For purposes of this policy, **social media** includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal website, social networking or affinity website, web bulletin board or a chat room, whether associated or affiliated with the Company, as well as any other form of electronic communication.

Company principles, guidelines, and policies apply to online activities just as they apply to other areas of work. Ultimately, you are solely responsible for what you communicate in social media. You may be personally responsible for any litigation that may arise should you make unlawful defamatory, slanderous, or libelous statements against any customer, manager, owner, or employee of the company.

Know and Follow the Rules

Ensure your postings are consistent with these guidelines. Postings that include unlawful discriminatory remarks, harassment, and threats of violence or other unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

Be Respectful

The Company cannot force or mandate respectful and courteous activity by employees on social media during nonworking time. If you decide to post complaints or criticism, avoid using statements, photographs, video, or audio that reasonably could be viewed as unlawful, slanderous, threatening, or that might constitute unlawful harassment. Examples of such conduct might include defamatory or slanderous posts meant to harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, age, national origin, religion, veteran status, or any other status or class protected by law or company policy. Your personal posts and social media activity should not reflect upon or refer to the Company.

Maintain Accuracy and Confidentiality

When posting information:

- Maintain the confidentiality of Company trade secrets, intellectual property, and confidential Company-related commercially-sensitive

information (i.e. financial or sales records/reports, marketing or business strategies/plans, product development, customer lists, patents, trademarks, etc.).

- Do not create a link from your personal blog, website, or other social networking site to a Company website that identifies you as speaking on behalf of the Company.
- Never represent yourself as a spokesperson for the Company. If the Company is a subject of the content you are creating, do not represent yourself as speaking on the Company's behalf. Make it clear in your social media activity that you are speaking on your own behalf.
- Respect copyright, trademark, third-party rights, and similar laws and use such protected information in compliance with applicable legal standards.

Using Social Media at Work

Do not use social media while on your work time, unless it is work related as authorized by your manager or consistent with policies that cover Company-owned equipment.

Media Contacts

If you are not authorized to speak on behalf of the Company, do not speak to the media on the Company's behalf. Direct all media inquiries for official Company responses to Human Resources.

Retaliation and Employee Rights

Retaliation or any other negative action is prohibited against an employee who, based on a reasonable belief, reports a possible deviation from this policy or cooperates in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Nothing in this policy is designed to interfere with, restrain, or prevent employee communications regarding wages, hours, or other terms and conditions of employment, or to restrain employees in exercising any other right protected by law. Employees have the right to engage in or refrain from such activities.

6.8 *Employee Suggestions/Open Door Policy*

We welcome suggestions for continued improvement and welcome your ideas for better ways to do your job, produce or sell the products or services of our Company, or meet customer and client needs. Discuss your ideas with your supervisor or another member of the management team.

We also encourage you to offer any suggestions derived from seminars, magazines, or other outside sources of information you believe would add value to the Company.

Understand that any suggestions, innovations, or other matter created by you on work time or with Company tools or property are considered to be the property of the Company.

6.9 Company Bulletin Boards

Sun Deep maintains an official bulletin board located in the break room for the purpose of providing employees with its official notices, including wage and hour laws, changes in policies, and other employment-related notices. At times the Company may also post information of general interest to the employees on the bulletin board. Please keep informed about this material by periodically reviewing the Company bulletin board. Only authorized personnel are allowed to add and remove notices from the Company bulletin board.

6.10 Nonsolicitation/Nondistribution Policy

To avoid disruption of business operations or disturbance of employees, visitors, and others, the Company has implemented a Nonsolicitation Policy. For purposes of the Nonsolicitation Policy, "solicitation" includes selling items or services, requesting contributions, and soliciting or seeking to obtain membership in or support for any organization. Solicitation performed through verbal, written, or electronic means is covered by the Nonsolicitation Policy.

Employees are prohibited from soliciting other employees during their assigned working time. For this purpose, working time means time during which either the soliciting employees or the employees who are the object of the solicitation are expected to be actively engaged with assigned work. Employees may conduct solicitations during their lunch period, coffee breaks, or other authorized nonworking time, so long as they do so when the other employees are also on nonworking time.

To avoid inappropriate litter, clutter, and safety risks, employees may not distribute literature or other nonwork related items in working areas at any time. Working areas do not include break/rest areas, lunch rooms, or parking lots. Electronic distribution of materials is prohibited during work time. Literature that violates the company's equal employment opportunity (EEO) and nonharassment policies (including threats of violence), or is knowingly and recklessly false, is never permitted. Non-employees are not permitted to distribute materials on company premises at any time.

This policy is not intended to restrict the statutory rights of employees, including the right to discuss terms and conditions of employment.

Violations of this policy should be reported to [manager, supervisor, etc.].

6.11 Personal Appearance

Your personal appearance reflects on the reputation, integrity, and public image of Sun Deep Inc. All employees are required to report to work neatly groomed and dressed. You are expected to maintain personal hygiene habits that are generally accepted in the community, including clean clothing, good grooming

and personal hygiene, and appropriate attire for the workplace and the work being performed. This may include wearing company uniforms or protective safety clothing and equipment, depending upon the job. Use common sense and good judgment in determining what to wear to work.

Fragrant products, including but not limited to perfumes, colognes, and scented body lotions or hair products, should be used in moderation out of concern for others with sensitivities or allergies.

The Company will make every effort to reasonably accommodate employees with disabilities or with religious beliefs that make it difficult for them to comply fully with the personal appearance policy. Contact your supervisor to request a reasonable accommodation.

Failure to comply with the personal appearance standards may result in being sent home to groom or change clothes. Frequent violations may result in disciplinary action, up to and including termination of employment.

6.12 *Company Social Events*

Sun Deep holds social events for employees. Please be advised that your attendance at these events is voluntary and does not constitute part of your work-related duties as an employee. Any exceptions to this policy must be in writing and signed by a supervisor prior to the event.

