



Food4Less®



**RANCHO
SAN MIGUEL**
MARKETS.

EMPLOYEE HANDBOOK

PAQ, INC. **100% EMPLOYEE OWNED**

**PAQ, Inc.
FOOD 4 LESS /
RANCHO SAN MIGUEL MARKETS**

Employee Handbook

Effective July 1, 2020

TABLE OF CONTENTS

WELCOME TO FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS	4
OUR BEGINNINGS	5
OUR CODE OF CONDUCT & CORE VALUES	6
THE CUSTOMER ALWAYS COMES FIRST	6
FOLLOW THE GOLDEN RULE	6
WE STAND BEHIND OUR PRODUCTS	6
EMPLOYEE HANDBOOK GENERALLY	7
OUR EMPLOYEE HANDBOOK	7
RIGHT TO REVISE EMPLOYEE HANDBOOK	7
GENERAL EMPLOYMENT POLICIES	8
AT-WILL EMPLOYMENT	8
EQUAL EMPLOYMENT OPPORTUNITY	8
OPEN DOOR POLICY	8
HIRING, REFERENCE, AND BACKGROUND CHECKS	9
COMPLIANCE WITH IMMIGRATION LAWS	9
ORIENTATION AND INTRODUCTORY PERIOD	9
EMPLOYEE CLASSIFICATIONS	10
WORKPLACE CONDUCT (NO DISCRIMINATION, HARASSMENT, BULLYING, AND RETALIATION)	10
COMPLAINT AND INVESTIGATION PROCEDURE	13
ANTI-RETALIATION POLICY	15
REASONABLE ACCOMMODATION FOR EMPLOYEES WITH DISABILITIES	15
OTHER WORKPLACE ACCOMMODATIONS	17
LACTATION ACCOMMODATION	17
GENERAL COMPANY POLICIES	19
GENERAL STANDARDS OF CONDUCT	19
PROGRESSIVE DISCIPLINE	20
DRUG & ALCOHOL FREE WORKPLACE	21
DRUG TESTING	22
WORKPLACE VIOLENCE	23
VIOLENT CRIMES BY THIRD PARTIES	24
CONFLICTS OF INTEREST	24
OUTSIDE EMPLOYMENT	24
DATING IN THE WORKPLACE	25
SOLICITATION AND DISTRIBUTION IN THE WORKPLACE	25
PROTECTING CONFIDENTIAL INFORMATION	25
ELECTRONIC DEVICES & COMMUNICATIONS USAGE	26
USE OF COMPANY TELEPHONE, INTERCOM, AND VOICEMAIL	26
CELL/SMART PHONE AND LISTENING DEVICE POLICY	27
DRESS CODE AND APPEARANCE	27
UNIFORM SHIRTS	27
SOCIAL MEDIA GUIDELINES	28
WORKPLACE PRIVACY	29
PERSONNEL FILES	29
PRIVACY OF EMPLOYEE PERSONAL AND MEDICAL INFORMATION	30
SALE OF ALCOHOLIC BEVERAGES	30
SALES OF TOBACCO	30
EMPLOYEE PURCHASES	30
DISCOUNTS	31
GRAZING	31
GRATUITIES AND SAMPLES	31
MERCHANDISE REFUNDS	31
LOST AND FOUND	32

HOURS OF WORK/COMPENSATION	33
BUSINESS HOURS	33
POSTING OF SHIFTS	33
ATTENDANCE/PUNCTUALITY	33
TIME IN SERVICE	34
PAY SCHEDULE	34
DIRECT DEPOSIT	34
PAYCHECK DEDUCTIONS	34
PAYCHECK ACCURACY	35
EMPLOYEE CHECK CASHING	35
REPORTING/SHOW UP PAY	35
SPECIAL INFORMATION FOR NON-EXEMPT EMPLOYEES	35
Rest Period	36
Meal Period	37
TAKING TIME OFF	39
HOLIDAYS	39
VACATION TIME OFF	39
PAID SICK LEAVE	41
LEAVES OF ABSENCE GENERALLY	42
MEDICAL LEAVES OF ABSENCE	42
NON-MEDICAL LEAVES OF ABSENCE	51
BENEFITS	55
GENERAL SUMMARY OF BENEFITS	55
AVAILABLE INSURANCE	55
DEPENDENT COVERAGE	55
COMPANY SPONSORED RECREATIONAL ACTIVITIES	55
401K PLAN	55
EMPLOYEE ASSISTANCE PROGRAM	56
STATE DISABILITY INSURANCE	56
UNEMPLOYMENT INSURANCE BENEFITS	56
WORKERS COMPENSATION	56
ENDING THE EMPLOYMENT RELATIONSHIP	58
RESIGNING EMPLOYEES	58
EXIT MEETING	58
FINAL PAY	58
RETURN OF COMPANY PROPERTY	59
BENEFITS	59
NEUTRAL REFERENCES	59
ACKNOWLEDGEMENT OF EMPLOYEE HANDBOOK	60

Welcome to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS

PAQ, INC. **100% EMPLOYEE OWNED**

Congratulations and welcome to the PAQ, Inc., a 100% Employee-Owned Company. One of the keys to our success as a company is hiring good employees. We take great pride in being a member of the community. Every one of our employees is an ambassador to the community, and a public representative of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. The success of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS depends on providing each customer with the highest quality of service. In fact, to the customer, our employees are FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. By your performance, enthusiasm and initiative, customer impressions are formed every time that you come in contact with a customer. You, as an employee, help create and preserve an atmosphere in which the customer perceives FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS as the place they want to shop and save money.

We want to make FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS an exciting and rewarding place not only for each customer to shop and save money, but for every employee to work. To this end, we encourage you to strive for excellence in every job you perform, and to be a professional, courteous, and enthusiastic member of the team. Making this a rewarding place to work means treating each other in the same respectful manner as we do our customers.

If at any time you need assistance or guidance, please do not hesitate to ask any of the members of our management team. Once again, welcome to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS; we are glad to have you with us.

BILL COTE
President, CEO

CHRIS PODESTO
Senior Vice President,
General Manager

BRAD CLARK
Vice President,
Operations

JANICE BLOUDDOFF
Vice President,
Human Resources

Our Beginnings

Our story began in 1995 when our founders, John and Pat Quinn, and their business partner Glenn Evans, had a vision to create a company that provided employees to stable career where their hard work and dedication were rewarded along with providing customers a clean, safe, and friendly shopping experience. During that year they acquired three Food 4 Less stores in Stockton, CA. Our March Lane, Wilson Way and Lodi Food 4 Less stores became the foundation of PAQ Inc., which grew to 45 successful stores in California and Hawaii.

Through his unique approach to business and people, John Quinn together with his wife Pat and Glenn Evans, developed a tightknit family culture of dedication, customer attentiveness and hard work that enabled the stores to succeed when other large-box operators failed.

After nearly 25 years of growth and success, the founders decided to retire and sale the business. The choices were to sell PAQ Inc. together to one buyer, break up the company and sell Food 4 Less and Rancho San Miguel Markets separately. But John Quinn wanted to take care of the employees who helped build PAQ Inc. and he knew that both of these options didn't guarantee continued employment for over 1,700 employees. So, in the Fall of 2019 the California business, PAQ, Inc., was sold to its employees through an Employee Stock Ownership Plan.

As we move in to the future, our employee owners will carry on the traditions of our visionary founders of taking care of the customer, providing fresh, quality products, and working together as a family – the PAQ Inc. family.

Our Code of Conduct & Core Values

Here at FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, we run on **three core values**, which are the foundation of all we do and should be the cornerstone of your work and interactions at FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS.

The Customer Always Comes First

Servicing the customer is your number one job responsibility at all times. Without customers, we could not stay in business. Thus, it is the customer who pays our salaries. When we think about it, there are many places that a customer can obtain the same or similar items sold at FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. Outside of work, each of us is a customer at some point. And as we know, we do not always choose to shop at the "most convenient" or "biggest" place, but at the establishment where we feel the most comfortable. Poor customer service often spells disaster for any business in the long term.

Follow the Golden Rule

Remember, customer service is your first priority at all times. With this in mind, each of you will create a positive impression that will lead to overall success. A frequently asked question is "what does 'customer service' mean?". Think of customer service as everything we do while we are at work. Our customers should be treated like members of our family, our friends, or our neighbors. Even more importantly, the Golden Rule applies. **Treat customers like you would want to be treated.** Go out of your way to make sure that each customer is regarded as a very important person who has taken the time to shop at FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. Common courtesy and politeness mean everything. Take pride in making each customer feel appreciated. Smile. Offer a hand. Each of these simple things are what we mean by 'customer service'.

We Stand Behind Our Products

Every item that we sell at FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS is unconditionally guaranteed. We will cheerfully refund the full price of anything purchased from us that is not satisfactory to the customer. This applies to all departments and all merchandise. If the customer desires, we will replace the item returned. Even if the cause of the return is improper cooking, inadequate refrigeration or other mishandling by the customer, we will still make the refund or exchange. Items with a value of over \$3.00 must be accompanied by a valid FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS sales receipt. If there is no sales slip provided, the Store Director or Manager in Charge should approve the refund or exchange.

Note: All customer comments or complaints must be directed to the Store Director or Manager in Charge.

Employee Handbook Generally

Our Employee Handbook

The primary purpose of this Employee Handbook is to serve as a quick reference guide to answer questions you may have about your employment with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. It is intended to acquaint you, in general terms, with our philosophies, policies, practices, and benefits in effect at the time of publication. The policies contained in this handbook are applicable to all employees. Please read it carefully. This handbook supersedes and replaces all previously issued handbooks. The policies and procedures in this Handbook are not intended as a promise or guarantee of continued employment, privileges, or benefits. Your employment with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS remains at-will and may be terminated by you or FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS at any time, with or without cause or notice.

Finally, nothing in this Handbook is intended to interfere with, coerce, or restrain you from exercising any rights you have under any state or federal labor law, including the National Labor Relations Act ("NLRA").

Right to Revise Employee Handbook

This Handbook cannot anticipate every circumstance or question about policy and change at FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS is inevitable. As FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS continues to grow, the need may arise to change policies described in the handbook. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS therefore reserves the right to revise, supplement or rescind any policies or portion of the handbook from time to time as it deems appropriate, in its sole and absolute discretion, without prior notice. Although FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will endeavor to provide you with advance notice of policy changes, notice of change or revocation may not always be possible. A failure to give advance notice will not and does not nullify any policy's application in the workplace. No oral statements or representations can, in any way, alter the provisions of this Handbook. If you are unclear on any policy or procedure, please talk with the Store Director, Manager in Charge, or a member of the Human Resources Team.

General Employment Policies

At-Will Employment

All FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS employees are employed on an at-will basis. Employment at-will means that the employment relationship may be terminated, with or without cause and with or without advance notice at any time by you or FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. Nothing in this Handbook shall limit the right to terminate at-will employment.

No manager, supervisor, or employee of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment on other than at-will terms. Only the CEO/President and/or Vice President have the authority to make any such agreement, which is binding only if it is in writing and signed by the CEO/President and/or Vice President and employee at issue.

Equal Employment Opportunity

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS is an Equal Opportunity Employer and it is our policy to make employment decisions on the basis of qualifications, merit, and the ability to perform the essential functions of a particular job. All employment opportunities are provided without regard to race, creed, color, religion (including religious dress and grooming practices), sex, gender identity, gender expression, sexual orientation, national origin, ancestry, age, marital status, military or veteran status, genetic information, or any physical or mental disability (including whether it is a disability that you can see or not see), denial of family or medical care leave, pregnancy, childbirth, or other related medical condition, or any other characteristic protected by federal, state or local law.

This policy applies to all employment practices and personnel actions including advertising, recruitment, selection, testing, screening, hiring, job assignment, selection for training, promotion, transfer, discipline, demotion, layoff, termination, rates of pay, and other forms of compensation or benefits and training.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS also complies with federal and state equal pay laws. All employees - regardless of gender - shall receive equal pay for work that is substantially similar based on skill, effort and responsibility.

If you believe that you, or that another person, have been subjected to a discriminatory decision or practice, you should immediately bring the concern to the attention of your immediate Store Director or Manager in Charge, or if you are uncomfortable informing that individual, please report your concerns to a member of the Human Resources Team.

Open Door Policy

We believe that one of the best ways to foster positive employee relations is through communication and reconciliation of work-related problems. Therefore, we actively encourage you to talk freely with members of the management about your workplace, including regarding any acts of inappropriate behavior. You should not fear any repercussions or retaliation for doing so. You should feel free to openly discuss with any member of management, any concerns or problems so that appropriate action may be taken.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS is interested in all of our employees' success and happiness with us and we welcome the opportunity to help employees whenever feasible. To that end, when you feel that a complaint is in order, the following steps are recommended, but are not required to be followed:

- Try to first attempt to resolve the issue(s) through respectful discussions with your immediate manager.

- If your concern is not resolved within a reasonable period after speaking with your immediate manager, you should bring the concern to the attention of the Store Director, or a member of Human Resources Manager.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will make every attempt to resolve the concern within a reasonable period of time while preserving confidentiality and privacy of those involved to the fullest extent feasible. However, an effective investigation may necessitate the disclosure of names of complaining parties and witnesses. Additional information on FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' Complaint and Investigation Procedure is discussed on page 13.

Hiring, Reference, and Background Checks

To ensure that individuals joining FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS are qualified and have the potential to be productive and successful, we may check all applicant's employment references, and perform a background check after a conditional offer of employment is given to the applicant. In the event a background check is conducted, it will be in compliance with the federal Fair Credit Reporting Act ("FCRA"), California's fair credit reporting statutes, and all other applicable state laws. A background report may contain information regarding the individual's criminal background, among other things. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will use the information for employment purposes only. Applicants will receive all required notices and be afforded the opportunity to exercise all rights available to them under those laws. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS also complies with California's "Ban the Box" law (Government Code § 12952), all Equal Employment Opportunity Commission ("EEOC"), and all California Department of Fair Employment and Housing guidelines regarding usage of an applicant's background information when making employment decisions.

Compliance with Immigration Laws

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS can only employ individuals who are authorized to work in the United States. The Immigration Reform and Control Act ("IRCA") requires that all employees pass a verification procedure, including the completion of an "Employment Verification Form" (Form I-9), before they are permitted to work in the United States. This verification procedure requires that all new employees provide satisfactory evidence of identity and legal authority to work in the U.S. that complies with the requirements of the immigration law. An employee who has provided right-to-work documentation that has an expiration date must provide updated documentation to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS before that expiration date.

If your authorization to work is called into question by the Social Security Administration or any other government agency, whether state or federal, you must cooperate in establishing that you are eligible to work in the U.S. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS is committed to cooperating fully with immigration authorities, including providing information about employee addresses and other contact information or family members that are known to it. If an employee's eligibility to work cannot be established, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may terminate employment, as permitted by state and federal law.

Orientation and Introductory Period

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS has developed an orientation program which will facilitate a smooth integration into our organization. As a new employee, your orientation will be conducted by your immediate supervisor.

