



Employee Handbook



2016



THIS BOOK HAS BEEN ISSUED TO:

Employee Name (Please Print)

ON

Date

IF FOUND, I CAN BE REACHED AT:

Phone Number

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DISCLAIMER AND ACKNOWLEDGEMENT

Section 1.1

October 2016

IMPORTANT DISCLAIMER

THIS HANDBOOK GENERALLY DESCRIBES EMPIRE MERCHANTS NORTH, LLC CURRENT POLICIES AND PROCEDURES AND IS SUBJECT TO CHANGE AT THE SOLE DISCRETION OF THE COMPANY. MANY OF THE POLICIES CONTAINED IN THIS HANDBOOK ARE BASED ON LEGAL PROVISIONS, INTERPRETATIONS OF LAW, AND EMPLOYEE RELATIONS PRINCIPLES, ALL OF WHICH ARE SUBJECT TO CHANGE. THESE POLICIES AND PROCEDURES ARE NOT INTENDED TO BE ALL-INCLUSIVE. THIS HANDBOOK DOES NOT CONSTITUTE A CONTRACT OF EMPLOYMENT. NOTHING IN THIS HANDBOOK SHALL BE CONSTRUED TO CONSTITUTE A CONTRACT, AND THE COMPANY HAS THE RIGHT, AT ITS DISCRETION, TO MODIFY THIS HANDBOOK AT ANY TIME. NOTHING HEREIN LIMITS THE COMPANY'S RIGHT TO TERMINATE EMPLOYMENT. ALL EMPLOYEES ARE EMPLOYEES AT-WILL AND ARE FREE TO LEAVE THE COMPANY AT ANY TIME, FOR ANY REASON, OR FOR NO REASON AT ALL. AS A CORRESPONDING RIGHT, THE COMPANY HAS THE SAME RIGHT TO TERMINATE AN EMPLOYEES AT ANY TIME, FOR ANY REASON, OR FOR NO REASON AT ALL. THE COMPANY REMAINS THE FINAL AUTHORITY AS TO THE PROPER INTERPRETATION AND APPLICATION OF THE PROVISIONS OF THIS MANUAL. NO ONE EXCEPT THE HOUSE PRESIDENT, THE EXECUTIVE DIRECTOR OF HUMAN RESOURCES OR HIS/HER DESIGNEE HAS THE AUTHORITY TO WAIVE OR MODIFY ANY OF THE PROVISIONS OF THIS HANDBOOK, OR MAKE REPRESENTATIONS TO THE CONTRARY, AND ANY SUCH WAIVER OR MODIFICATION IS REQUIRED TO BE IN WRITING. ANY VERBAL AND WRITTEN STATEMENTS OR PROMISES TO THE CONTRARY ARE HEREBY EXPRESSLY DISAVOWED AND SHOULD NOT BE RELIED UPON BY ANY EMPLOYEES. THIS HANDBOOK SUPERSEDES AND REPLACES ALL PRIOR HANDBOOKS, POLICIES, AND PROCEDURES. IF AT ANY TIME YOU HAVE QUESTIONS, PLEASE ASK YOUR MANAGER OR HUMAN RESOURCE REPRESENTATIVE.

ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT I HAVE RECEIVED A COPY OF THE COMPANY'S EMPLOYEE POLICIES AND PROCEDURES HANDBOOK ADOPTED OCTOBER 2016. I UNDERSTAND THAT I AM RESPONSIBLE FOR READING, UNDERSTANDING, AND ABIDING BY THE CONTENTS OF THESE POLICIES AND PROCEDURES. I FURTHER UNDERSTAND THAT ALL THE POLICIES CONTAINED HEREIN ARE SUBJECT TO CHANGE AT THE SOLE DISCRETION OF THE COMPANY, AT ANY TIME AND WITHOUT NOTICE. I UNDERSTAND THESE POLICIES ARE NOT INTENDED TO BE ALL-INCLUSIVE. I FURTHER UNDERSTAND THAT NOTHING IN THESE POLICIES AND PROCEDURES CREATES A CONTRACT OF EMPLOYMENT THAT I AM AN EMPLOYEE AT-WILL, AND MY EMPLOYMENT MAY BE TERMINATED AT ANY TIME, EITHER BY ME OR THE COMPANY, WITH OR WITHOUT CAUSE. I RECOGNIZE THAT NO ONE EXCEPT THE PRESIDENT, THE EXECUTIVE DIRECTOR OF HUMAN RESOURCES OR HIS/HER DESIGNEE HAS THE AUTHORITY TO WAIVE OR MODIFY THE "AT-WILL" NATURE OF MY EMPLOYMENT.

(Print name of employee & date)

(Signature of employee)

(Print name of Company witness & date)

(Signature of Company witness)



WELCOME AND INTRODUCTION

Section 1.2

October 2016

Empire Merchants North, LLC and employees welcome you to the Company.

The purpose of this handbook is to attempt to answer some of the questions you may have concerning the Company, especially with regard to policies, programs, and benefits and to introduce to you the policies and procedures that guide our Company and its employees. Please read the handbook thoroughly, as you are expected to be familiar with all the policies contained herein.

Remember that this handbook is only a guide. It cannot, and does not, contain complete information about all the Company's policies. However, employees are expected to follow the policies contained in this handbook. The policies, programs and benefits discussed in the handbook are subject to change at any time at the sole discretion of the Company. Although you may receive updated information concerning changes to the information set forth herein, the Company reserves the right to modify policies, programs or benefits without prior notification to employees. Therefore, any questions you have concerning Company policies, programs, and benefits should be directed to your supervisor or the Human Resources department. Employees should also refer to the Corporate Intranet site for policy updates and changes.

This handbook is not a contract, expressed or implied, and does not guarantee employment for any specific duration. Although we hope your employment relationship with the Company will be successful, it is important to inform you that your employment relationship is "at will," and therefore, either the Company or you may terminate the employment relationship at any time, for any reason, with or without cause or notice.

Please also understand that no supervisor, manager, or representative of the Company, other than the President or his or her specially designated representative(s), has the authority to enter into any agreement with you for employment for any duration of time or to make any promises or commitments contrary to the foregoing. Further, any employment agreement entered into by the President or his or her specially designated representative(s) will not be enforceable unless it is a formally written agreement and signed by the President or his or her representative(s).

Empire Merchants North, LLC operates in an "open door" atmosphere, and constructive suggestions are welcome. This approach has produced a team concept that is largely responsible for the Company's success and is vital to future growth.

This handbook replaces any and all previous Company handbooks and supersedes all written and verbal descriptions of the Company's employment policies, practices, and procedures.

OUR VISION, MISSION AND GOALS

Section 1.3

October 2016

OUR VISION

To Be the Distributor of Choice

OUR MISSION

To Our Employees...

- **Creating a positive atmosphere for employees and give them opportunities to develop and grow professionally.**

To Our Suppliers...

- **Being proactive in bringing ideas to the table and flexible in our infrastructure to meet both changing client and market needs.**
- **Helping build brands the right way.**
- **Work with our suppliers to maximize our mutual profits together.**

To Our Customers...

- **Helping build businesses by providing quality recommendations.**
- **Providing superior customer service.**

To Our Communities...

- **Being a socially responsible organization and participate in activities that serve our local communities.**

To Our Industry...

- **Working to grow the industry as a whole and enhance its image at all levels.**

OUR GOALS

- **Develop, Retain and Attract the Right People**
- **Create Strong, Long-Term Relationships with our Suppliers**
- **Be the Preferred Distributor to our Customers**
- **Have Superior Support Systems**
- **Drive Long-Term Profitability**

OUR VALUES

Section 1.4

October 2016

The Company is committed to having inspired leadership with high expectations of performance based on integrity, trust, and pride. The Company recognizes that our employees are our most important asset. We strongly encourage their growth and development through constantly improving their personal and business skills with continued education and development.

The Company is dedicated to providing our customers and suppliers with the best possible service by continually upgrading the systems which provide value to our business partners. The Company promotes the empowerment of our employees to provide innovative and creative solutions that are used to mutually ensure Company and employee growth, prosperity, and financial security. Our dedication to these principles is the foundation of our constant pursuit of excellence.

ACCOMMODATION POLICY

Company Policies and Legal Compliance

Policy no. HR-2.1

October 2016

The Company will endeavor to make a reasonable accommodation to the known physical or mental limitations of qualified employees with disabilities and individuals with sincerely held religious beliefs unless the accommodation would impose an undue hardship on the operation of our business. If you need assistance to perform your job duties because of a physical or mental condition or an accommodation for a sincerely held religious belief, please let us know.

Commitment to Equal Employment Opportunities

The Company complies with the Americans with Disabilities Act (ADA), as amended by the ADA Amendments Act (ADAAA), and all applicable state and local fair employment practices laws, and is committed to providing equal employment opportunities to qualified individuals with disabilities. Consistent with this commitment, the Company will provide a reasonable accommodation to disabled applicants and employees if the reasonable accommodation would allow the individual to perform the essential functions of the job, including not creating a significant risk of substantial harm to the health or safety of the individual or others, and unless doing so would create an undue hardship.

Requesting a Reasonable Accommodation

If you believe you need an accommodation because of your disability, you are responsible for requesting a reasonable accommodation from the Human Resources Department. The Company encourages employees to make their request in writing and to include relevant information, such as:

- A description of the accommodation you are requesting.
- 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. This interactive process may include obtaining information from your manager or supervisor concerning the essential functions of your position. As part of this process, managers and supervisors are required to report any information that may indicate that a potential accommodation would create a significant risk of substantial harm to the health or safety of the individual or others. 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, effective accommodation, to the extent any reasonable accommodation can be made without imposing an undue hardship on the Company.

Medical Information

If your disability or need for accommodation is not obvious, the Company may ask you to provide supporting documents showing that you have a disability within the meaning of the ADA and applicable state or local laws, and that your disability necessitates a reasonable accommodation. If the information provided in response to this request is insufficient, the Company may require that



you see a health care professional of the Company's choosing, at the Company's expense. In those cases, if you fail to provide the requested information or see the designated health care professional, your request for a reasonable accommodation may be denied.

The Company will keep confidential any medical information that it obtains in connection with your request for a reasonable accommodation.

Determinations

The Company makes determinations about reasonable accommodations on a case-by-case basis considering various factors and based on an individualized assessment in each situation. The Company strives to make determinations on reasonable accommodation requests expeditiously and will inform you once a determination has been made.

No Retaliation

Individuals will not be retaliated against for requesting an accommodation. The Company expressly prohibits any form of discipline, reprisal, intimidation or retaliation against any individual for requesting an accommodation.

If employees or applicants feel that they or someone else may have been subjected to conduct that violates this policy, they should report it immediately to a supervisor or the Human Resources Department.

ALCOHOL AND SUBSTANCE ABUSE POLICY

Company Policies and Legal Compliance

Policy no. HR-2.2

October 2016

Alcohol and substance abuse pose a threat to the health and safety of our employees and to the security of our equipment, facilities and communities. The Company recognizes that there may be circumstances in which our employees need personal assistance with issues related to alcohol or substance use. To that end, the Company provides employees and their family members direct access to an Employee Assistance Program (EAP). The EAP is available 24 hours a day, seven days a week, at no cost to the employee to address problems including, but not limited to: substance abuse (drugs or alcohol) and mental health concerns. Voluntary participation in the EAP program is confidential and your participation is not shared with the Company.

Because the Company is committed to providing a safe and productive work environment, it maintains a zero-tolerance policy with regard to the use or distribution of illegal, un-prescribed (or illegally procured) drugs, and a restrictive policy regarding the misuse/abuse of alcoholic beverages. On-the-job or off-the-job improper or illegal use of any substance which could adversely affect an employee's job performance, the public's perception of our Company, the public safety, or the Company's relationship with suppliers and/or customers, may be cause for Corrective Action, up to and including suspension without pay and/or termination.

Drugs and Alcohol in the Workplace

Employees are required to work in a condition that is free of illegal, un-prescribed (or illegally procured) drugs and not impaired by alcohol. An employee who tests positive for illegal drug use or who is caught using/distributing illegal (or illegally procured) drugs while at work will be terminated.

Employees may choose to consume our beverage alcohol products in the course of certain sanctioned business activities. However, such consumption must be done in a responsible manner, and the Company prohibits the misuse of alcohol in the workplace or while on the job. **Alcohol consumption is never mandatory.** In addition, any employee who does not wish to drive after attending a promotion or representing the Company at any business-related activity or function may, at the Company's expense, take a taxi home. Furthermore, employees are responsible for preventing another employee, who is believed to be impaired by alcohol use, from operating a motor vehicle. Under such circumstances, employees must either inform a manager about the impaired employee or facilitate his/her safe transportation home, at the Company's expense. Notwithstanding responsible consumption during sanctioned business activities, Employees who misuse or abuse alcohol in the workplace will be subject to Corrective Action, up to and including suspension without pay and/or termination.

Criminal Charges, Arrests, and Convictions Related to Drugs and Alcohol

Employees convicted of on or off-the-job use or sale of illegal substances, or abuse or sale of prescription drugs are in violation of the Company Alcohol and Substance Abuse Policy and will be terminated. Alcohol related convictions may result in discipline up to and including suspension without pay and/or termination.

Employees who are arrested and/or charged with alcohol or illegal substance related activity must report the arrest and/or charges to their supervisor or a representative of the Human Resources department within two calendar days. Failure to timely report such incidents is a violation of this policy and will result in discipline up to and including termination. Employees who are arrested or charged with alcohol misuse, or on or off-the-job use, or sale of illegal substances, abuse or sale of prescription drugs may be subject to an employment action including suspension pending the disposition of the matter.

In rare instances, employees may be offered a Final Chance Agreement as a condition of continued employment. The decision to extend a Final Chance to an employee is within the Company's discretion.

Drug and Alcohol Testing

Except as prohibited by law, the Company may require that drug or alcohol testing be conducted in one or more of the following circumstances:

- All job applicants who have received a job offer must undergo and successfully complete a drug and alcohol test before their employment with the Company begins. An applicant who tests positive for illegal drugs or alcohol will not be eligible for hire and the offer of employment will be withdrawn.
- When there is a reasonable suspicion that an employee is working under the influence of illegal drugs or alcohol. Reasonable suspicion is based on the observation of behavior that is inconsistent with the individual's usual behavior and would lead a prudent individual to suspect that the employee is impaired or under the influence of drugs or alcohol. Examples of such behavioral characteristics may include, but are not limited to, the following:
 - Abnormal or erratic behavior at work (*e.g.*, hostility, sleeping on the job, uncontrolled laughing or crying, altered attention span, mood changes);
 - Causing or contributing to a workplace accident;
 - Evidence that an employee is in possession of drugs or alcohol while at work;
 - Detecting unusual odors in the employee's work area;
 - Physical symptoms of drug or alcohol use (*e.g.*, slurred speech, drowsiness; confusion, bloodshot eyes, unsteady walk); and
 - Direct observation of drug or alcohol use.

Additionally, the Company may mandate that an employee take a drug or alcohol test under the following circumstances:

- As required by DOT requirements or other applicable law or regulation;
- Following all/any accidents or incidents that result in injury to the individual or others or damage to property either on the Company site, offsite, or while on the premises of another organization with which the Company conducts business.
- As part of a routine testing program instituted as a result of a Final Chance Agreement.
- On a random basis.
- Upon return to work after receiving Final Chance Agreement
- Upon return to work after a leave greater than 3 months.

However, all drug testing will be conducted in accordance with applicable law.



Drug and alcohol screening tests will be conducted at the Company's expense at a certified laboratory as designated by the Company. Transportation of employees to and from the testing site will be provided at Company expense. Any individual who is involuntarily sent for a drug or alcohol test during their scheduled working hours will be paid for the time away from scheduled work. Refusal to submit to Company-mandated drug or alcohol testing or failure to cooperate with the Company's implementation of this Policy may result in Corrective Action, up to and including suspension without pay and/or termination.

All test results issued by the laboratory are considered final. However, employees who receive positive readings may, at their own expense, have the split of their original sample retested for accuracy. Questions concerning this policy, or its administration should be directed to your supervisor or Human Resources Representative.

ANTI-DISCRIMINATION AND HARASSMENT POLICY

Company Policies and Legal Compliance

Policy no. HR-2.3

October 2016

Prevention of Discrimination and Harassment in the Workplace

It is Company policy to maintain a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere free from discrimination, including sexual harassment and harassment based on race, color, creed, religion, gender, sexual orientation, marital status, national origin, age, disability, genetic information citizenship, vet status, gender identification, or other status protected by federal, state or local law. This policy is intended to ensure that all employees are treated with respect and dignity, and, therefore, it prohibits discrimination and harassment in the work environment even if the offending actions do not rise to the level of being a violation of federal, state, or local law.

DISCRIMINATION AND HARASSMENT, WHETHER VERBAL, PHYSICAL, OR ENVIRONMENTAL, ARE UNACCEPTABLE AND WILL NOT BE TOLERATED BY THE COMPANY.

Types of Prohibited Harassment

Harassment is any verbal or physical conduct that denigrates or shows hostility or aversion towards an individual in any work-related setting or capacity because of his or her race, color, creed, religion, gender, sexual orientation, national origin, marital status, age, disability, genetic information, citizenship, vet status, gender identification, or other protected status, or that of persons with whom the individual employees.

It is the policy of the Company to prohibit behavior which:

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

It is not always easy to define exactly what constitutes harassment based on sex, race, color, creed, religion, gender, sexual orientation, marital status, national origin, age, handicap, disability, genetic information, citizenship, vet status, gender identification, or other protected status. Examples of behavior which violate this policy and may constitute harassing conduct include, but are not limited to:

- Epithets, slurs, quips, or negative stereotyping that relate to race, color, creed, religion, gender, sexual orientation, national origin, marital status, age, disability, genetic information, citizenship, vet status, gender identification, or other protected status.

- Offensive, threatening, intimidating or hostile acts or gestures that relate to race, color, creed, religion, gender, sexual orientation, national origin, marital status, age, disability, genetic information, citizenship, vet status, gender identification, or other protected status.
- Written or graphic material (including graffiti) that denigrates or shows hostility or aversion toward an individual or group because of the individual's protected status and that is placed on walls, bulletin boards, or elsewhere on the Company's premises, accessed via the Internet, transmitted via email, text messages, or otherwise circulated or displayed in the workplace or in a work-related setting.
- "Jokes," "pranks" or other forms of "humor" that are demeaning or hostile with regard to race, color, creed, religion, gender, national origin, marital status, age, disability, genetic information, citizenship, vet status, gender identification, or other protected status.
- "Cursing" or use of other verbal language that is vulgar or degrading to another and is based on a protective category.

The behaviors described above are examples of harassment based on gender, race, color, religion, sexual orientation, national origin, marital status, age, disability, or genetic information, citizenship, vet status, gender identification, and are not only unacceptable in the workplace, but also in other work-related settings, such as business trips, or business-related "after hours" or other social events.

Sexual Harassment

Sexual harassment includes unwelcome or unwanted conduct of a sexual nature when:

- An employee's submission to or rejection of this conduct affects decisions regarding hiring, evaluation, promotion or other aspects of employment; or
- This conduct is so severe or pervasive that it unreasonably interferes with an individual's employment or creates an intimidating, hostile or offensive work environment.

It is not easy to define exactly what actions or course of conduct will constitute sexual harassment; instead, one must consider the circumstances of each case. Examples of behavior which violate this policy and may constitute sexual harassment include, but are not limited to:

- Coerced sexual acts;
- Express or implied demands for sexual favors in exchange for favorable reviews, assignments, promotions, continued employment or promises of continued employment;
- Unwanted sexual advances to which an employee objects;
- Staring at, touching, or assaulting an individual's body;
- Verbal commentary about an individual's body or sexuality;
- Repeated sexual jokes, language, epithets, gossip, comments, flirtations, advances, propositions or questions;



- Repeatedly asking an employee for a date after the employee has indicated that he or she is not interested;
- Suggestive, insulting, or obscene comments or gestures;
- The display in the workplace of graphic and sexually suggestive objects, pictures or graffiti;
- Harassment consistently targeted at only one sex, even if the content of the verbal abuse is not sexual;
- Transmission of sexually-offensive messages through e-mail, texts, or other mediums; or
- Retaliation against an employee for complaining about the type of behavior described above.

The type of behavior described above is unacceptable not only in the workplace, but also in other work-related settings, such as business trips, or business-related “after hours” or other social events.

Individuals Covered by this Policy

This policy covers all Company employees. Any type of discrimination or harassment, whether engaged in by fellow employees, supervisors or by non-employees with whom employees come into contact in the course of employment (e.g., suppliers or customers), is contrary to this policy and will not be tolerated. We require the reporting of all incidents of discrimination or harassment, regardless of who the offender may be.

Procedure for Submitting Complaints

The Company encourages individuals who believe they are being discriminated against or harassed to firmly and promptly notify the alleged offender that his or her behavior is unwelcome. However, we also recognize that perceived power and status disparities between an alleged offender and a victim may make such a confrontation difficult.

Because an employee may not feel comfortable with such confrontation, the Company has implemented an Open-Door Policy, which affords the employee the opportunity to discuss the matter with any Manager they choose, including their immediate Manager-level supervisor, the Executive Director of Human Resources or President/CEO. All employees are urged to avail themselves of the Company’s Open-Door Policy to try to resolve most employment related issues or disputes.

No Retaliation

The Company does not in any way retaliate against an individual who makes a report of perceived discrimination or harassment; nor will we tolerate employees retaliating against one another. Retaliation is a serious violation of the Company's anti-discrimination and harassment policy and anyone who feels they have been subjected to any acts of retaliation should immediately report such conduct. Any person who retaliates against another individual for reporting any perceived acts of harassment will be subject to corrective action, up to and including suspension without pay and/or discharge.

Investigation

All allegations of discrimination or harassment will be promptly investigated. The Company endeavors to maintain confidentiality throughout the investigation process to the extent practicable and appropriate under the circumstances. If the Company finds that discrimination or harassment occurred, the employee found to have engaged in such behavior will be subject to appropriate corrective action. Although the specific corrective actions are within the Company's discretion, this may include verbal or written reprimand, referral to appropriate counseling, withholding of a promotion or bonus, reassignment, temporary suspension without pay, placement on probation, or discharge.

If the complainant or the alleged offender is dissatisfied with the outcome of the investigation, either individual has the right to seek reconsideration of the decision through the Company's Open-Door Policy. The Company's Open-Door Policy affords the dissatisfied employee ample opportunity for reconsideration of any such decision.

The Company has developed this policy to ensure that all its employees can work in an environment free from sexual harassment and from harassment based on race, color, creed, religion, gender, sexual orientation, marital status, national origin, age, disability, genetic status, citizenship, vet status, gender identification, or other status protected by federal, state, or local law.



Empire Merchants North, LLC New York Sexual Harassment Policy Supplement

Introduction

Empire Merchants North, LLC (the “Company”) is committed to maintaining a workplace free from sexual harassment. Sexual harassment is a form of workplace discrimination. All employees are required to work in a manner that prevents sexual harassment in the workplace. This Policy is one component of the Company’s commitment to a discrimination-free work environment. Sexual harassment is against the law¹ and all employees have a legal right to a workplace free from sexual harassment and employees are urged to report sexual harassment by filing a complaint internally with the Company. Employees can also file a complaint with a government agency or in court under federal, state or local antidiscrimination laws.