Alcoholic beverages may be available at these events. If you choose to drink alcoholic beverages, please do so in a responsible manner. Do not drink and drive. Instead, please call a taxi or appoint a designated driver.

6.13 *Telephone Use*

Our phones are principally for work-related communications. Unless there is an emergency, employees are required to limit long distance telephone calls to business purposes only. Employees should limit personal use of the telephone to brief communications during rest periods where possible. Casual conversation with friends and relatives during working hours is strongly discouraged. Telephone use is subject to the Voicemail/Email/Internet Usage Policy.

6.14 *Personal Cell Phone/Mobile Device Use*

Sun Deep does not permit employees to bring personal cell phones and other mobile devices (i.e. smart phones, PDAs, tablets, laptops) on the factory floor, employees must not permit the use of such devices to interfere with their job duties or impact workplace safety and health.

Use of personal cell phones and mobile devices at work can be distracting and disruptive and cause a loss of employee productivity. As a result, employees should primarily use such personal devices during nonworking time, such as breaks and meal periods. During this time, employees should use their device in a manner that is courteous to those around them. Outside of nonworking time,

use of such devices should be kept at a minimum and limited to emergency use only. Employees with devices that have a camera and/or audio/video recording capability are restricted from using those functions on Company property unless authorized in advance by management or used in a manner consistent with the rights of employees to engage in concerted activity under section 7 of the National Labor Relations Act (NLRA).

Employees are expected to comply with Company policies regarding the protection of the employer's confidential and proprietary information when using personal devices.

While operating a vehicle on company time, the Company requires that the driver's personal cell phone/mobile device be turned off. An employee that needs to make or receive a phone call should pull off the road to a safe location unless he or she has the correct hands-free equipment for the device that is in compliance with applicable state laws.

Employees may have the opportunity to use their personal devices for work purposes. Before using a personal device for work-related purposes, an employee must obtain written authorization from [IT, Management, HR]. The use of personal devices is limited to certain employees and may be limited based on compatibility of technology. To ensure the security of Company information employees will employ the latest software updates and computer safeguards for example any (antivirus, firewall, VPN, etc.). Upon termination of employment any company specific information must be removed from the device.

Nothing in this policy is intended to prevent employees from engaging in protected concerted activity under the NLRA.

Violation of this policy will subject an employee to disciplinary action up to and including termination of employment.

6.15 Mail Use

Employees are required to limit usage of the company's mail service to business purposes only. You may not use the Company address to receive personal mail. Do not use the Company postage meter for your personal mail. If you notice any suspicious packages or envelopes, please report this to your supervisor immediately.

6.16 Off-Duty Use of Company Property or Premises

Employees may not use Company property for personal use during working time. Employees are responsible for returning Company property in good condition and repairing or replacing any property damaged as the result of personal use or as the result of negligence. This includes using copy machines, computers, Company products, or office supplies for personal use without prior authorization.

It is the policy of the Company to control off duty and nonworking hour use of Company facilities either for business or personal reasons. Employees are prohibited from using Company facilities during off duty or non-working hours without the written consent of their supervisor.

6.17 Security

Every employee is responsible for helping to make this a secure work environment. Upon leaving work, lock all desks and computers, lockers, and doors protecting valuable or sensitive material in your work area and report any lost or stolen keys, passes, or other similar devices to your supervisor immediately. You should refrain from discussing with nonemployees specifics regarding Company security systems, alarms, passwords, etc.

We also request that you immediately advise your supervisor of any known or potential security risks and/or suspicious conduct of employees, customers, or guests of the Company. Safety and security is the responsibility of every employee and we rely on you to help us keep our premises secure.

6.18 Computer Security and Copying of Software

Software programs purchased and provided by the Company are to be used only for creating, researching, and processing Company-related materials. By using the Company's hardware, software, and networking systems you assume personal responsibility for their use and agree to comply with this policy and other applicable Company policies, as well as city, state, and federal laws and regulations.

All software acquired for or on behalf of the Company or developed by Company employees or contract personnel on behalf of the Company is and shall be deemed Company property. It is the policy of the Company to respect all computer software rights and to adhere to the terms of all software licenses to which the Company is a party.

Company users may not illegally duplicate any licensed software or related documentation. Unauthorized duplication of software may subject users and/or the Company to both civil and criminal penalties under the United States Copyright Act. To purchase software, users must obtain the approval of their manager. All software acquired by the company must be purchased through the corporate board of directors.

Users may not duplicate, copy, or give software to any outsiders including clients, contractors, customers, and others. Company users may use software on local area networks or on multiple machines only in accordance with applicable license agreements entered into by the Company.

6.19 Third Party Disclosures

From time to time, our Company may become involved in news stories or potential or actual legal proceedings of various kinds. When that happens, lawyers, former employees, newspapers, law enforcement agencies, and other

outside persons may contact our employees to obtain information about the incident or the actual or potential lawsuit.

If you receive such a contact, you should not speak on behalf of the Company and should refer any call requesting the Company's position to the corporate board of directors. If you have any questions about this policy or are not certain what to do when such a contact is made, please contact the corporate board of directors.

6.20 *Personal Data Changes*

It is your obligation to provide the Company with all of your current contact information, including current mailing address and telephone number. Please inform the Company of any changes to your marital or tax withholding status. Failure to do so may result in loss of benefits or delayed receipt of W-2 and other mailings.

6.21 *Whistleblower Policy*

When employees notify a supervisor, manager, or an appropriate government or law enforcement agency that they have reason to believe their employer is violating a state or federal statute, or violating or not complying with a state or federal rule or regulation, those employees are protected from retaliation. As such, the Company has a strict policy that prohibits retaliation against employees who make such reports while employed in any form of employment. The Company also does not permit retaliation against an employee who refuses to participate in an activity that would result in a violation of a state or federal statute, or a violation or noncompliance with a state or federal rule or regulation.

If you have information regarding possible violations of state or federal statutes, rules, or regulations, or violations of fiduciary responsibility by the Company, we encourage you to report it immediately to your supervisor, manager, or to the senior directors.