The first 90 days of your employment with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS shall be considered an introductory period, commencing with the first day actually worked. Completion of the introductory period should not be taken as indicating that you have any right to continued employment. In other words, you remain an at-will employee both during the introductory period and afterward. It is

understood that FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may extend your introductory period by putting in writing its intention to do so.

Successful completion of the introductory period will result in the use of the employee's initial date of employment in determining length of service for eligibility for certain benefits. All hours worked during the introductory period shall be credited to the length of service. Upon successful completion of the introductory period, you will be considered a regular employee of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS.

Employee Classifications

For purposes of salary administration and eligibility for overtime pay and employee benefits, we must classify you as either an exempt or non-exempt employee. These classifications are set by federal and state law. Regardless of how you are classified or paid, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS values all roles equally and does not consider one classification more valuable or important than the other.

Non-Exempt Employees are typically paid an hourly rate and are entitled to overtime pay, as required by applicable federal and state law. Non-exempt employees also must take rest breaks and meal periods.

Exempt Employees are not entitled to overtime pay pursuant to federal and state wage and hour laws, and, but for a few narrow exceptions, are generally paid a fixed amount of pay for each workweek in which work is performed.

If you change positions during your employment, or if your job responsibilities change, you will be informed by Human Resources of any change to your exempt or non-exempt status.

In addition to your designation of either exempt or non-exempt, you also belong to one of the following employment categories:

Regular Employees

Regular employees are scheduled to work a minimum of 24 hours per week up to a maximum of 40 hours per week on a continuous basis (although no guarantees are given as to how many hours for which an employee may be scheduled). Generally, regular employees are eligible to participate in FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' benefits programs (i.e., insurance benefits, paid time off, retirement plans, and holiday pay), subject to the terms, conditions, and limitations of each benefit program.

Part-Time Casual Employee

Part-time casual employees are scheduled to work up to an average 20 hours per week (although no guarantees are given as to how many hours for which an employee may be scheduled). Part-time casual employees may be eligible for some FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' benefits programs, as required by law or subject to the terms, conditions, and limitations of each benefit program.

Workplace Conduct (No Discrimination, Harassment, Bullying, and Retaliation)

We are committed to a work environment in which each and every individual is treated with dignity and respect and is provided with a professional atmosphere that promotes equal employment opportunities and is free from discriminatory practices, including harassment. The achievement of this goal is essential to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' business and accordingly, we will not tolerate unlawful discrimination, harassment, retaliation, or other inappropriate workplace behavior of any kind.

Discrimination

We firmly believe in respecting the dignity of every employee and other third parties and expect every employee to show respect for all colleagues, customers, and vendors. Respectful, professional conduct furthers our mission, promotes productivity, minimizes disputes, and enhances its overall reputation.

It is FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' policy to ensure an environment free of discrimination or harassment on the basis of race, creed, color, religion (including religious dress and grooming practices), sex, gender identity, gender expression, sexual orientation, national origin, ancestry, age, marital status, military or veteran status, genetic information, or any physical or mental disability, whether real or perceived, denial of family or medical care leave, pregnancy, childbirth, or other related medical condition, or any other characteristic protected by federal, state or local law (collectively the "**Protected Characteristics**"). We strictly prohibit and will not tolerate any such discrimination or harassment based on any Protected Characteristic.

This policy applies to all persons involved in the operation of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS and its purpose is to ensure that no employee discriminates against, retaliates against, or harasses a subordinate, co-worker (which includes supervisors and managers), customer, client, vendor, or other business contact.

Harassment

Harassment is a form of discrimination and is illegal under federal, state and local laws.

If you engage in such conduct, you will be subject to discipline and even may face personal legal liability for your actions. Furthermore, to the extent permitted by law, if you violate this policy and are named as a party to an actual or threatened lawsuit, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS reserve the right not to provide a defense for or pay damages assessed against you.

Harassment is engaging in any verbal or physical conduct that denigrates or shows hostility or aversion towards an individual because of his/her Protected Characteristic(s), or that of his/her relatives, friends or associates, and that:

- Creates an intimidating, hostile or offensive work environment; *or*
- Unreasonably interferes with an individual's work performance; *or*
- Otherwise adversely affects an individual's employment opportunities.

The conduct prohibited by this policy, whether verbal, physical, or visual, includes any unwelcome conduct that adversely affects an individual because of his or her Protected Characteristic(s). Unwelcome and prohibited conduct includes:

- Offensive verbal conduct such as epithets, derogatory jokes or comments, slurs, insulting sounds, stereotyping, intimidating acts, unwanted sexual innuendos, advances, or propositions, and/or graphic, suggestive, or obscene comments, letters, notes, or invitations; *or*
- Offensive visual conduct such as posting of written or graphic materials, derogatory and/or sexually suggestive images, posters, pictures, photography, cartoons, drawings, or gestures; *or*
- Offensive or otherwise unwelcome physical conduct such as patting, grabbing, pinching, brushing against another's body, assault, or any other unwanted physical contact or touching as well as blocking normal movement or otherwise interfering with another's work based on any protected basis; *or*
- Threats or unwelcome pressure to submit to sexual requests and offers of employment benefits in return for sexual favors.

The prohibited conduct constitutes harassment when:

- Submission to the conduct is made either an explicit or implicit term or condition of employment; *or*

- Submission to or rejection of the conduct is used as the basis for an adverse employment decision affecting an employee; *or*
- The conduct (or submission to or rejection of the conduct) has the purpose or effect of unreasonably interfering with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

Remember - harassment is more than just sexual in nature! Harassment on the basis of any Protected Characteristic is strictly prohibited by law and our policy.

Examples of conduct that may be non-sexual in nature but that is strictly prohibited under this policy includes:

- Other verbal, visual, or physical conduct by an individual that is directed at and is offensive to another person in the workplace environment; *or*
- Discriminatory treatment against a person as a result of their Protected Characteristic(s); *or*
- Retaliatory conduct, such as when an employee experiences hardship, loss of benefit, or any type of penalty imposition as a result of filing or responding to a *bona fide* complaint.

Individuals and Conduct Covered

As noted above, this policy applies to all persons involved in the operation of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, including applicants, employees, contractors, consultants, and most importantly, **YOU!** Our policy prohibits harassment, discrimination and retaliation whether engaged in by fellow employees, by a manager, or by someone not directly connected to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS (e.g., an outside vendor, consultant or customer).

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

Abusive Conduct and Bullying is also Prohibited

A safe and civil environment is necessary for employees to achieve the high standards we expect here at FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. It is your responsibility to demonstrate appropriate behavior and treat others with civility and respect.

Bullying is defined as the repeated, health-harming mistreatment of another employee. Examples of prohibited bullying may include screaming; swearing; name calling; stealing; using threatening, intimidating, or cruel behaviors; deliberately humiliating a person; and denying advancement without business justification. Bullying does ***not*** include a manager setting clear expectations and/or providing ongoing feedback on performance against those expectations, even when such expectations or feedback may make the recipient feel stressed or uncomfortable.

Generally, bullying:

- Is committed by written, verbal, graphic, or physical acts ;
- Substantially interferes with work, opportunities, and benefits of one or more employees, sometimes through actual sabotaging of work; and/or
- Adversely affects an employee's ability to function at work by placing the employee in reasonable fear of physical harm or by causing unreasonable emotional distress.

Because bystander support can encourage bullying, we also prohibit both active and passive support for acts of bullying. If you believe you are witnessing workplace bullying, you should immediately report incidents to the Store Director, Manager in Charge, or any member of the Human Resources Team, and if safe to do so, attempt to stop them. We will not retaliate against any person who in good faith reports an act of bullying.

Employees who engage in bullying will be subject to discipline, up to and including immediate termination of employment.

Training Requirements

We require all managers (regardless of location or whether you received training in compliance with state law within the prior two (2) years) to complete at least two (2) hours of interactive training on the prevention of discrimination, harassment, and abusive conduct every two (2) years, and/or within six (6) months of hiring or promotion to a managerial/supervisory position.

All non-supervisory employees must complete at least one (1) hour of interactive training on the prevention of discrimination, harassment, and abusive conduct every two (2) years and/or within six months of hiring.

All temporary and seasonal employees must complete at least one (1) hour of interactive training on the prevention of discrimination, harassment, and abusive conduct every two (2) years and/or within 100 hours of working or 30 calendar days after hiring, whichever comes first.

Retaliation is also Prohibited

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS also prohibits retaliation against any individual who reports discrimination, harassment, bullying, or participates in an investigation of such reports. Retaliation against an individual for reporting inappropriate workplace conduct or for participating in an investigation of a claim of inappropriate workplace conduct is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action, up to and including immediate termination of employment. If you believe you have been or are being subject to retaliation, you should immediately report your concern to the Store Director or your Human Resources Manager and it will be promptly investigated.

False and malicious complaints of harassment, discrimination, or retaliation (as opposed to concerns or complaints that, even if erroneous, are made in good faith) may be the subject of appropriate disciplinary action as well.

Complaint and Investigation Procedure

Reporting an Incident of Discrimination, Harassment or Retaliation

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS strongly encourages the prompt reporting of all perceived incidents of discrimination, harassment or retaliation, regardless of the offender's identity or position, so that rapid and constructive action can be taken before professional relationships become irreparably strained. If you believe you have experienced or witnessed conduct that you believe is contrary to our policy or if you have concerns about such matters, you should speak up as soon as is practicable to the Store Director and/or your Human Resources Manager to ensure such matters are investigated promptly.

Managers who become aware of conduct that is in violation of our policy against discrimination, harassment, and retaliation are legally required to and must immediately advise their Store Director or a member of the Human Resources Team to ensure that corrective action can be taken swiftly, if necessary. Managers who fail to report incidents of discrimination, harassment, and retaliation may be subject to disciplinary action, up to and including immediate termination of employment.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will promptly investigate the concern and take appropriate action within a reasonable period of time while preserving confidentiality and privacy of those involved to the fullest extent feasible. However, an effective investigation may necessitate the disclosure of names of complaining parties and witnesses.

What Are My Obligations as an Employee?

If you have experienced conduct you believe is contrary to this policy, you have an obligation to take advantage of this complaint procedure. If you fail to report your concern(s), it could affect your legal rights. Also, federal and state discrimination laws establish specific time frames for initiating a legal proceeding pursuant to those laws. While FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS does not have a fixed reporting period for concerns, we believe that early reporting and intervention are the most effective methods of resolving actual or perceived incidents of discrimination or harassment.

Investigation Process

Each and every reported complaint of violations of this policy will be investigated thoroughly, timely, and—to the extent possible—confidentially. The investigation may include individual interviews with the parties involved, and where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge. Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

While the investigation proceeds, we may put reasonable interim measures in place, including but not limited to, a leave of absence, change of shift, or transfer. The failure or refusal of any employee to cooperate in an internal investigation of alleged wrongful conduct may subject that employee to disciplinary action, up to and including immediate termination of employment.

Post Investigation Process and Outcome

Once reports of alleged violations of this policy are thoroughly investigated, we will take appropriate action, based on the circumstances. For example, we may conclude that a violation has occurred. We might also conclude, depending on the circumstances, either that no violation of policy occurred or that FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS cannot conclude whether a violation occurred.

If we determine that this policy has been violated or that other inappropriate conduct has occurred, appropriate and effective remedial action will be taken, which may involve disciplinary action, up to and including immediate termination of employment. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may discipline an employee for any inappropriate conduct discovered while investigating reports or alleged violations of this policy, even if the conduct does not amount to a violation of the law or even a violation of this policy. If the person who engaged in the unwelcome or offensive conduct is not employed by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, we will take whatever corrective action is reasonable and appropriate under the circumstances. Following the conclusion of our internal investigation, a representative will advise the principal parties (i.e., the complainant and/or the accused, if employed by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS), witnesses, or other involved parties that the investigation has been concluded and appropriate action, if any, has been taken. Additional information regarding the results of the investigation may be shared on an as needed basis.

Other Reporting Vehicles

In addition to reporting inappropriate workplace conduct to your Store Manager, Manager in Charge, or a member of the Human Resources Team, you may also file an administrative complaint with the EEOC and/or state equivalent, such as the California Department of Fair Employment and Housing (“DFEH”). These agencies will independently investigate and prosecute complaints of discrimination, harassment, or retaliation in employment. The websites of the EEOC and the DFEH are:

United States Equal Employment Opportunity Commission - www.eeoc.gov
California Department of Fair Employment and Housing - www.dfeh.ca.gov

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will address misconduct constituting harassment, discrimination, or retaliation appropriately. Responsive action may include, for example, training, referral to counseling, and/or disciplinary action, as we believe appropriate and reasonable under the circumstances.

Anti-Retaliation Policy

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS has designed this policy to protect employees and reiterate our commitment to integrity and ethical behavior. To that end, we will not tolerate any retaliation against an employee who:

- Makes a good faith complaint, or threatens to make a good faith complaint, regarding suspected company policy or violations of law;
- Makes a good faith complaint, or threatens to make a good faith complaint, regarding accounting, internal accounting controls, or auditing matters that may lead to incorrect, or misrepresentations in, financial accounting;
- Makes a good faith report, or threatens to make a good faith report, of a violation that endangers the health or safety of an employee, consultant, contractor, subcontractor, client, customer, environment, or general public;
- Objects to, or refuses to participate in, any activity, policy, or practice, which the employee reasonably believes is a violation of company policy or law;
- Provides information to assist in an investigation regarding alleged violations of company policy or law;
- Engages in conduct protected under the NLRA; or
- Files, testifies, participates, or assists in a proceeding, action, or hearing in relation to alleged violations of company policy or law (all bullet points collectively are “Protected Activity”).

Retaliation is any adverse employment action taken against an employee (such as a refusal to hire, failure to promote, demotion, suspension, harassment, denial of training opportunities, termination, or discrimination in any manner as to the terms and conditions of employment) because the employee engaged in a Protected Activity.

Anyone found to have engaged in retaliatory conduct will be subject to discipline up to and including immediate termination of employment. However, if you knowingly make a false report of a violation of company policy or law, you will be subject to disciplinary action, up to immediate termination of employment.

You should report violations of this policy to your Store Director, Manager in Charge, or your Human Resources Manager.

Reasonable Accommodation for Employees with Disabilities

We comply with all federal and state laws concerning the employment of persons with disabilities in accordance with the regulations and guidance issued by the EEOC. We are committed to making every effort to reasonably accommodate qualified individuals with a disability so that they can perform the essential functions of a job unless doing would cause a direct threat to these individuals or others in the workplace and the threat cannot be eliminated by a reasonable accommodation and/or if the accommodation creates an undue hardship. While qualified individuals with disabilities will be given every opportunity to continue working in their current position or in another available position, we will not displace other employees or create new positions to accommodate the individual’s condition.

If you are or become disabled, whether on a temporary or permanent basis, you must notify your Human Resources Manager so that we can engage you and your healthcare provider in an interactive process to determine which accommodations (if any) are reasonable and feasible. We may consult with your treating

medical provider to verify any and all limitations you may have, and that with accommodation, you are medically cleared to perform your essential job functions.

What is a Disability?

Both California and federal law expressly prohibit discrimination against qualified individuals with a disability. Under California law, a disability is any condition, whether physical or mental, that limits a major life activity. Under federal law, a disability is any condition, whether physical or mental, that substantially limits a major life activity.