Policy:

1. The Company’s policy applies to all employees, applicants for employment, interns, whether paid or unpaid, contractors and persons conducting business, regardless of immigration status, with the Company. In the remainder of this document, the term “employees” refers to this collective group.
2. Sexual harassment will not be tolerated. Any employee or individual covered by this policy who engages in sexual harassment or retaliation will be subject to remedial and/or disciplinary action (e.g., counseling, suspension, termination).
3. Retaliation Prohibition: No person covered by this Policy shall be subject to adverse action because the employee reports an incident of sexual harassment, provides information, or otherwise assists in any investigation of a sexual harassment complaint. The Company will not tolerate such retaliation against anyone who, in good faith, reports or provides information about suspected sexual harassment. Any employee of the Company who retaliates against anyone involved in a sexual harassment investigation will be subjected to disciplinary action, up to and including termination. All employees, paid or unpaid interns, or non-employees² working in the workplace who believe they have been subject to such retaliation should inform a supervisor, manager, or the Executive Director of Human Resources, or the Company President. All employees, paid or unpaid interns or non-employees who believe they have been a target of such

¹ While this policy specifically addresses sexual harassment, harassment because of and discrimination against persons of all protected classes is prohibited. In New York State, such classes include age, race, creed, color, national origin, sexual orientation, military status, sex, disability, marital status, domestic violence victim status, gender identity and criminal history.

² A non-employee is someone who is (or is employed by) a contractor, subcontractor, vendor, consultant, or anyone providing services in the workplace. Protected non-employees include persons commonly referred to as independent contractors, “gig” workers and temporary workers. Also included are persons providing equipment repair, cleaning services or any other services provided pursuant to a contract with the employer.

retaliation may also seek relief in other available forums, as explained below in the section on Legal Protections.

4. Sexual harassment is offensive, is a violation of our policies, is unlawful, and may subject the Company to liability for harm to targets of sexual harassment. Harassers may also be individually subject to liability. Employees of every level who engage in sexual harassment, including managers and supervisors who engage in sexual harassment or who allow such behavior to continue, will be penalized for such misconduct.
5. The Company will conduct a prompt and thorough investigation that ensures due process for all parties, whenever management receives a complaint about sexual harassment, or otherwise knows of possible sexual harassment occurring. The Company will keep the investigation confidential to the extent possible. Effective corrective action will be taken whenever sexual harassment is found to have occurred. All employees, including managers and supervisors, are required to cooperate with any internal investigation of sexual harassment.
6. All employees are encouraged to report any harassment or behaviors that violate this policy. The Company will provide all employees a complaint form for employees to report harassment and file complaints.
7. Managers and supervisors are **required** to report any complaint that they receive, or any harassment that they observe or become aware of, to the Executive Director of Human Resources.
8. This policy applies to all employees, paid or unpaid interns, and non-employees, and all must follow and uphold this policy. This policy will be shared with all New York employees and provided to New York employees upon hiring.

What Is “Sexual Harassment”?

Sexual harassment is a form of sex discrimination and is unlawful under federal, state, and (where applicable) local law. Sexual harassment includes harassment on the basis of sex, sexual orientation, self-identified or perceived sex, gender expression, gender identity and the status of being transgender.

Sexual harassment includes unwelcome conduct which is either of a sexual nature, or which is directed at an individual because of that individual's sex when:

- 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, even if the reporting individual is not the intended target of the sexual harassment;

- Such conduct is made either explicitly or implicitly a term or condition of employment; or
- Submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual's employment.

A sexually harassing hostile work environment includes, but is not limited to, words, signs, jokes, pranks, intimidation or physical violence which are of a sexual nature, or which are directed at an individual because of that individual's sex. Sexual harassment also consists of any unwanted verbal or physical advances, sexually explicit derogatory statements or sexually discriminatory remarks made by someone which are offensive or objectionable to the recipient, which cause the recipient discomfort or humiliation, which interfere with the recipient's job performance.

Sexual harassment also occurs when a person in authority tries to trade job benefits for sexual favors. This can include hiring, promotion, continued employment or any other terms, conditions or privileges of employment. This is also called "quid pro quo" harassment.

Any employee who feels harassed should report so that any violation of this policy can be corrected promptly. Any harassing conduct, even a single incident, can be addressed under this policy.

Examples of sexual harassment

The following describes some of the types of acts that may be unlawful sexual harassment and that are strictly prohibited:

- Physical acts of a sexual nature, such as:
 - Touching, pinching, patting, kissing, hugging, grabbing, brushing against another employee's body or poking another employee's body;
 - Rape, sexual battery, molestation or attempts to commit these assaults.
- Unwanted sexual advances or propositions, such as:
 - Requests for sexual favors accompanied by implied or overt threats concerning the target's job performance evaluation, a promotion or other job benefits or detriments;
 - Subtle or obvious pressure for unwelcome sexual activities.
- Sexually oriented gestures, noises, remarks or jokes, or comments about a person's sexuality or sexual experience, which create a hostile work environment.

- Sex stereotyping occurs when conduct or personality traits are considered inappropriate simply because they may not conform to other people's ideas or perceptions about how individuals of a particular sex should act or look.
- Sexual or discriminatory displays or publications anywhere in the workplace, such as:
 - Displaying pictures, posters, calendars, graffiti, objects, promotional material, reading materials or other materials that are sexually demeaning or pornographic. This includes such sexual displays on workplace computers or cell phones and sharing such displays while in the workplace.
- Hostile actions taken against an individual because of that individual's sex, sexual orientation, gender identity and the status of being transgender, such as:
 - Interfering with, destroying or damaging a person's workstation, tools or equipment, or otherwise interfering with the individual's ability to perform the job;
 - Sabotaging an individual's work;
 - Bullying, yelling, name-calling.

Who can be a target of sexual harassment?

Sexual harassment can occur between any individuals, regardless of their sex or gender. New York Law protects employees, paid or unpaid interns, and non-employees, including independent contractors, and those employed by companies contracting to provide services in the workplace. Harassers can be a superior, a subordinate, a coworker or anyone in the workplace including an independent contractor, contract worker, vendor, client, customer or visitor.

Where can sexual harassment occur?

Unlawful sexual harassment is not limited to the physical workplace itself. It can occur while employees are traveling for business or at employer sponsored events or parties. Calls, texts, emails, and social media usage by employees can constitute unlawful workplace harassment, even if they occur away from the workplace premises, on personal devices or during non-work hours.

Retaliation

Unlawful retaliation can be any action that could discourage a worker from coming forward to make or support a sexual harassment claim. Adverse action need not be job-related or occur in the workplace to constitute unlawful retaliation (e.g., threats of physical violence outside of work hours).



Such retaliation is unlawful under federal, state, and (where applicable) local law. The New York State Human Rights Law protects any individual who has engaged in “protected activity.” Protected activity occurs when a person has:

- made a complaint of sexual harassment, either internally or with any anti-discrimination agency;
- testified or assisted in a proceeding involving sexual harassment under the Human Rights Law or other anti-discrimination law;
- opposed sexual harassment by making a verbal or informal complaint to management, or by simply informing a supervisor or manager of harassment;
- reported that another employee has been sexually harassed; or
- encouraged a fellow employee to report harassment.

Even if the alleged harassment does not turn out to rise to the level of a violation of law, the individual is protected from retaliation if the person had a good faith belief that the practices were unlawful. However, the retaliation provision is not intended to protect persons making intentionally false charges of harassment.

Reporting Sexual Harassment

Preventing sexual harassment is everyone’s responsibility. The Company cannot prevent or remedy sexual harassment unless it knows about it. Any employee, paid or unpaid intern or non-employee who has been subjected to behavior that may constitute sexual harassment is encouraged to report such behavior to a supervisor, manager or the Executive Director of Human Resources, or the Company President. Anyone who witnesses or becomes aware of potential instances of sexual harassment should report such behavior to a supervisor, manager or the Executive Director of Human Resources, or the Company President.

Reports of sexual harassment may be made verbally or in writing. A form for submission of a written complaint is available to employees through the Human Resources Department or on SharePoint, and all employees are encouraged to use this complaint form. Employees who are reporting sexual harassment on behalf of other employees should use the complaint form and note that it is on another employee’s behalf.

Employees, paid or unpaid interns or non-employees who believe they have been a target of sexual harassment may also seek assistance in other available forums, as explained below in the section on Legal Protections.

Supervisory Responsibilities

All supervisors and managers who receive a complaint or information about suspected sexual harassment, observe what may be sexually harassing behavior or for any reason suspect that sexual harassment is occurring, **are required** to report such suspected sexual harassment to the Executive Director of Human Resources.

In addition to being subject to discipline if they engaged in sexually harassing conduct themselves, supervisors and managers will be subject to discipline for failing to report suspected sexual harassment or otherwise knowingly allowing sexual harassment to continue.

Supervisors and managers will also be subject to discipline for engaging in any retaliation.

Complaint and Investigation of Sexual Harassment

All complaints or information about sexual harassment will be investigated, whether that information was reported in verbal or written form. Investigations will be conducted in a timely manner, and will be confidential to the extent possible.

An investigation of any complaint, information or knowledge of suspected sexual harassment will be prompt and thorough, commenced promptly and completed as soon as possible. The investigation will be kept confidential to the extent possible. All persons involved, including complainants, witnesses and alleged harassers will be accorded due process, as outlined below, to protect their rights to a fair and impartial investigation.

Any employee may be required to cooperate as needed in an investigation of suspected sexual harassment. The Company will not tolerate retaliation against employees who file complaints, support another's complaint or participate in an investigation regarding a violation of this policy.

While the process may vary from case to case, investigations will generally include the following steps:

- A thorough review of the allegations;
- Take steps to obtain and preserve any relevant documents or other information;
- Interview the appropriate parties and witnesses;
- Document the investigation per the Company's standard policies and procedures;
- Notify the necessary individuals of the final determination;

- Provide any additional information, such as a reminder of non-retaliation to the appropriate parties; and
- Implement any appropriate corrective actions.

Legal Protections And External Remedies

Sexual harassment is not only prohibited by the Company but is also prohibited by state, federal, and, where applicable, local law.

Aside from the internal process at the Company, employees may also choose to pursue legal remedies with the following governmental entities. While a private attorney is not required to file a complaint with a governmental agency, you may seek the legal advice of an attorney.

In addition to those outlined below, employees in certain industries may have additional legal protections.

State Human Rights Law (HRL)

The Human Rights Law (HRL), codified as N.Y. Executive Law, art. 15, § 290 et seq., applies to all employers in New York State with regard to sexual harassment, and protects employees, paid or unpaid interns and non-employees, regardless of immigration status. A complaint alleging violation of the Human Rights Law may be filed either with the Division of Human Rights (DHR) or in New York State Supreme Court.

Complaints with DHR may be filed any time **within one year** of the harassment. If an individual did not file at DHR, they can sue directly in state court under the HRL, **within three years** of the alleged sexual harassment. An individual may not file with DHR if they have already filed a HRL complaint in state court.

Complaining internally to the Company does not extend your time to file with DHR or in court. The one year or three years is counted from date of the most recent incident of harassment.

You do not need an attorney to file a complaint with DHR, and there is no cost to file with DHR.

DHR will investigate your complaint and determine whether there is probable cause to believe that sexual harassment has occurred. Probable cause cases are forwarded to a public hearing before an administrative law judge. If sexual harassment is found after a hearing, DHR has the power to award relief, which varies but may include requiring your employer to take action to stop the harassment, or redress the damage caused, including paying of monetary damages, attorney's fees and civil fines.



DHR's main office contact information is: NYS Division of Human Rights, One Fordham Plaza, Fourth Floor, Bronx, New York 10458. You may call (718) 741-8400 or visit: www.dhr.ny.gov.

Contact DHR at (888) 392-3644 or visit dhr.ny.gov/complaint for more information about filing a complaint. The website has a complaint form that can be downloaded, filled out, notarized and mailed to DHR. The website also contains contact information for DHR's regional offices across New York State.

Civil Rights Act of 1964

The United States Equal Employment Opportunity Commission (EEOC) enforces federal anti-discrimination laws, including Title VII of the 1964 federal Civil Rights Act (codified as 42 U.S.C. § 2000e et seq.). An individual can file a complaint with the EEOC anytime within 300 days from the harassment. There is no cost to file a complaint with the EEOC. The EEOC will investigate the complaint, and determine whether there is reasonable cause to believe that discrimination has occurred, at which point the EEOC will issue a Right to Sue letter permitting the individual to file a complaint in federal court.

The EEOC does not hold hearings or award relief, but may take other action including pursuing cases in federal court on behalf of complaining parties. Federal courts may award remedies if discrimination is found to have occurred. In general, private employers must have at least 15 employees to come within the jurisdiction of the EEOC.

An employee alleging discrimination at work can file a "Charge of Discrimination." The EEOC has district, area, and field offices where complaints can be filed. Contact the EEOC by calling 1-800-669-4000 (TTY: 1-800-669-6820), visiting their website at www.eeoc.gov or via email at info@eeoc.gov.

If an individual filed an administrative complaint with DHR, DHR will file the complaint with the EEOC to preserve the right to proceed in federal court.

Local Protections

Many localities enforce laws protecting individuals from sexual harassment and discrimination. An individual should contact the county, city or town in which they live to find out if such a law exists. For example, employees who work in New York City may file complaints of sexual harassment with the New York City Commission on Human Rights. Contact their main office at Law Enforcement Bureau of the NYC Commission on Human Rights, 40 Rector Street, 10th Floor, New York, New York; call 311 or (212) 306-7450; or visit www.nyc.gov/html/cchr/html/home/home.shtml.

Contact the Local Police Department

If the harassment involves unwanted physical touching, coerced physical confinement or coerced sex acts, the conduct may constitute a crime. Contact the local police department.

ANTI-TRUST COMPLIANCE POLICY

Company Policies and Legal Compliance

Policy no. HR-2.4

October 2016

The Company's Antitrust Compliance Policy reiterates the longstanding policy of the members of Empire Merchants North, LLC, and each Employee employed by Empire Merchants North, LLC, to comply fully and completely with the federal antitrust laws and state antitrust laws where they apply. The antitrust laws reflect a public policy that free and fair competition among independent businesses should be the principal regulator of the marketplace, promoting efficiency and providing consumers with the best products and services at the lowest prices. No Employee has any authority to take any action that is inconsistent with the antitrust laws.

This entire Policy is available from HR, and on the Company intranet. It is important that every employee read this Policy carefully. Compliance with the antitrust laws is mandatory.

Violation of this Policy will result in disciplinary action, up to and including suspension without pay and/or termination. Antitrust law violations may result in criminal penalties for the individuals involved, including jail terms and substantial monetary fines for officers. In addition, private parties who have been injured by an antitrust violation may file civil suits, and if successful they may receive three times the amount of the actual monetary damages they prove. The antitrust violator will have to pay not only his own attorney's fees and costs, which may be very high, but also the attorney's fees and costs of the party that wins the lawsuit.

This Policy provides a summary of the major antitrust principles that employees should be sensitive to and provides basic guidance on complying with the antitrust laws. It is not intended to address every conceivable issue or situation that might occur and is NOT a complete and definitive interpretation of the antitrust laws. Rather, it is intended to assist employees in understanding the basic rules of antitrust so that they can recognize and avoid dangerous or questionable areas. The Policy is not a substitute for legal advice, and employees should consult with their manager *before acting* whenever there is a question about the applicability of the antitrust laws.

ANTI-WEAPONS POLICY

Company Policies and Legal Compliance

Policy no. HR-2.5

October 2016

Employees and any visitors while on Company property or while performing Company duties, shall not possess, store, maintain or use any weapon. Prohibited weapons include, but are not limited to, guns, tasers, batons, brass knuckles, nunchucks, knives or swords with blades, explosives, and any chemicals whose purpose is to cause harm persons or property. Further, all knives and/or box cutters used in the course and scope of Employee's job functions must be preapproved by the employee's supervisor and maintained, when not used, in a protective case. Please understand that the above list of prohibited weapons is not exhaustive and there may be other weapons that are prohibited, but not named here.

Regardless of whether an employee possesses a concealed weapon permit or is allowed by law to possess a weapon, weapons are strictly prohibited while on Company property.

Possession of a weapon may be authorized by the Company's President to allow security personnel or a trained employee to have a weapon on Company property when this possession is determined necessary to secure the safety and security of Company employees, or any materials or products thereon or to secure the Company premises. Only the President, or his designee, may authorize the carrying of or use of a weapon and this is the only exception.

Employees who violate this policy shall be subject to disciplinary action, up to and including immediate employment termination.

ATTENDANCE AND PUNCTUALITY

Company Policies and Legal Compliance

Policy no. HR-2.6

October 2016

To maintain a safe and productive work environment, the Company depends on the reliability, dependability, and punctuality of all employees. Employees who do not report for work on time, or who miss all or part of a day's work, place an extra burden on both the Company and its employees. Employees who are repeatedly late and/or repeatedly absent for reasons other than Military or Jury/Witness duty, a FMLA or State Leave Law qualifying reason, bereavement leave, or other such approved absences are subject to corrective action up to and including termination. Regular and timely attendance is considered a part of each employee's essential job functions.

Absences and Tardiness

Prescheduled and approved time away from work for vacation, holiday or personal leave days are not considered unscheduled frequencies for the purpose of this policy.

An absence occurs when an employee misses more than three (3) hours of work within a normal work day.

Lateness is any time when the employee arrives later than his or her normally scheduled start time.

Excessive unscheduled absences or lateness (including a pattern of absences or lateness) may lead to corrective action, up to and including termination.

An unscheduled absence of multiple days due to the same illness, injury or other incident will be counted as one frequency.

Excessive absence includes but is not limited to a situation where the number of unscheduled absences exceeds six frequencies in any twelve-month period and/or three frequencies in a three-month period prior to the most recent absence.

Excessive lateness includes, but is not limited to, a situation where an employee is late more than five times within a thirty-day period prior to the most recent lateness.

Reporting Requirements

When an employee is unable to report to work as scheduled or must report late, it is required that the employee personally notify their immediate supervisor of the anticipated absence at least two hours prior to the regularly scheduled reporting time with an explanation of the cause and duration of the absence. Following this reporting requirement does not excuse the absence or lateness of the reporting employee.



If the employee's supervisor is not available, he/she may leave a message on the supervisor's voice mail but **must** follow up with a return call to confirm that the supervisor received the message, except as otherwise provided by the Family Medical Leave Act or similar state law.

Unless the employee has his/her manager's approval, he/she must continue to call in each day of the absence. If the employee has previously been certified to take FMLA leave, he/she must mention that the absence is for a FMLA-approved purpose. If the employee has not been previously certified to take FMLA and he/she believes there is a need for FMLA leave, the employee must contact Human Resources for the FMLA paperwork.

If the supervisor is unavailable, the employee may leave a message with the Director of Human Resources.

If the employee is out for at least three days for any reason, the supervisor will notify Human Resources of the absence.

Absences of three or more days will require a medical certification that reflects the individual's fitness to return to work.

If the employee fails to notify the supervisor of the absence in accordance with this procedure, the employee may be subject to corrective action.

Failure to Report to Work

Employees who fail to report to work for three consecutive days without adequate notification, or who fail to provide an acceptable reason for their absence, are subject to corrective action, up to and including termination of employment. Employees who are absent for three consecutive days without notifying their supervisor of their absence will be considered to have resigned without notice and will not be eligible for re-employment. This includes employees who have been released to return to work for light or regular duty after a period of disability.

CAREER OPPORTUNITY PROGRAM

Company Policies and Legal Compliance

Policy no. HR-2.7

October 2016

The Company strongly encourages the continuing development of its employees and, whenever possible and appropriate, seeks to fill job openings by qualified individuals from within the organization.

While it is the Company's philosophy to promote from within whenever possible, there are business conditions that could cause a position to be filled without posting, or to post the position while simultaneously recruiting from the outside. These business conditions include, but are not limited to: organization restructuring; position requirements that include skill, education, and/or experience that are not known to match any existing employee; critical operational needs; the presence of candidates within the same department or House who are qualified and/or already trained for the position; the position is identified as part of an employee's career development plan; etc.

Eligibility Requirements:

An employee must meet all of the following requirements to be eligible to participate in the Career Opportunity Program:

- a. Generally, employees should have a minimum of *six months* of continuous service in his or her current position, and
- b. Must have a satisfactory performance and disciplinary record

Method of Posting:

Career opportunity postings are displayed locally on designated bulletin boards and/or distributed via e-mail or on the local intranet site for at least five working days and will also be distributed to employees who do not have access to e-mail or the Company's intranet site. **Career Opportunities for Management, Professional and Technical positions are posted company-wide on the Corporate Intranet site.**

Application Procedure:

Qualified and eligible employees who wish to apply for a posted position should:

- Obtain and complete an Internal Career Opportunity Application Form from the Human Resources Department or the Company's Intranet site.
- Forward the Career Opportunity Application to Human Resources by the closing date.
- Employees can have no more than two active Career Opportunity Applications pending at any one time.

- Employees do not need the approval of their immediate manager to apply for an open opportunity; however, they must inform their current manager of their interest in the opportunity, and Human Resources may apply discretion to the timing of this notification in order to ensure that an environment which cultivates employee development and career mobility is maintained. The employee's current manager may be asked to provide objective information or a recommendation to the hiring manager, and this should be done in partnership with Human Resources.

Selection Process:

Human Resources is responsible for screening and referring qualified applicants to be interviewed by the hiring manager. The selection of an employee will be based upon previous and current work experience, education, special training and job performance. Length of service may become a determining factor when candidates' qualifications and performance records are comparable. The hiring manager makes the final hiring decision.

When an employee receives a job offer and elects to accept the position, their current supervisor will cooperate in every way to arrange for their transfer. Generally, transfers will become effective a minimum of two weeks from the date of acceptance and no later than four weeks or at any time that is mutually agreed upon.

CODE OF ETHICS AND BUSINESS CONDUCT

Company Policies and Legal Compliance

Policy no. HR-2.8

October 2016

The Company is committed to the highest standards of business conduct in its relationships with employees, customers, suppliers, vendors and stakeholders. All business dealings are conducted in accordance with applicable laws and regulations and with the highest level of business ethics, honesty and integrity.

Empire Merchants North, LLC is an equal opportunity employer and are committed to cultivating a safe and secure diverse work environment where individual differences are appreciated and respected. All employees must contribute to the creation and preservation of such an environment and treat one another with dignity and respect at all times.

We are committed to the responsible sale and consumption of alcohol. We partner with our customers and suppliers, as well as industry organizations and members of the local and national legislatures to endorse zero tolerance for underage drinking and drunk driving.

No employee shall engage in any activity related to Company business that is or gives the appearance of being illegal, unethical, inappropriate, or improper in any way. It is the responsibility of all employees to be constantly aware of the necessity of legal and ethical conduct.

Conflict of Interest

Employees must refrain from taking part in, or exerting influence in, any transactions in which their own interests may conflict with the best interest of the Company. To ensure that conflicts of interest are avoided, the Company has established guidelines for employees to follow. These guidelines include, but are not limited to, the following examples:

- Business dealings with outside firms should not result in unusual gain for those firms. Unusual gain refers to bribes, product bonuses, special benefits, unusual price breaks, or other windfalls designed to ultimately benefit the Company, the employee, or both. Promotional plans that may involve unusual gain require specific, executive- level approval.
- An actual or potential conflict of interest occurs when an employee is in a position to influence a business decision that may result in a personal gain for that employee or for a relative or can be perceived as a conflict because of that relationship. A “relative” is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage. In addition, this also includes instances where Sales employees have close personal relationships (defined as “relatives” and/or “dating”) with customers and in such cases the employee must disclose this relationship confidentially to Human Resources.

- No “presumption of guilt” is created by the mere existence of a relationship with outside firms. However, if an employee has any influence on purchases, contracts, or leases, it is required that he or she disclose this information to his or her supervisor immediately, so safeguards can be established to protect all parties.
- A personal gain may result not only in cases where an employee or relative has significant ownership in a firm with which the Company does business, but also when an employee or relative receives a kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving the Company.
- An actual or potential conflict of interest occurs when an employee has a business interest outside of his/her employment at the Company where: this outside business interest may be perceived as conflicting with the Company’s activities; and/or could be perceived as being part of the Company’s activities; and/or could not be reasonably distinguished as part of the Company’s business; and/or where this interferes with the proper and efficient performance of duties for the Company.
- The materials, products, designs, plans, equipment, business information, and data owned and generated by the Company and by the employee on Company’s behalf are the Company’s exclusive property and should never be given to an outside firm or individual without prior appropriate authorization. Any improper transfer of material or disclosure of information, even if the employee does not personally gain by such action, is prohibited.