7.0 Benefits

7.1 Regular Full-Time Employees

A regular full-time employee is an employee of Sun Deep Inc who has completed his or her introductory period and is regularly scheduled to work in excess of [30] hours per week. This section specifically excludes workers whose payroll checks are not issued by Sun Deep Inc. These contract workers should contact their employment agency for further information on benefits offered to them. Unless stated otherwise, all the benefits provided to employees are for regular full-time employees only. This includes vacation, holiday pay, health insurance, and other benefits coverage.

7.2 Regular Part-Time Employees

Any employee who works less than 30 hours per week is considered a part-time employee. Part-time employees are not eligible for Company benefits unless specified otherwise in this handbook or in the benefit plan summaries.

7.3 Exempt Employees

If you are classified as an exempt employee at the time of your hiring (non - hourly), you are not eligible for overtime pay as otherwise required by federal, state, or local laws. If you have a question regarding whether you are an exempt or nonexempt employee, contact your supervisor for clarification.

7.4 Health Insurance

The Company provides its regular full-time employees who are issued paychecks by Sun Deep Inc who have completed 30 days of employment with health insurance. Insurance coverage will begin on the 1st of the month immediately following the 30 day period. Employees have the option of dependent and spousal coverage at their own expense. Medical plan benefits for eligible employees and their dependents are described in detail in the Summary Plan Description (SPD) that is available to all eligible employees. These benefits may be canceled or changed at the discretion of the Company, unless otherwise required by law.

California Family Rights Act leave or Pregnancy Disability Leave are maintained by the Company on the same terms as if the employee continued to work. Please contact Human Resources for clarification. In such circumstances, arrangements must be made by eligible employees to pay their share of the health insurance premium on a monthly basis to maintain insurance coverage. Please contact the accounting or payroll to determine the amount of your contribution. The Company's obligation to maintain health benefits stops without notice when:

- An employee informs the Company of an intent not to return to work at the end of the leave period; or
- An employee fails to return to work when the FMLA entitlement is exhausted; or

- An employee's premium contribution is past due.

The Company will be entitled to recover premiums paid to maintain health insurance coverage for an employee who fails to return to work from leave.

Please understand that plan eligibility does not necessarily mean coverage for all medical treatments or procedures. In addition, under changed circumstances you may be responsible for contributing to the cost of increased premiums. This benefit, as well as other benefits, may be canceled or changed at the discretion of the Company, unless otherwise required by law.

If you or a dependent become ineligible for benefits due to a change in work hours or through a life event, or you leave employment with us, you may have the right to continue your medical benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA). The Company will mail you information about your COBRA rights.

7.5 Pension and Profit-Sharing Plan

All regular employees who have completed at least 1 year of employment (with at least 1,000 hours) are eligible to participate in the Company's 401(k)/Profit Sharing plan as of the first day of the following month. The Company makes an annual 100%-vested "Safe Harbor" contribution equal to 5% of your gross compensation which is fully vested.

The Company may also contribute an additional percentage of your gross compensation via discretionary Profit Sharing contribution. This plan provides you with a vested interest to Profit Sharing related to your length of employment which increases by 20% over the first 5 years.

This policy is limited to employees who are issued payroll checks by Sun Deep Inc only. All employees who are employed by any other agency or staffing company should check with their staffing agent for a full list of benefits.

As with your insurance benefits, please refer to your Summary Plan Description (SPD) provided by the benefits administrator for specifics. Should you have any other questions about the 401(k)/profit sharing plan, please consult with the benefits administrator. This benefit, as well as other benefits, may be canceled or changed at the discretion of the Company, unless otherwise required by law.

7.6 Continuing Education Policy and Tuition Assistance

We believe in the continuing education of our employees. If the Company sends you to a class or training program during normal working hours related to your employment and you are a nonexempt employee, you will be normal working pay for that time. If you are interested in attending an outside class and having the Company pay for your attendance, you are required to provide advance written notice indicating a description of the class, including the subject matter, length, and cost. Depending on the type of training, the Company may reimburse some or all of the fees, including materials expenses, meals, and transportation. The Company reserves the right to refuse to pay for any training

which has not been pre approved by a member of the board of directors. Travel costs and incidentals will not be reimbursed as part of the training.

7.7 Holiday Pay

Sun Deep Inc offers the following paid holidays each year:

- New Year's Day
- Presidents' Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

This policy is limited to employees who are issued payroll checks by Sun Deep Inc only. All employees who are employed by any other agency or staffing company should check with their staffing agent for a full list of Holiday pay benefits.

When a Company holiday falls on a Saturday, it will be observed the preceding Friday. Holidays falling on a Sunday will be observed the following Monday.

If a holiday falls on your regular day off, the holiday will be observed as your supervisor determines, on the employee's last day of work before the holiday or the first day of work following the holiday.

The Company reserves the right to close on another day or grant compensating time off instead of closing its offices. You will receive holiday pay if the holiday falls in the week when you are on vacation or leave of absence. You must work the day before and the day after a holiday to receive holiday pay, unless the day before or the day after is your normally designated day off, you are on vacation, or you have a doctor's note excusing your absence.

Holiday pay for full-time employees is computed at the straight time rate of eight hours. In no case may an employee receive more than a normal day's wage for any holiday unless they worked that day.

7.8 Paid Time Off (PTO)

Paid time off (PTO) provides you with the flexibility to use your time off to meet your personal needs, while recognizing your individual responsibility to manage your paid time off.

You will accumulate PTO each pay period worked and it is up to you to allocate how you will use it -- for vacation, illness (sick pay), caring for children, school activities, medical/dental appointments, personal business, or emergencies. The Company may require you to use any unused PTO during disability or family medical leave, or any other leave of absence. The amount of PTO earned will depend on your length of service with the Company.

This policy is limited to employees who are issued payroll checks by Sun Deep Inc only. All employees who are employed by any other agency or staffing company should check with their staffing agent for a full list of benefits.