A major life activity includes, but is not limited to, caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, lifting, bending, speaking, breathing, learning, reading, concentrating, thinking, communicating, and working.

A qualified individual with a disability is a person who, while having a disability, meets the legitimate skill, experience, education, or other requirements of an employment position and is able to perform the essential functions of that position with or without reasonable accommodation.

Non-Discrimination Policy

At PAQ, Inc., qualified individuals with disabilities will not be discriminated against with respect to any aspect of their job, including but not limited to recruitment, hiring, firing, training, job assignments, promotions, pay, benefits, layoff, leave, or any other employment-related activity. PAQ, Inc. will also not discriminate against any individual who has a record of a disability or who is regarded as having a disability. Should any employee believe that they are being discriminated against by anyone at PAQ, Inc. based on their disability, their record of having a disability, or the perception that they have a disability, the employee should immediately report their concerns as outlined in the “Complaint Process” section below.

Reasonable Accommodations for Disability

California and federal law require that employers provide reasonable accommodations to qualified employees with disabilities, and further requires employers to engage in a good-faith interactive process to determine what accommodations may be necessary for and can be provided to the employee.

PAQ, Inc. complies with all applicable federal and state laws and is committed to making every effort to reasonably accommodate qualified individuals with a disability and will engage in a good-faith interactive process with disabled employees to determine what reasonable accommodations are required by the employee. PAQ, Inc. will make every effort to furnish employees with reasonable accommodations that permit the employee to perform the essential functions of their employment position. Reasonable accommodations will be determined on a case-specific basis after engaging in a good-faith interactive process with the employee. Examples of reasonable accommodations that may be provided include, but are not necessarily limited to:

- Job restructuring that does not require elimination of any essential functions of the position;
- Leave of absence;
- Modified work schedule; and
- Reassignment to a vacant position.

PAQ, Inc. need not make accommodations that will impose an undue hardship on the operation of PAQ, Inc.’s business or pose a direct threat to the health or safety to themselves or others.

If you require a reasonable accommodation to participate in the application process or to perform the essential functions of your position, contact your Human Resources Manager, and inform them of any accommodations you may need. It is critical that you make PAQ, Inc. aware of your need for an accommodation. PAQ, Inc. may require you to submit medical documentation from an appropriate health

care provider to verify any and all work-related limitations you may have and that, with or without accommodation, you are capable of performing your essential job functions. Medical verification is due within twenty days of a request by PAQ, Inc. for a verification. PAQ, Inc. will not ask that you or your health care provider divulge any specific medical condition or disability. Properly-trained personnel will be involved in all aspects of the interactive process between PAQ, Inc. and the employee.

Employees who require leave as a reasonable accommodation must contact FMLA Source at 1-877-462-3652 or by logging on to www.fmlasource.com. Leaves of absence provided as a reasonable accommodation for a disability are not limited to any predetermined length. However, such leaves may not be indefinite nor may they result in undue hardship to PAQ, Inc.'s business operations.

Final decisions regarding accommodation requests will be made by the Director of Human Resources.

Complaint Process

Any employee who believes that they have been discriminated against because of a disability, believes that PAQ, Inc. has failed to reasonably accommodate their disability, or believes that they have been retaliated against because of requesting an accommodation must immediately report it to their Human Resources Manager. Complaints will be kept confidential to the fullest extent practicable.

All complaints of discrimination, failure to accommodate, or retaliation will be promptly, thoroughly, and impartially investigated. Employees who make a good-faith complaint of discrimination, failure to accommodate, or retaliation will not be retaliated against in any way. PAQ, Inc. will take immediate and appropriate corrective action when it determines that discrimination, failure to accommodate, and/or retaliation has occurred.

Employees, or applicants for employment, who believe they have been subjected to disability discrimination, harassment, or retaliation may also report it to the federal Equal Employment Opportunity Commission (EEOC) or the California Department of Fair Employment and Housing (DFEH). The EEOC may be contacted through its website at www.eeoc.gov or by phone at 1-800-669-4000. The DFEH may be contacted through its website at www.dfeh.ca.gov or by phone at 1-800-884-1684.

All employees, including management, supervisory, and human resources, are expected to abide by this Policy. Disability discrimination, failure to accommodate, and retaliation in violation of this policy is grounds for discipline, up to and including termination of employment.

Please note that employees may not use illegal drugs as an accommodation for a disability or medical condition and any employee who is currently using illegal drugs is excluded from this policy. The use of illicit drugs or alcohol is strictly prohibited in the workplace. However, employees with alcoholism, a history of substance abuse, and/or who are currently participating in a rehabilitation program for substance abuse will not be discriminated against and should contact their Store Director or Human Resources Manager if they require reasonable accommodation.

Other Workplace Accommodations

Pregnancy and Lactation Accommodation

We are committed to providing pregnant employees with a safe and welcoming workplace, free from discrimination based on pregnancy status. To that end, we will make every effort to reasonably accommodate the limitations of pregnant employees who continue to work during pregnancy. Pregnant employees are strongly encouraged to consult their physicians to determine what, if any, workplace accommodations may be necessary during pregnancy and to promptly notify us of the need for such accommodation.

Additionally, employees who are lactating are permitted as many breaks as needed to express breast milk during lactation and will be provided with private facilities to do so. Lactation breaks will, if possible, be taken concurrently with the employee's meal and rest periods. Any additional lactation breaks required by the employee will be provided, but will be unpaid.

The private facilities provided to employees for purposes of lactation accommodation will not be a bathroom, will be in close proximity to the employee's work area, will shield the employee from view and be free from intrusion while the employee is expressing milk. The facilities will also be safe, clean, and free from hazardous materials; will contain a surface to place a breast pump and personal items; will contain a place to sit; will have access to electricity.

Employees requiring lactation accommodation will also be provided with access to a sink with running water and a refrigerator suitable for storing milk in close proximity to the employee's workspace.

An employee who requires lactation accommodation should inform their Store Director or Human Resources Manager of their need for lactation accommodation. If FOOD 4 LESS/RANCHO SAN MIGUEL is unable to provide the requested accommodation, which is unlikely, FOOD 4 LESS/RANCHO SAN MIGUEL will provide the employee with a written response.

Any employee may report a violation of their rights under this policy, which complies with Labor Code section 1030, *et seq.*, to the California Labor Commissioner's Field Enforcement Unit. The report may be submitted by mailing the complaint to any Bureau of Field Enforcement office, or submitting a complaint online at <https://www.dir.ca.gov/dlse/HowToReportViolationtoBOFE.htm>. Employees may also contact his/her local Labor Commissioner's Office.

Religious Observances and Practices

We will also reasonably accommodate the known religious' observances and practices of employees, unless doing so would impose an undue hardship on business operations. If you need to take any time off from work for religious reasons, you must speak with the Store Director or your Human Resources Manager. If you take any time off for reasons under this policy, you must use Vacation Time Off (discussed in "Taking Time Off" section).

Miscellaneous

Other workplace accommodations may be available to eligible employees, including requests for flexible work arrangements in accordance with local ordinances or laws. Please check with your Store Director or your Human Resources Manager to determine if you require such an accommodation. We reserve the right to deny any requests for such accommodations for bona fide business reasons, unless otherwise prohibited by law.

General Company Policies

In order maintain the orderly and efficient operations of the business, it is your responsibility to operate with integrity and uphold and support our code of conduct.

General Standards of Conduct

General standards of conduct are encompassed in our core values. If you violate any of our policies or blatantly and willfully disregard our core values, you will be subject to disciplinary action, up to and including immediate termination of employment. Discipline may vary depending on the various facts and circumstances of each individual situation and case, including, without limitation, the seriousness of the incident and the circumstances; the employee's past conduct; the nature of any previous incidents; and our general practice as it relates to the incident.

Although not conclusive, the following non-exhaustive list represents kinds of behavior that will be considered improper and unacceptable in the workplace, and may subject employees to the above mentioned discipline:

- Stealing customer or company property.
- Willful destruction or defacement of company or our customers' property.
- Possession, sale, use or being under the influence of illicit or illegal drugs on company property or during working hours.
- Falsification or misrepresentation of information (including time records and employment application), factual misrepresentation, omission, or intentional alteration of performance data, production records, or financial information.
- Loaning any employee personal funds or monies.
- Possession, use, or being under the influence of alcohol on company property or during working hours.
- Fighting or engaging in other violent behavior on company property.
- Immoral or indecent conduct on company property.
- Sleeping during work time.
- Threats, bribery or intimidation, including using obscene, abusive, or threatening language to any company employee, any customer, or anyone else present in the workplace.
- Carrying or bringing a weapon of any kind onto company property (even if you have a permit to carry a weapon).
- Disorderly conduct such as practical jokes, horseplay, etc.
- Making defamatory or false statements detrimental to the company's operation or good standing in the community.
- Disregarding instructions of a supervisor, insubordination, or refusal of work assignments.
- Failure to be courteous and polite at all times to other employees and customers.
- Failure to observe work schedules including break and meal periods.
- Failure to observe all internal safety rules, as well as any state and federally mandated safety regulations.
- Contributing to unsanitary conditions or poor housekeeping.
- Unauthorized use of company time, materials or equipment for personal activities.
- Failure to report to work for two (2) consecutive working days without proper authorization, unless otherwise protected by law. Employees failing to provide this notice will be considered to have voluntarily terminated their employment.
- Excessive absenteeism or tardiness, unless otherwise protected by law.
- Smoking on company property.
- Adding personal software to company computers without authorization.
- Spreading malicious rumors and/or gossip.
- Willful violation of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' policies and/or procedures.

- Any violation of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' Workplace Conduct Policy.
- Retaliating in any way against any other employee or exercising any rights guaranteed to that employee by law or policy.
- A positive drug test result for work-related illness, injury, random testing as permitted or required by law, pre-employment testing following a conditional offer of employment, and/or reasonable suspicion.

Progressive Discipline

The purpose of these rules is not to restrict the rights of anyone, but rather to help people work together harmoniously according to the standards we have established for efficient and courteous service for our customers. Reasonable rules concerning personal conduct of employees is necessary if FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS is to function safely and effectively.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS believe that you want to, and will, do a good job if you know what is required to perform your job properly. Your supervisor is responsible for ensuring that you know what is expected of you in your job.

Store Directors will attempt to provide any employee with help and guidance should an employee need it. If such help is ignored or when employees are not adequately performing their jobs or are violating company policies and practices, the Store Director may have no other recourse than to take appropriate disciplinary action. Although FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS has established a system of progressive discipline that includes verbal warnings, written warnings and suspension, it may, in its sole discretion, utilize whatever form of discipline is deemed appropriate under the circumstances, up to and including termination of employment. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' policy of progressive discipline in no way limits or alters the at-will employment relationship.

The disciplinary process generally involves four steps:

1. Verbal Counseling and Written Improvement -- supervisors will make every effort to correct an employee's performance by verbally counseling the Employee on steps which they must take where improvement is needed. A written "improvement needed" warning will be issued as a record of this counseling.
2. Written warnings -- Employees who do not respond to the Verbal Counseling and Written Improvement process will be issued a Written Warning. The objective of written warnings is to serve formal notice to the employee that they are not responding to verbal counseling and could or would be terminated. Written warnings need not be preceded by a verbal warning, and may be used in such fashion should the circumstances merit.
3. Suspension -- Employees who do not respond to a Verbal or Written Warning will be suspended without pay for a period not to exceed ten (10) days, unless pursuant to an investigation, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS believe a longer suspension is necessary.
4. Termination -- Employees who fail to respond to the progressive steps of discipline could be subject to suspension without pay and/or termination.

However, these progressive steps are not required. There is no set standard of how many oral warnings must be given prior to a written warning or how many written warnings must precede termination. Factors to be considered are:

- how many different offenses are involved;
- the seriousness of the offense;

- the time interval and Employee response to prior disciplinary action(s); or
- previous work history of the Employee.

Exceptions

For serious offenses, such as fighting, theft, insubordination, threats of violence, the sale or possession of drugs or abuse of alcohol on company property, and other Standards of Conduct infractions, termination may be the first and only disciplinary step taken. Any step or steps of the disciplinary process may be skipped at the discretion of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS after investigation and analysis of the total situation, past practice and circumstances.

Investigative Suspension

An investigative suspension is a period, not to exceed ten (10) working days, during which time an employee is relieved of his or her job because of alleged serious misconduct.

An employee may be placed on investigative suspension when it is necessary to conduct a full investigation to determine the facts of the case, as in a fighting, insubordination or theft incident.

If after the investigation:

- termination is warranted, the employee shall not be paid for the period of investigative suspension. The discharge shall be effective on the date of the termination interview.
- misconduct is determined, but not of a sufficiently serious nature to warrant discharge, the employee shall receive a warning notice and will not be paid for the time they would have otherwise worked as a result of the investigative suspension and may be placed on disciplinary suspension.
- if no misconduct is determined, the employee shall return to work within the prescribed period and be paid for the time they would have otherwise worked as a result of the investigative suspension.

Disciplinary Suspension

A disciplinary suspension is a period of not more than ten (10) days and may be given in addition to the investigatory suspension or as punishment for the violation. The employee is relieved of his or her job assignment because of serious or repeated instances of misconduct and will not be paid for the time they otherwise would have worked as a result of the suspension.

Drug & Alcohol Free Workplace

Drug and/or alcohol abuse not only affects individual users and their families, but it also presents dangers in the workplace. **The use of any illegal drugs, intoxicants, or controlled substances is strictly prohibited.** You may not be under the influence of, or using drugs or alcohol, while at work or performing any kind of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS business. Any employee who begins work while impaired or who becomes impaired while at work will be subject to disciplinary action. Likewise, any employee found to be involved in the use, possession, transfer, or sale of any illegal drugs or alcohol on company premises or while working will be subject to disciplinary action.

Alcohol may not be consumed while on company premises, but may be consumed in moderation at an offsite FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS-business related event and should never be consumed to excess or in a way that creates a health or safety hazard to yourself or others.

Also, please note that although the use of medical marijuana is permitted by California, its use is not permitted while on FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS premises or while you are working.

Drug Testing

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS reserves the right to require employees to submit to testing (including, without limitation, urine or blood testing) for abuse of alcohol or illegal drugs.

All individuals, including those in safety-sensitive positions, are required to undergo pre-employment drug testing. Furthermore, employees of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS who work in safety-sensitive positions or positions where drug testing is required by federal law may be subject to annual and random drug testing, as permitted by law.

A drug-testing program is necessary to ensure a safe workplace for all employees.

Safety is paramount. As employees of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, **you:**

- Must not use or possess alcohol or any illicit drug while assigned to perform a safety-sensitive function or while actually performing a safety-sensitive function.
- Must not report for work, or remain on duty, if you are under the influence of or impaired, in any way, by alcohol. In other words, at the time you report to work and at all times during your shift, your blood alcohol concentration ("BAC") must be zero.
- Must not report to work under the influence of any controlled substance, even if the controlled substance has been taken/used pursuant to the instructions of an authorized medical practitioner.
- May not refuse to submit to any test for alcohol or controlled substances.
- May not refuse to submit to any test by adulterating or substituting your specimen.