Employees should be particularly aware of the potential for a conflict of interest among employees who hold positions that:

- Have authority to purchase or sell property, inventory, goods, or services on behalf of the Company;
- Recommend or influence decisions with respect to such purchases or sales; or
- Have knowledge of, or access to, information, processes, or activities of the Company which are of a confidential nature.

Typical conflicts of interest include, but are not limited to, the following examples:

- **Financial Interests in Suppliers, Customers, or Competitors:** A conflict of interest may occur when an employee or a close relative has a substantial financial interest in, or is engaged directly or indirectly in, the management of an organization which supplies materials or services to the Company, purchases or distributes the Company’s products, or competes with the Company. For clarification, a financial interest may be “substantial” if it represents more than one percent of the common stock of the enterprise in which the investment is made, is a significant part of an employee’s assets, or if its cost exceeds \$10,000.
- **Transactions or Competition with the Company:** A conflict of interest may occur when an employee or a close relative buys, sells, or leases property, facilities, or equipment from or to, or in competition with, the Company; where any close relative of an employee

renders services to the Company other than as an employee; or where an employee seeks to direct Company purchases or sales to or through a close relative.

- **Transactions with Persons Doing or Seeking to Do Business with the Company or in Competition with the Company:** Where an employee or a close relative buys, sells, or leases any kind of property, facilities, or equipment from or to any organizations or individuals who are doing or seeking to do business with the Company; is a competitor of the Company; or accepts commissions, a share in profits, or compensation in any form from any such organization or individual.
- **Rendering of Services to Other Organizations or Individuals:** Where an employee renders services to another organization or individual as an employee, agent, consultant, or director; and the organization or individual is doing or seeking to do business with the Company or competes with the Company; or where the outside employment would interfere with the proper and efficient performance of duties for the Company.
- **Gifts or Loans:** Employees are not permitted to accept gifts or favors of significant value or borrow money (other than from an established banking or financial institution), either directly or indirectly, from any organization or individual which is doing or seeking to do business with the Company or which is a competitor of the Company. Any gift of significant value (anything with a retail value greater than \$25) must be returned promptly to the donor with an appropriate explanation. For this purpose, a gift to a close relative of an employee should be treated as a gift to the employee.
- **Entertainment:** Employees may not accept any entertainment gift from any organization or individual which is doing or seeking to do business with the Company, or is a competitor of the Company, if the acceptance of such an entertainment gift would or could, in any way, influence the employee from acting solely in the best interests of the Company.
- **Company-Related Business Opportunities:** Employees may not appropriate for themselves or divert to others, either directly or indirectly, any business opportunity in which they have reason to believe the Company would be interested, without first obtaining written authorization from the President.

Any property or gain acquired by an employee in violation of this section shall be held in trust for the benefit of the Company.

Confidential Information: All employees shall hold in strictest confidence and shall not, directly or indirectly, in any manner, disclose to any person or entity, or use for the benefit of himself/herself or others, any information deemed “Confidential” by the Company, except in connection with and for the benefit of the Company’s business and in strict compliance with Company rules, policies and directives, or otherwise as expressly permitted in writing by the Company. No employee shall use knowledge of the Company’s confidential dealings, learned through his/her employment with the Company, for personal gain or advantage, or shall he/she disclose such information to enable others to profit from it. Confidential information of this nature includes, but is not limited to, employee personal and salary data, decisions, pricing, customer lists, procedures, competitive bids, technical information or improvements thereto.

Responding to Legal and Media Requests

Every employee must understand their responsibilities when they receive communications from external sources such as government agencies, courts, or the media.

A member of the Human Resources department must be immediately contacted when: any legal document is received from a state, federal or other administrative agency; any contact or correspondence is received from an attorney, or any in any instance of communication or visit from a state or federal agency, police officer or private investigator.

In addition, unless previously approved by the Executive Director of HR or the President/CEO, employees must not: engage or otherwise communicate with a state or federal agency, police officer or private investigator, except in the case of an emergency or as part of an ongoing, authorized matter; or retain outside legal counsel to perform services on behalf of any member of Empire Merchants North, LLC.

Finally, all employees are expected to contribute to maintaining the Company's external reputation by referring any calls, questions, or inquiries from the media to the Executive Director of HR. This includes any questions about any aspect of Empire Merchants North, LLC, as well as our suppliers and their brands.

Unlawful or Unethical Use of Company Funds

It is the policy of the Company to conduct its business in a consistently ethical and legal manner. All financial records and accounts must be kept in the required amount of detail, accurately reflecting Company transactions and the disposition of Company assets. To ensure that this policy is adhered to, the following guidelines have been established:

- The use of Company funds or assets for any unlawful or unethical purpose is prohibited.
- The establishment of any undisclosed or unrecorded fund(s) or asset(s) is prohibited.
- The recording of false entry in Company books or records is prohibited.
- Processing a payment or other disbursement, to a third party for any purpose other than as stated on the voucher, is prohibited.

A failure or refusal to comply with any portion of this Code of Ethics and Business Conduct is grounds for corrective action up to and including suspension without pay and/or termination. In addition, corrective action will be taken against any superior of the employee who directs or approves the action that constitutes an infraction of these rules, or who has knowledge of such actions and does not take prompt measures to prevent or correct them is subject to corrective action.

Procedure for raising a concern or submitting a complaint

If any employee has reason to believe that another employee has violated this Code of Ethics and Business Conduct, that employee should immediately report the possible violation to the Executive Director of Human Resources. Employees are required to avail themselves of the Company's Open-Door Policy.

The Company will not in any way retaliate against an individual who raises a concern or makes a complaint. Retaliation is a serious violation of the Company's policy and anyone who feels they have been subjected to any acts of retaliation should immediately report such conduct. Any person who retaliates against another individual for reporting an issue or concern will be subject to corrective action, up to and including suspension without pay and/or discharge

CONSENSUAL PERSONAL RELATIONSHIPS

Company Policies and Legal Compliance

Policy no. HR-2.9

October 2016

It is **not** the intention of the Company to regulate private conduct with regard to personal relationships or infringe upon the privacy of its employees. However, to avoid improper influence or favoritism, any employee in a supervisory/managerial position is required to confidentially disclose to Human Resources when he/she is involved in a “dating” relationship with a subordinate. The Company reserves the right to take prompt action if an actual or potential conflict of interest arises concerning individuals who occupy positions at any level in the same line of authority that may affect employment decisions.

When a conflict of interest or the potential for conflict arises because of a personal relationship between a supervisor and a subordinate, the employees may be separated by reassignment. Reassignments will be based upon availability and the employees’ ability to meet the minimum qualifications of the position(s). If no position is available for a reassignment within a reasonable time period, one of the employees may be required to leave the Company.

Violations of this policy will subject the supervisor or manager to appropriate corrective action up to and including termination.

While the Company does not require that employees report “dating” relationships that are not supervisor/subordinate in the employment context, all employees are required to report any conduct that is no longer welcomed or consensual. All employees are encouraged to avail themselves of the Company’s Open-Door policy to address issues and concerns.

DEVICE USAGE AND SECURITY POLICY

Company Policies and Legal Compliance

Policy no. HR-2.10

October 2016

The objective of this policy is to:

- Define acceptable standards of employee conduct and usage to prevent disruptions to Company business.
- Protect the Company from unauthorized access to Company devices.

The policy defines the processes and procedures that must be followed by all employees of the Company who utilize and/or access computers or other electronic devices, communications, data, or networks, including but not limited to personal computers (portable and desktop) provided by the Company, servers, fax machines, telephone and voice mail systems, cell phones, smart phones, PDA's, tablets, etc. ("Devices"), that are either Company provided or used to access Company information.

The Company's Information Systems are the property of the Company. All materials and information created, transmitted or stored on or through these Information Systems are Company property and may be accessed by authorized personnel at any time. Users should not have any expectation of privacy with respect to such Information Systems even when such systems are password protected. Personal passwords may be used for purposes of security, but the use of a personal password does not affect the Company ownership of the electronic information. The Company will override all personal passwords if necessary for any reason. The Company may monitor internet use including receiving the list of sites accessed by any individual terminal.

Employees are not permitted to use Company owned Information Systems to obtain unauthorized access to the electronic communications of other employees or third parties unless directed to do so by a supervisor or the Company.

All employees must agree to the terms of this Device Usage and Security Policy before they will be given permission to use and access Company devices or data.

The key elements of this Policy are:

- Usage and Access Authorizations
- Security Responsibilities
- Employee conduct

Usage and Access Authorization

Employees who require access to Devices must obtain written authorization from their manager using the Device Usage and Security Policy Acknowledgement Form.

The request shall be submitted by the employee or their supervisor to the National Service Desk.

Security Responsibilities

It is the responsibility of each employee using Devices to ensure that all data is adequately protected against unauthorized access. This means employees must avail themselves of the access controls and other security measures that the Company has provided, as well as take prudent and reasonable steps to limit access to personal and other data files. Employees should also exercise caution in revealing personal information that could enable identity theft. Passwords and account numbers must be kept confidential. For Company systems that do not periodically prompt for password changes, Employees must change their passwords every 90 days. Additionally, employees should avoid using personal names, spouse's, child's or friends' names, or a password that could easily be guessed. Employees must not leave computers unattended without logging out or locking the console first. Employees must not assist unauthorized individuals in gaining "guest" wireless or other access to the Company network. The Company has installed anti-virus software on all of its computers and employees are required to use it. Employees are prohibited from tampering with this software or turning it off. All disks, USB 'flash' or 'thumb' drives or other media that are inserted into the Company's Devices should first be automatically scanned for viruses or signs of other forms of malicious software.

Employees are also expected to protect all Devices from loss, damage or unauthorized access. Employees must be prudent in protecting mobile Devices, particularly outside the office:

- Secure Devices when traveling. Ensure Devices are not left in vehicles or at customer sites. Utilize Company provided measures to protect Devices if dropped.
- Utilize password-protected screen savers to ensure unauthorized persons cannot get to Company data.
- Contact Empire Merchants North IT Help Desk immediately if the Device is lost, stolen or damaged. Note that the Company may wipe stolen Devices electronically, returning it to the factory settings and removing Company data. The Company will attempt to save personal data if possible, but there is a risk that personal data will be deleted.

It is the responsibility of the Information Technology team to enforce and otherwise manage system security by adhering to the Company's Security Policy.

Unauthorized Access to Files and Directories

Employees should assume all electronic information to be private and confidential unless the creator of the information has explicitly permitted access. Employees must not engage in any activity that is intended to circumvent computer security controls. Employees also must not access the data files of others with the intent to read, browse, modify, copy, or delete files, directories, email or any other electronic information – especially Company, confidential, sensitive or personal information of employees, unless given specific authorization to do so by the Executive Director of Human Resources, or the President/CEO.

Unauthorized Use of Software

Employees are prohibited from installing or deleting any software – including commercial shareware and freeware or any unlicensed software application -- onto or deleting software from any Device or computer system without approval from Information Technology. Requests should be made to the EMN IT Help Desk. All employees are expected to adhere to Company standards for computer software including, but not limited to, operating systems, spreadsheets, word processing, Internet services, fax software and electronic mail (email). Employees are also expressly prohibited from using Devices to make illegal copies of licensed or copyrighted software. Copyrighted software must only be used in accordance with its license or purchase agreement and use or duplication of unauthorized copies of software is prohibited. Employees are prohibited from using software that is designed to destroy data, provide unauthorized access to the computer systems, or disrupt computing processes in any other way.

Use of For-Profit Activities is Prohibited

The Company's computer systems are for the sole use of Company. Employees are prohibited from using the Company's computers for personal or private financial gain.

Electronic Mail (Email)

Email messages are not private; the Company owns them and may monitor them at any time, with or without notice. The electronic mail system is to be used for Company-related business. Occasional personal use of the electronic mail system is permitted. However, the personal use of e-mail should not interfere with Company operations and is expected not to interfere with the employee's job responsibilities. Other than the occasional appropriate personal use, using Devices, networks, or email to transmit non-business data including chain letters, jokes, and non-business-related files is expressly forbidden. Employees are prohibited from transmitting fraudulent, harassing, offensive, or obscene messages and files. Employees must not send any electronic mail or other form of electronic communication by forging another's identity or attempt to conceal the origin of the message in any other way.

In addition, Employees must adhere to the Company's Records Retention Policy and ensure that emails and attachments are adequately protected and preserved in the appropriate location pursuant to business needs, legal requirements and relevant statutes and regulations. Employees must preserve, retain and share with the appropriate personnel any email or attachment that is subject to "legal hold" as directed by the Legal Department or local HR Director or that constitutes a Company "record" as directed by your local Records Ombudsman and Records Compliance Employees. Further, Employees must ensure that they regularly delete email when they are no longer of business value and/or subject to laws mandating retention in order to avoid overburdening the email system.

Instant Messaging

Instant messages are well suited for transmitting short amounts of information or written communication that is needed immediately. Any instant messaging application must be approved by the IT Manager. Employee use of instant messaging should be limited to work-related matters. Employees should not use the instant message system to visit with colleagues about non-work-



related subjects. Instant messages, like e-mail messages, are not private. The Company owns them and may monitor them at any time, with or without additional notice.

Harassment and Discrimination Prohibited

Using the Company's computer systems in any manner that would be discriminatory, harassing, or obscene, or for any other purpose that is illegal to harass anyone is grounds for disciplinary action up to and including suspension without pay and/or termination. This includes the use of insulting, sexist, racist, discriminatory, obscene, or suggestive electronic mail; tampering with others' files; and invasive access to others' equipment. In addition, users of any electronic communication facilities—such as electronic mail, networks, bulletin boards, and news groups—are obligated to comply with the restrictions and acceptable practices established for those specific facilities.

Attacking the System

Employees are prohibited from deliberately attempting to degrade the performance of the Company's computer systems or subvert them in any other way.

Theft

All Devices, hardware, software, and computer-related supplies and documentation are the sole property of the Company. They must not be removed from the Company without proper authorization. Employees must notify the IT department immediately if a Device is stolen or lost.

Transporting or Disposing of Sensitive Data

All hardware, software, data, and computer-related storage media, supplies and documentation must be disposed of in a manner that does not compromise the Company or the personal information of its employees. Similarly, Employees should exercise care when transporting Company information off site using any Device or media. Extraordinary care should be exercised to protect confidential and sensitive Company information from being exposed during the transportation or disposal process. Contact the EMN IT Help Desk if you need assistance in this effort.

Upon termination from the Company for any reason, employees must immediately seek the assistance of the IT Department to remove any Company email or other data from any Devices owned by the employee, or to be retained by the employee after termination. If such data has not been removed after a reasonable period of time, and after reasonable attempts have been made to coordinate removal with the employee, the Company may access those devices and automatically remove Company data. The Company will make best efforts to remove only Company-owned data, but the result of such efforts may include removal of all personal and Company data from the Device and returning it to its 'factory state.' Acknowledgement of this provision is required in order to use a personal device to access Company email or other data.

Waste and Abuse

Employees must avoid any activity around workstations that may result in damage to Devices or information. The Company's computer systems are a valuable resource, and they should not be abused or wasted. Be considerate of fellow workers using shared computer resources. Avoid monopolizing systems and connect time, disk space, and other computer resources. Using the Company's computer systems to store personal data and to play computer games or maintain and distribute sports gambling pools is prohibited.

Internet Usage and Networked Communication Systems

Use of the Internet through a Company-provided connection is a privilege not a right. Employees should not expect that their Internet use through the Company-provided connection is private. Limited personal use of the Internet is permitted; however, the employee is reminded that use of any and all Company property is primarily for the purpose of conducting business. Any personal use of the Internet is expected to not to interfere with the employee's job responsibilities. The Company may monitor any employee's use of the Internet at any time.

Internet use can literally open a door to the user's computer or electronic device, and potentially expose the Company's network to threats from anywhere in the world. Threatening visitors—viruses and hackers—are a distinct possibility. Each Company end user that uses the Internet must take responsibility for protecting Company files and programs.

To this end, each employee *must do the following*:

- Choose a safe password [in accordance with the current Password Policy.] A safe password is one consisting of a mix of at least eight (8) alphanumeric characters with a mix of uppercase values and a special character or number. Do not use names, codes, birth dates, or other commonly used or easily guessed strings for passwords.
- Report any security or virus incidents immediately to the EMN IT Help Desk.
- At the end of an Internet session, close the Internet application window.
- At the end of the day, close all active windows, log out of the LAN and turn their PC off.
- Be courteous and professional. Both the email address and the IP address will identify the user as a Company employee. An email comment could be quoted, or misquoted in any number or type of forums and/or publications

Additionally, employees must *not*:

- Alter the anti-virus detection settings for downloaded files.
- Store non-business-related files obtained via the Internet on any Device.
- Download video or voice files from the Internet except when they will be used to serve a specific business purpose.
- Download executable programs (including self-extracting 'zip' files) or program modules (including Web-based 'applets'), whether from the Internet or attachments to e-mail,

except as authorized by Information Technology group. Requests can be made of the EMN IT Help Desk

- Register an account on any Internet Web site or other service for personal purposes using your Company email address, Company domain name or other Company information. You should be aware that many Web sites and other Internet services can monitor and track both your personal and Company usage information, even if you do not ‘log in’ to your accounts.

The following are examples of conduct that is prohibited and may result in disciplinary action, up to and including termination. Employees must not engage in any of the following either during working or nonworking hours, using Company Devices or facilities, or when using a Company IP address:

- Access, retrieve, or print text and graphics information that exceeds the bounds of generally accepted standards, good taste, and ethics.
- Engage in activities that would in any way bring discredit to the Company.
- Transmit or download any form of obscene, pornographic or sexually explicit material, or participate in any Internet forums dealing with the same.
- Send or post discriminatory, harassing, or threatening messages or images.
- Use the Company’s time and resources for personal gain.
- Steal, use or disclose someone else’s password without written authorization.
- Copy, pirate, or download software and electronic files without permission.
- Send or post confidential material, trade secrets, or proprietary information outside of the organization.
- Violate copyright law by downloading, file sharing or engaging in other unauthorized transfer of copyrighted materials such as movies, music, games and other digital works.
- Fail to observe licensing agreements.
- Engage in unauthorized transactions that may incur a cost to the Company or initiate unwanted internet services and transmission.
- Send or post messages or material that could damage the Company’s image or reputation.
- Send or post messages that defame or slander other individuals.
- Attempt to break into the computer system of another organization or person.
- Refuse to cooperate with a security investigation.
- Send or post chain letters, solicitations, or advertisements not related to business purposes or activities.

- Use the internet or Company email for political causes or activities, religious activities, or any sort of gambling.
- Jeopardize the security of the Company's electronic communication systems.
- Send or post messages that disparage another organization's products or services.
- Pass off personal views as representing those of the organization, which includes using a Company email address to identify oneself as the author of a post.
- Send anonymous email messages.
- Engage in any other illegal activities.
- Abuse Company physical assets including its Devices.

In case of any doubt about the acceptability of any specific use or operation of the Internet, contact your supervisor for clarification.

Workplace Monitoring

The Company has the obligation to ensure that its computer resources are used properly and within the guidelines established by the Company. In pursuit of that goal, the Company reserves the right to monitor the systems for signs of illegal or unauthorized activity. Your use of Devices, email, instant messaging, internet usage, and networks expressly authorizes the Company the right to monitor usage, email, etc. Employees should not expect that these communications are private.

While the Company reserves the right to retrieve and read any electronic messages transmitted over any Company systems or equipment, such messages otherwise should be treated as confidential by employees and accessed by only the intended recipients.

Unspecified Activities

Simply because a particular activity is not expressly prohibited by this policy does not mean that it is permitted conduct. Information technology changes rapidly, as do the ways the employees are able to use and perhaps abuse the Company's systems. No single policy can ever cover all of the possibilities. Employees are expected to use good judgment.

Questions About This Policy

If you have any questions about this policy, you should see your immediate supervisor or contact the Corporate Information Technology Department or your Human Resources Representative.

DRESS CODE

Company Policies and Legal Compliance

Policy no. HR-2.11

October 2016

Because of the nature of our people-oriented business, our employees are expected to present the professional image we wish to portray to the public. The manner in which we dress, the way we groom ourselves, and the maintenance of personal cleanliness all contribute directly to the morale of employees and affect the business image of the Company.

While the Company observes a business casual environment, there may be situations requiring more formal business attire. When calling on the trade it is expected that business dress will apply, thus a tie should be worn. During business hours and/or any time when employees are representing the Company at meetings/events held during non-business hours, employees are expected to present a clean and neat appearance; to dress in a manner that is consistent with the requirements of their positions and in a manner that will not be offensive.

Employees who report for work inappropriately dressed, or whose personal grooming and/or cleanliness is below the Company's standards, will be sent home and directed to return to work dressed in a proper manner.

The following guidelines will help define acceptable/not acceptable business attire to be worn. No dress code can cover all possibilities, so employees must exert a certain amount of judgment in their choice of clothing to wear to work. If you are uncertain about what is acceptable and professional business casual attire for work, please ask your supervisor or Human Resources.

Appropriate:

- Slacks, pants, and suit pants
- Dresses, two-piece suits or sets, and skirts below the knee
- Dress shirts, blouses, sweaters, and suit jackets
- Any type of business shoe
- Ties should be worn while conducting business outside the office (no ties required for business conducted in the office)

Inappropriate:

- Jeans, of any color
- Polo Shirts/T-Shirts
- Sweat shirts/pants
- Spandex or exercise clothing, jogging suits, stretch pants or bicycle pants
- Clothes with derogatory or disrespectful slogans or designs
- Tank or crop tops
- Sneakers or informal footwear such as athletic shoes, flip flops/thongs, Birkenstocks, hiking boots, or casual shoes
- Short skirts



- Recreational hats or baseball caps
- Any revealing or provocative clothing
- Worn, tattered, cut-off or ripped clothing

Dress on Casual Friday:

The same guidelines as stated above apply on Fridays, with the exception that jeans, Polo Shirts, T-Shirts, sweatshirts, and athletic shoes may be worn. All clothing should be neat in appearance and without tears or holes. T-Shirts and sweatshirts should not contain offensive slogans or pictures. *

* In the event that there is a meeting in your office location where you come in contact with other business professionals on a Friday, you are expected to represent the Company in a professional manner and dress appropriately.

EMERGENCY CLOSINGS

Company Policies and Legal Compliance

Policy no. HR-2.12

October 2016

Although it is the Company's policy that its facilities remain open during regular business hours, the safety of all employees is our number one priority. Emergencies caused by severe weather, fires, power failures, or other conditions beyond the Company's control may require the closing of our facility. In the event that such an emergency occurs during non-working hours, the emergency weather phone number will be updated regarding the closing or delay of opening. Employees should call in at 800-724-3960 ext. 28199 for the update.

When Company operations are officially closed due to emergency conditions, the time off from scheduled work will be unpaid, unless payment for the time is approved by the President of the Company or is otherwise required by law. However, with the approval of your supervisor, employees may use available paid leave time, such as personal leave or unused vacation time.

Emergency Early Office Closure:

Non-exempt employees who, at the request of their immediate supervisor, **are required to stay and work** to provide coverage in their functional area will be compensated at time and a half) for hours worked. With prior written approval from their supervisor, in an emergency situation only, a non-exempt employee may work off-site from home; however, it is the responsibility of the employee to keep accurate records of all time spent working off-site. Employees should complete the "Time Worked Off-Site Time Sheet" and turn it in to their immediate supervisor for approval. The supervisor is responsible for updating the hours in the automated time clock system.

Employees are required to record and to report all hours worked off-site. Failure of the non-exempt employee to accurately record and report time spent working off-site will be considered a violation of the timekeeping rules and will be subject to corrective action, up to and including termination.

The supervisor is responsible for updating time into the time clock system.