Eligibility

During your first year of employment you are entitled to 5 days (40 hours) PTO. All PTO is paid out when accrued. Year 2 you will receive 10 days PTO. From 3 year and onward you will accrue 15 days PTO.

Deposits Into Your Leave Account

The amount of PTO you accrue each year is based on your length of service and accrues according to the accrual schedule determined by the company. PTO is accrued as you work. PTO is paid out in the check after your hire date anniversary with the company.

Notice and Scheduling

You are required to provide your supervisor with reasonable advance notice (2 weeks) and obtain approval prior to using PTO. This allows for you and your supervisor to prepare for your time off and assure that all staffing needs are met. There may be occasions, such as sudden illness, when you cannot notify your supervisor in advance. In those situations, you must inform your supervisor of your circumstances as soon as possible.

7.9 Family and Medical Leave of Absence Policy

A. General

We recognize that there are times when an employee may need to be absent from work due to qualifying events under the Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA). Accordingly, we will provide eligible employees up to a combined total of 12 weeks of unpaid FMLA/CFRA leave per leave year for the following reasons and any other leave authorized by the FMLA/CFRA:

- **Parental Leave:** For the birth or placement of an adopted or foster child;
- **Personal Medical Leave:** When an employee is unable to work due to his or her own serious health condition;
- **Family Care Leave:** To care for a spouse, child, or parent with a serious health condition;
- **Military Exigency Leave:** When an employee's spouse, parent, son, or daughter (of any age) experiences a qualifying exigency resulting from military service (applies to active service members deployed to a foreign country, National Guard and Reservists); and
- **Military Care Leave:** To care for an employee's spouse, parent, son, daughter (of any age), or next of kin who requires care due to an injury or illness incurred while on active duty or was exacerbated while on active duty. **Note:** A leave of up to 26 weeks of leave per 12-month period may be taken to care for the injured/ill service member.

B. Key Policy Definitions

- **Eligible employees** under this policy are those who have been employed by our Company for at least 12 months (need not be consecutive months and under certain circumstances hours missed from work due to military call-up will also be counted) and have performed at least 1,250 hours of service in the 12-month period immediately preceding the date leave is to begin. Employees who work in small locations with fewer than 50 employees within 75 miles, are not eligible for leave. However, employees should contact Human Resources to discuss other types of leave that might be available for the reasons listed in this policy. Only employees who are issued payroll checks by Sun Deep Inc are eligible. All employees who are employed by any other agency or staffing company should check with their staffing agent for their policy concerning FMLA.
- **Leave year** for the purposes of this policy shall be a rolling 12-month period measured backward from the date an employee uses any FMLA leave.
- A **spouse** means a husband or wife as recognized under state law for the purposes of marriage in the state or other territory or country where the marriage arose.
- A **son or daughter** for the purposes of parental or family leave is defined as a biological, adopted, foster child, step-child, legal ward, or a child for whom the employee stood in loco parentis to, who is (1) under 18 years of age or, (2) 18 years of age or older and incapable of self-care because of physical or mental disability. A son or daughter for the purposes of military exigency or military care leave can be of any age.
- A **parent** means a biological, adoptive, step, or foster parent or any other individual who stood in loco parentis to the employee when the employee was a son or daughter.
- **Next of kin** for the purposes of military care leave is a blood relative other than a spouse, parent, or child in the following order: brothers and sisters, grandparents, aunts and uncles, and first cousins. If a military service member designates in writing another blood relative as his or her caregiver, that individual shall be the only next of kin. In appropriate circumstances, employees may be required to provide documentation of next of kin status.
- A **serious health condition** is an illness, injury, impairment, or physical or mental condition that involves either inpatient care or continuing treatment by a health care provider. Ordinarily, unless complications arise, cosmetic treatments and minor conditions such as the cold, flu, ear aches, upset stomach, minor ulcers, headaches (other than migraines), and routine dental problems are examples of conditions that are not serious health conditions under this policy. If you have any questions about the types of conditions which may qualify, contact Human Resources.
- A **health care provider** is a medical doctor or doctor of osteopathy, physician's assistant, podiatrist, dentist, clinical psychologist, optometrist, nurse practitioner, nurse-midwife, clinical social worker, or Christian Science practitioner licensed by the First Church of Christ. Under limited

circumstances, a chiropractor or other provider recognized by our group health plan for the purposes of certifying a claim for benefits may also be considered a health care provider.

- **Qualifying exigencies** for military exigency leave include:
 - Short-notice call-ups/deployments of seven days or less (**Note:** Leave for this exigency is available for up to seven days beginning the date of call-up notice);
 - Attending official ceremonies, programs, or military events;
 - Special child care needs created by a military call-up including making alternative child care arrangements, handling urgent and nonroutine child care situations, arranging for school transfers, or attending school or daycare meetings;
 - Making financial and legal arrangements;
 - Attending counseling sessions for the military service member, the employee, or the military service members' son or daughter who is under 18 years of age or 18 or older but is incapable of self-care because a mental or physical disability;
 - Rest and recuperation (**Note:** Fifteen days of leave is available for this exigency per event);
 - Post-deployment activities such as arrival ceremonies, re-integration briefings, and other official ceremonies sponsored by the military (**Note:** Leave for these events is available during a period of 90 days following the termination of active duty status). This type of leave may also be taken to address circumstances arising from the death of a covered military member while on active duty;
 - Parental care when the military family member is needed to care for a parent who is incapable of self-care (e.g. arranging for alternative care or transfer to a care facility); and
 - Other exigencies that arise that are agreed to by both the Company and employee.
- A **serious injury/illness** incurred by a service member in the line of active duty or that is exacerbated by active duty is any injury or illness that renders the service member unfit to perform the duties of his or her office, grade, rank, or rating.