DOT drug tests are conducted using urine specimens, which are analyzed for marijuana metabolites, THC, cocaine metabolites, amphetamines (including methamphetamine), opiates (including codeine, heroin, and morphine), and phencyclidine (PCP).

Prescription and over-the-counter drugs may be allowed, but only if they are prescribed by a licensed physician, the physician has made a good faith judgment that the use of the medication at the prescribed dosage level is consistent with the safe performance of your duties, the medication is used at the authorized or prescribed dosage, if you are being treated by more than one physician, and you must show that at least one of your doctors has been informed of all prescribed and over-the-counter medications you are taking and has determined that the use of these medications is consistent with the safe performance of your duties.

Although California law permits the medical use of marijuana, federal laws and our own internal policy do not recognize any medical use of marijuana. Even if marijuana is medically prescribed to you by an authorized medical provider, it is against our policy to use medical marijuana during your working hours.

Employees may be tested under the following circumstances:

- **Pre-Employment.** All individuals are required to undergo pre-employment drug testing.
- **Reasonable Suspicion/Cause.** Employees are required to submit to any test (whether drug, alcohol, or both) that a Store Director and/or Human Resources Manager requests based on reasonable suspicion. Reasonable suspicion means that one or more supervisors genuinely and reasonably believes or suspects that the employee is under the influence of drugs or alcohol, based on observations of the

employee's appearance, behavior, speech and smell usually associated with drug or alcohol use.

- **Random.** Employees whose positions require drug testing under federal law or who will perform safety-sensitive functions, where performance of those functions under the influence of drugs would pose an imminent safety or health threat with irremediable consequences, are subject to unannounced random drug and alcohol testing administered as required by law or just prior to, during, or just after performing safety-sensitive functions. Just prior to the testing event, the employee will be notified of his/her selection and provided enough time to report to the testing location. Failure to show for a test or interfering with the testing process can be considered a refusal and may subject the employee to disciplinary action, up to and including termination.
- **Post-Accident.** If any employee is involved in an accident, he/she may be required to take a drug and alcohol test. In any such instance, the employee is required to remain available for testing and is not permitted to refuse testing. Refusal to test may result in disciplinary action, up to and including termination.

If you refuse to submit to testing, you may be subject to disciplinary action, up to and including termination of employment. If you fail a drug and/or alcohol test, you may be subject to disciplinary action, up to and including termination of employment. Test results will not be published or disclosed to anyone other than those in appropriate management positions.

Workplace Violence

We recognize that workplace violence is a growing concern and are committed to preventing workplace violence and to maintaining a safe work environment for all of our employees. We seek to prevent workplace violence before it begins and reserves the right to address certain behaviors, even in the absence of violent behavior.

You are expected to treat your fellow employees with courtesy and respect at all times. You are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Conduct that threatens, intimidates, or coerces another employee, or a member of the public at any time, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on a Protected Characteristic.

Visible or concealed weapons, real or replica, are strictly prohibited in the workplace or on work premises, regardless of whether an employee has a permit to carry a concealed weapon.

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to the Store Director or your Human Resources Manager. This includes threats by employees, as well as threats by vendors, contractors, customers, or other community-at-large members. When reporting a threat of violence, you should be as specific and detailed as possible. All suspicious individuals or activities should also be reported as soon as possible to the Store Director or your Human Resources Manager. **Do not put yourself in harm's way.** If you see or hear a commotion or disturbance, do not try to intercede or see what is happening.

A threat includes, but is not limited to, any indication of intent to harm a person or damage company property. Threats may be communicated verbally or nonverbally.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will promptly and thoroughly investigate all reports of threats of or actual violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, we may suspend employees, either with or without pay, pending investigation.

Violent Crimes by Third Parties

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS recognizes the unfortunate reality that violent crimes do occur in the workplace. The potential commission of a violent crime in the workplace may threaten the safety of our employees as well as customers. Prevention is the threshold measure to protect you and our customers' safety. Accordingly, you should make a conscious effort to observe your surroundings and report any suspicious persons or activities to the police.

In the unfortunate event of a holdup or robbery, you should obey all orders issued by the perpetrator. Failure to follow the perpetrator's orders jeopardizes your safety as well as the safety of customers and other employees. Therefore, remember to stay calm, move slowly, and cooperate with the perpetrator. Do not argue, fight, display a weapon, or offer any other form of resistance. To the extent possible, employees should attempt to concentrate on the perpetrator's physical features, dress, voice, automobile, and any other identifying characteristics to help with later recognition or identification to authorities.

Once the incident is over, you should remain where you are - do not attempt to follow or catch the perpetrator. Once you are certain that the perpetrator has left the immediate area, quickly secure the area and call the police. While waiting for the police to arrive, avoid touching anything or disturbing the area. If possible, write down everything you can remember about the incident and the perpetrator. Employees are expected to cooperate fully with the enforcement authorities after the occurrence of an incident.

Conflicts of Interest

We expect you to devote your full time and energy to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS during working hours and to be loyal to us at all times. You must always act in the best interest of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS and are expected to maintain professional relationships with other employees and people and companies who do business with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. A conflict of interest can arise from any personal activities or relationships that influence, or appear to influence, your ability to act in the best interests of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS.

An **actual** conflict of interest is when you have a financial, family, or personal interest that impairs your ability to act in the best interest of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS.

A **perceived** conflict of interest is when you have a financial, family, or personal interest that creates the appearance that you cannot act in the best interests of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS.

You must avoid personal, business, or social relationships which could create actual or perceived conflicts of interest, divisions of loyalty, or which could, in any way, distract from the performance of your job responsibilities.

If you have a circumstance that actually, potentially, or even creates the appearance of a conflict with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' interests, you must disclose it to the Store Director, the Director of Human Resources, or a member of the Executive Management Team as soon as possible and follow any instructions necessary for you to maintain independent and objective business judgment on behalf of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. Any activities that compete with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS or otherwise opposes FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' interests will not be permitted.

Outside Employment

You may hold an outside job as long as it is approved in writing by the Director of Human Resources or a member of the Executive Management Team and you continue to satisfactorily perform your job responsibilities. While you are working your regularly scheduled hours, you are to conduct only FOOD 4

LESS/RANCHO SAN MIGUEL MARKETS business. In other words, you may not conduct personal business or business for another employer during your scheduled working hours.

Dating in the Workplace

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS wants to avoid misunderstandings, complaints of favoritism, possible sexual harassment claims, and employee morale and dissension problems that can result from certain personal relationships between employees.

- **If you are a manager or supervisor, you are strictly prohibited from becoming romantically/sexually involved with any subordinate employee or contractor over whom you exercise any authority.**

Please remember that we have a strict policy against unlawful harassment of any kind, including sexual harassment. This policy extends to the relationship between FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS employees and its customers, suppliers, and vendors who contract with us. Violation of this policy will result in discipline, up to and including immediate termination of employment.

Solicitation and Distribution in the Workplace

Our objective as an organization is to focus on our customers' needs. Therefore, certain types of solicitation and distribution of literature are prohibited.

- You may not distribute literature within working areas during working time.
- You may not solicit other employees for any purpose in working areas during working time.
- You may not solicit or distribute literature to other employees when either the employee who is soliciting/distributing or the employee being solicited is in working areas and on working time.

These rules do not apply during break times and meal times or other periods during the workday when employees are not engaging in performing work tasks and are not in work areas.

Non-employee third parties may not solicit or distribute literature on company property at any time.

Protecting Confidential Information

You must protect all confidential information concerning FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, as well as confidential information of other parties, that has been entrusted to us. Examples of confidential information include personnel files, price guides, company reports, medical records, company records, employee phone numbers, store or department sales and/or profit figures, or any other non-public information that you come to know because of your role at FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. You may never use confidential information for the purpose of furthering current or future outside employment or activities or for obtaining personal gain or profit.

Confidential information may never be removed from FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS premises without express written authorization of a member of the Executive Management Team. Furthermore, you should never disclose confidential information unless you are authorized by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS or required by law to do so. Your duty to protect confidential information also applies to your communications with friends and family members, and continues even after your employment with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS ends. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS confidential information includes all non-public information that might be useful to competitors or otherwise harmful to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS if disclosed.

You may be required to enter into a written confidentiality agreement confirming your understanding of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' confidentiality provisions and guidelines.

Electronic Devices & Communications Usage

As an employee, you have access to a number of electronic communication tools and devices to assist you in performing your jobs. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' computers, telephones, voicemail, fax machines, copiers, and mobile and other electronic devices and the data stored on them are and remain at all times FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' property and should be used for business purposes. Because these devices and equipment are the property of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, the company reserves the right to actively (a person reading or inspecting) or passively (a tool or automated solution) monitor all FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS devices and electronic systems to ensure compliance with its rules and regulations. Therefore, you should have no expectation of privacy in such use.

Electronic communications and documents should be limited to the conduct of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS business. You may never use FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' electronic systems, including e-mail or internet access, to:

- Disseminate or print copyrighted materials, including articles and software, in violation of copyright laws.
- Send, receive, print or otherwise disseminate proprietary data, trade secrets or other confidential information in violation of any policy, confidential or proprietary information agreements, or applicable law.
- Email communications or other material containing offensive or harassing statements or language including disparagement of others based on any other class protected under federal, state or local law.
- Send or solicit sexually oriented messages or images.
- Operate a business, take away business opportunities or solicit money for personal gain, or search for jobs outside FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS.
- Send chain letters.
- Engage in any other activity in violation of local, state or federal law.
- Circulate jokes, comics or non-job related computer graphics.

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

Furthermore, if you engage in the unauthorized review, duplication, dissemination, removal, damage, or alteration of files, passwords, computer systems or programs, voice mail messages, e-mail messages, text messages, or other FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS property, or improper use of information obtained by unauthorized means or other violations of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS policies, it may be grounds for disciplinary action, up to and including immediate termination of employment. In addition, portable media devices, may not be used for unauthorized download or storage of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS data, software, or other information.

Finally, due to the prevalence of child pornography and other unlawful obscene material on the internet, if you use FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS devices or electronic systems to view or download explicit pornographic materials of any kind, you will be subject to immediate termination from employment.

Use of Company Telephone, Intercom, and Voicemail

Store telephones are for business purposes only. Personal calls may be made on your own time and on your own devices.

Similarly, the intercom system may be used for business purposes only. Before using the intercom, please ensure no one else is using it. You may not have personal conversations with other employees via the intercom. Please remember that the intercom is a communication tool and the less that is said, the better. If you require assistance using the intercom or crafting your message, please check with your supervisor or the Store Director.

Cell/Smart Phone and Listening Device Policy

As part of our continuing efforts to provide a safe environment for our employees and customers, as well as providing exceptional customer service, we need to be aware of our surroundings. Therefore, you may not use any listening devices, including, but not limited to iPods, iPhones, MP3 Players, PSP, or other similar devices during work time. This includes on the sales floor, in back stock rooms, in the warehouse, or any other area where you are working and/or your full attention is required.

Additionally, you may not use your cell or smart phone to take pictures of other employees at work, in breakrooms, or in bathrooms.

You should limit use of cell phones to non-working times in the break room or other non-public area. Cell phones are not to be carried on the sales floor during work time without specific permission from the Store Director. Violation of this or any FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS policy or procedure may result in disciplinary action, up to and including termination of employment.

Dress Code and Appearance

When providing a service to the public, we must be ever conscious of the image we project. Part of that image is established and maintained by our appearance. Certain standards of dress and personal hygiene, particularly in the food industry, must be maintained to preserve a positive image. Our dress and grooming standards are a careful blend of acceptable dress, current commercial fashions and related community standards. You are expected to report to work well groomed, clean, and dressed according to the requirements of your position. Some employees may be required to wear uniforms or safety equipment/clothing. Please contact your immediate supervisor or the Store Director for specific information regarding acceptable attire for your position.

It is the sole responsibility of management to determine if an employee meets our dress code and appearance standards. If you report to work dressed or groomed inappropriately, you may be prevented from working until you return to work appropriately groomed and wearing the proper attire. Notwithstanding any other language in this policy, reasonable accommodation will be made for religious dress, and employees will not be discriminated against based on hair texture and/or protective hairstyles. Failure to follow this policy may result in discipline, up to and including termination.

Uniform Shirts

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will provide all employees with three (3) shirts annually at no cost -- two shirts upon hire and one additional shirt after the completion of 90 days of continuous employment. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS shirts must be worn and visible while at work, to the extent your position requires you to wear a company shirt. On the employee's anniversary date, we will provide an additional three (3) shirts at no cost. Additional shirts, as well as sweatshirts and jackets, may be purchased from FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS at cost, including sales tax.

Social Media Guidelines

We understand that social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers around the world. However, use of social media also presents certain risks and carries with it certain responsibilities. We expect you to make responsible decisions about your use of social media and follow the guidelines we have established for appropriate use of social media. This policy applies to all individuals involved in the operation of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS.

General Guidelines

Social media can mean many things. To us, 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, web bulletin board or a chat room, whether or not associated or affiliated with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, as well as any other form of electronic communication. The same principles and guidelines found in our internal 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 of your conduct that adversely affects your job performance, the performance of fellow co-workers or otherwise adversely affects clients, suppliers, or people or companies who perform services behalf of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may result in disciplinary action, up to and including immediate termination of employment.

Know and Follow the Rules

You should ensure your postings are consistent with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' internal policies. Inappropriate postings that may include, without limitation, discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct or disclosure of our confidential information may subject you to disciplinary action, up to and including immediate termination of employment.

Be Respectful

Always be fair and courteous to fellow co-workers, contractors/consultants, customers, suppliers or people or companies who perform services on behalf of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. Also, keep in mind that you are more likely to resolve work-related complaints by speaking directly with your co-workers or by utilizing our Open Door Policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage co-workers, customers, members, associates or suppliers, or that might constitute harassment or bullying. 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 a Protected Characteristic.

Using Social Media at Work

Refrain from using personal social media while on work time or on equipment we provide, unless it is work-related as authorized by the Store Director or consistent with our electronic equipment policy. You may not use your company email addresses to register on social networks, blogs or other online tools utilized for personal use.

Workplace Privacy

Employees understand that they have a limited expectation of privacy in the workplace. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS reserves the right, at all times and without prior notice, to inspect and search any and all of its property (including offices, desks, lockers, etc.) for any legitimate business-related purpose. These inspections may be conducted during or after business hours and in the presence or absence of the impacted employee(s).

In addition, in order to ensure the safety and security of our employees and customers, and to protect FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' legitimate business interests, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS reserves the right to question and inspect or search any employee or other individual entering onto or leaving FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS premises. The inspection or search may include any packages or items that the individual may be carrying, including briefcases, handbags, knapsacks, shopping bags, et cetera. These items are subject to inspection and search at any time, with or without prior notice. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS also may require employees while on the job or on FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' premises to agree to reasonable inspection of their personal property and/or persons. The individual may be requested to self-inspect his or her personal property or person by displaying the contents of any packages and/or turning out his or her pockets, et cetera, in the presence of a representative of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, typically a management employee of the same gender. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will not tolerate any employee's refusal to submit to a search.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS maintains a video monitoring system for the protection of its employees' and FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' interests. Generally, only public areas of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' premises are subject to video surveillance.