EMPLOYMENT CLASSIFICATIONS

Company Policies and Legal Compliance

Policy no. HR-2.13

October 2016

To properly administer salaries and eligibility for overtime payments, employees and other workers are classified into the following employment classifications:

Full-Time, Regular Employees

Individuals hired to work 40 hours a week throughout the year. Such employees may be classified as either “exempt” or “nonexempt,” as defined below.

Part-Time Employees

Employees who are scheduled to work less than 30 hours per week throughout the year. Such employees may be “exempt” or “nonexempt.”

Exempt Employees

Employees who are not paid overtime pay, in accordance with applicable federal wage and hour laws, for work performed beyond forty hours in a work week. Executives, professional employees, outside sales representatives, and certain employees in administrative positions are typically classified as “exempt.”

Nonexempt Employees

Employees who, in accordance with the federal Fair Labor Standards Act and applicable state laws, must be paid at the rate of one-and-one-half times their regular hourly rate of pay for all hours they work beyond forty hours in a work week.

Temporary Employees

Individuals engaged to work full- or part-time and who are paid by a third party or through the Company payroll system. Such employees are hired for a specific project or period of time. Temporary employees are not eligible to receive any Company-sponsored benefits.

Contract Workers and Consultants

An independent, self-employed person or an employee employed by another Company who is engaged to perform a specific assignment for a specific period of time.

Interns

An individual who is engaged to work in exchange for professional experience and knowledge. Interns do not receive any Company-sponsored benefits.

Union Member Employees

Employees who are covered by a Collective Bargaining Agreement are referred to as union members. With very few exceptions, these employees are classified as nonexempt, and therefore, are eligible to receive overtime pay. Union employees may be employed as either regular full-time or regular part-time employees.

You will be informed of your employment classification and status as an exempt, nonexempt, and/or a member of the collective bargaining unit during your orientation session. If your position changes as a result of a promotion, transfer, or otherwise, you will also be advised of any corresponding change in your exemption status.

EMPLOYMENT OF RELATIVES

Company Policies and Legal Compliance

Policy no. HR-2.14

October 2016

To avoid improper influence or favoritism, the Company discourages the hiring and placement of “immediate relatives” into positions where one can influence the career of the other or where a conflict of interest may result. “Immediate relatives” include an employee’s spouse, domestic partner, children, grandchildren, parents, brothers, sisters, uncles, aunts, cousins, nephews, nieces, in-laws, and persons who live together in an apparent romantic relationship. The employment of immediate relatives is therefore prohibited under any of the following circumstances:

- Where one relative would supervise the other, or be in a position to influence the salary, placement, promotion, training, or termination of the other.
- Where one relative may have the responsibility of auditing the work of the other.
- Where an employee and their relative(s) are assigned to work in the same department, sales division, or team. Certain exceptions to the above guidelines may be granted by the President and include but are not limited to:
 - Situations which existed prior to the effective date of this policy, and where it cannot be corrected by the transfer of an employee.
 - Temporary assignments such as seasonal or summer employment.

ENTRANCE TO AND EXIT FROM THE FACILITY

Company Policies and Legal Compliance

Policy no. HR-2.15

October 2016

Access to our facilities varies by location and by your particular job. Your manager will inform you of the days and times you will have access into the building. In most locations daytime employees will have access from 7:30am until 6pm. Generally, employees should enter through the main employee entrance. Warehouse employees will enter through the main warehouse entrance established at each location. All facilities are alarmed and monitored 24 x 7.

Any employee visiting a location **OTHER** than their home office is required to sign in and sign out as a guest regardless of the frequency they may visit. This is to ensure your presence will be known in the event of an emergency situation. You are required to sign-in even if your door access card allows you entrance.

Doors marked **FIRE EXIT** are only to be used during emergency situations.

EQUAL EMPLOYMENT OPPORTUNITY

Company Policies and Legal Compliance

Policy no. HR-2.16

October 2016

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at the Company are based on merit, qualifications, and abilities. Except where required or permitted by law, employment practices will not be influenced or affected by a qualified applicant's or employee's race, color, creed, religion, gender, national origin, age, sexual orientation, marital status, disability, genetic status, citizenship, vet status, gender identification or any other characteristic protected by federal, state or local law. In addition to a commitment to provide equal employment opportunities to all qualified individuals, the Company has established an affirmative action program to promote opportunities for individuals in certain protected classes throughout the Company.

The Company will make reasonable accommodations for qualified individuals with known disabilities, unless doing so would result in an undue hardship to the operation of our business or create a direct risk of harm to the health or safety of the applicant, employee, or others. This policy governs all aspects of employment, including selection, job assignment, compensation, corrective action, termination, and access to benefits and training.

Employees with questions or concerns about any type of discrimination in the workplace must bring these issues to the attention of their immediate Manager-level supervisor, the Executive Director of Human Resources or their President/CEO, all employees are required, to avail themselves of the Company's Grievance Procedures to try to resolve employment-related issues or disputes. Employees can raise and discuss their concerns without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination or retaliation will be subject to corrective action up to and including termination of employment.

EXIT INTERVIEWS

Company Policies and Legal Compliance

Policy no. HR-2.17

October 2016

The Company is committed to continuous improvement and seeks feedback from employees leaving the Company. Employees who have provided proper notice of their intent to resign are requested to complete an exit survey and schedule an exit interview with Human Resources.

This interview can be conducted in person or via the telephone. The purpose of the exit interview is to allow employees to express any opinions or concerns about any aspect of employment with the Company or about the organization itself. It will also provide Human Resources with an opportunity to provide exiting employees with any necessary information regarding benefits to which they may be entitled.

Information shared in an exit interview will be maintained by the Company but will not be included in the employee's human resource file.

IMMIGRATION LAW COMPLIANCE

Company Policies and Legal Compliance

Policy no. HR-2.18

October 2016

The Company is committed to full compliance with all federal and state immigration laws. Employees are required to provide satisfactory evidence of their identity and legal authorization to work in the United States no later than three business days after beginning employment. An employee who fails to provide satisfactory evidence of identity and legal authorization within three business days is subject to termination of employment with the Company.

A current employee whose work authorization is based upon a visa or other documentation with an expiration date is required to provide satisfactory evidence of his or her continued legal authorization to work in the United States on or before the expiration date. An employee who fails to provide satisfactory evidence that their current work authorization has been extended is subject to termination of employment with the Company.

The Company does not discriminate on the basis of citizenship or national origin.

INTRODUCTORY PERIOD

Company Policies and Legal Compliance

Policy no. HR-2.19

October 2016

All newly hired full-time and part-time employees will serve an introductory period of up to 90 days from date of hire. This period is used to determine whether the employment relationship should continue with ongoing, informal feedback being provided. All employees, regardless of status or length of service, are required to meet and maintain the Company's standards for job performance and behavior and are considered "at will" employees.

For employees hired on or after October 1, 2016: Non-Union employees in a sales-oriented position must obtain WSET Level 2 Wine & Spirits (or equivalent) certification within their first 12 months in position. For those employees in divisions that sell predominately spirits, the employee must also pass the WSET Level 2 Spirits level (or equivalent) within their first 12 months in position. Failure to do so will result in further disciplinary actions, up to and including termination.

After the completion of the introductory period, employees receive a 90-day performance review. Successful completion of the introductory period does not change the employee's "employment at will" status or entitle the employee to any salary increase. Unsuccessful completion of the introductory period may result in corrective action, up to and including termination.

Employees who are promoted or transferred within the Company must also complete a 90-day introductory period. Any approved significant absence will automatically extend the introductory period by the length of the absence. If it is determined that the introductory period does not allow sufficient time to thoroughly evaluate the employee's performance the period may be extended for a specified period not to exceed 60 days.

LACTATION ACCOMODATION

Company Policy and Legal Compliance

Policy no. HR-2.20

October 2016

Employees who are nursing will be permitted a reasonable number of unpaid break times each day to express breast milk for their nursing child. Where the employee already is allowed a paid break and/or lunch period, the employee may be required to use that break to express breast milk. The frequency of lactation breaks for exempt employees may be limited where the break time would impose an undue hardship on the Company.

Employees should give notice, before returning to work after a birth, of their intent to use this benefit. The Company will provide nursing employees with a sanitary room or other location in close proximity to the nursing employee's work area where she may express breast milk in privacy and security. Nursing mothers may store express milk in properly labeled containers in the refrigerator at their work location. The Company will not tolerate discrimination against nursing employees electing to take break time to express breast milk in the workplace.

LEAVING THE COMPANY

Company Policies and Legal Compliance

Policy no. HR-2.21

October 2016

Employment with the Company is at-will. “At will” means that the employee has the right to terminate their employment relationship with the Company with or without cause, and likewise the Company has the right to terminate an employee’s employment with or without cause.

Voluntary

In an attempt to ensure continuity of services to our internal and external customers, employees are required to submit a letter of resignation to their supervisor as far in advance of leaving as possible, but it is requested not less than two weeks before the last day of work. Employees in management positions should provide a minimum of four weeks’ notice. This will give the employee and the Company time to ensure a meaningful transition of all job duties and responsibilities.

The employee should complete assigned work to permit an orderly transfer of their work responsibilities. All company property including but not limited to cell phones, laptops, blackberry’s, SFA’s as well as written materials developed and/or provided including training manuals during your employment with the Company are the property of the Company and should be returned.

The Company reserves the right to request that the employee discontinue work immediately after he/she resigns. In such case, the Company will pay the employee the equivalent of their salary for the advance notice period and provide benefits to which the employee would have been entitled had he/she worked until the date designated as the date of resignation for up to two (2) weeks for a non-managerial position and up to four (4) weeks for managers and above.

Involuntary

Involuntary terminations occur at the initiative of the Company, rather than the employee, and may arise for a variety of reasons, including the employee’s inability to meet performance expectations or failure or refusal to do so, as well as through no fault of the employee such as a reduction in force. The Company may or may not provide notice in advance of an involuntary termination. That decision is at the sole discretion of the Company and in compliance with federal and state law.

In the event that the Company eliminates a position or reorganizes a department, reasonable efforts will be made to offer affected employees alternate employment within the organization if the employee is the most qualified candidate, and if such a position is available. If no such positions are available, then the employment will be terminated.

All wages for services rendered as of the date of termination will be paid to the employee, whatever the reason for the termination.

NO SMOKING POLICY

Company Policies and Legal Compliance

Policy no. HR-2.22

October 2016

The Company prohibits all forms of smoking, including the use of electronic smoking devices, inside any of its buildings, Company cars, vans or trucks. Employees who choose to smoke may do so outside of the building, restricted to designated areas only, during their break or lunch period, in accordance with state and local laws.

OPEN DOOR POLICY

Company Policies and Legal Compliance

Policy no. HR-2.23

October 2016

The Company has established a culture that cares about its employees and recognizes that our employees are what truly make the difference in our business. We are committed to maintaining a positive and productive work environment that allows our employees to succeed. While workplace conflicts and misunderstandings cannot always be avoided, the company has established an open-door policy as the appropriate forum for expressing concerns and resolving issues. The purpose of this policy is to clearly define the process for employees to raise and resolve issues and concerns they may experience in the workplace.

Resolving Issues: Step 1 – Open Door Policy

If an employee feels he or she has a problem, the employee should present the situation to his/her supervisor. However, the employee is not required to present the situation to his/her supervisor. If the employee does not feel comfortable discussing the situation with his/her supervisor, the employee should feel free to contact his/her department head, any other supervisor with whom he/she feels comfortable, the human resources manager or any other manager. In the event that an employee is not comfortable taking these concerns to anyone at their Company, the employee may take his/her concerns directly to the Executive Director of Human Resources or the President/CEO. This policy is designed to ensure concerns get the attention they deserve. We ask that you contact someone regarding your concerns within 30 days after which the dispute or issue was known or should have been known to you.

Resolving Issues: Step 2 – Executive Review

If the employee has not been able to resolve the issue with the Open-Door Policy, the employee may request a meeting with the President or any Vice President of their Company to discuss his / her concerns. The employee may also request a meeting with the Executive Director of Human Resources. In order that we can address issues at the earliest opportunity, we ask that you request an Executive Review within 30 days of the date when the dispute or issue first was known or should have been known to you. In advance of this meeting, the employee will need to be prepared to explain his/her viewpoints and reasons why he/she believes that the step one solution was not satisfactory.

To do this, the employee must complete an Issue Resolution Form, which is available from one's local Human Resources Manager, the Executive Director of Human Resources, or the President/CEO. The form requires that the employee set forth the issue in writing, describing in as much detail as he/she can recall every act and event giving rise to this issue, every witness and document which he/she believes supports his/her position, and the corrective measures he/she seeks. During the Executive Review, the employee will be allowed to present any evidence or documentation and identify any employee witnesses that he/she feels will further explain his/her concerns. This vital second step is a means to resolve differences in an open and fair manner.

Again, the Company will not retaliate against any employee in any way for using the Executive Review step of this policy.

General Principles for this Policy

- **NON-RETALIATION:** Managers/supervisors must understand that retaliation undermines the effectiveness of resolving employee issues and concerns, and the Company will not tolerate retaliation against anyone who reports inappropriate conduct, submits a complaint, or participates in an investigation regarding a complaint where the manager/supervisor has knowledge of the employees' use of the Open-Door Policy. Appropriate disciplinary action, up to and including suspension without pay and/or termination, will be taken against anyone who engages in retaliatory conduct or behavior. Any employee who feels that they have been retaliated against should contact their local Human Resources Manager, Executive Director of Human Resources or the President/CEO.
- **FALSE ACCUSATIONS:** The Company recognizes that false accusations can cause serious harm to innocent persons. If an investigation results in a finding that the complainant knowingly, or in a malicious manner, made a false accusation, the complainant may be subject to corrective action up to and including discharge.
- **CONFIDENTIALITY:** To the extent consistent with adequate investigation and appropriate corrective action, all of these proceedings are confidential processes, and any information relating to these proceedings should not be disclosed except as needed in the ordinary course of Company business or in the investigation of the complaint.

OUTSIDE EMPLOYMENT

Company Policies and Legal Compliance

Policy no. HR-2.24

October 2016

Employees may hold a job with another organization, as long as they satisfactorily perform their job responsibilities with the Company, and such outside employment does not present an actual or potential negative effect on the employee's job performance with the Company or creates a conflict of interest. The Company will decide in its sole discretion whether outside employment negatively impacts the employee's job performance with the Company. Employees should consider the impact outside employment may have on their ability to effectively perform their job duties for the Company. All employees will be judged by the same performance standards, and will be subject to the Company's scheduling demands, regardless of outside work requirements. Additionally, the State Bureau of Alcohol Regulations may prohibit and/or restrict the nature and type of outside employment allowed. Please consult with your supervisor for clarification of this policy.

PAY TRANSPARENCY

Company Policies and Legal Compliance

Policy no. HR-2.25

October 2016

PAY TRANSPARENCY NONDISCRIMINATION PROVISION

The contractor will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the contractor's legal duty to furnish information.

PERFORMANCE MANAGEMENT

Company Policies and Legal Compliance

Policy no. HR-2.26

October 2016

The Company firmly believes that the relationship between a supervisor and his or her staff is key to the overall success of Company operations. This relationship must include open communication at all times so that employees feel comfortable addressing various work-related issues with their supervisors. These issues may include work assignments, work clarification, and/or questions regarding their position, performance, or career objectives.

To ensure that open communication between supervisors and their staff is ongoing, the Company established a Performance Management Program, which is used to evaluate performance and enhance the employee's skills and value to the Company.

Performance Management is defined as the process of setting, aligning, and communicating expectations; monitoring employees' progress against those expectations; providing feedback and coaching to employees about their progress; and continuously developing employees in order to improve their performance. Performance Management is an enterprise-wide process that enables managers and employees to clearly understand and monitor performance (for both results and behaviors) against expectations, and implement meaningful development plans. The process is not driven solely by managers, but is jointly owned by employees and managers. Both have responsibility for making it work.

Although an employee's performance will be evaluated as frequently as required, generally, a performance evaluation will be conducted after an employee completes his or her ninety-day introductory period. Thereafter, performance evaluations will generally be conducted annually. Employees must also receive performance evaluations ninety days after they move into a new position. In accordance with Company policy, employees who are on an approved leave of absence for thirty calendar days or more will have their next scheduled merit performance review date postponed accordingly.

To ensure that the Performance Management Program and how your performance will be evaluated is understood, it is important for you to ask your supervisor to review the process with you each time you move into a new position, or at any time clarification is needed.

Salary adjustments are neither guaranteed nor automatic. Instead, they are based on many factors, such as:

- An employee's level of performance.
- The Company's financial position.
- The employee's level of pay in relation to the pay level of other employees in similar positions.
- The employee's pay level in relation to the pay level for other, similar positions in the larger labor market.

The Performance Enhancement Process

Generally, when an employee's overall job performance needs improvement the supervisor provides feedback through coaching and counseling in an attempt to develop the employee's performance to an acceptable level.

In situations when normal coaching and counseling does not improve the employee's job performance, the employee may be placed on a performance enhancement plan and given a specific period of time to demonstrate improvement. Employees who fail to demonstrate improvement in their job performance within the specified period of time may be subject to corrective action up to and including termination.

PRIVACY AND SECURITY POLICY

Company Policies and Legal Compliance

Policy no. HR-2.27

October 2018

This document sets forth the Employee Data Privacy Policy (“Privacy Policy”) and the Computer Usage and Security Policy (the “Security Policy” and, together with the Privacy Policy, the “Policy”) for the self-insured portion of the Health Care Component of the Empire Merchants North, LLC Health and Welfare Plan (the “Plan”). Empire Merchants North, LLC is the sponsor of the Plan (the “Plan Sponsor”). Capitalized terms not defined herein have the meanings set forth in the Plan.

A. Privacy Policy

This Privacy Policy outlines the principles the Company seeks to observe regarding the collection, use, disclosure, security and disposal of personal information for its current and former U.S. employees and applicants (“Employees”).

1. Employee Personally Identifiable Information

The Company generally will collect personally identifiable information (“PII”) from Employees, and create and maintain records about Employees which contain Employee PII, only for legitimate company purposes and only to the extent necessary to achieve those purposes. PII includes first name or initial and last name in combination with any of the following categories of information (as long as the information is not otherwise publicly available): Social Security Number, passport numbers, employee identification number, driver’s license number, date of birth, maiden name, mother’s maiden name, credit card or financial account information, results of background or criminal history checks, payroll and salary information, individually identifiable health information, accommodation requests and related information, biometric data (such as fingerprint, voice print, retina or iris images), and/or digital or other electronic signature files.

2. Collection and Use of Employee PII

The Company typically will collect, create and maintain Employee PII only in connection with the employment relationship. For example, the Company typically collects and uses Employee PII as part of the job application process in order to make employment decisions. During the employment relationship, the Company may collect, create, use or maintain Employee PII needed for payroll administration, to provide health insurance and other benefits, for evaluating an Employee’s job performance or transfer request, to evaluate leave requests made by Employees, to determine fitness for duty, as part of the reasonable accommodation process, during an investigation of misconduct related to work, or for various other purposes.

From time to time, the Company may use Employee PII for purposes unrelated to administration of the employment relationship. The Company, for example, might use PII to introduce new products or services to its workforce. Before making such uses of Employee PII, the Company will provide Employees with notice and an opportunity to opt out. The Company will not utilize

an Employee's individually identifiable health information, accommodation requests and related information, or biometric data (such as fingerprint, voice print, retina or iris images) for such purposes.

The records and databases that contain Employee PII are the property of the Company, and access to the information they contain is restricted. Company employees may not access, use or disclose Employee PII except as required or allowed by applicable law or as authorized to do so for the Company's legitimate business purposes. The Company Human Resources Department is responsible for establishing appropriate authorization. Generally, only the Company management personnel, or their designees, will receive authorization to access, use or disclose Employee PII. Where possible, Employee PII will be stored in locked offices and file cabinets and/or be password protected. Employees with authorized access are required to limit their use and disclosure of Employee PII to those legitimate purposes for which access was granted.

3. Safeguarding Employee PII

The Company is committed to safeguarding the confidentiality, integrity and availability of Employee PII through the use of reasonable and appropriate physical, administrative and technical safeguards. Employees authorized to access Employee PII should consider the following guidelines when handling Employee PII:

- Employees authorized to access Employee PII should not leave documents containing Employee PII unattended unless secured in a restricted area or locked in a file cabinet, desk drawer, or office. In addition, password-protected screen savers should be activated after brief periods of inactivity to prevent casual viewing of Employee PII by unauthorized persons.
- To the maximum extent feasible, employees should not store Employee PII on portable devices and movable storage media, such as laptop computers, personal digital assistants, and "flash drives."
- Documents containing Employee PII generally should not be transmitted over the Internet unless encrypted.
- Before transmitting documents that contain Employee PII by facsimile, verify the recipient's facsimile number and arrange for the recipient to promptly remove the facsimile from the fax machine.
- If it is necessary to send Employee PII to a printer in a location accessible to individuals not authorized to access Employee PII, arrange for prompt retrieval of the printed document.
- Envelopes containing Employees PII, whether sent by company mail or other means, should be sealed.

- Employee PII should be removed from the electronic resources of employees who leave the company before those resources are re-issued to another employee unless the successor employee has the same authority to access Employee PII.

The Company's Computer Usage and Security Policy provides additional guidance on the creation, access, storage, distribution, destruction, backup and recovery of information.

4. Additional Safeguards for Social Security Numbers

- SSNs should not be publicly displayed, for example, by including them in electronic documents posted on internal Web sites or in paper documents posted on employee bulletin boards.
- SSNs should not be printed on cards, such as insurance identification cards, that must be presented for an Employee to obtain goods or services.
- SSNs generally should not be printed on paper documents that are mailed unless the document, by law, is required to include an SSN (such as a W-2 Form) or in certain other limited circumstances. Employees should consult with their local HR representative before including SSNs in a mailing.
- SSNs should not be transmitted over the Internet unless encrypted.

5. Disposal of Employee PII

Disposal of documents containing Employee PII should be accomplished in a manner intended to prevent unauthorized access to such Employee PII. For example, paper documents containing background or criminal history reports or any documents containing information derived from those reports should be shredded. Employee PII stored on electronic media, such as hard drives, compact disks, and back-up tapes, should be subject to processes, before disposal or reassignment, that render the Employee PII irretrievable.

6. Disclosure and Use of Employee PII by Third Parties

The Company generally will disclose an Employee's PII to third parties who are not acting as service providers for the Company only with an Employee's consent, when required by law or in connection with a legal or regulatory proceeding or process, or when disclosure is otherwise necessary or advisable. In accordance with the Company policies, the Company may disclose Employee PII to its third-party service providers, including but not limited to benefit, payroll and workers' compensation administrators. The Company will disclose Employee PII only where permitted by law and only to those service providers who have agreed to implement reasonable and appropriate safeguards for such Employee PII that are similar to those required by this Privacy Policy.

B. Security Policy

1. Risk Analysis

The Plan has no employees. All of the Plan's functions, including creation and maintenance of its records, are carried out by employees of the Plan Sponsor and by business associates of the Plan. The Plan does not own or control any of the equipment or media used to create, maintain, receive, and transmit electronic PII relating to the Plan, or any of the facilities in which such equipment and media are located. Such equipment, media, and facilities are owned or controlled by the Plan Sponsor, the third-party administrator, and other business associates. Accordingly, the Plan Sponsor and business associates create, receive, maintain, and transmit all of the electronic PII relating to the Plan, own or control all of the equipment, media, and facilities used to create, maintain, receive, or transmit electronic PII relating to the Plan, and control their employees, agents, and subcontractors who have access to electronic PII relating to the Plan. The Plan has no ability to assess or in any way modify any potential risks and vulnerabilities to the confidentiality, integrity, and availability of electronic PII relating to the Plan. That ability lies solely with the Plan Sponsor, the third-party administrator, and other business associates.

2. Risk Management

The Plan relies on the Plan Sponsor, its third-party administrator, and other business associates to manage risks to electronic PII by limiting vulnerabilities, based on risk assessments, to a reasonable and appropriate level.