C. Notice and Leave Request Process

Foreseeable Need for Leave: If the need for leave is foreseeable because of an expected birth/adoption or planned medical treatment, employees must give at least 30 days' notice. If 30 days' notice is not practicable, notice must be given as soon as possible. Employees are expected to complete and return a leave request form prior to the beginning of leave. ***Failure to provide appropriate notice and/or complete and return the necessary paperwork will result in the delay or denial of leave.***

Unforeseeable Need for Leave: If the need for leave is unforeseeable, notice must be provided as soon as practicable and possible under the facts of the particular case. Normal call-in procedures apply to all absences from work including those for which leave under this policy may be requested. Employees are expected to complete and return the necessary leave request form as soon

as possible to obtain the leave. ***Failure to provide appropriate notice and/or complete and return the necessary paperwork on a timely basis will result in the delay or denial of leave.***

Leave Request Process: To request leave under this policy, employees must obtain and complete a leave request form from their supervisor or Human Resources and return the completed form to Human Resources. If the need for leave is unforeseeable and employees will be absent more than three days, employees should contact Human Resources by telephone and request that a leave form be mailed to their home. If the need for leave will be fewer than three days, employees must complete and return the leave request form upon returning to work.

Call-in Procedures: In all instances where an employee will be absent, the call-in procedures and standards established for giving notice of absence from work must be followed.

D. Leave Increments

Parental Leave: Leave for the birth or placement of a child must be taken in a single block and cannot be taken on an intermittent or reduced schedule basis. Parental Leave must be completed within 12 months of the birth or placement of the child; however, employees may use parental leave before the placement of an adopted or foster child to consult with attorneys, appear in court, attend counseling sessions, etc.

Family Care, Personal Medical, Military Exigency, and Military Care Leave: Leave taken for these reasons may be taken in a block or blocks of time. In addition, if a health care provider deems it necessary or if the nature of a qualifying exigency requires, leave for these reasons can be taken on an intermittent or reduced-schedule basis.

E. Paid Leave Utilization During FMLA Leave

Employees taking parental, family care, military exigency and/or military care leave must utilize available vacation/PTO, personal days, and/or family illness days during this leave. Employees on personal medical leave must utilize available sick, personal, and vacation/PTO days during this leave. Employees receiving short- or long-term disability or workers' compensation benefits during a personal medical leave will not be required to utilize these benefits. However, employees may elect to utilize accrued benefits to supplement these benefits.

F. Certification and Fitness for Duty Requirements

Employees requesting family care, personal medical, or military care leave must provide certification from a health care provider to qualify for leave. Such certification must be provided within 15 days of the request for leave unless it is not practicable under the circumstances despite the employee's diligent efforts. Failure to timely provide certification may result in leave being delayed, denied, or revoked. In the Company's discretion, employees may also be required to obtain a second and third certification from another health care provider at

Company expense (except for military care leave). Recertification of the continuance of a serious health condition or an injury/illness of a military service member will also be required at appropriate intervals.

Employees requesting a military exigency leave may also be required to provide appropriate active duty orders and subsequent information concerning particular qualifying exigencies involved.

Employees requesting personal medical leave will also be required to provide a fitness for duty certification from their health care provider prior to returning to work.

G. Scheduling Leave and Temporary Transfers

Where possible, employees should attempt to schedule leave so as not to unduly disrupt operations. Employees requesting leave on an intermittent or reduced schedule basis that is foreseeable based on planned medical treatment may be temporarily transferred to another job with equivalent pay and benefits that better accommodates recurring periods of leave.

H. Health Insurance

The Company will maintain an employee's health insurance coverage during leave on the same basis as if he or she were still working. Employees must continue to make timely payments of their share of the premiums for such coverage. Failure to pay premiums within 30 days of when they are due may result in a lapse of coverage. In this event, the Company will notify the employee 15 days before the date coverage will lapse that coverage will terminate unless payments are promptly made. Alternatively, at the Company's option, the Company may pay the employee's share of the premiums during the leave and recover the costs of this insurance upon the employee's return to work. Coverage that lapses due to nonpayment of premiums will be reinstated immediately upon return to work without a waiting period. Under most circumstances, if an employee does not return to work at the end of leave, the Company may require the employee to reimburse the Company for the health insurance premiums paid during the leave.

I. Return to Work

Employees returning to work at the end of leave will be placed in their original job or an equivalent job with equivalent pay and benefits. Employees will not lose any benefits that accrued before leave was taken. Employees may not, however, be entitled to discretionary raises, promotions, bonus payments, or other benefits that become available during the period of leave.

J. Spouse Aggregation

In the case where an employee and his or her spouse are both employed by the Company, the total number of weeks to which both are entitled in the aggregate because of the birth or placement of a child or to care for a parent with a serious health condition will be limited to 12 weeks per leave year. Similarly, a husband and wife employed by the Company will be limited to a combined total of 26

weeks of leave to care for a military service member. This 26-week leave period will be reduced, however, by the amount of leave taken for other qualifying FMLA events. This type of leave aggregation does not apply to leave needed because of an employee's own serious health condition, to care for a spouse or child with a serious health condition, or because of a qualifying exigency.

K. General Provisions

Failure to Return: Employees failing to return to work or failing to make a request for an extension of their leave prior to the expiration of the leave will be deemed to have voluntarily terminated their employment. The Company is not required to grant requests for open ended leaves with no reasonable return date under these policies or as disability accommodations.

Alternative Employment: No employee, while on leave of absence, shall work or be gainfully employed either for himself, herself, or others unless express, written permission to perform such outside work has been granted by the Company. Any employee on a leave of absence who is found to be working elsewhere without permission will be automatically terminated.

False Reason for Leave: Termination will occur if an employee gives a false reason for a leave.

7.10 New Parent Leave

If eligible, Sun Deep Inc will provide you with up to 12 weeks of unpaid parental leave to bond with a new child within one year of the child's birth, adoption, or foster care placement.