Telephone calls may be monitored by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS to ensure quality and customer satisfaction.

Personnel Files

Personnel files are considered confidential and private information. As such, all of your personnel, medical, workers' compensation, and payroll records will be kept private, unless disclosure is authorized in writing by you or required by law. Access to private employee records will be limited to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS-specific employees and company-approved representatives who have a business need to access such records, such as Human Resources, Payroll, legal counsel, and third party benefits administrators.

Although employee privacy is our primary concern, employee information may be given to persons outside of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS at certain times. These include:

- Responses to subpoenas, court orders, or orders of administrative agencies;
- In a lawsuit to which you and/or the Company are parties;
- To administer employee benefit plans; and/or
- To a healthcare provider.

KEEPING RECORDS UP TO DATE. It is important that your name, address, and telephone number be kept accurate and up-to-date on internal records. It is sometimes necessary for the Store Director or someone else to contact you at home. Also, you may not receive important mail from FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS if your address is not on file. Therefore, it is your responsibility to keep your name, address, telephone number, and any other matters that affect your tax withholding and other work-related matters up to date by notifying your Human Resources Manager and/or Payroll. Moreover, to ensure that we can notify you when necessary, you must provide us with a physical address where we can reach you (not a post office box), and your cell phone number (if you have one).

INSPECTION AND COPYING OF RECORDS. You have the right to inspect on the premises or obtain a copy of certain contents of your personnel file, as provided by law. Should you require copies of personnel documents, please contact your Human Resources Manager to arrange for an inspection or copying time.

Privacy of Employee Personal and Medical Information

The Health Insurance Portability and Accountability Act (HIPAA), a federal law, is designed to protect the privacy of an individual's medical information. We comply with HIPAA. Only authorized personnel may have access to private employee medical information and records. Authorized employees must make every effort to keep such information private and confidential, and inaccessible to others.

Non-authorized employees who become aware of private medical information concerning a co-worker, contractor/consultant, or other person who does business with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS must not reveal that information to any other person, except to medical professionals or other first responders, as may be necessary in an emergency. Disclosing the private medical information of others, except in an emergency, may result in discipline, up to and including termination of employment.

We will not, and no employee may, disclose private or personal information about any employee to third parties without prior written authorization from management, except in limited circumstances, which include: In response to a subpoena or court order; with prior written authorization from the employee; in a workers' compensation hearing; or if otherwise required by any law.

Sale of Alcoholic Beverages

We are committed to complying with federal, state, and local laws regarding sale of alcohol. Customer identification must be checked whenever there is the slightest doubt that customers may not be twenty-one (21) years of age. Employees should be aware that government agencies regularly send undercover agents to test stores selling alcohol. Liquor, beer, or wine must not be sold to anyone obviously intoxicated. Liquor, beer, or wine cannot be sold between the hours of two (2) a.m. and six (6) a.m. Failure to follow these rules will result in immediate termination of employment, and possible criminal prosecution.

Sales of Tobacco

We also comply with federal, state, and local law regarding the sale of tobacco. The sale of any tobacco item to anyone under the age of twenty-one (21) is strictly prohibited.

Employee Purchases

We encourage you to shop in the store at which you work. It is not only good for business but creates good customer relations because our customers see that you prefer to shop at FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. We ask that you follow these rules when shopping in a FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS store:

- Any merchandise you purchase must be "checked out" in the same manner as any other customer. No special packages or no set aside items. In other words, all items must have been available to regular customers.
- The checker must physically process every item.
- You must retain a sales slip for each and every purchase, and purchases must be taken from the store at the time of sale.
- No purchase may be consumed until it has been paid for. No purchases are to be consumed on the sales floor or in view of the customer. Example: chewing gum, candy, etc.
- If you purchase items, it must be on your own time.

- You cannot check out your own purchases, or purchases of relatives, friends or anyone residing in the same household. All such purchases must be checked out by another employee.
- Please keep your lunch and break time food and refreshment receipts on hand – they must be readily available as evidence of purchase.
- The consumption or removal of merchandise prior to purchase and the discounting of merchandise are considered theft and may result in immediate termination and possible prosecution.
- If you are shopping while wearing your FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS shirt or other identifying logos, you will be expected to follow all "on duty" courtesies when approached by customers.

Failure to abide by these rules will result in disciplinary action, up to and including, immediate termination of employment.

Discounts

You may not discount merchandise for other employees or customers. Any employee found to have adjusted any prices without authority is subject to disciplinary action, up to and including, immediate termination of employment.

Grazing

If you consume or use store merchandise and cannot produce evidence that such merchandise has been paid for, such as a receipt for its purchase, you will be subject to immediate termination of employment. Unauthorized removal of store merchandise or other property from the store will be considered theft of company property and will subject the person responsible to immediate termination of employment and possible criminal prosecution.

Gratuities and Samples

You may not accept any gifts or samples from sales persons at any time under any circumstances. Making a request for gratuities from vendors is equally against our policy and will result in immediate termination, unless prior permission is granted by the President or designated representative.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS maintains a "No Tipping" policy. If a customer offers you a tip, it must be politely but firmly refused.

All premiums, allowances, samples, etc., are the property of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS and are to be presented only to the office. Violation of this policy will lead to disciplinary action, up to and including termination of employment.

Merchandise Refunds

It is our policy to cheerfully and pleasantly refund or exchange the purchase price of any item purchased in the store which is not satisfactory to the customer. Meat or produce merchandise should be referred to the Store Director or the applicable department(s) who will fill out a refund voucher at the check stand, but all refunds must be handled as a separate transaction. Any refund for more than \$3.00 must be approved by the Manager in Charge or the Store Director.

Lost and Found

All money or valuables you may find on Company premises must be turned over to your supervisor immediately, who will report them to the Store Director. If items are unclaimed after 30 days have passed, the lost item may be turned over to its finder. All money will remain the property of FOOD 4 LESS/RANCHO SAN MIGUEL.

Keep Valuables at Home

You should not bring valuables to work. If necessary to do so, all valuables should be kept in a secure location. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will provide you with a designated locker or other storage area for you to store your belongings while at work. You may use your own locks or other devices to secure lockers or other storage facilities provided by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS during working hours. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS assumes no responsibility for the loss, theft, or damage of Employees' personal property.

Hours of Work/Compensation

Business Hours

Because FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may be open for business 24 hours a day, seven days a week, we may have employees on the premises around the clock in order to provide effective service to our customers and to maintain top quality store conditions. Starting and end times may vary and may be staggered for various shifts due to business demands. Management reserves the right to set such starting and end times and to schedule employees as it sees fit to accommodate staffing requirements and business needs.

Posting of Shifts

Weekly work schedules will be posted on the Employee Bulletin Board or in each department area by 12:00 p.m. on Friday for the following week beginning on Sunday. **It is your responsibility to carefully read and know your schedule.** Do not call in for your schedule. Report to work and be ready to work on time. Special care must be taken to recognize the difference in an a.m. or p.m. shift. Termination could occur if misread schedules result in tardiness or absences.

You may not change your shift or trade shifts with another department employee without prior written approval of your supervisor.

You will be expected to work reasonable amounts of overtime according to business needs. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will attempt to schedule overtime in a consistent manner with as much advance notice as possible. However, you are not allowed to work beyond your normal schedule without the express request or approval of your immediate supervisor or the Store Director. While you will be properly paid for all time worked, even unauthorized time, failing to punch out on time and creating overtime without management's approval may result in discipline, up to and including termination.

Attendance/Punctuality

Here at FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, we operate in a team-oriented environment. This means that we all count on each other to report to work in a timely manner, get the job done, and communicate when it comes to being late or absent. One of the essential functions of your job is regular and timely attendance. Furthermore, the ability for FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS to operate efficiently, serve our customers, and meet business goals depends on your regular attendance and open communication. Excessive absenteeism, partial absences, tardiness, and failure to report your absence timely are performance-related issues which impact your reliability and productivity and may result in disciplinary action, up to and including termination of employment.

Employees are expected to report to work as scheduled, on time, and prepared to start work. **Tardiness is defined as being at your workstation at least three (3) minutes after your scheduled starting time.** Employees are also expected to remain at work for their entire work shift (except to take periodic rest breaks and meal periods as required by law). Late arrivals, early departures, or other unexpected and abnormal absences can be disruptive and should be avoided whenever possible.

When you anticipate not being able to report to work on any particular day, or know you will be delayed in reporting to your shift, you should notify your immediate supervisor or the Store Director at least two (2) hours in advance of your scheduled shift or regular reporting time. You must also inform your supervisor and/or the Store Director of the expected duration for any absence.

Excessive absenteeism may subject an employee to disciplinary action, up to and including termination, unless otherwise provided for by law. However, we will evaluate each situation of excessive absenteeism or tardiness on a case-by-case basis.

In the event you fail to report to work without any notification to your immediate supervisor or the Store Director and the absence continues for a period of two (2) consecutive work days, we will consider you to have abandoned your job and voluntarily resigned your employment.

Absences protected by local, state and federal law do not count as a violation of the punctuality and attendance policy. Additionally, any leave taken pursuant to our Paid Sick Leave policy does not count as a violation of this policy.

Time in Service

Time in service is defined as a length of service with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS and shall be computed from your initial date of employment in case of a break in service. Time in service is typically interrupted by the following:

- Voluntary/involuntary quit.
- Discharge for cause.
- Layoff when duration exceeds six (6) months.
- Non-occupational disability in excess of nine (9) months.
- Failure to report to work at the expiration of authorized leave of absence or vacation, unless an extension in writing is authorized in advance.
- Failure to report for work within two (2) working days after being notified to report following conclusion of approved Leave of Absence, except in cases of a *bona fide* illness or other extenuating circumstances which may be honored at the sole discretion of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS.
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- Employees accepting alternative employment that management deems to have adverse impact on attendance, availability to/or performance of work.

Pay Schedule

Employees are issued paychecks every other Friday for work performed during the previous two-week period. You may pick up your paychecks at your work location. Paychecks will not, under any circumstances, be given to any person other than the employee without written authorization. No check will be mailed without written request from the employee stating the address to which it should be mailed.

Payroll advances or credit extensions are never provided to employees.

Direct Deposit

You may designate one or more bank accounts for automatic deposit of your paychecks. For example, a set amount may be directed into your savings account, with the balance deposited into your checking account. All of the required enrollment and consent forms are available from Payroll.

Paycheck Deductions

We are required by law to make certain deductions from your paycheck each pay period. Such deductions typically include federal and state taxes, social security taxes, state disability insurance, and garnishment orders (if applicable). Depending on the benefits you choose, there may be additional deductions. All

deductions and the amount of the deductions will be listed on your paystub. If you have questions about your paycheck or deductions, please see Payroll.

Paycheck Accuracy

In connection with your pay, you will be furnished a pay stub that complies with the requirements of California law and that accurately lists, based on the information reasonably available to FOOD 4 LESS/RANCH SAN MIGUEL MARKETS, all required information for the applicable pay period. It is your responsibility to examine your paycheck and pay stub to verify that you were properly paid for all time worked and that the paycheck and pay stub are accurate. If you believe there is an error in your paycheck, you should immediately inform your Store Director.

Employee Check Cashing

Employees may not approve or cash their own checks; to do so may result in termination. Any employee who has more than one personal check returned to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS within a 12-month period due to Insufficient Funds, Refer to Maker, Unable to Locate Account, or Account Closed will be subject to disciplinary action, up to and including termination.

All employees who have a check returned for any other reason than a bank error will be subject to the current service charge for returned checks.

Reporting/Show Up Pay

If you are requested to report to work but are sent home early without working one-half of your usual or regularly scheduled hours, you will be paid the greater of one-half your regularly scheduled hours (up to four hours) or two hours at your regular rate of pay. The regular rate of pay will be the rate you received for hours worked during the last payroll period. You will not be entitled to show-up pay, however, if FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS has notified you not to report to work or that a full work day will not be made available on a given day.

Show-up pay will not be included in the calculation of any overtime compensation you may be paid. Rather, overtime compensation will be based on actual hours you worked.

Special Information for Non-Exempt Employees

The following policies apply to our non-exempt employees only.

Timekeeping for Non-Exempt Employees

For payroll and benefit purposes, all non-exempt employees are responsible for keeping track of their hours worked by clocking in and out. Non-exempt employees must record the time work begins and ends, as well as the beginning and ending time of each meal period. If a non-exempt employee leaves work for any non-work related reason during a shift, this departure must also be recorded.

For timekeeping purposes, a workday begins at 12:01 a.m. and ends at midnight 24 hours later and a workweek begins each Sunday at 12:01 a.m.

Altering, falsifying, and/or tampering time records, or recording time on another employee's time record is prohibited and subject to disciplinary action, up to and including termination.

Overtime Pay for Non-Exempt Employees

From time to time, non-exempt employees may be required to work overtime as necessary. Only actual hours worked in a given workday or workweek can apply in calculating overtime. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS pays non-exempt employees for all overtime hours worked in accordance with state and federal law as follows:

Overtime Rate Paid	Hours Worked
1.5x Regular Hourly Rate	More than 8 hours but less than 12 hours per workday and the first 8 hours on the seventh consecutive day worked in the workweek
2.0x Regular Hourly Rate	More than 12 hours per workday and all hours worked in excess of 8 on the seventh consecutive day worked in the workweek

Paid holidays, vacations and leaves of absence (disability leave, Paid Sick Leave, Vacation Time Off, etc.) are not considered hours worked for the purpose of computing overtime according to California State law.

Rest Breaks and Meal Periods for Non-Exempt Employees

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS complies with and follows state law on rest breaks and meal periods.

Rest Breaks

Non-exempt employees are authorized and permitted to take one (1) 10-minute rest break for every four (4) hours you work or major fraction thereof. If you work less than 3.5 hours in a day, however, you are not entitled to a rest break.

To better illustrate, rest breaks are provided according to the chart below:

Duration of Shift In Hours	# of 10 Minute Rest Breaks	Explanation
Between 0 to less than 3.5 hours	0	If you work less than 3.5 hours in a workday, you are not entitled to a rest break.
3.5 to less than 6 hours	1	If you work between 3.5 and 6 hours in a workday, you are entitled to one 10-minute rest break.
6.0 but less than 10.0 hours	2	If you work more than 6 hours in a workday but do not work more than 10 hours in a workday, you are entitled to two 10-minute rest breaks.
10.0 but less than 14.0 hours	3	If you work more than 10 hours in a workday but do not work more than 14 hours in a workday, you are entitled to three 10-minute rest breaks. Non-exempt employees who work more than 14 hours in a workday may be entitled to additional rest breaks.

Your rest break should be coordinated by you and the Store Director. Whenever practicable, you should take your rest breaks near the middle of each four-hour work period. You may not accumulate rest breaks or use rest breaks as a basis for starting work late, leaving work early, or extending a meal period.

Because rest breaks are paid, you do not need to clock out for them.

If you do not take your rest periods, you must notify your supervisor or the Store Director immediately. If you are in any way discouraged or impeded from taking your rest periods, taking them on time, or from taking the full amount of time allotted to you, please immediately notify your Human Resources Manager.