Based on risk assessments undertaken by the Plan Sponsor, the Plan's third-party administrator, and the Plan's other business associates, the Plan made a reasoned, well-informed and good faith determination on the implementation of the HIPAA security regulations that it need not take any additional security measures, other than the measures set forth herein and the measures of the Plan Sponsor, the third-party administrator, and other business associates, to protect against reasonably anticipated threats and vulnerabilities and to reduce risks to the confidentiality, integrity and availability of electronic PII.

3. Plan Document

The Plan document shall include provisions requiring the Plan Sponsor to:

- implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PII that the Plan Sponsor creates, receives, maintains, or transmits on behalf of the Plan (the Plan electronic PII);
- ensure that reasonable and appropriate security measures support the Plan document provisions providing for adequate separation between the Plan and the Plan Sponsor;
- ensure that any agents to whom the Plan Sponsor provides Plan electronic PII agree to implement reasonable and appropriate security measures to protect the Plan electronic PII; and
- report to the Security Official any security incident of which the Plan Sponsor becomes aware.

4. Disclosures of Electronic PII to Third-Party Administrator and Other Business Associates

A business associate is an entity (other than the Plan Sponsor), such as a third-party administrator, that creates, receives, maintains, or transmits electronic PII and:

- performs or assists in performing a Plan function or activity involving electronic PII (including claims processing or administration, data analysis, underwriting, etc.); or
- provides legal, accounting, actuarial, consulting, data aggregation, management, accreditation, or financial services, where the performance of such services involves giving the service provider access to the Plan's electronic PII.

The Plan permits the third-party administrator and other business associates to create, receive, maintain, or transmit electronic PII on its behalf. The Plan has obtained or will obtain satisfactory assurances from all business associates that they will appropriately safeguard the information.

5. Breach Notification Requirements

The Plan will comply with the requirements of the HITECH Act and its implementing regulations to provide notification to affected individuals, government regulators, and the media (when required) if the Plan or one of its business associates discovers a breach of unsecured PII.

6. Documentation

Except to the extent that they are carried out by the Plan Sponsor or business associates, the Plan shall document certain actions, activities, and assessments with respect to electronic PII required by HIPAA to be documented (including amendment of the Plan document in accordance with this policy, for example).

Policies, procedures, and other documentation controlled by the Plan may be maintained in either written or electronic form. The Plan will maintain such documentation for at least six years from the date of creation or the date last in effect, whichever is later.

The Plan will make its policies, procedures, and other documentation available to the Security Official and the Plan Sponsor, the third-party administrator, and other business associates or other persons responsible for implementing the procedures to which the documentation pertains.

C. Miscellaneous

1. General Rule

The Company is committed to ensuring that Employee PII is handled in accordance with this Policy. Anyone who is aware of a suspected or perceived violation of this Policy should immediately contact the Privacy Officer or Security Officer, as applicable. Employees who violate this Policy will be subject to discipline, up to and including discharge. Employees will not be penalized for filing a complaint.

This policy is not intended to preclude or dissuade employees from engaging in activities protected by state or federal labor law such as discussing their own personal wages, benefits or terms and conditions of employment or other legally protected activities.

2. Legal Effects and Changes to the Policy

This Policy is not, nor is it intended to be, a contract, nor does it otherwise create any legal rights or obligations. Accordingly, the Company, in its discretion, may amend, interpret, modify or withdraw any portion of this and related practices with or without notice. Any change in this policy will apply to Employee PII collected before the change went into effect.

3. Privacy Official and Security Official

The Privacy Official and the Security Official with respect to the Plan is the Executive Director of Human Resources or the successor thereto.

REFERENCE VERIFICATION

Company Policies and Legal Compliance

Policy no. HR-2.28

October 2016

Employment Reference Requests

The Company may be asked to provide employment references for current and former employees. In the event you receive such an inquiry, the individual seeking the information should be directed immediately to the Human Resources Department. Under no circumstances should an employee respond to any requests for information regarding a current or former employee. The information provided by Human Resources in response to employment inquiries is limited to the following:

- Dates of employment;
- Current or last title held; and
- With written consent only, your present salary.

Under no circumstances will additional information be disclosed, unless it is required by law or the Company has a signed release from the employee.

Salary Verification Requests

Request for wage verifications for the purpose of verifying salary data for mortgage applications are the responsibility of Human Resources. Under no circumstances will salary data be disclosed without a signed release from the employee. Human Resources will be responsible for maintaining wage verifications forms.

SOCIAL MEDIA GUIDELINES

Company Policies and Legal Compliance

Policy no. HR-2.29

October 2016

Empire Merchants North, LLC understands that social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers. However, use of social media also presents certain risks and carries with it certain responsibilities. In order to protect the Company's interests, encourage responsible consumption, as well as to protect your own interests and assist you in making responsible decisions about your use of social media, we have established guidelines for appropriate use of social media. For the purposes of these Guidelines, we will refer to all such activity as "posting."

The Guidelines apply to all posting activities, whether such activity occurs during working hours or otherwise, and whether such postings are done on Company owned or privately owned equipment. Please be reminded that posting during working hours, and using Company equipment to post, is only permissible to the extent set forth in the Company's Computer Usage and other policies.

Importantly, the same principles and guidelines found in the Company's other policies apply to your activities online. Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any inappropriate conduct that adversely affects your job performance, the performance of fellow employees or otherwise adversely affects our employees, customers, suppliers or the Company's legitimate business interests may result in disciplinary action up to and including termination.

GUIDELINES

Understand Social Media. In the rapidly expanding world of electronic communication, social media can mean many things. 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 web site, social networking or affinity web site (*e.g.*, Twitter, Facebook, LinkedIn, Instagram, YouTube and wikis), web bulletin board or a chat room, whether or not employed or affiliated with the Company, as well as any other form of electronic communication.

Know and respect Company policies. Please ensure that you are familiar and comply with these Guidelines and all of the Company's policies, which are found in your Employee Handbook, to ensure that your postings are consistent with these policies. Your postings may not violate any applicable policy of the Company, including, but not limited to, the Anti-Discrimination and Harassment Policy and Computer Usage and Security Policy. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination in accordance with these policies. Also, please note that in accordance with its Alcohol and Substance Abuse Policy, the Company advocates legal and responsible drinking



at all times. Any comments, images or other data posted by Company Employees must be consistent with the promotion of legal and responsible consumption of beverage alcohol.

Using social media at work. Refrain from using social media during working hours or on equipment we provide, unless it is work-related as authorized by your manager or consistent with the Company's Computer Usage Policy. You should make sure that your online activities do not interfere with performing your job responsibilities. Do not use Company email addresses to register on social networks, blogs or other online tools utilized for personal use.

Be careful about what you post. You are personally responsible for what you post. Remember that anything you post may be public for a long time, even if you try to modify or remove it later. The Company disclaims any responsibility or liability for any errors, omissions, loss, or damages claimed or incurred due to any of your postings.

Speak for yourself, not the Company. Your postings should reflect your personal point of view, not that of the Company or any supplier or customer of the Company. Never represent yourself as a spokesperson for the Company or any supplier or customer of the Company. If, however, you post about the Company or any of its suppliers or customers, you must clearly identify yourself as a Company employee and be sure to include a prominent disclaimer stating that the views being expressed are your own, and that your views do not represent those of the Company, customers or suppliers. Your choice of words should suggest that you are not representing the Company's official position, unless you have been authorized in writing by senior management of the Company to do so. For example, write your posting in the first person ("I" rather than "we").

If you do publish a blog or post online related to the work you do or subjects employed with the Company or any supplier or customer of the Company, make it clear that you are not speaking on behalf of the Company or any supplier or customer of the Company. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of the Company." Do not create a link from your blog, website or other social networking site to a Company or any supplier or customer of the Company website or social media platform without identifying yourself as a Company employee. In general, personal social media activity should be kept distinct from professional social media activity, and communications with purely personal social media sites should be conducted from personal email accounts only.

Be respectful and professional. Always be fair and courteous to fellow employees, customers, and suppliers. If you decide to post complaints or criticism, avoid using statements that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage our customers, or suppliers, or any of our or their employees or that might constitute harassment or bullying. Also, do not post any comments which are disparaging of the products owned by suppliers of the Company or disparaging of the Company's competitors or their employees. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or Company policy.

Please be professional and respectful of others in your communications, show consideration for others' privacy and refrain from posting statements, photographs, video or audio that are false, misleading, obscene, defamatory, libelous, tortuous, degrading, threatening, harassing, hateful,



insulting, inflammatory, unlawful, fraudulent, discriminatory, or invasive of the privacy of others. To be sure, before sharing a comment, post, picture or video about another individual through any type of social media or network, obtain the person's consent.

Be honest and accurate. Make sure you are always honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that you know to be false about the Company, fellow employees, customers, suppliers, people working on behalf of the Company or competitors.

Respect laws. Respect copyright, trademark, privacy, financial disclosure, regulatory and all other laws. Do not disclose confidential or sensitive information about other individuals, customers, suppliers or competitors that may have been obtained through your position with the Company, unless you have the right to do so and are taking into account intellectual property and privacy concerns. For example, ask permission before posting someone's photograph, article, or music in a social network or publishing in a blog a conversation that was meant to be private. In accessing or using a social media site, comply with the legal terms or code of conduct governing such site. Be careful about "reposting" information from other sites. Do not post the logo or picture of any supplier or customer of the Company, or any of the products they own or represent, unless you have been specifically authorized in writing by senior management of the Company to do so.

Protect Confidentiality. Do not post secrets and private or confidential business information of the Company, its suppliers or customers trade. Confidential information may include trade secrets, information regarding the development of systems, processes, products, know-how and technology.

Report inappropriate conduct appropriately. If you feel that employees of the Company are, have been, or intend to engage in any inappropriate conduct, please discuss your concerns with a representative of human resources. Examples of inappropriate conduct include conduct that violates the Anti-Discrimination and Harassment Policy, Computer Usage Policy and other Company policies, that adversely affects your job performance, the performance of fellow employees or otherwise adversely affects our employees, customers, suppliers or the Company's legitimate business interests and may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct.

Retaliation is prohibited. The Company prohibits taking negative action against any Employee for reporting a possible deviation from this or any other Company policy, or for cooperating in an investigation. Any Employee who retaliates against another Employee for reporting a possible deviation from the guidelines or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Passwords. Maintaining the security of your password used to access a social media site (or features contained on such site) is your responsibility. Do not use the same password to access an external social media site as you use for internal Company purposes, and do not give out your password(s).



Privacy. In accessing or using a social media site, review the site's Privacy Policy to understand how the site uses the information that you provide. Be careful about revealing excessive personal information, including your birth date, contact information, and personal pictures. If you do not want your information to be publicly available, do not post it online. Because the Company retains the right (but not the obligation) to monitor all files and messages stored on and transmitted through the Company's computers, remember you have no reasonable expectation of privacy on social media accessed through the Company's computers, even if you have used a private account.

Software. As set forth in the Company's Computer Usage and Security policy, software or other files downloaded from social media sites, and the Internet generally, can contain viruses or cause other computer problems. If accessing social media via a Company computer or other device, do not download software made available on a social media site.

Managers. Managers and executives of the Company must take special care when posting. Due to the nature of their positions, their personal postings may be interpreted as the views and opinions of the Company, even with standard disclaimer language in place.

Keep current and ask questions. These guidelines may evolve as new technologies and social networking tools emerge. Please check these Guidelines periodically to ensure that you are familiar with its content. If you have any questions or comments about these Guidelines, or using social media responsibly, please direct them to the Human Resources Department.

SOLICITATION AND DISTRIBUTION

Company Policies and Legal Compliance

Policy no. HR-2.30

October 2016

In an effort to ensure a productive and harmonious work environment, employees may not engage in solicitation or the distribution of literature in any way (including email) for any purpose during the working time of the employee engaging in solicitation or the employee being solicited. Distribution of literature is prohibited at all times in working areas. Persons not employed by the Company may not solicit or distribute literature in the workplace at any time for any purpose.

Solicitation includes but is not limited to the buying and selling of goods, services, merchandise, raffle tickets, lotteries, etc. as well as the solicitation of membership in organizations. Employee posting of information and written solicitations on Company bulletin boards and in e-mail or instant messaging using Company owned systems are also prohibited unless otherwise protected by law. Company-approved communications include, but are not limited to, the following:

- Affirmative action statements
- Employee announcements
- Benefits information
- Career Opportunity announcements
- Internal memoranda
- Organization announcements
- OSHA compliance
- Payday notices
- Required postings in accordance with federal, state, and local law
- Company sponsored events

TRAVEL AND ENTERTAINMENT REPORTING POLICY

Company Policies and Legal Compliance

Policy no. HR-2.31

June 2018

The Company is fully dedicated to reimbursing employees for necessary and reasonable expenses that result from approved travel and entertainment (T&E). However, T&E expense reimbursement is subject to employees providing accurate and complete documentation of expenses in accordance with Company guidelines. Failure to comply with the Company's policies/guidelines, misuse of Company funds and/or fraudulent submissions may result in a delay of processing, rejected submissions and/or corrective action up to and including termination.

When incurring T&E expenses, employees should use good judgment and obtain the lowest possible prices by booking in advance, when possible. Additional specific guidelines will be determined and communicated at the business unit level.

Employees are responsible for tracking reimbursements and submitting appropriate T&E reports in a timely manner. Expenses submitted after 90 days from the date of occurrence will not be reimbursed and the employee will be responsible for the charges. The manager of each employee will review all T&E submissions to ensure that submitted expenses are both compliant with the terms of this policy and within established guidelines. Brand managers will then review any expense that has been charged to a supplier, also to ensure compliance to this policy.

Should an employee's employment with EMN end, for any reason, the employee must submit any outstanding expenses within 2 weeks of the end of the employment.

Documentation

An original receipt is required for every expense and must come from the vendor to whom the payment was made. Credit card statements, e-mail confirmations and/or quotes are not acceptable forms of documentation and will not be accepted. The original credit card receipt from the vendor along with the purchase detail (detail of items purchased) is required. Restaurant tear tabs are not acceptable. A Missing Receipt Affidavit within Concur may be used as a last resort, should the original receipt be unrecoverable. Excessive use of this feature may result in rejection of the expense.

- Properly recording expenses on T&E reports is critical to maintain compliance with IRS tax codes.

Meals

Meals that are **not** associated with travel and/or do **not** have a business purpose will **not** be approved.

It is important to correctly categorize meals. Below is a table specifically for employees utilizing the T&E program Concur:

ATTENDEES	PURPOSE	T&E ENTRY
Traveling employees	Meal during business travel	Use “ <i>Meals-Individual Meals</i> ”
Traveling employees and non-traveling employees	Meal involving a legitimate business purpose	Use “ <i>Meals-Business Meals</i> ”
Non-traveling employees	Meal that does NOT involve a legitimate business discussion	Not reimbursable
Supplier or customer with employees	Any meal (traveling or non-traveling employees, business or celebratory function)	Use “ <i>Meals-Business Meals or Meals-Meetings/Seminars</i> ”
Team or department	All associated recreation/celebration/fun events	Use “ <i>Other-Staff Awards/Incentives</i> ”

Travel

The mileage reimbursement rate is determined annually by EMN and will not exceed the current IRS guidelines. Mileage incurred beyond the normal work commute is eligible for reimbursement. See the Mileage Reimbursement Policy on the Concur homepage for further details. Any parking, speeding or similar violations incurred during business travel will not be reimbursed.

An employee who receives a car allowance is encouraged to not use alternative transportation (train, airfare, car rental) for travel within the EMN service area. When booking airfare, coach or economy tickets must be purchased for all flights less than 5 hours, excluding layovers. Business class tickets may be purchased, at the company’s discretion, for flights exceeding 5 hours, excluding layovers. First class tickets are not reimbursable unless the travel is prior approved by a member of the executive committee.

When renting a vehicle is necessary, EMN encourages travelers to purchase a collision damage waiver (CDW) and loss damage waiver (LDW) coverage. EMN will reimburse the cost of this coverage; all other insurance/accident reimbursements will be denied. Drivers should be aware of the extent of coverage (if any) provided by his/her own automobile insurance company for business travel. EMN strongly encourages travelers to fill the gas tank before returning a rented vehicle to avoid additional fees.

For lodging expenses, the entire hotel bill is to be itemized between room rate and taxes, separated from the itemization of meals, and other business-related expenses in the appropriate sections of the expense report. In-room movies are not eligible for reimbursement.

In cases where vacation time is added to a business trip, any cost variance in airfare, car rental or lodging must be clearly identified and will not be reimbursed. Similarly, the additional cost of travel, lodging, meal or other travel expenses for spouses or other family members will not be reimbursed unless the individual has a bona fide company purpose for engaging in the travel or

attending the event. Such travel should be limited and requires preapproval from the traveling employee's direct manager.

Entertainment

The Company will reimburse employee entertainment expenses if such expenses meet the IRS requirement that they are ordinary and necessary expenses of conducting business and that they are adequately documented. The entertainment must be **"directly related"** to or **"associated"** with conducting business.

Since the presumption is made by the Internal Revenue Service that entertainment is not normally conducive to a business discussion, it is necessary to demonstrate that such expenses are associated with the active conduct of the Company's business, i.e., such entertainment must have either included, directly preceded, or directly followed a substantial and bona-fide business discussion. In order to facilitate efficient review, employees submitting entertainment expenses should adhere to the same requirements listed above in the Documentation section of this policy.

Non-reimbursable Expenses

- Airline club memberships
- Airline upgrades
- Business class for flights less than 5 hours
- First class flights (unless prior approval is received from a member of the executive committee)
- Child care, babysitting, house sitting or pet sitting charges
- Commuting between home and primary work location including tolls
- Personal entertainment expenses, including in-flight movies, health club & spa facilities, hotel pay-per-view movies
- Meals for non-traveling employees that do not have a legitimate business purpose
- Parking, speeding or any other vehicular violation
- All expenses for a spouse or family member traveling without a business purpose
- iPads and similar equipment (excluding IT personnel asked to procure)
- Any expense submitted after 90 days

Any expense not mentioned in this policy will be addressed on a case by case basis, at management's discretion.

USE OF COMPANY AND PERSONAL ELECTRONIC COMMUNICATION SYSTEMS AND EQUIPMENT

Company Policies and Legal Compliance

Policy no. HR-2.32

October 2016

The Company reserves the right to monitor incoming and outgoing telephone calls connected through the Company's telephone system, at any time and without notice. By using the Company's telephone or voice messaging system, you consent to the Company's monitoring your telephone calls and voicemails. Additionally, voice mail messages stored within the telephone system are considered business communications and are subject to monitoring, review, and retrieval by authorized Company personnel. To ensure effective telephone communications, employees should always speak in a courteous and professional manner.

The Company recognizes that employees will occasionally need to place and receive personal calls during the workday. In all cases, personal calls should be minimal, whether the calls are placed and received using Company phones or personal cellular phones. Receiving and placing excessive personal calls can interfere with employee productivity and be disruptive to others. Therefore, abuse is subject to corrective action, up to and including termination. All personal cell phones and other communication devices should be kept in silent mode while employees are at work.

Recording Devices (Audio, Video, Cameras, etc.)

In order to ensure employee privacy and to ensure the security of confidential and proprietary and other business information, the use of any type of recording device for the purpose of either taking pictures, recording video or recording audio of employees, company information or the facilities is prohibited without permission from legal and HR. If an employee is involved in a situation where an insurance claim could be made (e.g. vehicular accident), the Company encourages the use of the camera phone to take pictures if it will aid in the submission of a claim (e.g., the damage to vehicles involved) once the safety of employees and other individuals has been secured. Any other use of a recording device must be approved in advance by Corporate HR and Legal.

Personal Radios, Ipod's ,CD's or MP3 Players

Employees are cautioned that the use of personal music devices (e.g. i-Pods, CD or MP3 players) may present a safety concern in that the employee might not hear verbal communications from another employee in the event of an emergency. The use of such devices may be restricted depending upon the employee's position. These devices are strictly forbidden for us in the warehouse and on delivery vehicles. However, when in use, employees need to pay close attention to their surroundings and not put themselves or other employees at risk. Any accidents or incidents that result from the use of these devices may result in corrective action, up to and including termination.

USE OF COMPANY PROPERTY

Company Policies and Legal Compliance

Policy no. HR-2.33

October 2016

During your employment, you may be issued property, materials, and/or written information required for completion of your job responsibilities. The issuance of Company property, materials, and equipment is for non-compensatory business purposes only, and will not be included in any employees' compensation. On occasion, it may be necessary for you to take this equipment with you after you leave work. However, any materials or equipment you are issued or use to perform your job are and will remain the property of the Company. The Company reserves the right to monitor usage of Company materials and equipment at all times.

Property, materials and equipment for which the company has reimbursed the employee for the cost are also considered property of the company.

All Company property, materials, and equipment must be returned in good, working condition. Examples of Company-owned property include, but are not limited to, the following:

- Building identification card
- Customer contact and account information
- iPad
- Key(s)
- Key access card
- Laptop computer
- Mobile devices
- Personal computer
- PDA
- Sales manuals
- SFA's
- Smart phone

In the event that Company equipment is not returned, or is returned damaged or in poor condition, you will be required to reimburse the Company. At certain times, you may be asked to return Company equipment prior to completion of your Company job-related task(s). Such requests must be honored promptly. All Company property must be returned on or before an employee's last day of employment.

USE OF KITCHEN

Company Policies and Legal Compliance

Policy no. HR-2.34

October 2016

The Company maintains a kitchen for employee and client use. To ensure that these facilities are maintained in a clean manner, all cups, plates, dishes, utensils, etc., are to be cleaned by the user immediately after use, and put away in the cupboards provided in these areas. Any items left in the sink or on top of the counter will be discarded. Wine glasses used for Company-sponsored tastings, etc., are to be cleaned and put away in the designated cupboard by the user immediately after use. A dishwashing machine is available in the main kitchen/lunch-room to wash these glasses and utensils.

WORKPLACE VIOLENCE POLICY

Company Policies and Legal Compliance

Policy no. HR-2.35

October 2016

The Company is committed to providing a workplace that is free from acts of violence or threats of violence. In keeping with this commitment, we have established a policy that provides “zero tolerance” for actual or threatened violence committed by or against any employee, visitor, consultant/contractor, temporary worker, or any other persons who are either on our premises or have contact with employees during the course of their duties. Security and safety in the workplace is every employee’s responsibility.

If an employee becomes aware of any actual violence, or threat of imminent violence, obtaining emergency assistance must be a matter of first priority. Every written, verbal or physical threat of violence must be treated seriously and reported immediately to the employee’s supervisor, and/or Human Resources. An employee should never take any action that may jeopardize his/her own safety. If any employee should feel that he/she is in imminent danger at any time, the employee should call 911 for assistance. The Company will not tolerate any form of retaliation against any employee for making a report in good faith under this policy. All reported incidents will be promptly investigated by a Human Resources Representative. During the fact-gathering process, an employee may be suspended with or without pay pending investigation.

Prohibited conduct includes, but is not limited to the following:

- Causing physical injury to another person;
- Engaging in behavior that creates a reasonable fear of injury in another person;
- Engaging in behavior that subjects another individual to extreme emotional distress;
- Possession, brandishing or discharging a weapon while on company property (including parking lots) or while on Company business except where otherwise limited by State law.
- Making threatening remarks;
- Intentionally damaging company property or property of another employee;
- Committing acts motivated by, or related to, unlawful harassment or domestic violence;
- Engaging in “horseplay”.

In support of this policy, the Company offers an Employee Assistance Program. Any employee who displays a tendency or propensity to engage in violent, abusive or threatening behavior or who otherwise engages in behavior that the Company, in its sole discretion, deems offensive or inappropriate, will be referred to the Employee Assistance Program for counseling or other appropriate treatment. Employees who engage in or contribute to violent behavior, or who threaten others with violence will be subject to corrective action, up to and including suspension without pay and/or termination.