To be eligible for parental leave, you must meet the following requirements:

- As of the date leave begins, you must be employed with the Company for at least 12 months and for 1,250 hours during the previous 12 months.
- You must work at a worksite where the Company employs at least 20 employees within a 75-mile radius.
- You must be an employee of Sun Deep Inc only and your payroll checks must come directly from Sun Deep Inc. All employees who are employed by any other employment agency or staffing company should check with their staffing agent for a full list of benefits and will not be covered by Sun Deep Inc.

If the need for leave is foreseeable because of an expected birth, adoption, or placement, you must provide at least 30 days' written notice. If 30 days' notice is not practicable due to a premature birth, unexpected adoption, or unexpected foster placement, provide notice as soon as possible.

In cases where both parents are employed by the Company and are eligible for leave, the max amount of total leave for both parents is 12 weeks. The Company may, but is not required to, grant simultaneous leave to both parents.

While on parental leave, employees will be allowed to utilize paid time off.

The Company will maintain your group health insurance coverage during the leave period under the same terms and conditions that would have applied had the leave not been taken. If you fail to return to work after leave, the Company may seek to recover any premiums paid for maintaining coverage by deducting the amount from your final wages, unless the failure to return to work was due to the continuation, recurrence, or onset of a serious health condition or other circumstances beyond your control.

Upon returning to work at the end of leave, you will be placed in your original job or another open position with equivalent pay and benefits. The company reserves the right to place you in a different department from where you originally worked. You will not lose any benefits that accrued before leave was taken. You may not, however, be entitled to discretionary raises, promotions, bonus payments, or other benefits that become available during leave.

The Company will not discharge or otherwise discriminate against employees who request or take leave in accordance with this policy.

7.11 Pregnancy Disability Leave of Absence Policy

If you are disabled by pregnancy, childbirth, or a related medical condition, Sun Deep Inc will provide you with up to four months of unpaid pregnancy disability leave (PDL).

Eligibility

To be eligible for PDL, you must suffer from a pregnancy-related disability. A **pregnancy-related disability** is a physical or mental condition related to pregnancy or childbirth that prevents you from performing the essential duties of your job, or would cause undue risk to you or your pregnancy's successful completion. This policy is limited to employees who are issued payroll checks by Sun Deep Inc only. All employees who are employed by any other agency or staffing company should check with their staffing agent for a full list of benefits and are not eligible for this benefit through Sun Deep Inc.

Conditions for which PDL is available include, but are not limited to:

- Severe morning sickness.
- Prenatal or postnatal care.
- Doctor ordered bedrest.
- Gestational diabetes.
- Pregnancy-induced hypertension.
- Preeclampsia.
- Post-partum depression.
- Lactation conditions such as mastitis.
- Loss or end of pregnancy.
- Recovery from loss or end of pregnancy.

Use of Leave

PDL may be taken before or after birth during any period of time (not to exceed four months) where you are physically unable to work due to your pregnancy-related disability. You may take PDL all at once or intermittently.

Notice and Leave Request Process Foreseeable Need for Leave

If the need for leave is foreseeable because of an expected birth/adoption or planned medical treatment, you must give at least 30 days' notice. If 30 days' notice is not practicable, give notice as soon as possible. You are expected to complete and return a leave request form prior to the beginning of leave. Failure to provide appropriate notice and/or complete and return the necessary paperwork will result in the delay or denial of leave.

Unforeseeable Need for Leave

If the need for leave is unforeseeable, provide notice as soon as practicable and possible under the facts of the particular case. Normal call-in procedures apply to all absences from work including those for which leave under this policy may be requested. Complete and return the necessary leave request form as soon as possible to obtain the leave. Failure to provide appropriate notice and/or complete and return the necessary paperwork on a timely basis will result in the delay or denial of leave.

Leave Request Process

To request leave under this policy, obtain a leave request form from your supervisor and return the completed form to management. If the need for leave is unforeseeable and you will be absent more than three days, contact Human Resources by telephone and request that a leave form be mailed to your home. If leave will be fewer than three days, complete and return the leave request form upon returning to work.

Call-In Procedures

In all instances of absence, follow the call-in procedures and standards established for giving notice of absence from work.

Paid Leave Utilization During Pregnancy Leave

You will be required to use available sick leave during PDL; however, you may opt to use any available [PTO/vacation] during your PDL in order to receive compensation if it has not already been paid out.

If you are on PDL for eight or more consecutive calendar days, you may be eligible for partial wage replacement benefits under the California State Disability Insurance (SDI) program. You are responsible for applying for these benefits and can obtain forms from your health care provider.

Certification and Fitness for Duty Requirements

When requesting PDL, you must provide certification from a health care provider to qualify for leave. Such certification must be provided within 15 days

of the request for leave unless it is not practicable under the circumstances despite your diligent efforts. Failure to provide certification may result in leave being delayed, denied, or revoked. At the discretion of Company, you may also be required to obtain a second and third certification from another health care provider at Company expense (except for military care leave). Recertification of the continuance of a serious health condition or an injury/illness of a military service member will also be required at appropriate intervals and will be employees responsibility.

Temporary Transfer and Other Accommodations

If you are suffering from a pregnancy related disability, you are entitled to a temporary transfer to another position or other reasonable accommodation based on the pregnancy-related disability if you request the transfer or reasonable accommodation and the request is based on the medical certification of a health care provider that a transfer or reasonable accommodation is medically advisable, and the request can be reasonably accommodated by the Company. All employees who are transferred to accommodate a pregnancy-related disability have the same reinstatement and other rights described below with respect to pregnancy-related disability leaves.

The Company may also require you to transfer temporarily to an available alternative position with the same pay and benefits in order to accommodate your need for intermittent leave or a reduced work schedule.

Health Insurance

The Company will maintain your health insurance coverage during leave as if you were still working. You must continue to make timely payments of your share of the premiums. Failure to pay premiums within 30 days of when they are due may result in a lapse of coverage. If this occurs, you will be notified 15 days before the date coverage will lapse that coverage will terminate unless payments are promptly made. Alternatively, at our option, the Company may pay your share of the premiums during the leave and recover the costs of this insurance upon your return to work. Coverage that lapses due to nonpayment of premiums will be reinstated immediately upon return to work without a waiting period. Under most circumstances, if you do not return to work at the end of leave, the Company may require reimbursement for the health insurance premiums paid during the leave.