To the extent required by state law, you will receive one hour's pay for any workday in which you were not reasonably afforded an opportunity to take the full amount of all rest periods to which you were entitled. Voluntarily working through a rest period is not permitted and may subject you to disciplinary action, up to and including termination.

Meal Periods

Non-exempt employees will also be provided a time to recharge their batteries by enjoying an uninterrupted unpaid meal period of at least 30 minutes if you work more than five (5) hours in a workday. If you work more than 10 hours in a work day, you will be provided with a second unpaid meal period of at least 30 minutes.

Your meal period is unpaid and you are required to clock out at the start of your meal period. During your meal period, you should **NOT** perform any work. When you return to work on time, please remember to clock back in.

If you do not to take your meal period, take it late, or if you forget to clock out or back in, you must notify your supervisor or the Store Director immediately so that the meal period can be accounted for accurately on your timekeeping records for wage payment purposes. If you are in any way discouraged or impeded from taking your meal period, taking it on time, or from taking the full amount of time allotted to you, please immediately notify your Human Resources Manager.

To the extent required by state law, you will be paid for any work performed during a meal period, and will receive one hour's pay for any workday in which in which you were not reasonably afforded an opportunity to timely take the full amount of all meal periods to which you were entitled. Voluntarily working through a meal period is not permitted except for meal periods validly waived by employees in writing as permitted by law, and may subject you to disciplinary action, up to and including termination.

To better illustrate this policy, meal periods are provided according to the following schedule:

Duration of Shift In Hours	# Meal Periods	Comments
Between 0 and less than 5.0	0	An employee who works less than five hours in a workday is not provided with a meal period.
5.0 but less than 10.0 hours	1	An employee who works more than five hours in a workday, but less than ten hours in a workday, is provided with a 30-minute meal period available before the end of the 5th hour of work. You must start this meal period prior to beginning your 6th hour of work.
More than 10.0 hours	2	An employee who works more than ten hours in a workday is provided with a second 30-minute meal period available before the end of the 10th hour of work. Employees who work more than 10 hours in a day may opt to waive their second meal period in writing, if and only if, they have taken their first meal period. You must start this meal period prior to beginning your 11th hour of work.

No Compensatory Time Off

Employees (whether exempt or non-exempt) may not take compensatory time off. It is against our policy and against the law.

Taking Time Off

We recognize the importance of taking time off, which may be needed for a number of reasons, including a vacation to refresh or recharge your batteries, to take care of an ill parent, to tend to your civic duties, to attend your child's school play, or for other personal or medical reasons. Employees should be aware that the programs described below may be amended, modified or canceled from time to time, at our sole discretion and as permitted by federal, state, and/or local law.

Holidays

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS regularly observes and recognizes the following eight (8) paid holidays throughout the year: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas, and your anniversary date of hire. Holidays are defined as 12:00 a.m. – 11:59 p.m. on the celebrated day. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may change the paid holiday schedule from time to time.

You must have completed 90 days of employment in order to be eligible for holiday pay, unless otherwise mandated by law. Holiday pay is calculated based on the average number of hours worked in the previous 13-week period. Holiday pay or additional accrued Vacation Time Off pay will not be considered as time worked for purposes of computing overtime pay.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may require you to work on a Company-observed holiday. If you are required to work on a Company-observed holiday and have completed the 90-day introductory period, you will be entitled to receive two (2) times your regular rate of pay.

The following additional procedures apply to Holidays:

- If you were scheduled to work the holiday but are unable to do so due to illness, you will be paid accrued Paid Sick Leave (if available) in lieu of holiday pay.
- In order to be paid for a non-worked holiday, you must work your scheduled day before and after the holiday, except when the absence is due to illness.
- If you are on an approved vacation, you will be paid for the holiday in addition to the vacation.
- You must work at least one day during the week of the holiday to be paid for the holiday, unless you are on an approved vacation.

Vacation Time Off

Vacation Time Off is paid time away from work which employees can use for vacation, religious holidays not observed by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS or cultural reasons, attendance at school activities, and other "personal life matters". The purpose of Vacation Time Off is to encourage flexibility over your schedule while remaining mindful of your job responsibilities, expectations, your fellow team members, business needs, and individual performance. We believe that Vacation Time Off is valuable for employees not only to make their work experience with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS personally satisfying, but also to enhance their productivity and contribute to our overall success. Vacation Time Off is not to be used when you are sick, a family member is sick, or you need to attend a medical appointment; instead, this kind of leave is covered by our Paid Sick Leave Policy which is addressed below (unless you have exhausted all of your Paid Sick Leave).

Eligibility

All Regular Employees are eligible to earn Vacation Time Off. Vacation requests may be denied depending on business and operational needs.

Earning Vacation Time

Vacation for regular employees is earned on a bi-weekly accrual basis. Vacation is accrued based upon the number of *completed* years of service. Eligibility for vacation leave shall be computed from the most recent date of hire or rehire. The maximum accruals are shown below in the following schedule. The bi-weekly accruals are approximations. There is no cap on how much vacation you can bank. If a holiday falls during your approved scheduled vacation, you will be paid for the holiday. You do not earn vacation while on an approved leave of absence.

Length of Service	Hours Earned for Every 80 Hours Worked	Maximum Accrual Per Year
After completing 1 year of continuous employment	1.54	40 hours
After completing 2 years of continuous employment	3.07	80 hours
After completing 5 years of continuous employment	4.61	120 hours
After completing 12 years of continuous employment	6.15	160 hours
After completing 20 years of continuous employment	7.69	200 hours

Vacation Calculation

Vacation pay shall be calculated according to the following formula: hours worked from anniversary date to anniversary date from the previous year divided by number of days worked during that same period to get an average daily hours worked. We then multiple the average daily hours worked by your current wage. Vacation pay shall not exceed eight (8) hours per day unless you work an alternative 4/10 schedule.

Effect of Termination on Accrued Vacation Time

Vacation Time Off is an earned benefit. Therefore, when you terminate your employment with us, you will be paid for all accrued but unused Vacation Time Off. You may not “cash out” Vacation Time Off during your employment. Please note that Vacation Time Off pay is subject to normal payroll tax deductions and applicable withholdings.

Paid Sick Leave

Paid Sick Leave

Paid Sick Leave is paid time away from work which you can use exclusively for your own medical need, the medical need of a covered family member, when you need time off for SAFE reasons, and any other reason that is permitted under applicable state or local law.

It is in our best interests that an employee who is ill or injured not remain at work. It is your responsibility to notify your immediate supervisor or the Store Director if, while at work, you feel an illness or injury that warrants going home or to the doctor.

You are encouraged to make your routine doctor or dentist appointments before arriving for work or after leaving work for the day, if possible. If time off is required for such appointments, arrangements should be made in advance with your supervisor or the Store Director.

Paid Sick Leave Accrual

All employees, including part-time and temporary employees, will receive one (1) hour of Paid Sick Leave for every 30 hours worked, up to a maximum of 48 hours (which is the equivalent of 6 eight (8) hour days) of leave specifically designated as Paid Sick Leave on an annual basis. Accrual of Paid Sick Leave begins upon your hire date.

Accrued but unused Paid Sick Leave will be carried over year after year, until a maximum of 360 hours (which is the equivalent of 45 eight (8) hour days) has been reached. Once the maximum amount has been accrued, you will not be able to accrue any further amounts until your Paid Sick Leave bank has been reduced below the maximum amount.

Paid Sick Leave Usage

You may begin using your Paid Sick Leave after completion of 90 days of employment. If you take any time off before you have completed 90 days, such time off will be unpaid. Paid Sick Leave may be used in two (2) hour increments.

Paid Sick Leave “Covered Family Member” Definition

Covered family members include children, parents, spouses, registered domestic partners, legal wards/guardians, grandparents, grandchildren, siblings, as well as any other individuals identified under applicable state or local law.

Paid Sick Leave Requests

You can submit Paid Sick Leave requests to your immediate supervisor or Store Director. For health-related appointments, you should provide reasonable advance notice to your immediate supervisor. We understand that there are situations where it is not possible to give advance notice of the need for sick leave, and in those cases, you must notify your immediate supervisor or the Manager in Charge at least two (2) hours before your scheduled shift.

It is your responsibility to notify your immediate supervisor or the Manager in Charge at the beginning of each workday in which you are absent due to illness or injury.

Exceptions to your notification responsibilities include a serious accidental injury or hospitalization or when it is known in advance that you will be absent for a certain period of time and you have already cleared this absence with your immediate supervisor or the Manager in Charge.

Return from Paid Sick Leave

If you have been absent more than three (3) consecutive working days, the Store Director or the Director of Human Resources may request you to provide a medical certification from your doctor.

Paid Sick Leave and Approved Leaves of Absence Integration

Paid Sick Leave may run concurrently with other applicable and approved leaves of absence. If you are approved for a medical leave of absence, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may first apply unused Paid Sick Leave hours before applying any other accrued leave entitlements.

Effect of Termination on Accrued Paid Sick Leave Time

Paid Sick Leave is not earned or accrued which means that when you leave FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, there is no payout. Additionally, you may not “cash out” sick credits during your employment.

Leaves of Absence Generally

At some point during your employment with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, you may need to take a leave of absence. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS administers its leave of absence program in accordance with the requirements of federal and state laws and does not intend to create additional rights surrounding leaves of absences other than as required by law. Instances may exist where two or more leave of absence policies or laws provide overlapping protections for an eligible employee and in such cases, you will receive the benefit of the more favorable policy or law.

Employees who take an authorized leave of absence will not be discriminated against or in any way retaliated against for applying for or taking leave.

We will pay for benefits for at least as long as the law requires. Employee will be responsible for the employee portion of the cost for benefits.

Special Note About Counseling, Performance Reviews, or Disciplinary Action While On Leave: FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may postpone or proceed with any counseling, performance review, or disciplinary action, including discharge, that was contemplated prior to any employee's request for or receipt of a leave of absence or that has come to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' attention before or during the leave. If any action is postponed during the leave of absence, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS reserves the right to proceed with the action upon the employee's return. Requesting or receiving a leave of absence in no way relieves employee of their obligation while on the job to perform their job responsibilities capably and up to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' expectations and to observe all FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS policies, rules, and procedures.

Medical Leaves of Absence

Family Medical Leave Act and California Family Rights Act

The Family and Medical Leave Act (“FMLA”) and California Family Rights Act (“CFRA”) permit eligible employees to take up to 12 workweeks (or 26 workweeks where indicated) of FMLA leave in any 12-month period for certain purposes, which are set forth below. Where the FMLA conflicts with the California Family Rights Act (“CFRA”), FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will apply the provision most favorable

to the employee. For purposes of this policy, any leave taken concurrently under the FMLA and CFRA is referred to as “FMLA leave” (even if the leave is actually under CFRA).

Under most circumstances, leave under federal and state law (FMLA and CFRA) will run at the same time (concurrently) and the eligible employee will be entitled to a total of 12 weeks of FMLA in the designated 12-month period.

Employees who take Pregnancy Disability Leave (“PDL”, described in the next section) and who are eligible for FMLA leave will be placed on FMLA leave at the same time the employee is placed on PDL. Once the pregnant employee is no longer disabled by pregnancy, the employee may apply for additional leave under CFRA. In other words, an employee may be entitled to up to four months of PDL leave, followed by an additional 12 weeks of leave under the CFRA.

Employee Eligibility Criteria

To be eligible for FMLA leave, you must have been employed by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS for the last 12 months and must have worked at least 1,250 hours during the 12-month period immediately preceding commencement of your FMLA leave.

You may take up to 12 weeks of unpaid job-protected leave within a 12-month period. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS uses a rolling 12-month period to calculate the 12-month period during which eligible employees may take the 12 weeks of FMLA.

Events that May Entitle an Employee to FMLA Leave

1. The birth of a child or to bond with or provide care for the child; or
2. The placement of a child with you for adoption or foster care and to bond with or care for the new child; or
3. To care for a parent, child, spouse, or domestic partner with a serious health condition; or
4. For your own serious health condition that renders you unable to perform the functions of your position; or
5. For any “qualifying exigency” arising out of the fact that your spouse, son, daughter, or parent is a military member on covered active duty or call to active duty status. Qualifying exigencies may include attending certain military events, arranging for alternative child care, addressing certain financial and legal arrangements, attending certain counseling sessions and attending post-deployment reintegration briefings (Note: leave for this reason is referred to in this policy as “qualifying exigency leave” and is not covered under CFRA leave provisions).

Serious Health Condition

A “serious health condition” is an illness, injury, impairment, or physical or mental condition that involves: (1) inpatient care (i.e., an overnight stay) in a hospital, hospice, or continuing treatment by a healthcare provider for a condition that either prevents the employee from performing the functions of his or her job or prevents the qualified family members from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three (3) consecutive calendar days combined with at least two (2) visits to a healthcare provider; one visit and a regimen of continuing treatment; incapacity due to pregnancy; or incapacity due to a chronic condition. Other conditions may also meet the definition of continuing treatment.

Qualifying Exigency

Eligible employees may also take up to 26 weeks of FMLA leave during a single 12-month period to care for a covered service member when the covered service member is the employee's spouse, son, daughter, parents, or next of kin.

A covered service member is a current member of the armed forces, including a member of the National Guard or the reserves who is undergoing medical treatment, recuperation, or therapy; is otherwise in outpatient status; or is otherwise on the temporary disability retired list for a serious injury or illness; or

A covered veteran who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness. The veteran must be a member of the armed forces (including a member of the National Guard or reserves) who was discharged or released under conditions other than dishonorable at any time during the 5-year period before the first date the eligible employee takes FMLA leave to care for the covered veteran (Note: leave for this reason is referred to in this policy as "Military Caregiver Leave" and is not covered under CFRA leave provisions).

Military caregiver leave is a onetime FMLA benefit and as such, the 26 weeks are only available during a single 12-month period. However, an employee may be entitled to more than one period of military caregiver leave if the leave is to care for a different covered service member or to care for the same service member with a subsequent serious injury or illness, but no more than 26 workweeks of leave may be taken within any single 12-month period.

Leave under this particular subsection must be supported by a medical certification.

Amount of Time to be Taken

FMLA leave can be taken intermittently or all at once, but may not exceed twelve (12) workweeks total for any purpose in any 12-month period, as described below, for any one, or combination of the above-described situations. "Twelve workweeks" means the equivalent of twelve of the employee's normally scheduled workweeks. For examples, for a full-time employee who works five (5) eight-hour days per week, "twelve workweeks" is the equivalent of sixty (60) working days and/or paid eight (8) hour days.

If a holiday falls within a week taken as FMLA leave, the week is nevertheless counted as a week of FMLA leave. If, however, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' business activity has temporarily ceased for some reason and employees are generally not expected to report for work for one or more weeks, the days FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' operations have ceased do not count against the employee's FMLA leave entitlement

Pay During FMLA Leave

Generally, FMLA leave is unpaid. Before taking the leave as unpaid, however, you will be required to substitute any accrued but unused Paid Sick Leave for leave taken under this section. The term "substitute" means that the paid leave will run concurrently with the unpaid FMLA leave.