The Company encourages employees to manage their non-work related disputes in a respectful manner, outside of work, and off company premises. However, the Company recognizes that off-duty events can have an impact on the workplace. Therefore, employees are encouraged to notify Human Resources when such events have the potential to create a disruption in the workplace.

Any employee who has obtained a restraining order against any individual, regardless of the relationship of that individual to the employee or the organization, should report the existence of the restraining order, as well as the name and description or picture of the individual to the Human Resources Department.

Support for Victims of Violence

Victims of violent incidents in the workplace may have to contend with a variety of consequences. The Company will make a good faith effort to accommodate victims of workplace violence by:

- Referring victims to the Company's Employee Assistance Program and/or appropriate community resources.
- Providing flexible work hours or short-term or extended leave in certain circumstances, and in accordance with state and local law.
- Cooperating with law enforcement personnel in the investigation of the crime and prosecution of the offender.

WORK RULES/STANDARDS OF CONDUCT AND CORRECTIVE ACTION

Company Policies and Legal Compliance

Policy no. HR-2.36

October 2016

Note: Notwithstanding the procedures described herein, the Company reserves the right to implement corrective action at any level it deems appropriate. Employees' employment is "at-will" and may be terminated by them or the Company at any time for any or no reason.

Work rules and standards of conduct are necessary to protect the health and safety of all employees, to maintain uninterrupted service, and to protect the Company's goodwill, property and other business interests. Employees are required to conduct themselves in a professional and respectable manner, in keeping with all Company rules, regulations, policies, and guidelines.

To ensure that Company rules and regulations are followed, a sequence of corrective actions may be implemented to remedy or improve problematic employee performance or conduct. Although the Company has established a four-step corrective action process, it reserves the right to begin the process at any step or disregard it entirely depending on the severity or magnitude of the particular infraction. The degree of corrective action taken is within the sole discretion of the Company and may be based upon issues other than the latest violation, including but not limited to performance and past violations of other Company policies. The Company may suspend the individual at any step in the process in order to conduct an investigation.

The following are examples of situations where corrective action may be imposed. Please note that these examples are illustrative; employees may face corrective action for engaging in conduct not identified in this policy.

- Unsatisfactory performance or inappropriate professional conduct, including use of abusive or profane language, shouting, yelling, or other intimidating behavior or language.
- Fighting or any physical assault, as well as verbal exchanges, directed at a supervisor, fellow employee, or any person on Company property or at a Company sponsored event or threatening violence in the workplace.
- Engaging in any conduct that creates an actual or potential conflict between the employee and the Company's best interest.
- Conduct which causes another employee embarrassment, loss of dignity, feelings of intimidation or loss of opportunity, including all forms of discrimination and harassment, as well as any form of bullying.
- Excessive absenteeism or absenteeism without appropriate notice; excessive tardiness or tardiness without notification; unauthorized absence from your workstation during the work-day; and/or sleeping on the job during working hours.
- Unauthorized use or misuse of Company communications systems and equipment, including telephones, voice mail, computers, laptops, postal equipment, facsimile equipment, photocopiers, email and the Internet, including for the purpose of harassment.

- Unauthorized use of any Company equipment or vehicles.
- Misused or unauthorized disclosure or access of Company confidential or proprietary information.
- Violation of any Company policy, regulation, or work rule.
- Permitting the unauthorized use of a Company vehicle or allowing unauthorized passengers in a Company vehicle.
- Falsifying, altering or omitting any information, including but not limited to any information related to time off, Workers' Compensation benefits, leaves of absence, time records, or any other Company records.
- Fraudulent use of Company-sponsored benefit plans and programs, including for the benefit of individuals not eligible to be covered under the plans.
- Falsification of timekeeping records or misrepresentation of other Company records, reports, or documents.
- Theft or unauthorized removal or possession of Company property or assets.
- Failure to handle company merchandise or property within proscribed procedures.
- Boisterous or disruptive activity in the workplace.
- Insubordination or other disrespectful conduct toward members of supervision, including but not limited to, refusal to perform any task, duty or job assigned to you by your supervisor or refusal to obey instructions.
- Violation of safety or health rules.
- Smoking in prohibited areas, or in any area, depending upon state and local law and/or workplace rules.
- Negligence or improper conduct leading to damage of property or bodily harm to another.
- Possession of dangerous or unauthorized materials, including explosives, and illegal drugs, in any place or at any time within the perimeters of Company property or within Company vehicles.
- Defacing or otherwise damaging Company property.
- Violation of the Company's Alcohol and Substance Abuse Policy.
- Failure to report a criminal charge or conviction.

Mandatory Reporting of Criminal Charges and Convictions

Employees are required to report all criminal convictions to the Company within two business days. In addition, employees are required to report within two business day criminal charges for any felony or any other crime involving fraud, dishonesty, breach of trust, theft, financial crimes (including identity theft), weapons possession, unlawful use, sale or possession of drugs, alcohol misuse (including, but not limited to, DUI), destruction or injury to property, stalking, harassment,

violence or any form of assault against another person. Note that neither criminal charges nor criminal convictions are an absolute bar to continued employment, nor will criminal charges or convictions necessarily result in disciplinary action.

The Corrective Action Process

The first step in the corrective action process is usually, but not always, the provision of a verbal warning or counseling to an employee by his or her supervisor. If this does not correct the performance deficiency, other forms of corrective action may be taken. These steps are described below, and may occur in any order and at any time when job performance or conduct is unsatisfactory.

STEP 1: Verbal Counseling

If corrective action is employed when an employee's job performance or behavior is considered unsatisfactory, the supervisor should meet with the employee in one or more counseling sessions to:

- Identify areas where improvement is needed.
- Encourage the employee to respond to a supervisor's comments and directives, and to provide his or her perspective on the situation.
- Communicate clearly to the employee what should be done to achieve a satisfactory level of performance.
- Establish a reasonable period of time for improvement together with a subsequent date(s) to review the progress made by the employee.

The date and content of the verbal session should be recorded by the supervisor, and acknowledgement of the terms listed in the action plan to improve performance should be signed by both the employee and supervisor.

STEP 2: Written Warning

A written warning may be issued when a verbal warning(s) does not result in the desired improvement in performance, or when the performance or conduct warrants issuance of a written warning without a prior verbal warning. As clarification of the written warning, the supervisor should meet with the employee in order to:

- Review the employee's overall performance.
- Identify areas requiring improvement.
- Review any previous counseling concerning performance.
- Establish a reasonable period of time for the employee to improve performance.
- Emphasize and make clear that failure to improve performance may result in placing the employee on final written warning, probation and/or other corrective measures.

A written warning should be documented by the supervisor, reviewed by the employee in the presence of the supervisor, and signed by both. One copy should be provided to the employee. The original should be forwarded to the Human Resources Department.

STEP 3: Issuance of a Final Written Warning

A final written warning may be issued when written warning(s) does not result in the desired improvement in performance, or when the performance or conduct warrants issuance of a final written warning without prior disciplinary steps. To issue a final written warning the supervisor should meet with the employee to:

- Review the lack of progress against objectives outlined in prior written warnings; if any,
- Inform the employee that his or her employment may be terminated if unsatisfactory performance is not improved and sustained.

As outlined in the previous corrective steps, documentation of final written warnings should be issued and related documents should be signed by both the employee and supervisor, with a copy provided to the employee and a copy forwarded to the Human Resources Department. If the employee refuses to sign the document, acknowledge such and have it witnessed.

At this time, the employee should also be notified, both verbally and in writing that recurrence of the same or a similar performance or conduct problem within the following twelve-month period may result in immediate termination of employment.

Step 4: Termination

If job performance or conduct does not improve, the employee may be terminated.

Please note again, however, that the Company retains the right to skip any step in this procedure or to terminate any employee at any time without regard to the corrective action procedure noted in this section.

SECURITY INSPECTIONS

Safety and Security

Policy no. HR-3.1

October 2016

It is the objective of the Company to maintain a work environment that is free of illegal drugs, illegal weapons, explosives, or any other dangerous or improper materials. Therefore, the Company prohibits the control, possession, transfer, sale, or use of such materials on or off its premises by any employee.

Desks, file cabinets, lockers, Company vehicles, and any other storage devices and equipment such as email, PCs, Mobile Devices and laptops are provided for the convenience of employees, but remain the sole property of the Company. Accordingly, they, as well as any articles found within them, can be inspected by a representative of the Company at any time, either with or without prior notice.

The Company prohibits the unauthorized removal and possession of Company property or the property of its employees, visitors, and customers. To facilitate the enforcement of this policy, the Company reserves the right to inspect and search individuals entering and leaving the premises, and any packages they have in their possession. Failure to cooperate in a search may result in corrective action up to and including termination. The Company is not responsible for any personal articles that are lost, damaged, stolen or destroyed.

USE AND MAINTENANCE OF COMPANY EQUIPMENT AND VEHICLES

Safety and Security

Policy no. HR-3.2

October 2016

The Company requires a large amount of equipment to operate its business, including both warehouse and office equipment. These may include computers, laptops, mobile devices, personal digital assistants, facsimile machines, telephones, cell phones, and copiers in the administrative office areas; forklifts in the warehouse; and vans, trucks, and automobiles for operations and sales functions.

When using Company property, all employees are required to exercise care, perform regular and required maintenance, and follow all operating instructions, safety standards, and House guidelines. In the event you become aware that equipment or a vehicle is damaged or in need of repair, you are required to inform your supervisor immediately so a maintenance order can be submitted. The prompt reporting of equipment damage, defects, and the need for repair prevents undue deterioration of equipment and the possibility of injury to yourself or other employees.

Actions by employees such as the following will result in corrective action, up to and including immediate termination of employment:

- Improper, careless, negligent, destructive, or unsafe use or operation of equipment and vehicles.
- Excessive or avoidable traffic or parking violations.
- Transporting unauthorized persons in Company vehicles.
- Borrowing Company vehicles for personal use.

Licensing Requirements and Driving Record Checks

All employees required to operate a motor vehicle as part of their job responsibilities must possess a valid driver's license for the particular vehicle(s) he or she must operate, as required by the State Department of Motor Vehicles or Department of Transportation. This applies to all employees who hold a position which requires them to drive a car, van, or truck, Company-owned or otherwise. In addition, the licensure is reviewed every six or twelve months with the NEW YORK STATE DMV to ensure that it is valid.

The Company also obtains a copy of driving records from the State Motor Vehicle Administration twice each year for all employees who are required to use a vehicle to conduct Company business. These semi-annual inspections of your driving records are obtained under the Company Driving Policy. An employee who has any DWAI, DWI or DUI violation and/or conviction against his or her record must inform their supervisor immediately of the violation. Failure to abide by this policy will result in corrective action up to and including termination of employment.

Certificates of Insurance

It is Company policy that employees who drive their personal cars on Company business must carry automobile liability insurance in limits of not less than \$100,000/\$300,000 for bodily injury and at least \$50,000 property damage, or a \$200,000 single limit. A certificate of insurance should be supplied and kept on file by the Safety Specialist and Human Resources Representative as evidence of coverage. Employees should also provide the Company with ten days notice of cancellation or any material change(s) to their auto-mobile insurance policy.

Use of Seat Belts

For your own safety, it is Company policy that employees must wear seat belts at all times while driving or riding in a personal or Company-owned vehicle to conduct Company business. This includes trips to and from work, in accordance with state law.

VEHICLE SAFETY POLICY FOR USE OF MOBILE DEVICES

Safety and Security

Policy no. HR-3.3

October 2016

The Company is aware that many employees may use mobile telephones and other wireless communication devices in carrying out their daily duties and responsibilities. The Company is also aware of the potential distractions that may arise when such devices are used by employees while operating a moving vehicle, such as a van, automobile or truck. In keeping with its obligations under federal and state occupational health and safety laws to maintain a safe and healthful workplace, and to minimize the safety risks for our employees, customers, passengers in moving vehicles, and the public at large, the Company has adopted the following policy with respect to the use by employees of mobile telephones and other devices while operating a moving vehicle.

This policy applies regardless of whether the employee is operating a Company owned or leased vehicle, or the employee's own vehicle for Company business. This policy applies to an employee driving during business hours, as well as during travel to and from the job and any other Company related event. Please note that the Company never requires nor expects an employee to use mobile phones when driving a vehicle. To the contrary, employees are encouraged to avoid the use of mobile phones while driving a vehicle. It is solely the employee's choice as to whether to use a mobile phone; provided, that if the employee chooses to do so, he or she **MUST** comply with the Company's policy as well as state and federal law. Failure to do so will result in disciplinary action, up to and including termination.

General Policy for Using a Mobile Phone While Driving

The use of mobile phones by an employee while driving is strictly prohibited, except as follows:

- a) If an employee chooses to use a mobile phone while driving, he or she **MUST** use a hands-free device. A "hands-free" device includes any feature, attachment or addition to a mobile phone, whether or not permanently installed in the vehicle, that allows the operator of the vehicle to engage in a call without the use of either hand (or prosthetic devices or aids in the case of a disabled person), except for purposes of activation, deactivation, or initiation of a function of the phone; provided that any such attachment may not be inserted in or cover both ears. In addition, all employees using a mobile phone while driving are required to comply with the Rules for Using a Mobile Phone While Driving set forth below.
- b) Employees are strictly prohibited from using mobile phones while driving through a residential area or school zone.
- c) An employee may use a mobile phone to communicate with an emergency provider in a bona-fide emergency (emergency response operator, healthcare provider, ambulance, fire department or police) with regard to an emergency situation.

Other Devices and Practices

- Employees are strictly prohibited from engaging in the following while driving a vehicle: reading documents; tape-recording (analog or digital); writing notes; and operating pagers,

Blackberries, Palm Pilots, SFA's, Telxon or other similar order transmission mechanisms, mobile devices, laptop computers, and/or fax machines. These activities must only be performed with the vehicle safely stopped and parked in an appropriate and safe parking area.

Rules for Using a Mobile Phone While Driving

- If an employee does choose to use a mobile phone while driving, in addition to complying with the general policy set forth above, the following rules must be followed:
- **Know The Law.** Employees are required to familiarize themselves, and strictly comply at all times, with all applicable laws of the state and municipalities in which they work with respect to the use of mobile phones. Some localities have banned or otherwise proscribed the use of mobile phones while operating a motor vehicle. Any such local law takes precedence over this policy. Accordingly, where a state or local law prohibits or otherwise proscribes the use of a mobile phone by anyone operating a moving vehicle, employees are also prohibited by this policy from acting in contravention to such laws.
- **Safety First.** Your first priority while driving must be safety. Your safety and the safety of your passengers, other drivers and pedestrians, take precedence over any other concerns. Always pay attention to your driving. If you believe a cell phone call may distract you at all from your ability to drive safely, immediately terminate the call in progress and do not engage in any other calls unless driving conditions change that clearly allow for the safe use of the phone safely without distracting from your focus on driving.
- **Know The Road.** Never engage in phone calls when poor road conditions, heavy traffic, inclement weather or limited lighting conditions exist. Avoid phone calls when driving on unfamiliar roads. Only engage in phone calls when it is clearly safe to do so. If you have any doubt at all, do not engage in phone calls.
- **Know Your Mobile Phone.** Familiarize yourself with the phone and its features before driving. Never study your mobile phone while driving.
 - Dial numbers only while stopped except in an emergency situation.
 - Use speed dial when possible.
 - Keep the phone within easy reach and view. Never reach or look for a phone that has dropped, fallen or is not in your immediate reach.
 - Keep the conversation brief.
 - Never take notes while driving.

Other Vehicles

The Company is also aware that many employees operate other vehicles in the course of their employment, including golf and other shuttle carts, forklift trucks, and the like. This policy also applies to the operation of any such vehicle, except where the use of any such device at such time is essential for the employee to perform his or her job duties.



Provision of Equipment Reimbursed

Reimbursement Provision or reimbursement for mobile phone and hands-free devices shall be handled in accordance with the Company's stated policies. Employees should consult their supervisor or local Human Resources representative for details. Questions regarding this policy should be directed by employees to their supervisors, HR Representatives or Safety Specialist.

Violations

Any violations of the Company's Vehicle Safety Policy for Use of Mobile Telephones and Other Wireless Communication Devices may result in disciplinary action against the employee, up to and including termination

WORK SAFETY REQUIREMENTS

Safety and Security

Policy no. HR-3.4

October 2016

It is the policy of the Company to provide and maintain a safe and healthy place to work and to comply with federal, state, and local legislation pertaining to fire hazards, accident prevention, and safe working conditions. Accordingly, the Company emphasizes “safety first” and requires all employees to observe and obey rules and exercise caution in all work activities, at all times.

The cooperation of employees and management in the observance of safe procedures and practices is essential in providing safe working conditions and accident-free performance, which will be to the mutual advantage of all. Employees must report any unsafe condition or occupational safety and health risk to their supervisor immediately and can do so without fear of retaliation. Employees who violate safety standards, cause hazardous or dangerous conditions, or who fail to report or remedy such situations will be subject to corrective action, up to and including termination of employment. The following are general safety guidelines we must all follow:

- Report all injuries or accidents to management immediately, regardless of severity.
- Report any unsafe conditions to your supervisor immediately.
- Report all fires or fire hazards immediately.
- Learn the location of fire alarm boxes, and your own duties in case of fire.
- Recognize hazards that may be around you, and take pre-cautions to assure the safety of yourself and others.
- Keep exit doors and fire extinguishers free of obstacles and obstructions at all times.
- Obey all safety rules and regulations at all times.
- Make use of safety equipment, i.e., seat belts, at all times.
- Actively participate and cooperate in the Safety Committee and Accident Prevention Program.
- No pets or animals of any kind are permitted in the workplace, unless such animal is needed to assist an individual with a disability.
- Keep a neat and orderly workplace.
- Always observe all posted speed limits.

Reporting Requirements

All job-related accidents, illnesses, and requests for immediate medical treatment, no matter how minor, must be reported immediately to your supervisor. If a doctor or ambulance is required, your supervisor must be notified immediately so he or she can make the necessary contacts. Employees must make the necessary emergency contacts if a supervisor is not available.

The supervisor and/or the Safety Specialist must be notified of all accidents regardless of how insignificant. Accident reports must be completed immediately or within 24 hours and describe how the accident occurred, the names of those involved, and all witnesses to the accident. Such reports are necessary to comply with the law and initiate insurance and Workers' Compensation applications.

Fire Safety

All fires, no matter how small, should be reported immediately to the Fire Department, your supervisor, and/or the Safety Specialist. If possible, the Fire Department should be notified via Company fire detection equipment. Employees must make the necessary emergency contacts if a supervisor is not available.

Vehicular Accidents

All vehicular accidents, regardless of the severity, location, or fault, must be immediately reported to a supervisor and local police. Failure to immediately notify your supervisor and the police of an accident could result in termination of employment. If an employee is involved in two or more vehicle or industrial accidents during a 24-month period, his or her safety record will be reviewed, and based on the results, the employee may be subjected to corrective action, up to and including termination.

BEREAVEMENT LEAVE

Benefit Programs and Leave Policies

Policy no. HR-4.1

October 2016

In the event of the death of an immediate family member, the Company provides up to five consecutive days of paid bereavement leave to eligible employees. Bereavement leave is provided to all regular full-time and regular part-time employees upon the death of a family member as follows:

Employees are eligible immediately upon hire for five continuous days for the death of an immediate family member. Members of the immediate family include spouses, domestic partners, parents, children, step-children and step-parents.

Employees are eligible immediately upon hire for three continuous days to attend the funeral of siblings, grandparents, grandchildren, child's spouse, spouse's parents or spouse's sibling.

Employees are eligible immediately upon hire for one day to attend the funeral of aunts and uncles.

The Company may require proof of death before bereavement leave is granted. Bereavement pay is calculated based on an employee's pay rate at the time of absence for bereavement, and does not include special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

**CONSOLIDATED OMNIBUS BUDGET
RECONCILIATION ACT (COBRA)**

Benefit Programs and Leave Policies

Policy no. HR-4.2

October 2016

Continuing Coverage under COBRA

Federal legislation (COBRA) requires that the Company offer continuing coverage at group insurance rates to employees who lose access to Company medical, dental, and/or healthcare spending plan(s) as a result of a certain qualifying event(s). The Human Resources Representative and/or Cobra Administrator will notify qualified employees in writing of this right within 31 days of the qualifying event(s). To qualify under COBRA, an employee and any eligible dependents must:

- Be enrolled in the Company medical plan, dental plan, and/or healthcare spending account;
AND
- Have lost coverage due to a Qualifying Event.

A qualifying event is defined as one or more of the following:

- Employment termination, either voluntary or involuntary.
- Reduction in hours to less than thirty hours per week.
- Divorce or legal separation.
- Loss of dependent status.
- Death.

It is important to note that an employee terminated for gross misconduct may not be eligible for continuing coverage under COBRA. However, his or her eligible dependents may be. Only the Corporate Director of Human Resources may make the determination of Gross Misconduct, and will notify the Benefits Coordinator accordingly. Each covered dependent has the opportunity to continue coverage on an individual basis. For example, if the employee, his spouse, and two children were enrolled in our medical plan, the employee may elect to continue coverage for himself only, his spouse only, one of the two children, the spouse and one child, or whatever the case may be. The employee may continue coverage only in those plans in which he or she was enrolled in at the time of his or her Qualifying Event. For example, if the employee had only medical coverage, then he or she would only be able to continue medical coverage. If he or she had medical and dental coverage, both may be continued. Only during open enrollment does a former employee who is covered under COBRA have the opportunity to change plans or enroll in new coverage.

COMPANY HOLIDAYS

Benefit Programs and Leave Policies

Policy no. HR-4.3

October 2016

The Company provides paid holidays that are determined based upon your location. Please see your Human Resources Representative for a copy of the Holiday Schedule or you can obtain a copy through the Company Portal.

To be eligible for holiday pay, employees must work the last scheduled day immediately preceding and the first scheduled day immediately following the holiday, unless the day before or after is also an approved day off. If a recognized holiday falls during an eligible employee's paid absence such as during vacation, the employee will be granted one additional day off. Employees classified as non-exempt who must work on a holiday will be compensated at one-and-one-half times the regular pay rate for the hours they work on that holiday. In addition, they are eligible for a day off at a later date. Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

DENTAL BENEFITS

Benefit Programs and Leave Policies

Policy no. HR-4.4

October 2016

The dental plan is designed to encourage good dental health through regular checkups and preventive dentistry by covering preventive and diagnostic services. Your plan will also assist you in meeting major dental expenses when they occur.

Regular full-time and regular part-time employees scheduled to work thirty (30) or more hours per week throughout the year are eligible to enroll in the plan. If elected, coverage begins the first of the month after 30 days of employment.

Further details regarding the dental plan can be found in the Summary Plan Description.

EMPLOYEE ASSISTANCE PROGRAM

Benefit Programs and Leave Policies

Policy no. HR-4.5

October 2016

The Company offers all full-time and part-time employees an Employee Assistance Program to assist employees and their families when confronted with difficult personal problems (such as family problems, substance abuse, stress, anxiety, legal and financial problems). Employees and family members can refer themselves to the EAP.

The EAP provides a professional and confidential consultation and referral service. Employees can call the EAP number directly to set up a confidential meeting with a counselor. The program is available 24 hours a day.

When an employee's job performance is unsatisfactory, depending upon the situation, the supervisor may refer the employee to EAP for guidance. There may also be situations where continued employment at the Company will be contingent upon the employee contacting the EAP for assistance.

Employees can learn more about the services of EAP by speaking with their supervisor or Human Resources.

FAMILY AND MEDICAL LEAVE (FML)

Benefit Programs and Leave Policies

Policy no. HR-4.6

January 2018

The Company will grant Family and Medical Leave in accordance with the requirements of applicable state and federal law in effect at the time the leave is granted. Although the federal and state laws sometimes have different names, the Company refers to these types of leaves collectively as “Family and Medical Leave” or “FMLA Leave.” In certain situations, the federal law requires that provisions of state law apply. In any case, employees will be eligible for the most generous benefits available under applicable law.