Return to Work

Upon returning to work at the end of leave, you will be placed in your original job or an equivalent job with equivalent pay and benefits. You will not lose any benefits that accrued before leave was taken. You may not, however, be entitled to discretionary raises, promotions, awards, bonus payments, or other benefits that become available during leave.

At the completion of PDL, you will be required to obtain a release to return to work from your health care provider stating that you are able to resume your original job or duties.

Failure to Return

If you fail to return to work or fail to make a request for an extension of leave prior to the expiration of the leave, you will be deemed to have voluntarily terminated your employment.

Alternative Employment

While on leave of absence, you may not work or be gainfully employed either for yourself or others unless express, written permission to perform such outside work has been granted by the Company. If you are on a leave of absence and are found to be working elsewhere without permission, you will be automatically terminated.

False Reason for Leave

You will be terminated if you provide a false reason for a leave.

Retaliation

The Company will not retaliate against employees who request or take leave in accordance with this policy.

7.12 Military Leave (USERRA)

The company complies with applicable federal and state law regarding military leave and re-employment rights. Unpaid military leave of absence will be granted to members of the uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (with amendments) and all applicable state law. Documentation of the need for the leave is required to be submitted to Human Resources. An employee returning from military leave of absence will be reinstated to his or her previous or similar job in accordance with state and federal law. You must notify your manager of your intent to return to employment based on requirements of the law. For more information regarding status, compensation, benefits, and reinstatement upon return from military leave, please contact Human Resources.

7.13 Jury Duty Leave

Sun Deep Inc encourages employees to fulfill their civic duties related to jury duty. If you are summoned for jury duty, notify your supervisor as soon as possible to make scheduling arrangements.

If you are an exempt employee, you will not incur any deduction in pay for a partial week's absence due to jury duty. If you are a nonexempt employee, you will not be compensated for time spent on jury duty.

The Company reserves the right to require employees to provide proof of jury duty service to the extent authorized by law.

The Company will not retaliate against any employee who requests or takes leave in accordance with this policy.

7.14 *Witness Duty*

An employee who is required by law to appear in court as a witness may take unpaid time off for such purpose provided the employee gives the Company reasonable advance notice.

7.15 *Voting Leave*

If your work schedule prevents you from voting on Election Day, the Company will allow you a reasonable time off to vote. The time when you can go to vote will be at the discretion of your supervisor, consistent with applicable legal requirements.

7.16 *Crime Victim Leave*

An employee who is a victim or who is the family member of a victim of a violent felony or serious felony may take unpaid time off from work. An immediate family member under this policy includes a spouse, domestic partner, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

The absence from work must be in order to attend judicial proceedings related to a crime listed above. Before you are absent for such a reason, you must provide documentation of the scheduled proceeding. Such notice is typically given to the victim of the crime by a court or government agency setting the hearing, a district attorney or prosecuting attorney's office, or a victim/witness office. If advance notice is not possible, you must provide appropriate documentation within a reasonable time after the absence.

Any absence from work to attend judicial proceedings will be unpaid, unless you choose to take paid time off, such as accrued vacation or personal holiday.

7.17 *School and Child Care Activities Leave*

Sun Deep Inc. will provide employees who have one or more children that are of the age to attend a licensed child care provider, kindergarten, or grades 1 through 12, with up to 40 hours of leave per year to participate in the following:

- Finding, enrolling, or re-enrolling the child in a school or with a licensed child care provider;
- Participating in school or childcare-related activities; or
- Addressing a child care provider or school emergency.

Leave is limited to eight hours in any calendar month.

To be eligible for leave, the employee must be a parent, guardian, step-parent, foster parent, grandparent, or a person who stands in the place of a parent (in loco parentis) to a child.

Employees wishing to take leave to enroll a child in school or with a child care provider or to participate in a school or child-care related activity must provide

reasonable advance notice to their supervisor. Employees needing leave to address a child care provider or school emergency must provide notice to their supervisor as soon as practicable. Employees may be required to provide documentation from the school or child care provider verifying that the employee participated in the school or childcare activity.

If both parents of a child work for Sun Deep Inc, only one parent -- the first to provide notice -- may take the time off, unless Company approves both parents taking time off simultaneously.

7.18 Workers' Compensation Insurance

Workers' compensation is a no-fault system designed to provide benefits to all employees for work related injuries. Workers' compensation insurance coverage is paid for by the employer and governed by state law. The workers' compensation system provides for coverage of medical treatment and expenses, occupational disability leave, rehabilitation services, as well as payment for lost wages due to work related injuries. If you are injured on the job, no matter how slightly, you are to report the incident immediately to your supervisor. Consistent with applicable state law, failure to report an injury within a reasonable period of time could jeopardize your claim for benefits.

To receive workers' compensation benefits, notify your supervisor immediately of your claim. If your injury is the result of an on-the-job accident, you must fill out an accident report. You will be required to submit a medical release before you can return to work.

7.19 Unemployment Compensation Insurance

Unemployment compensation insurance is paid for by the State of California and provides temporary income for employees who have lost their job under certain circumstances. Your eligibility for unemployment compensation will, in part, be determined by the reasons for your separation from the Company. For more information contact your local EDD office.

7.20 COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) provides the opportunity for eligible employees and their beneficiaries to continue health insurance coverage under the company health plan when a "qualifying event" could result in the loss of eligibility. Qualifying events include resignation, termination of employment, death of an employee, reduction in hours, a leave of absence, divorce or legal separation, entitlement to Medicare, or where a dependent child no longer meets eligibility requirements.

7.21 Bereavement leave

An employee who wishes to take time off due to the death of an immediate family member should notify his or her supervisor as soon as possible.