Depending on the circumstances, you may be eligible for other wage-replacement benefits, including short- or long-term disability insurance payments, workers' compensation benefits, State Disability Insurance benefits, or Paid Family Leave benefits.

Please note that neither the substitution of Paid Sick Leave, nor the integration of other wage-replacement benefits for unpaid leave, shall extend the maximum FMLA period available or result in you receiving more than 100% of your salary.

Pregnancy, Childbirth and Related Conditions

While pregnancy and prenatal care are included in the definition of “serious health condition” under FMLA, they are not covered under the leave provisions of CFRA. If you take leave for pregnancy disability (up to 4 months, as certified by your healthcare provider) and are also eligible for FMLA, your FMLA leave will run concurrently with your Pregnancy Disability Leave (described in more detail below).

Requesting FMLA Leave

To request leave under FMLA, you must inform your Store Director or Human Resources Manager of your need for leave, **and** you must contact FMLASource by calling (877)-462-3652 (Monday through Friday between 5:30 am and 7:30 pm PST) or logging on to www.fmlasource.com. If you have any questions about how to contact FMLASource, please ask your Store Director or Human Resources Manager.

Your information will be verified by a Benefits Specialist who will initiate the leave of absence process and who will be available to answer any questions you may have. When requesting leave through FMLA Source, please be prepared to provide your Employee ID (which is your SSN).

You will receive a Leave Notification Packet from FMLASource with time-sensitive information enclosed. It is your responsibility to follow all instructions and to ensure that all required paperwork is turned in on time. If there will be delays, please notify FMLASource prior to the deadline you are provided.

You will be notified in writing of the status of your leave request once it has been processed. Please note that decisions regarding leave will be based on the certification completed by your healthcare provider.

If your need for FMLA is foreseeable (for example, if you are pregnant or have a scheduled surgery), you must give the Store Director or Human Resources Manager and FMLASource at least 30 days’ prior written notice. If this is not possible or your need for FMLA is not foreseeable, you must let the Store Director or Human Resources Manager and FMLASource know as soon as practicable (generally the same day or next business day after you learn of the need for leave, depending on the circumstances), by contacting the Store Director or Human Resources Manager and FMLASource. You must also inform your Store Director or Human Resources Manager and FMLASource if the requested leave is for a reason for which FMLA (or state equivalent) was previously taken or certified.

If the event necessitating leave qualifies as Military Caregiver Leave, you must provide the Store Director or Human Resources Manager and FMLASource with as much notice of the need for the leave as is reasonable and practicable under the circumstances. When providing notice, you must include sufficient information for the Store Director or the Human Resources Manager and FMLASource to determine if the leave may qualify for FMLA (or state equivalent) protection and the anticipated timing and duration of the leave. Sufficient information may include that you are unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a healthcare provider, a copy of the military documentation showing deployment to a foreign country, or circumstances supporting the need for Military Caregiver Leave.

Failure to provide s notice may be grounds for delay of leave. Additionally, if you are planning a medical treatment, you must consult with the Store Director or your Human Resources Manager regarding the dates of such treatment to minimize disruption to business operations.

FMLA Certification

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS requires requests for FMLA to be supported by an appropriate medical certification. You will be provided with required certification forms through FMLASource. When you request leave, FMLASource will notify you of the requirement for certification and when it is due (no less than 15 calendar days after you request leave). If you are unable to obtain the certification due to reasons beyond your control, please notify FMLASource as soon as possible. Failure to provide requested certification in a timely manner may result in delay of your leave until required documentation is provided.

We may, in our own discretion, require a second medical opinion at our expense. We may also require re-certification from your healthcare provider if additional leave is requested. We may also require re-certification of certain leaves at reasonable intervals not to exceed every 30 days.

Health Benefits Continuation

An employee taking an approved FMLA leave will continue to participate in any health plans in which the employee was enrolled before the first day of the leave at the same level and under the same conditions of coverage as if the employee had remained an active employee, for up to 12 weeks.

If you are on FMLA (except for Military Caregiver Leave), FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will continue to pay the premium cost for your healthcare coverage (or COBRA) for up to 12 weeks to the same extent such premiums are paid for an active employee, or as otherwise required by law. If you are on Military Caregiver Leave, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will continue to pay the premium cost for your healthcare coverage (or COBRA) for up to 26 weeks to the same extent such premiums are paid for an active employee, or as otherwise required by law.

In the event you are out of work for more than 12 weeks (or 26 weeks for Military Caregiver Leave), your company-paid healthcare benefits coverage may end and you may elect to continue your healthcare benefits by paying for COBRA. Please note that failure to pay or make payments of your premiums or COBRA may impact your coverage.

Income Replacement Options During FMLA

During an approved FMLA leave,

- If you are unable to work because of your own serious health condition, you may be eligible for and should apply for State Disability Insurance ("SDI") benefits through the California Employment Development Department ("EDD"); and
- California employees may also be eligible for Paid Family Leave ("PFL") insurance benefits, which is administered by the EDD.

You may also elect to use any accrued but unused Vacation Time Off for income replacement during an approved FMLA leave. Please contact your Human Resources Manager for additional information.

401k Contributions

To the extent you are receiving payments from FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, you may continue to contribute to your retirement plan. In other words, if you are not receiving any payments directly from FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, then you will not be able to contribute. However, you may later be eligible to participate in "catch up" contributions, pursuant to the terms of the retirement plan(s).

Reduced Schedules/Intermittent FMLA

FMLA and Military Caregiver Leave may be taken intermittently (in separate blocks of time due to a single health condition) or on a reduced-leave schedule (reducing the usual number of hours you work per workweek or workday) if medically necessary.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will reduce your salary based on the amount of time actually worked during the workweek and you may be eligible for income replace benefits as described above.

In addition, while you are on an intermittent or reduced-schedule leave, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may, in its own discretion, temporarily transfer you to an available alternative position that you are qualified for that better accommodates your recurring leave and that has equivalent pay and benefits.

Job Reinstatement

If you are on FMLA Leave to care for another or on Military Caregiver Leave, please let the Director of Human Resources know of your expected return to work date as soon as possible but no later than seven (7) calendar days prior to your intended return to work date.

If you are on FMLA Leave to care for your own serious health condition, we require you to provide certification from your healthcare provider certifying that you are fit to return to your regular duties. This documentation must be submitted to the Director of Human Resources seven (7) calendar days prior to your intended return to work date. Failure to timely provide this documentation may delay your return to work.

When you return from FMLA Leave, you will be restored to your original or an equivalent position (with equivalent pay, benefits, and other employment terms). However, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS reserves the right to deny reinstatement of “key employees” whose salary is among the top 10 percent in the company if it would cause substantial and grievous economic injury to business operations.

Other Employment During FMLA

If you are on an approved FMLA Leave, you may not accept employment with any other employer without notifying FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS prior to accepting such employment. If you accept employment from another company while you are on FMLA Leave, you will be deemed to have resigned from employment.

Pregnancy Disability Leave

This policy explains how the Company complies with the California Pregnancy Disability Act, which requires the Company to give each female employee an unpaid leave of absence of up to four (4) months, as needed, for the period(s) of time a woman is actually disabled by pregnancy, childbirth, or related medical conditions.

Employee Eligibility Criteria

To be eligible for pregnancy disability leave, the employee must be disabled by pregnancy, childbirth, or a related medical condition and must provide appropriate medical certification concerning the disability.

Events That May Entitle an Employee to PDL

The four-month pregnancy disability leave allowance includes any time taken (with or without pay) for any of the following reasons:

- The employee is unable to work at all or is unable to perform any one or more of the essential functions of her job without undue risk to herself, the successful completion of her pregnancy, or to other persons because of pregnancy or childbirth, or because of any medically recognized physical or mental condition that is related to pregnancy or childbirth (including severe morning sickness); or
- The employee needs to take time off for prenatal care.

Duration of Pregnancy Disability Leave

Pregnancy disability leave may be taken in one or more periods, but not to exceed four months total. “Four months” means the number of days the employee would normally work within four months.

An employee on pregnancy disability leave remains an employee of the Company and a leave will not constitute a break in service.

Pregnancy disability leave does not count against an employee's CFRA leave entitlement but runs concurrently with FMLA. Accordingly, an employee may be entitled to up to a total of seven months' leave (four months PDL and 12 weeks CFRA) related to pregnancy and the birth of a child. Please contact FMLASource or your Human Resources Manager if you have any questions about the timing or duration of leave available to you

Pay during Pregnancy Disability Leave

An employee on pregnancy disability leave must use all accrued paid sick leave and may use any or all accrued vacation time at the beginning of any otherwise unpaid leave period.

The receipt of vacation pay, sick leave pay, or state disability insurance benefits will not extend the length of pregnancy disability leave.

Health Benefits During PDL

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will provide continued health insurance coverage while an employee is on a PDL leave consistent with applicable law. The continuation of health benefits is for a maximum of four (4) months in a 12-month period. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS can recover premiums that it already paid on behalf of an employee if both of the following conditions are met:

- The employee fails to return from leave after the designated leave period expires; and
- The employee's failure to return from leave is for a reason other than the following:
 - The employee is taking CFRA leave
 - The continuation, recurrence or onset of a health condition entitles the employee to CFRA leave or other circumstance beyond the employee's control.

PDL Certification

An employee requesting a pregnancy disability leave must provide medical certification from her healthcare provider on a form supplied by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS through FMLASource. Failure to provide the required certification in a timely manner (within fifteen (15) days of the leave request) may result in a denial of the leave request until such certification is provided.

Re-certifications are required if leave is sought after expiration of the time estimated by the healthcare provider. Failure to submit required recertifications can result in termination of the leave.

Requesting and Scheduling PDL

An employee should request pregnancy disability leave by contacting FMLASource by calling (877)-462-3652 (Monday through Friday between 5:30 am and 7:30 pm PST) or logging on to www.fmlasource.com. Employees must also inform their Store Director or Human Resources Manager of their need for leave. FMLASource will provide the employee with the required paperwork to complete, including necessary medical certification form(s). An employee asking for PDL will be referred to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' then current pregnancy disability leave policy.

Employee should provide not less than thirty (30) days or as short of notice as is practicable, if the need for the leave is foreseeable. Failure to provide such notice is grounds for denial of the leave request, except if the need for pregnancy disability leave was an emergency and was otherwise unforeseeable.

Where possible, employees must make a reasonable effort to schedule foreseeable planned medical treatments so as not to unduly disrupt the Company's operations.

Pregnancy disability leave may be taken intermittently or on a reduced leave schedule when medically advisable, as determined by the employee's healthcare provider.

If an employee needs intermittent leave or leave on a reduced leave schedule that is foreseeable based on planned medical treatment, the employee may be transferred temporarily to an available alternative position for which he or she is qualified that has equivalent pay and benefits that better accommodates recurring periods of leave than the employee's regular position.

In most cases, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will respond to a pregnancy disability leave request within two (2) days of acquiring knowledge that the leave qualifies as pregnancy disability and, in any event, within ten (10) days of receiving the request. If a pregnancy disability leave request is granted, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will notify the employee in writing and leave will be counted against the employee's pregnancy disability leave entitlement. This notice will explain the employee's obligations and the consequences of failing to satisfy them.

Job Reinstatement

Upon timely return at the expiration of the pregnancy disability leave period (and any additional available leave taken pursuant to FMLA and/or CFRA), an employee is entitled to the same position unless the employee would not otherwise have been employed in the same position (at the time reinstatement is requested). If the employee is not reinstated to the same position, she must be reinstated to a comparable position unless there is no comparable position available, or filling that position with the returning employee would substantially undermine FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' ability to operate the business safely and efficiently. A "comparable" position is a position that involves the same or similar duties and responsibilities and is virtually identical to the employee's original position in terms of pay, benefits, and working conditions.

When a request for pregnancy disability leave is granted to an employee, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will give the employee a written guarantee of reinstatement at the end of the leave (with the limitations explained above).

Before an employee will be permitted to return from a pregnancy disability leave of three days or more, the employee must obtain a certification from her healthcare provider that she is able to resume work.

If the employee can return to work with limitations, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will evaluate those limitations and, will reasonably accommodate the employee, which may include additional medical leave of absence, unless it would result in undue hardship to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. .

Employment during Leave

An employee on pregnancy disability leave may not accept employment with any other employer without FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' written permission. An employee who accepts employment with any other employer during leave without the Company's written permission shall be deemed to have resigned from employment.

Leave as a Reasonable Accommodation

There are times when an employee who has taken a medical leave of absence has not yet been released to return to work by his or her healthcare provider and the employee has exhausted all other forms of leave. In such cases, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will provide additional unpaid leave of absence as a reasonable accommodation, so long as it does not place an undue hardship on the company. . If you are granted leave under this policy, you will be placed on inactive status. Please refer to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' policy entitled Reasonable Accommodation for Employees With Disabilities earlier in this Handbook for details on how to request leave as a reasonable accommodation.

Leave under this policy is unpaid. To the extent you have any accrued but unused Paid Sick Leave and/or Vacation Time Off at the time you are granted a leave of absence under this policy, you must use one or both before taking the leave as unpaid.

Rehabilitation Leave

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS wishes to assist employees who recognize that they have a problem with alcohol or drugs that may interfere with their ability to perform their job in a satisfactory manner. If you believe you have a problem with alcohol or drugs and decide to enroll voluntarily in a rehabilitation program, you will be granted unpaid time off to participate in the program, unless it would result in an undue hardship to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS to provide the time off. If you request time off to participate in such a program, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will also make reasonable efforts to keep the fact that you are enrolled in the program confidential. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' support for treatment and rehabilitation does not obligate it to employ any person who violates our Drug and Alcohol Free Workplace or Drug Testing Policies or whose job performance is impaired because of substance abuse. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS is also not obligated to reemploy any person who has participated in treatment or rehabilitation if that person's job performance remains impaired as a result of dependency. Employees who are given the opportunity to seek treatment and/or rehabilitation and are involved in any further violations of company policy will not be given a second opportunity to seek treatment or rehabilitation.

Leave under this policy is unpaid. An employee who is granted a leave of absence under this policy must utilize any accrued but unused Paid Sick Leave and Vacation Time Off during the period of his or her absence.

Organ and Bone Marrow Donation Leave

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will provide the following paid leaves to employees who choose to donate organs or bone marrow:

- Organ donors – will be provided a thirty (30) day (workdays) paid leave of absence in any one-year period.
- Bone marrow donors – will be provided a paid leave of absence up to five (5) workdays in any one-year period.

If you are seeking leave under this law, you must contact FMLA Source (by phone at (877) 462-3652 M-F, 5:30am to 7:30pm PST; via Internet at www.fmlasource.com) and your Store Director or Human Resources Manager to inform them of your need for leave. You will be required to provide written verification that you are an organ or bone marrow donor and that there is a medical necessity for the organ or bone marrow donation. You must use, if available, up to five (5) days of accrued unused Paid Sick Leave for bone marrow donations, and up to two (2) weeks of Paid Sick Leave for organ donations, if available. If no accrued Paid Sick Leave is available, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will provide up to thirty (30) days of paid leave per year for an organ donation in any one-year period, and up to five (5) days of paid leave per year for a bone marrow donation. Leave may be taken in one or more periods intermittently.