Eligibility

To be eligible for Family and Medical Leave benefits under federal law, you must: (1) have worked with the Company for a total of at least 12 months; (2) have worked at least 1,250 hours over the previous 12 months as of the start of the leave; and (3) work at a worksite where at least 50 employees are employed by the Company within 75 miles, as of the date the leave is requested.

Reasons for Leave

State and federal laws allow Family and Medical Leave for various reasons. Because an employee’s rights and obligations may vary depending upon the reason for the leave, it is important to identify the purpose or reason for the leave. Family and Medical Leave may be used for one of the following reasons:

- 1) The birth, adoption, or foster care of an employee’s child within 12 months following the birth or placement of the child (“Bonding Leave”);
- 2) To care for an immediate family member (spouse, child, or parent) with a serious health condition (“Family Care Leave”);
- 3) An employee’s inability to work because of a serious health condition (“Serious Health Condition Leave”);
- 4) A “qualifying exigency,” as defined under the FMLA, for military operations arising out of a spouse’s, child’s, or parent’s active duty or call to active duty as a member of the U.S. Armed Forces that require deployment to a foreign country. (“Military Emergency Leave”) “Qualifying exigencies” may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post deployment reintegration briefings. Eligible employees who request qualifying exigency leave to spend time with a military member on Rest and Recuperation leave may take up to 15 days of leave. Eligible employees may take leave to care for a military member’s parent who is incapable of self-care when the care is necessitated by the member’s covered active duty. Such care may include arranging for alternative care, providing care on an immediate need basis, admitting or transferring the parent to a care facility, or attending meetings with staff at a care facility; or

- 5) To care for a spouse, child, parent, or next of kin (as defined under the FMLA)—who is an Armed Forces member (including the military reserves and National Guard) undergoing medical treatment, recuperation, or therapy, is otherwise in an outpatient status, or is otherwise on the temporary disability retired list—with a serious injury or illness incurred in the line of duty while on active duty that may render the individual medically unfit to perform his or her military duties (“Military Caregiver Leave”). Military Caregiver Leave is also available to care for a spouse, child, parent, or next of kin who is a veteran member of the Armed Forces within the five years preceding the need for the family member’s treatment.

Length of Leave

The maximum amount of FMLA Leave will be twelve (12) workweeks in any rolling 12-month period when the leave is taken for: (1) Bonding Leave; (2) Family Care Leave; (3) Serious Health Condition Leave; and/or (4) Military Emergency Leave. However, if both spouses work for the Company and are eligible for FMLA Leave under this policy, the spouses are permitted to take a combined maximum of twelve weeks of FMLA Leave during any 12-month period when the leave is for Bonding Leave or to care for a parent using Family Care Leave. A 12-month period begins on the date of your first use of FMLA Leave. Successive 12-month periods commence on the date of your first use of such leave after the preceding 12-month period has ended.

The maximum amount of FMLA Leave for an employee wishing to take Military Caregiver Leave will be a combined leave total of twenty-six (26) workweeks in a single rolling 12-month period. A "single 12-month period" begins on the date of your first use of such leave and ends 12 months after that date.

EXAMPLE: You take 16 workweeks off to care for a spouse, child, parent or next of kin under the Military Caregiver Leave provision of this policy. Later, in that same 12-month period, you wish to take time off from work to bond with a newly adopted child. Because the law allows up to 26 workweeks off in a 12-month period for Military Caregiver Leave or a combination of Military Caregiver Leave and other types of FMLA Leave, you will be allowed to take up to 10 workweeks off to bond with the new child in that same 12-month period so long as you otherwise qualify for FMLA Leave.

If both spouses work for the Company and are eligible for leave under this policy, the spouses will be limited to a total of 26 workweeks off between the two when the leave is for Military Caregiver Leave only or is for a combination of Military Caregiver Leave, Military Emergency Leave, Bonding Leave and/or Family Care Leave.

Under some circumstances, you may take FMLA Leave intermittently—which means taking leave in blocks of time, or by reducing your normal weekly or daily work schedule. Intermittent leave may not be used for the birth, adoption or foster care placement of a child or for aftercare of the newborn or newly placed child. An eligible employee requesting intermittent leave may be required to transfer temporarily to an alternative position of equivalent pay and benefits which better accommodates intermittent leave.



To the extent required by law, some extensions to FMLA Leave may be granted when the leave is necessitated by an employee's work-related injury/illness or a "disability" as defined under the Americans with Disabilities Act and/or applicable state or local law. Certain restrictions on these benefits may apply.

Employees should also review the New York Paid Family Leave Insurance Benefits policy for more information regarding family leave. All leave under the New York Paid Family Leave policy shall run concurrently with FMLA, to the extent applicable.

Family and Medical Leave Request Procedure

All employees seeking Family and Medical Leave (which includes Military Emergency Leave and Military Caregiver Leave) must submit a written request to their supervisor stating the reason for the leave and the expected beginning and ending date. Forms are available in the Human Resources Department. In the event of a medical emergency, Family and Medical Leave may be requested as soon as reasonably possible by either the employee or a responsible family member if the employee is unable to make the request themselves, provided the employee submits a written leave-of-absence request as soon as he or she is able.

(i) Bonding, Family Care, Serious Health Condition, and Military Caregiver Leave Requirements

An employee seeking Bonding, Family Care, Serious Health Condition, and Military Caregiver Leave may be required to provide:

- 1) 30-day advance notice when the need for the leave is foreseeable (such as an expected birth or adoption of a child or for planned medical treatment);
- 2) advance notice within one or two business days after learning of the need for leave when the leave is not foreseeable;
- 3) when the leave relates to medical issues, a completed Certification of Health-Care Provider form within 15 calendar days (these forms are available in the Human Resources Department);
- 4) periodic recertification and/or periodic reports during the leave.

At the Company's expense, the Company may also require a second or third medical opinion regarding your own serious health condition. Employees are expected to cooperate with the Company in obtaining additional medical opinions that the Company may require.

When leave is for planned medical treatment, you must try to schedule treatment so as not to unduly disrupt the Company's operation. Please contact Human Resources prior to scheduling planned medical treatment.

For Military Caregiver Leave, Employees must provide documentation of the family member's or next-of-kin's injury, recovery or need for care. This documentation may be a copy of the military medical information, orders for treatment, or other official Armed Forces communication pertaining to the service member's injury or illness incurred on active military duty that renders



the member medically unfit to perform his or military duties. Medical certification may also be obtained from a health care provider who is not affiliated with the military, but in that case the Company may request a second (or third) medical opinion.

(ii) *Military Emergency Leave Requirements*

Employees seeking to use Military Emergency Leave must provide the Company with as much notice of the need for leave as is reasonable and practicable under the circumstances. Employees are required to provide proof of the qualifying family member's call-up or active military service. The employee must provide the Company with a copy of the covered military member's active duty orders when the employee requests leave.

Employees may also be required to provide:

- 1) a description, signed by the employee, describing facts supporting the leave request and attaching any available documentation to show the need for the time away from work;
- 2) the approximate date the qualifying exigency commenced or will commence;
- 3) the beginning and ending dates for the absence, if the leave request is for a single period of time;
- 4) an estimate of the frequency and duration of the qualifying exigency, if the leave request is on an intermittent or reduced schedule basis; and
- 5) contact information for the third party or entity and a brief description of the purpose of the meeting, if the exigency involves a meeting with a third party or entity.

Absent unusual circumstances, certification of the need for leave must be provided to the Company within 15 calendar days of the Company's request for certification.

(iii) *Failure to Provide Certification and to Return from Leave*

Absent unusual circumstances, failure to comply with these notice and certification requirements may result in a delay or denial of the leave. If you fail to return to work at your leave's expiration and have not obtained an extension of the leave, the Company may presume that you do not plan to return to work and have voluntarily terminated your employment.

Pay Status

Although Family Medical Leaves are unpaid, the Company requires an employee to utilize, concurrently with the FMLA Leave, any and all paid leave available, such as vacation, sick leave, workers' compensation benefits, or short-term disability pay. If such benefits are not available, the granted Family and Medical Leave will be unpaid.

Benefits Status

Vacation benefits and sick leave time do not continue to accrue during Family and Medical Leave. The Company will continue to make its normal contributions to health insurance premiums for an



employee on Family and Medical Leave in the same manner as it did when the employee was present at work. For paid portions of a Family and Medical Leave, the employee's portion of the premium payments will be deducted. During periods of unpaid FMLA Leave, the employee must submit a payment each month for their portion of benefit premium payments in order for benefits to continue. In some instances, the Company may recover premiums it paid to maintain health coverage in the event the employee fails to return to work after the leave ends.

Returning From Family and Medical Leave

An employee returning to work after the expiration date of a Family Medical Leave will be reinstated to the same or an equivalent position with the same pay and benefits. However, you have no greater right to reinstatement than if you had been continuously employed rather than on leave. For example, if you would have been laid off had you not gone on leave, or if your position has been eliminated during the leave, then you will not be entitled to reinstatement. "Key employees," as defined by law, may be subject to reinstatement limitations in some circumstances. If you are a "key employee," you will be notified of the possible limitations on reinstatement at the time you request a leave.

Prior to being allowed to return to work, an employee returning from Serious Health Condition Leave must provide medical certification from a health care provider that certifies the employee can perform the essential functions of the job as those functions relate to the employee's serious health condition.

The employee must advise his or her supervisor immediately in writing if at any time during a leave it is determined that he or she will not return to work on the expiration of Family and Medical Leave.

Medical Certificates and the Exclusion of Genetic Information

To comply with the policies in this Handbook regarding leave and other employment accommodations, employees may need to provide the Company with certain medical information regarding the need for leave or accommodation. When an employee provides this information, the Company requests that the employee refrain from providing the Company with any genetic information regarding the employee or his or her family members. Genetic information includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

FLEXIBLE SPENDING ACCOUNTS

Benefit Programs and Leave Policies

Policy no. HR-4.7

October 2016

Health Care Spending Account (HCSA)

This program allows you to contribute up to \$2,650 in before-tax dollars each year into a Health Care Spending Account to pay for eligible, non-reimbursed health-care expenses. If you are enrolled in either one of our medical plans, expenses will automatically be submitted to the insurance carrier for processing. For any other non-reimbursed expense, submit a Spending Account Claim Form.

Dependent Care Spending Account (DCSA)

The Dependent Care Spending Account works like the Health Care Spending Account. Employees can contribute from up to \$5,000 before-tax each year to pay for the care of eligible dependents, such as day-care expenses, babysitters, elder care, etc.

For the Dependent Care Account, an eligible “dependent” may be a:

- Child younger than age 13
- Disabled spouse, or
- Dependent of any age (including a parent) residing in your home who is physically or mentally incapable of self-care and dependent on you for at least 50% of his or her financial support.

To be reimbursed, submit a Spending Account Claim form for your eligible expenses along with a proof of payment. You must provide the name, social security number or tax identification number of the care provider.

Regular full-time and regular part-time employees scheduled to work thirty (30) or more hours per week throughout the year are eligible to contribute. If elected, you may contribute to HCSA and/or DCSA the first of the month following your date of hire.

Further details regarding the Health Care and Dependent Care Spending Accounts can be found in the Summary Plan Description.

JURY DUTY

Benefit Programs and Leave Policies

Policy no. HR-4.8

October 2016

The Company will grant all employees time off for mandatory jury duty as required by applicable law. All regular full-time and part-time employees who have completed a minimum of ninety calendar days of service are eligible for paid leave in order to fulfill court-mandated jury duty obligations and may request up to two weeks of paid jury duty leave, during any twelve-month period, off-set by any pay received from the court.

Jury duty pay will be calculated based on the employee's pay rate multiplied by the number of hours the employee would otherwise have worked on the day of absence.

Employees who are required to serve jury duty beyond a period of two weeks may use any available paid time off, such as unused vacation time, or may request an unpaid leave-of-absence, subject to supervisory approval.

The Company or the employee may request that he or she be excused from jury duty if such absence would create operational difficulties, when this does not conflict with the judgment of the Court. Employees who request an unpaid leave-of-absence for jury duty must present their summons to their supervisor as soon as possible so the supervisor can reassign work during the absence. Employees are expected to report for work whenever the Court schedule permits.

Company health insurance benefits will remain in force during the full term of an employee's jury duty absence, subject to the employee maintaining their monthly premium contribution, where required. Vacation, sick leave, and holiday benefits will continue to accrue during both paid and unpaid jury duty leave.

The Company will not penalize, threaten or coerce any employee, nor will it tolerate retaliation, against any Employee who is required to attend Court for jury service.

LIFE INSURANCE

Benefit Programs and Leave Policies

Policy no. HR-4.9

October 2016

The provisions of the following plans, including eligibility and benefits provisions, are summarized in the Summary Plan Descriptions ("SPDs") for the plans which can be obtained from the Human Resources Department. In the determination of benefits or other matters under each plan, the terms of the official plan documents shall govern over the language of any descriptions of the plans, including the SPDs.

Basic Life

Employees automatically receive basic life insurance equal to twice an employees annual salary, with a maximum of \$200,000 (subject to reductions at age 70 & 75).

Accidental Death & Dismemberment (AD&D)

Employees automatically receive AD&D in the same amount as basic life insurance.

Regular full-time and regular part-time employees scheduled to work thirty (30) or more hours per week throughout the year receive Company paid basic life and AD&D insurance. Coverage is effective from the date of hire.

Further details regarding the Basic Life and AD&D can be found in the Summary Plan Description.

Optional Life Insurance

Additional life insurance may be purchased for the employee and their eligible dependents. Coverage requested at time of hire may or may not require and Evidence of Insurability application, depending on the amount of coverage chosen. All requests for coverage **not** elected during the time of hire will require the employee or spouse to complete an Evidence of Insurability application. The application will be submitted to the carrier for review to determine eligibility. All coverage for children are automatically approved and do not require carrier approval.

Regular full-time and regular part-time employees scheduled to work thirty (30) or more hours per week throughout the year are eligible to purchase optional life insurance.

Further details regarding the Optional Life insurance plan can be found in the Summary Plan Description.

LONG TERM DISABILITY (LTD)

Benefit Programs and Leave Policies

Policy no. HR-4.10

October 2016

Employees automatically receive Long Term Disability coverage. You are eligible for LTD Coverage after one month from your date of hire and you are not required to provide evidence of good health.

If you are disabled and unable to work for more than 90 days, the Long Term Disability Plan replaces a portion of your lost earnings.

Long Term Disability benefits begin after 90 days of partial or total disability.

Benefit amounts are:

- 60% of your basic monthly earnings- less disability income from social security and other sources
- Maximum benefit equals up to \$6,000 monthly

Regular full-time and regular part-time employees scheduled to work thirty (30) or more hours per week throughout the year are eligible for coverage after one month of employment.

Further details regarding the Long Term Disability Plan can be found in the Summary Plan Description.

MEDICAL BENEFITS

Benefit Programs and Leave Policies

Policy no. HR-4.11

October 2016

Empire Merchants North, LLC provides employees with a medical plan to help assist you in meeting major medical expenses when they occur.

Regular full-time and regular part-time employees scheduled to work thirty (30) or more hours per week throughout the year are eligible to enroll in the plan. If elected, coverage begins on the first of the month after 30 days of employment.

As part of your medical coverage, the plan provides insurance coverage for prescription drugs to eligible employees and their dependents.

You may also take advantage of our Mail Order Drug program if you or your covered dependent uses maintenance prescription drugs. Maintenance drugs are those you take on an on-going basis, typically for more than 90 days for conditions such as high blood pressure, diabetes, etc.

Vision care is covered under the Empire Blue Cross Blue Shield medical plans and provides services that are received from an approved ophthalmologist, optometrist and opticians.

Further details regarding the medical plan can be found in the Summary Plan Description.

MILITARY LEAVE

Benefit Programs and Leave Policies

Policy no. HR-4.12

October 2016

The Company will grant leaves of absence to fulfill military obligations to employees who are members of the United States Uniformed Services, and reemployment rights following their separation from service, in accordance with state and federal law.

Employees requiring military leave must provide their supervisor with advanced notice, unless this is impossible or precluded by military necessity. Members of the National Guard or Reserve components of the armed forces will be granted leave to attend annual training exercises and periodic drills. Employees on such leave are paid the difference between their military pay and regular pay, less a travel allowance. The supplementary military leave pay provision will extend for a maximum period of two weeks for every twelve-month period. If the required military leave is more than two weeks in length during a twelve-month period, the employee may apply accrued vacation time. Company benefits for all employees will continue during military leave.

Employees who enlist or are called to active duty in the United States Uniformed Services (including the military reserves) are entitled to re-employment pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), provided that:

- A timely notice of your intention to return to work is received by the Company;
- Applicable active duty service does not exceed five years;
- The employee's separation from service was under honorable conditions; and
- Re-employment would not create an undue hardship for the Company.

Employees returning to work or applying for re-employment must do so within the following time frames:

Service Length	Return Date
1 - 30 days	The first scheduled workday eight hours after the employee's return home
31 - 180 days	Within fourteen days after completion of service
181 + days	Within ninety days after completion of service.

Employees who resign from the Company for active duty military service will not receive pay or accrue vacation or sick leave during periods of such service. Healthcare benefits may be continued, at the employee's expense, for up to eighteen months after an active duty absence begins, in accordance with COBRA. Upon re-employment, periods of military service are considered service with the Company for purposes of vesting or accruing benefits in the Company-sponsored pension or retirement plan, reinstatement of healthcare benefits, and any other right or benefit that is determined by the employee's length of service.

The Company will also comply with any applicable state requirements regarding military leave.

OUTSIDE EMPLOYMENT DURING LEAVES

Benefit Programs and Leave Policies

Policy no. HR-4.13

October 2016

Employees who are on an approved leave of absence are not permitted to engage in outside employment or supplemental employment, absent written approval by the Human Resources Department. Violation of this policy could result in the loss of both Family and Medical Leave job restoration rights and maintenance of insurance benefit provisions. It could also be cause for termination.

PAID TIME OFF (PTO)

Benefit Programs and Leave Policies

Policy no. HR-4.14

October 2016

Empire Merchants North, LLC (EMN) recognizes that employees have diverse needs for time off from work (e.g. for illness, caring for children, school activities, medical/dental appointments, leave, personal business or emergencies). The company wants to provide you with the flexibility to meet those needs.

EMN provides regular full-time employees scheduled to work forty (40) or more hours per week with eighty (80) hours of Paid Time Off (PTO), per year. *New Hires see chart below. The minimum amount of PTO you can use at one time depends on whether you are an exempt or a non-exempt employee. If you are non-exempt, you may not take less than one hour off at a time. If you are an exempt employee you must take PTO in increments of not less than one-half day.

You are required to provide your supervisor with reasonable advance notice (no less than two days) 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 personally contact your supervisor a minimum of two hours before your regularly scheduled reporting time. If your supervisor is not available, you may leave a message on their voicemail, but must follow-up with a return call to confirm that they received the message. If your supervisor is unavailable, you may leave a message with the Human Resources Department. Any absence of three or more days due to illness will require written return-to-work documentation from a doctor and the supervisor must notify Human Resources.

Employees, who as a result of an accident and/or illness are unable to work for an extended period of time, may be covered by our short term disability plan or worker's compensation benefits. Employees are required to use available PTO as part of their short term disability five day waiting period. For related benefits, please refer to the **Short Term Disability (policy 4.16)**, **Worker's Compensation (policy 4.20)** benefits and the **Family and Medical Leave (policy 4.6)** policies elsewhere in the handbook.

PTO must be used in the calendar year it is provided; there is no carryover from year to year. Unused PTO time **will not** be paid at the end of the year, on termination of employment, nor can PTO be used once notice of termination of employment or retirement has been given.

A new employee's PTO is prorated (see below), depending on their date of hire and the end of their 90-day introductory period. (i.e. Employee hired on July 13th is eligible for 20 hours of PTO on October 13th.) :

New Hire Paid Time Off (PTO) Eligibility Schedule

Hire Month	Eligible Month	PTO Hours Provided	Hire Month	Eligible Month	PTO Hours Provided
Jan	Apr	60	Jul	Oct	20
Feb	May	53	Aug	Nov	13
Mar	Jun	47	Sep	Dec	7
Apr	Jul	40	Oct	Jan	80
May	Aug	33	Nov	Feb	73
Jun	Sep	27	Dec	Mar	67

PERSONAL LEAVE OF ABSENCE

Benefit Programs and Leave Policies

Policy no. HR-4.15

October 2016

The Company may provide leaves of absence without pay to eligible employees who wish to take time off from work duties to fulfill personal obligations. Eligible employees must have completed ninety calendar days of service to qualify for personal leave. Only regular full-time employees and regular part-time employees are eligible to request personal leave. As soon as eligible employees become aware of the need for a personal leave of absence, they should inform their supervisor of the requested dates in writing.

Requests for personal leave will be evaluated on a number of factors, including anticipated workload, staffing requirements, duration of requested leave, and the employee's overall performance and tenure with the Company.

A personal leave may be granted for a period of up to thirty calendar days during a twelve-month period. If additional time is needed, consideration will be given in response to a written request for a single extension, not to exceed an additional thirty calendar days. Any available vacation and/or sick days must be exhausted before an employee is eligible for a leave without pay, and if available, will run concurrently with the leave period until it is exhausted. Vacation and sick leave accruals and holiday benefits are suspended during personal leave, and will resume upon return to active employment.

An employee on an approved leave pursuant to this policy (as opposed to, for example, federal and/or state Family Medical Leave) is not guaranteed reinstatement to any position at the Company when he or she returns to work. Instead, it may be necessary to fill the position of an employee on leave due to work requirements. When the employee is able to return to work, the Company will attempt to reinstate the employee to his or her former position. If that position is unavailable, the Company will attempt to place the employee in a comparable position for which he or she is qualified. If an employee fails to report to work promptly at the expiration of an approved leave period without adequate notification, the Company will assume the employee has voluntarily resigned. Subject to the terms, conditions, and limitations of the applicable plans, health insurance benefits will be provided by the Company through the end of the month in which the approved personal leave begins. At that time, employees will become responsible for the full cost of these benefits, if they wish to continue health insurance coverage under (COBRA). When the employee returns from personal leave, benefits will be reinstated to the appropriate level depending on what position the employee occupies upon return to the Company.

SHORT TERM DISABILITY (STD)

Benefit Programs and Leave Policies

Policy no. HR-4.16

October 2016

Full and part time employees regularly scheduled to work thirty or more hours per week are eligible for Company-sponsored short term disability coverage on the first of the month following ninety days of employment, unless covered by a collective bargaining agreement. Eligible employees who qualify for this benefit at the time of disability may continue to receive STD income, if medically justified for a period of up to thirteen weeks.

The amount and duration of benefits payable is subject to a five day waiting period and is determined based on the number of years of service the employee has completed, as follows:

Maximum Pay Allowance Per Calendar Year

<u>Length of Service</u>	<u>At Full Pay</u>	<u>At 60% Pay</u>
1 month-less than 6 months	None	None
6 months-less than 1 year	1 week	None
1 year-less than 3 years	2 weeks	11 weeks
3 years-less than 5 years	3 weeks	10 weeks
5 years-less than 10 years	4 weeks	9 weeks
10 years-less than 15 years	6 weeks	7 weeks
15 years or more	8 weeks	5 weeks

Short-term disability leaves run concurrently with the Family Medical Leave Act (FMLA). If the employee meets eligibility for Family Medical Leave, any available sick days followed by vacation time must be used during the employee's five day waiting period. If an employee becomes disabled during a scheduled vacation or Company holiday, the first day the employee is considered disabled is the day the employee was originally scheduled to return to work. Employees who have put in a resignation date or a retirement date and become disabled prior to their last day of employment, will be eligible for Company paid short term disability benefits through the date of the planned separation date.

Vacation and Holiday

An employee out on a leave of absence for more than 30 days will not accrue vacation benefits for the remainder of the leave.