In addition to bereavement leave, an employee may, with his or her supervisor's approval, use any available vacation for additional approved time off as necessary. Employees may be required to provide documentation with regard to their bereavement leave.

This policy is limited to employees who are issued payroll checks by Sun Deep Inc only. All employees who are employed by any other agency or staffing company should check with their staffing agent for a full list of benefits.

Paid bereavement leave will be granted according to the following schedule:

Three days of paid bereavement leave:

- Spouse
- Child
- Same sex domestic partner
- Opposite sex domestic partner
- Foster child
- Grandchild
- Parent
- Sibling
- Grandparent
- Miscarriage
- Relative of a spouse
- Relative of same sex domestic partner
- Relative of an opposite sex domestic partner

One day of paid bereavement leave:

- Extended family member (e.g. cousin, aunt, uncle, niece, nephew)
- Friend
- Colleague

Please contact Human Resources to learn more about your COBRA rights.

8.0 Safety and Loss Prevention

8.1 General Safety Policy

It is the responsibility of every employee of the Company to maintain a healthy and safe work environment. Please refer to our Injury Prevention Plan (IPP) for further information regarding employee safety. Please report all safety hazards and occupational illnesses or injuries to your supervisor immediately and complete an occupational illness or injury form as needed. Failure to follow the Company's health and safety rules can result in disciplinary action, up to and including termination of employment.

8.2 Drug and Alcohol Policy

Sun Deep Inc. considers drug and alcohol abuse a serious matter that will not be tolerated. The Company absolutely prohibits all employees from using, selling, possessing, or being under the influence of illegal drugs, alcohol, or a controlled substance or prescription drug not medically authorized while at their job, on Company property, or while on work time.

Therefore, it is the Company's policy that:

1. You may not report to work under the influence of alcohol, illegal drugs, or any controlled substance or prescription drug not medically authorized.
2. You may not possess or use alcohol, illegal drugs, or any controlled substance or prescription drug not medically authorized while on company property or on company business.

The Company also cautions against use of prescribed or over-the-counter medication, which can affect your ability to perform your job safely, or the use of prescribed or over-the-counter medication in a manner violating the recommended dosage or instructions from the doctor. You must have a valid prescription for any prescription medication used while working for the Company. Inform your supervisor, prior to working under the influence of a prescribed or over-the-counter medication that may affect your ability to perform your job safely. If the Company determines that the prescribed or over-the-counter medication does not pose a safety risk, you will be allowed to work. Failure to comply with these guidelines concerning prescription or over-the-counter medication may result in disciplinary action, up to and including termination of employment.

A violation of this policy will result in disciplinary action, up to and including termination of employment.

8.3 Nonsmoking Policy

Sun Deep inc is concerned about the effect that smoking and second hand smoke inhalation can have on all of its employees and clients. Due to the flammability of several of the ingredients and packaging stored at Sun Deep Inc, all smoking is strictly prohibited in and around the buildings.

8.4 Policy Against Violence

As the safety and security of our employees, vendors, contractors, and the general public is in the best interests of Sun Deep Inc, we are committed to working with all of our employees to provide a work environment free from violence, intimidation, and other disruptive behavior.

Zero Tolerance Policy

The Company has a zero tolerance policy regarding workplace violence and will not tolerate acts or threats of violence, harassment, intimidation, and other disruptive behavior, either physical or verbal, that occurs in the workplace or other areas. This applies to management, co-workers, all employees, and non-employees such as contractors, temporary workers, customers, and visitors.

Workplace violence can include oral or written statements, gestures, or expressions that communicate a direct or indirect threat of physical harm, damage to property, or any intentional behavior that may cause a person to feel threatened.

Prohibited Conduct

Prohibited conduct includes, but is not limited to:

- Physically injuring another person.
- Threatening to injure a person or damage property by any means, including verbal, written, direct, indirect, or electronic means.
- Taking any action to place a person in reasonable fear of imminent harm or offensive contact.
- Possessing, brandishing, or using a weapon or firearm on Company property.
- Violating a restraining order, order of protection, injunction against harassment, or other court order.

Reporting Incidents of Violence

Report to supervisor, in accordance with this policy, any behavior that compromises the Company's ability to maintain a safe work environment. All reports will be investigated immediately and kept confidential, except where there is a legitimate need to know. You are expected to cooperate in any investigation of workplace violence.

Violations

Violating this policy may subject you to criminal charges as well as discipline up to and including immediate termination of employment.

Retaliation

Victims and witnesses of workplace violence will not be retaliated against in any manner. In addition, you will not be subject to discipline for, based on a reasonable belief, reporting a threat, or for cooperating in an investigation.

If you initiate, participate, are involved in retaliation, or obstruct an investigation into conduct prohibited by this policy, you will be subject to discipline, up to and including termination.

9.0 Trade Secrets and Inventions

9.1 Confidentiality and Nondisclosure of Trade Secrets

As a condition of employment, Company employees are required to protect the confidentiality of Company trade secrets, proprietary information, and confidential Company-related commercially-sensitive information (i.e. financial or sales records/reports, marketing or business strategies/plans, product development, customer lists, patents, trademarks, etc.). Access to this information should be limited to a "need to know" basis and should not be used for personal benefit, disclosed, or released without prior authorization from a supervisor. Any employee who has information that leads them to suspect that an employee or competitor is obtaining such information is required to inform their supervisor or Human Resources. Employees will refrain from displaying or discussing any work related context or matters on social media. Any formulations, inventions or innovations created or furnished by employees will remain the exclusive property of Sun Deep Inc.

Violation of this policy may result in the discipline or termination of any employee, as well as subject the employee to civil liability.

10.0 Closing Statement

10.1 Closing Statement

Thank you for reading our employee handbook. We hope it has provided you with an understanding of the Company's mission, history, and structure as well as our current policies and guidelines. We look forward to working with you to create a successful company and a safe, productive, and pleasant workplace.

Prabhleen (Bob) Gill, CEO

Sun Deep Inc.

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