An employee out on an approved disability is not entitled to be paid for any Company approved holidays during the disability period.

Continued Benefits Coverage during Disability

The Company will maintain coverage for you and your eligible dependents for the benefit plan(s) in which you are enrolled during the time you are on short-term disability leave. Therefore, premiums will continue to be deducted from your short-term disability check. This includes deductions for the following:

- Medical Insurance
- Dental Insurance
- Life, Optional Life, or Dependent Life Insurance
- Flexible Spending Account
- Dependent Day Care Spending Account
- 401(k)
- Other legally required deductions

Returning to Work After Disability

In order to return to work, you must provide your supervisor with a written certification of fitness for duty from your attending physician which indicates the date you are able to resume working with or without restrictions. If the conditions of your leave change, causing you to be unable to return to work on the date you originally anticipated, you must notify your supervisor and your Human Resources Representative in writing immediately upon learning of the need for additional disability leave. Failure to return to work without an approved extension will be considered a voluntary resignation.

An employee who returns to work with a disability may have the right to certain accommodations under the Americans with Disabilities Act (ADA) guidelines. Please consult with the Human Resources Department to ensure that you comply with the regulations.

TIME OFF TO VOTE

Benefit Programs and Leave Policies

Policy no. HR-4.17

October 2016

The Company encourages employees to fulfill their civic responsibilities by voting in elections. Generally, employees should be able to find time to vote either before or after their regular work schedule. If employees do not have 2 hours of continuous off-duty voting time between either polls opening and work start time or work end time and polls closing (or 4 hours for Corporate employees based in New York), the Company will grant up to two hours of paid time off to allow them to vote. However, employees should request time off to vote from their supervisor at least two working days prior to Election Day. Advanced notice is required so the necessary time off can be scheduled at the beginning or end of the work shift to provide the least amount of disruption in the normal working schedule.

VACATION BENEFITS

Benefit Programs and Leave Policies

Policy no. HR-4.18

October 2016

Vacation leave with pay is provided to regular full-time employees and part-time employees who are scheduled to work a minimum of thirty hours throughout the year. Since the Company believes it is important for employees to use their vacation time each year, unused vacation time cannot be rolled over to the next year, and pay will not be provided in lieu of unused vacation time.

All employees will take the industry shutdown periods as vacation, except those employees who are assigned to work during the shutdown by the Company. Employees who work the shutdown period may select alternate times to take their eligible vacation provided scheduling permits. Every effort will be made to accommodate the vacation wishes of those employees who work during a shutdown period. Vacation shutdown will be posted on a yearly basis.

Vacation Eligibility

Employees are eligible for vacation time based on length of service and will earn vacation benefits according to the following schedule:

Length of Service		Number of Vacation Weeks
6 months up to 1 year		1 week
1 through 5 years		2 weeks
6 through 14 years		3 weeks
15 or more years		4 weeks

Employees are eligible to utilize their full vacation entitlement each year beginning January 1. However, should the employee use their full vacation and separate from the Company before the vacation entitlement has been fully earned, the employee may be required to pay back vacation time taken but not yet earned.

The employee will receive 3 weeks of vacation entitlement at the beginning of the year in which the employee will complete six years of service with the Company.

The employee will receive 4 weeks of vacation entitlement at the beginning of the year in which the employee will complete fifteen years of service with the Company.

Newly Hired Employees

Although newly hired employees will accrue vacation benefits from their first day of employment, they will not be eligible to take time off and receive vacation benefits until they have completed six months of continuous service.

Scheduling and Tracking of Vacation Time

All vacation requests must be submitted and approved in advance by the employee's immediate supervisor and can be taken in minimum of four hour increments. Vacation requests are reviewed and approved based on a number of factors including business needs, workload and staffing requirements. The employee's immediate supervisor is responsible for tracking vacation time taken.

Vacation Payments

The amount of vacation pay shall be computed from the employee's base salary in effect as of the first day of the vacation period.

Employees on Leave of Absence

An employee out on a leave of absence for more than 30 days will not accrue vacation benefits for the remainder of the leave.

Terminated Employees

An employee whose employment with the Company terminates will be paid for vacation time earned but not yet taken during the current calendar year. If the employee has utilized their full vacation entitlement for the calendar year, he/she may be required to pay back vacation time taken, but not yet earned, in accordance with applicable law.

Rehired Employees

An eligible employee who leaves the Company and is later rehired may receive credit for prior service to the Company for calculating vacation benefits, provided that:

1. The break in service does not exceed the length of prior service.
2. Their prior service was in a job classification that meets the eligibility criteria of this policy.

WITNESS DUTY

Benefit Programs and Leave Policies

Policy no. HR-4.19

October 2016

The Company encourages employees to appear in court for witness duty when subpoenaed to do so. Employees who are subpoenaed as witnesses by the Company or another party are eligible for unpaid time off for up to two weeks of absence from work on approved witness duty. However, employees may use any available paid leave, e.g., vacation time, in order to allow them to receive compensation during this period of absence. Employees who are subpoenaed to appear as a witness must submit the subpoena to their supervisor immediately after it is received so operating requirements can be adjusted to accommodate the employee's absence. Employees are expected to report for work whenever the court schedule permits.

WORKERS COMPENSATION INSURANCE

Benefit Programs and Leave Policies

Policy no. HR-4.20

October 2016

The Company provides a comprehensive Workers' Compensation insurance program at no cost to employees. The program covers injuries or illnesses sustained in the course of employment which require medical, surgical, or hospital treatment. Subject to applicable legal requirements, Workers' Compensation insurance provides benefits after a short waiting period, or immediately if the employee is hospitalized.

Employees who sustain work-related injuries or illnesses must inform their supervisor immediately, no matter how minor an on-the-job injury appears. This will enable an eligible employee to qualify for coverage. Workers' Compensation absences run concurrently with eligible Family Medical Leave or state Family Medical Leave time.

In the event that you are authorized to return to work for light duty during a Workers' Compensation-related absence, you must comply with this request, if light duty is available. Failure to return to work promptly and as directed will result in corrective action, up to and including termination.

NEW YORK PAID FAMILY LEAVE INSURANCE BENEFITS Benefit Programs and Leave Policies

Policy no. HR-4.21

January 2018

Employees who have worked for the Company for 26 or more consecutive weeks (or part-time employees who have worked for 175 days) may be eligible for Paid Family Leave Insurance benefits for the following purposes:

- to participate in providing care, including physical or psychological care, for a family member of the employee made necessary by a serious health condition of the family member; or
- to bond with the employee's child during the first 12 months after the child's birth, or the first 12 months after the placement of the child for adoption or foster care with the employee; or
- because of any qualifying exigency as interpreted under the federal Family and Medical Leave Act arising out of the fact that the spouse, domestic partner, child, or parent of the employee is on active duty (or has been notified of an impending call or order to active duty) in the U.S. Armed Forces.

Employees may be entitled to up to 12 weeks of Paid Family Leave Insurance benefits, in accordance with applicable law. All benefits received under this policy will run concurrently with benefits received under the Company's Paid Time Off (PTO), Vacation and or Sick Time policies. In no instance may employees receive more than 100% of their regular pay while receiving New York Paid Family Leave benefits and paid time off benefits. Paid Family Leave Insurance benefits also run concurrently with protected leave taken under the federal Family and Medical Leave Act, where applicable. For information about these benefits, please contact the Human Resources Department.

NON-EXEMPT TRAVEL TIME

Pay Administration

Policy no. HR-5.1

October 2016

Employees in positions classified as non-exempt under the Fair Labor Standards Act are eligible for compensation for the time they spend traveling. The compensation an employee receives depends upon the kind of travel and whether the travel time takes place within normal work hours or outside of normal work hours.

“Normal work hours,” for the purposes of this policy, are defined as 8:00 a.m. to 5:00 p.m. This definition applies to normal workdays (Monday through Friday) and to weekends (Saturday and Sunday).

Travel Time Defined

“Travel time” includes the time the employee arrives at the airport/train station to the time the employee reaches his/her destination. If an employee is traveling to a location, then the destination is either the hotel or the work site (if the employee travels directly from the airport/train station to the work site). If the employee is returning home from a location, the destination is the airport/train station of final arrival.

Travel between home and work or between the hotel and worksite is considered normal commuting time and is not eligible for compensation.

Travel Time Within Normal Work Hours

Any portion of authorized travel time that takes place within normal work hours (defined as 8:00a.m. to 5:00 p.m.) on any day of the week, including Saturday and Sunday, is treated as work hours. Travel time within normal work hours will be paid at the employee’s regular hourly rate and will be factored into overtime calculations.

When an employee travels between two or more time zones, the time zone employeeed with the point of departure should be used to determine whether the travel falls within normal work hours.

Travel Time Outside of Normal Work Hours

Any portion of authorized travel time (with the exception of driving time) that takes place outside of normal work hours is considered to be outside travel hours.

If same-day travel away from a non-exempt employee’s fixed work location exceeds the employee’s normal home-to-work commuting time, such travel time is compensable and factored into overtime calculations, regardless of whether the travel occurs during normal work hours. However, when a non-exempt employee is required to travel away from home overnight or longer, time spent in “travel away-from-home” that occurs outside of normal work hours as a passenger in an automobile, plane or any other mode of transportation, is not considered “hours worked” for purposes of calculating overtime. Notwithstanding its exclusion from overtime calculations, a



non-exempt employee will be compensated at his/her regular hourly rate for that portion of travel away-from-home that takes place outside of normal work hours.

When an employee travels between two or more time zones, the time zone employeeed with the point of departure should be used to determine whether the travel falls outside of normal work hours.

Travel Time as the Driver of an Automobile

All authorized travel time spent driving an automobile is treated as work hours regardless of whether the travel takes place within normal work hours or outside normal work hours. An employee will receive his/her regular hourly rate for all travel time spent as the driver of an automobile and this time will be factored into overtime calculations. Travel time for this purpose does not include the time spent driving an automobile to and from work and/or to and from an airport or train station.

A Special One Day Assignment in Another City

With the exception of normal commuting time, all time spent by an employee who is given a special one day assignment in another city and returns home on the same day, the time spent traveling to and returning from the other city will be considered hours worked.

Calculating and Reporting Travel Time

Employees are responsible for accurately tracking, calculating and reporting travel time using the “Non-exempt Travel Time Sheet” in accordance with this policy.

Meal periods should be deducted from all travel time.

Travel time should be calculated by rounding up to the nearest quarter hour.

Employees are required to record and to report all travel time hours. Failure of the non-exempt employee to accurately record and report time spent traveling will be considered in violation of the travel and timekeeping rules and will be subject to corrective action up to and including termination.

The supervisor is responsible for entering the travel time into the time clock system.

Procedure for Submitting Complaints

Employees with concerns or disputes regarding their time or pay are encouraged to bring these concerns to the attention of their immediate supervisor or the local Human Resources Manager. Employees are required to avail themselves of the Open Door Policy to resolve issues or disputes.

The Company will not in any way retaliate against an individual who makes a complaint regarding a wage and hour issue or any other issue. Retaliation is a serious violation of the Company's policy and anyone who feels they have been subjected to any acts of retaliation should immediately report such conduct. Any person who retaliates against another individual for reporting an issue will be subject to corrective action, up to and including discharge.

OVERTIME QUALIFICATIONS

Pay Administration

Policy no. HR-5.2

October 2016

The Fair Labor Standards Act (FLSA) outlines very specific provisions regarding the payment of overtime for hours worked in excess of forty per work week. Certain employees because of the nature of their responsibilities are “exempt” from the provisions of the FLSA, meaning they do not receive overtime pay. Employees who are subject to the overtime provisions are classified as “non-exempt”. Overtime compensation is paid to all non-exempt employees in accordance with federal and state wage-and-hour requirements. Overtime pay for non-exempt employees is based on actual hours worked. Time worked in excess of forty hours per week is paid at one-and-one-half the regular hourly wage rate. All overtime must be approved by your supervisor before the time is worked. Overtime assignments will be distributed as equitably as possible to all employees.

In accordance with the Fair Labor Standards Act (FLSA), and applicable state law, the Company does **not** count the following as time worked for the purpose of calculating overtime:

Paid Leave: Approved paid absences, including but not limited to personal leave, vacation leave, holiday leave, FMLA, military leave, jury and witness duty, funeral/bereavement leave, and voting time off are not counted as time worked.

Lunch Break: Employees have one hour designated as a lunch period. Employees are required to take a lunch break away from their work area. An employee who takes more than one hour for lunch will have the extra time deducted from their total hours worked.

Payment of time not worked: When the decision is made by the Company to close early the day before a Holiday, based upon the non-exempt employee’s normal work schedule, the employee will be compensated for time not worked for the remainder of the day.

All overtime must be approved by the employee’s supervisor before the time is worked. Non-exempt employees will be compensated for all time worked. It is the responsibility of each non-exempt employee to accurately record and report all hours worked.

All employees are required to work additional time as business demands require it. Based on the needs of the business employees may be required to work overtime. When possible, advanced notification of mandatory overtime assignments will be provided.

Failure to work scheduled overtime or overtime worked without prior authorization from the supervisor may result in corrective action, up to and including termination of employment.



Procedure for Submitting Complaints

Employees with concerns or disputes regarding their time or pay are encouraged to bring these concerns to the attention of their immediate supervisor or the local Human Resources Manager. Employees are required to avail themselves of the Company's Open Door Policy to resolve issues or disputes.

The Company will not in any way retaliate against an individual who makes a complaint regarding a wage and hour issue or any other concern. Retaliation is a serious violation of the Company's policy and anyone who feels they have been subjected to any acts of retaliation should immediately report such conduct. Any person who retaliates against another individual for reporting an issue or concern will be subject to corrective action, up to and including termination of employment.

PAYROLL DEDUCTIONS

Pay Administration

Policy no. HR-5.3

October 2016

The law requires that the Company withhold certain amounts of pay from every employee's paycheck. These deductions include applicable federal, state, and local income taxes. The Company must also deduct Social Security and Medicare, at the rates established by law. The Company matches the amount of Social Security Tax and Medicare Tax paid by each employee.

The employee may authorize additional deductions, including withholding taxes, benefit premium fees, and deductions for the 401(k) plan. The authorization must be in writing.

Pay garnishments are court orders rendered after a court judgment against an employee for a dollar amount. The garnishment order will require that a certain amount of money be withheld from the employees pay until the total amount is paid. The Company is legally required to make these deductions in accordance with federal, state, and/or local law.

If you have questions concerning deductions which have been made from your pay or how deductions are calculated, contact your Human Resources Representative. When possible, please provide the date of the alleged unlawful deduction and any supporting documentation, such as your pay stub. Your complaint will be investigated and if any improper deductions are found, the Company will reimburse you for the improper deductions.

PAY FREQUENCY

Pay Administration

Policy no. HR-5.4

October 2016

The Company will pay all employees on a regular basis and in a manner so that the amount, method, and timing of wage payments comply with all applicable laws or regulations. The preferred method of payment is direct deposit. If the employee does not opt for direct deposit, a check payable to the employee will be produced.

It is the employee's responsibility to verify the accuracy of the information on their pay statements and notify their immediate supervisor or Human Resources of any errors.

All exempt employees are paid on the 15th and last day of each month.

All non-exempt employees are paid weekly.

TIMEKEEPING AND REPORTING

Pay Administration

Policy no. HR-5.5

October 2016

Accurately recording time worked is the responsibility of every non-exempt employee. Federal and state laws require the Company to keep an accurate record of time worked in order to calculate an employee's pay and benefits. Generally, regular daytime work hours are 8:00 A.M. to 5:00 P.M., Monday through Friday, with a 1 hour lunch break. A break may be designated by your supervisor, if the work schedule permits or as required by law.

Work schedules and hours may vary according to departmental requirements. Employees should always take a full lunch period unless specifically requested to work during lunch. Overtime must always be approved before it is performed. Employees will be compensated for all time worked. However, an employee who works overtime without approval will be subject to corrective action up to and including termination.

Time Worked

Time worked includes all time that a non-exempt employee is required to be physically at work for the Company. Time worked is used to determine overtime pay required for non-exempt employees. In accordance with the Fair Labor Standards Act (FLSA) the Company does include the following as time worked for the purpose of calculating overtime payment:

Work performed Off-Site or at Home: With the exception of approved travel time during working hours or as part of an on-call rotation, a non-exempt employee is not permitted to perform work away from the job site or at home, unless approved in advance in writing by the Department Manager. This includes the use of a cell phone, laptop, PDA and/or Blackberry to conduct any business related communications. Work performed off-site by a non-exempt employee will be counted as time worked. It is the responsibility of the employee to keep accurate records of all time spent working off-site. Employees should complete the "Time Worked Off-Site Time Sheet" and turn it in to their immediate supervisor for approval. The immediate supervisor is responsible for updating the hours in the automated time clock system.

Non-exempt employees will be compensated for all time worked off site and are required to report all hours. Failure of the non-exempt employee to accurately record and report time spent working off-site will be considered a violation of the timekeeping policy and therefore the employee will be subject to corrective action up to and including termination.

Break Time: Employees are allowed two 10-minute breaks in an eight hour work shift. These breaks are counted as time worked.



Time Paid/Not Worked

In accordance with the Fair Labor Standards Act (FLSA), the Company does not count the following as time worked for the purpose of calculating overtime:

Paid Leave: Approved paid absences, including but not limited to personal leave, vacation leave, holiday leave, FMLA, military leave, jury and witness duty, funeral/bereavement leave, and voting time off are not counted as time worked.

Lunch Break: Employees have 1 hour designated as a lunch period. Employees are required to take a lunch break away from their work area. An employee who takes more than 1 hour for lunch will have the extra time deducted from their total hours worked.

Payment of time not worked: When the decision is made by the Company to close early the day before a Holiday, based upon the non-exempt employee's normal work schedule, the employee may be compensated for time not worked for the remainder of the day.

Comp Time

Empire Merchants North, LLC, **does not** allow accrual of comp time for any reason. All hours worked must be accurately recorded and reported.

Time Reporting

Non-exempt employees must accurately record the time they begin and end their work, as well as the beginning and ending time of each lunch period. Employees working in a location where a time clock is utilized are required to use a hand scanner to punch in at the beginning of the day, punch out when their lunch break begins, punch in upon return from lunch, and punch out at the end of the work day.

Non-exempt employees should not report to work or punch in more than seven minutes prior to their scheduled starting time, and should not stay or punch out more than seven minutes after their scheduled stop time without prior expressed authorization from their supervisor.

It is the employee's responsibility to review his or her time record and certify the accuracy of all time recorded.

In the event of an error in reporting time, and/or missed punches, the employee should immediately report the issue to their supervisor.

The department supervisor is responsible for making corrections to the time clock system. Once the supervisor has corrected the time entry, the employee is required to review the corrected entries and certify the accuracy of the corrected entries.

Altering, falsifying, tampering with time records or recording time on another employee's time record will result in disciplinary action, up to and including termination of employment.



Procedure for Submitting Complaints

Employees with concerns or disputes regarding their time or pay are encouraged to bring these concerns to the attention of their immediate supervisor or the local Human Resources Manager. In support of this, the Company has implemented an Open Door Policy, which affords the employee the opportunity to discuss the matter with any Manager they choose, including their immediate Manager-level supervisor, the local Human Resources Manager, their State President or the Corporate Executive Vice President of Human Resources.

The Company will not in any way retaliate against an individual who makes a complaint about a wage and hour issue or any other concern. Retaliation is a serious violation of the Company's policy and anyone who feels they have been subjected to any acts of retaliation should immediately report such conduct. Any person who retaliates against another individual for reporting an issue or concern will be subject to corrective action, up to and including termination of employment.



SALARY INFORMATION REQUEST

Pay Administration

Policy no. HR-5.6

October 2016

The Company does not release salary or wage information about its employees to outside sources for matters such as credit checks, mortgage applications, etc., without the employees' written approval. However, we will comply with mandatory legal process from the courts and law enforcement agencies.

Requests for wage verifications for mortgage applications should be submitted to Human Resources.

EMPLOYEE SUGGESTION PROGRAM

Company Policies and Legal Compliance

Policy no. HR-6.1

October 2016

Empire Merchants North, LLC is interested in your constructive ideas and suggestions for achieving business success and improving our organization. We believe that our employees are in the best position to recognize opportunities to save money, improve procedures, and recognize issues that need to be changed. We believe the best avenue to do this is through an Employee Suggestion Program, whereby you can freely submit your suggestions to a Suggestion Committee to be reviewed and possibly implemented.

Purpose:

The purpose of the Employee Suggestion Box Program is to:

- Promote greater involvement, participation and ownership of our employees in planning and implementing suggestions.
- Provide ongoing improvement to Empire Merchants North, LLC.
- Generate suggestions that will reduce cost, save time, increase safety, and/or improve the quality of the workplace.

Who Is Eligible?

This program is available to all of our employees.

Guidelines to Follow in Making a Suggestion:

Suggestions should be positive ideas that will improve the Company overall. Suggestions should increase productivity, reduce cost, improve service to our customers, eliminate repetitive tasks, improve our employee morale, provide safer working conditions, and/or benefit our employees and Company in any other way.

Suggestions that break Company policies, or that are negative in nature will not be considered.

To submit a suggestion, please use the Suggestion Form, which can be found on the Company Portal within the Human Resources links.

If an employee makes a suggestion that the Company is already in the process of implementing, or planning to implement, it will not qualify as an employee suggestion.

Submitting My Suggestion?

After completing the form*, e-mail it to suggestionbox@empirenorth.com for review.

**Employees working in warehouses should manually fill out the form and turn in to the warehouse administrative assistant to submit via e-mail on their behalf.*

What Happens Once I Submit My Idea?

The suggestion committee will meet once a month to discuss the ideas that have been submitted. If the suggestion committee feels that an idea should be pursued, they will then meet with the manager of the department the suggestion effects to discuss feasibility. The committee will advise you as to whether or not your suggestion will be implemented within 4 weeks of original submission.

Who Is The Suggestion Committee?

The suggestion committee includes members of the Executive Team

Rewards for Suggestions

- Suggestions that are implemented will be recognized with a minimum \$50 reward & Certificate of Appreciation. The implemented suggestions will also be recognized in the newsletter.
- At the end of the year, the top three implemented suggestions will receive \$200.00 each

*Please be advised that per the IRS, EMN is required to deduct from awards, all applicable taxes.

VISITOR POLICY

Safety and Security

Policy no. HR-6.2

October 2016

To ensure the safety of our employees and the security of our buildings, Empire Merchants North, LLC has established a visitor policy.

All visitors (including former employees) must:

- sign in and out of the visitor log (located at reception desk and/or warehouse admin office)
- wear a badge while in the building
- be escorted beyond the reception area/warehouse entrance by an EMN employee.
- leave through the same reception area in which they entered and log out of the visitor log.

All employees of EMN are required to sign in to the visitor log when visiting another office so that in the event of an emergency, we have an accurate headcount. Badges need not be worn.

In the case of an emergency, visitors should follow the guide of the person they are visiting and/or immediately exit the building at the nearest exit.

SMOKING CESSATION ASSISTANCE PROGRAM

Policies

Benefit Programs and Leave

Policy no. HR-6.3October 2016

Any employee who truly desires to stop smoking should contact Human Resources to arrange for appropriate assistance.

The course and/or treatment the employee wishes to take must be reviewed prior to approval. All reimbursement for smoke-ending courses is subject to Company approval.

INFORMATION NEEDED:

- a. Name and/or type of course or treatment desired
- b. Who sponsors the course/treatment
- c. Length of course/treatment
- d. Past success ratio of this course/treatment
- e. Cost of course/treatment
- f. Any other pertinent information

Once the course/treatment is approved, the employee may register. All associated fees will be paid by the employee.

At the successful conclusion of the program a certificate of completion from the program sponsor should be submitted to Human Resources.

If the employee remains “smoke free” for 6 months past the completion date, Empire Merchants North, LLC will REIMBURSE THE EMPLOYEE IN FULL for all costs associated with the course/treatment.