Personal Leave

A personal leave of absence of up to thirty (30) days without pay may be granted at the discretion of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. Requests for personal leave should be limited to unusual circumstances requiring an absence of longer than two weeks and that do not fall into any of the above leave categories. Approved personal absences of shorter duration are not normally treated as leaves, but rather as excused absences without pay, unless otherwise required by law.

Leave under this policy is unpaid. To the extent you have any accrued but unused PAID SICK LEAVE (if applicable) and/or Vacation Time Off at the time you are granted a personal leave of absence, you must use one or both before taking the leave as unpaid.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS does not guarantee reinstatement following a personal leave. However, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will offer employees returning from a personal leave of absence the same position, or a comparable position that the individual is qualified to perform, if either position is available.

Non-Medical Leaves of Absence

Civic Duty Leave (Jury Duty, Witness Duty, Voting)

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS encourages employees to fulfill their civic responsibilities by serving jury duty if they get a summons. If you are called to perform jury duty, please notify your immediate supervisor or the Store Director immediately so that he or she may minimize business disruption and plan for your anticipated absence from work. If you are regularly scheduled for night work, you will be rescheduled to a day shift so that you can fulfill your civic duty. If you are released from jury service before the end of your regularly scheduled shift or are not asked to serve on a jury, please contact the Store Director and report to work, if requested. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS employees who have completed 90 days of continuous employment will be paid their regular salary for all days served up to a maximum of three (3) days for jury or witness duty.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS also permits employees to take unpaid time off from work to comply with a subpoena or other court order as a witness in any judicial proceeding. Please provide your immediate supervisor or the Store Director with as much advance notice as possible. Employees are required to provide certification that they appeared as a witness and are expected to return to work as soon as their service as a witness is completed.

Although polls are now open for extended hours and many employees vote by mail, we recognize that schedules occasionally make it difficult to vote during polling hours. If you need to visit a polling place during regular work hours or during your regularly scheduled shift, please let your immediate supervisor or the Store Director know so that we can make arrangements for you to have the necessary time off to vote. Non-exempt employees will be paid for up to two (2) hours for time off needed for voting.

Please note that any fee or payment that you receive for attendance as a witness or juror will be credited against the amount of pay provided by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS.

Bereavement Leave

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS understands that death can have a deep impact on an individual or family. For employees who have completed 90 days of continuous employment, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will pay you at your regular hourly rate, for your regularly scheduled hours, up to eight (8) hours per day, for up to three (3) consecutive scheduled working days within fourteen (14) days of the death of an immediate family member, unless otherwise approved by your Store Director.

For purposes of this policy, an immediate family member includes the following:

- Spouse
- Child (including foster children and step-children)
- Parent (including legal guardian and step-parent)
- In-laws (including mother and father-in-laws and brother and sister-in-laws)
- Grandparent
- Grandchild
- Sibling
- Domestic partner

You may be granted up to one day to attend the funeral of a relative or personal friend not within the definition of "immediate" family. This time off will be unpaid and will be considered a personal leave of absence. Time off for deaths outside the "immediate" family will be provided on a case-by-case basis at the discretion of your Store Director.

If you request bereavement leave, please work with your immediate supervisor or the Store Director at the earliest opportunity so that he or she can try to arrange for coverage during your absence.

Military, Law Enforcement, and Emergency Personnel Leave

We are proud to employ members of our armed services and emergency services personnel.

You will be permitted to use Vacation Time Off to take a military leave of absence if you are absent from work because you are serving in the U.S. Uniformed Services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA), or as a member of the California National Guard. You must give the Store Director advance notice of upcoming military service, unless military necessity prevents advance notice or it is otherwise impossible or unreasonable. **You may use your accrued but unused Vacation Time Off for leave for purposes of income replacement during leave under this policy.**

If you are on military leave for up to thirty (30) days, you must return to work on the first regularly scheduled work period after your service ends (allowing for reasonable travel time). If you are on military leave for more than thirty (30) days, you must apply for reinstatement in accordance with USERRA and applicable state laws.

Employees who are in the Guard, Reserves, or Naval Militia are entitled to up to seventeen (17) days of unpaid leave per year for military training, drills, encampment, naval cruises, special exercises, or similar activities.

If you serve as emergency services personnel, such as volunteer firefighters, reserve peace officers, or emergency rescue personnel, you will also be permitted to use accrued but unused Vacation Time Off to perform emergency duties, as required on a case-by-case basis.

When you return from military leave (depending on the length of your military service in accordance with USERRA), you will be placed either in the position you would have attained if you had stayed continuously employed or in a comparable position. For the purpose of determining benefits that are based on length of service, you will be treated as if you had been continuously employed.

Military Spouses: Eligible employees who are the spouse or registered domestic partner of a member of the armed forces, National Guard, or reserves may take up to two (2) weeks of accrued but unused Vacation Time Off per calendar year while the military spouse/partner is on leave from active duty during a period of military conflict. Leave under this policy can be taken all at one time or intermittently over the course of the calendar year. If you wish to take this leave, you must provide the Store Director with written notice of intent to take time off within 2 business days of your receipt of notice that your military spouse/partner will be on leave.

School Activities Leave

Parents, guardians, or grandparents with custody of a child in nursery school, preschool, or kindergarten – 12th grade are eligible for 40 hours per school year of leave time to participate in school activities, including finding child care, enrolling children in child care, and for child care emergencies. This 40-hour allowance is the maximum time, per school year, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will grant an employee regardless of the number of children the employee has custody of. No more than 8 hours of leave time will be granted in any given month.

You may also take off such additional time as may be necessary to attend your child's or grandchild's school to discuss the child's or grandchild's possible suspension or expulsion. If you need to take time off for this reason, we ask that you give your immediate supervisor and/or the Store Director reasonable advance notice. You may be asked to provide documentation to substantiate this leave.

Leave for this purpose is unpaid. However, you may elect to use accrued but unused Vacation Time Off for this leave.

Victim of Crime and/or Domestic Violence Leave

If you, or an immediate family member, a registered domestic partner or a child(ren) of a registered domestic partner have been a victim of certain crimes or delinquent acts, you may take time off from work to attend court proceedings related to the crime. For purposes of this leave policy, a "victim" is a person who suffers threatened or direct physical, psychological, or financial harm as a result or an attempt of certain crimes or delinquent acts. Certain crimes and delinquent acts include the following legally defined offenses:

- Vehicular manslaughter while intoxicated;
- Felony child abuse likely to produce great bodily harm or a death;
- Assault resulting in the death of a child under eight years of age;
- Felony domestic violence;
- Felony physical abuse of an elder or dependent adult;
- Felony stalking;
- Solicitation for murder;
- A serious felony;
- Hit-and-run causing death or injury;
- Felony driving under the influence causing injury; and
- Sexual assault.

This leave applies to any court proceeding where the victim's rights are in issue, including a delinquency proceeding involving a post-arrest release decision, plea, sentencing or post-conviction release decision.

Additionally, if you are a victim or a parent of a victim of domestic violence, sexual assault or stalking, you may take time off from work to seek certain non-legal services, such as medical, psychological or social services related to the abuse.

Employees needing leave under this policy must give their managers reasonable advance notice of the need to take time off, unless advance notice is not "feasible." If an unscheduled absence occurs, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will not take any adverse action against you, however, you must provide a certification to the Store Director regarding the absence. Sufficient certifications include:

- a police report indicating you were a victim of the specified offense;
- a court order protecting or separating you from the perpetrator or other evidence from the court or prosecutor that you appeared in court; or
- documentation from a health care provider, domestic violence or sexual assault victim's advocate, or other counsel showing that you were undergoing treatment related to being a victim of a specified offense.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will not discharge, or in any manner discriminate or retaliate against you in compensation or other terms, conditions or privileges of employment, including, but not limited to the loss of seniority or precedence, because of leave taken under this policy or because of your status as a domestic violence, sexual assault or stalking victim. Reasonable accommodations that do not place an undue hardship on the company may be available to you to ensure your safety at work. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will work with you in an interactive process to identify and implement such reasonable accommodations. If you need an accommodation under this policy, you must notify the Store Director or your Human Resources Manager, as soon as possible, and preferably in writing.

Leave under this policy is generally unpaid, unless otherwise required by law. Employees may use their accrued but unused Paid Sick Leave for income replacement during such leave.

Literacy Education Leave

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will make reasonable accommodations for any employee who reveals a literacy problem and requests that FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS assist him or her in enrolling in an adult literacy program, unless it would cause FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS undue hardship. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will also assist employees who wish to seek literacy education training by providing employees with the location of local literacy programs.

If you wish to identify yourself as such an individual, please contact your supervisor, the Store Director, or your Human Resources Manager. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will take reasonable steps to safeguard the privacy of any employee who identifies himself or herself as an individual with a literacy problem.

Employees who disclose that they have a literacy problem will not be terminated or demoted solely because of their disclosure.

While FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS generally encourages employees to improve their literacy skills, it will not reimburse Employees for the costs incurred in attending a literacy program.

Other Types of Leaves

Employees may be eligible for other non-medical leaves of absence based on state or locally mandated leaves. Please contact the Director of Human Resources for more information on applicability and eligibility. Other leaves are usually unpaid and employees would be required to use his or her Paid Sick Leave or Vacation Time Off, to the extent permissible by law.

Benefits

General Summary of Benefits

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS provides a very comprehensive health and hospitalization coverage plan for qualifying employees and dependents. The benefits to be provided by this plan are paid for you and your family by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. A complete list of health benefits and eligibility requirements for employees to participate in the plan are set forth in a separate Benefits Manual, which can be obtained from your Human Resources Manager or Benefits Coordinator. To the extent there are any conflicts between the benefits listed in the Handbook and the terms and conditions of such benefits plans, the benefits plan summary and documents will govern.

Available Insurance

Medical insurance coverage is a benefit provided by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. Employees may be eligible for medical insurance coverage under FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' policy on the first of the month following sixty days of employment. Pursuant to the terms of applicable benefits plan, employees may be added to the plan on the first day of the next month following completion of sixty days of employment. Currently, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS shares the cost of the medical insurance premium with the employee. Participation in the Company's Wellness Program may reduce the cost paid by the employee. Employees should consult the Summary Plan Description for more complete information about eligibility and the details of FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' medical insurance plan. Copies of the Group Medical Insurance Plan Document and Summary Plan Description are available from the Human Resources Team.

Dependent Coverage

An employee's dependents may be eligible for medical, dental and vision insurance coverage under FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' policy on the first of the month following sixty days of employment. An employee's dependents are covered under the group medical, dental and vision plans with the expense shared between FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS and the employee. Participation in the Company's Wellness Program may reduce the cost paid by the employee. Any questions with respect to medical and dental insurance should be directed to the Human Resources Team.

Company Sponsored Recreational Activities

Any participation in recreational activity sponsored by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS or any athletic events in which multiple individual employees participate, is voluntary, off-duty and not work related. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS or its workers' compensation insurer will not be liable for the payment of workers compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social or athletic activity that is not part of the Employee's work-related duties.

401k Plan

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS has adopted a 401(k) Plan for certain eligible employees. Under the Plan, an eligible employee may elect to contribute up to a certain percentage of his or her pre-tax total compensation, not to exceed the annual limits established by the Internal Revenue Service. Please consult the Summary Plan Description for more complete information about eligibility and the details of

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' 401(k) plan. Copies of the Plan Document and Summary Plan Description are available online at www.ta-retirement.com

Employee Assistance Program

Recognizing that difficulties in your personal life may adversely affect your well-being and job performance, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS maintains a voluntary and confidential Employee Assistance Program ("EAP") to assist you and eligible family members in resolving a variety of issues. These issues may include drug and alcohol dependence, family or marital discord, emotional problems, and legal or financial difficulties.

You may contact your Human Resources Manager to obtain additional information. Generally, employees should schedule appointments during non-working hours, including meal periods and before or after completion of their work schedule. All discussions, meetings, and records of employees' EAP counseling will be kept confidential to the extent allowed by law.

This program is designed to be confidential and is administered by an outside professional organization. Calls to the service are toll free and are confidential. At no time will management or other employees be able to know by whom or when calls were made.

YOU ARE ENCOURAGED TO USE THE PROGRAM IF YOU FEEL YOU HAVE THE NEED FOR IT.

State Disability Insurance

California State Disability Insurance (SDI) is administered by the Employment Development Department (EDD). Each employee contributes through payroll tax to California's state disability insurance programs. This plan provides benefits when an employee cannot work because of an illness or injury that is not work related. Benefits are based on earnings and the first seven (7) days of an employee's claim is a waiting period during which no benefits are payable. Employees can get a claim form from his/her doctor or any office of the EDD by telephone, letter, or in person. Benefits payable through SDI or Paid Family Leave (PFL) may be coordinated with Paid Sick Leave so that the employee does not receive more than a regular day's pay. Specific rules and regulations governing disability are available from the applicable state agencies that oversee such programs or from your Human Resources Manager.

Unemployment Insurance Benefits

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS pays unemployment insurance taxes on behalf of employees to both the state and federal governments. These taxes fund the payment of unemployment insurance benefits to an employee should the employee become eligible to receive them. Detailed information about California unemployment insurance benefits can be obtained from the Employment Development Department, various state local unemployment insurance offices, or from your Human Resources Manager.

Workers Compensation

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS provides workers' compensation insurance coverage to all employees at its expense. Workers' compensation insurance is intended to provide medical care and pay for lost time resulting from injuries on the job and those illnesses caused by your work. You must immediately report all work-related injuries or illnesses to the Store Director, no matter how minor the injury or illness may appear. Failure to report an injury or illness in a timely way may jeopardize or delay your rights to certain benefits.

Your Human Resources Manager is your primary point of contact for all OSHA and worker's compensation claims for FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. If you or someone you manage is injured in the workspace, please contact Medcor at 1-800-775-5866 and your Store Director as soon as possible. If the injury is life-threatening, dial 9-1-1-.

If you make or cause to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining or denying workers' compensation benefits or payments, you could be guilty of a felony. Workers' compensation fraud is punishable by up to 5 years in state prison and a fine up to \$150,000.

Ending the Employment Relationship

Termination of employment is an inevitable part of personnel activity within any organization. Common circumstances under which employment may be terminated include:

- **Voluntary Resignation** results when:
 - You voluntarily quit your employment with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS; or
 - You fail to return from an approved leave of absence on the date specified by the company (absent extenuating circumstances); or
 - You fail to report to work for two (2) consecutive scheduled workdays without notice to, or approval by, your supervisor (unless the absence is protected by law).
- **Involuntary Termination** is usually initiated by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS and may be for disciplinary reasons, performance issues, or even overall poor fit with the company. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may choose to use various disciplinary procedures, including verbal warnings, written warnings, and suspension; however, depending on the circumstances. If you have been involuntarily terminated, you are **not** eligible for rehire.
- **Reductions in Force/Layoff** results from a job elimination due restructure or reduction in workforce, is initiated by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, and is for non-disciplinary reasons.
- **Termination Due to Inactive Status** refers to a situation where you have exhausted all available leaves of absence but cannot, for specific reasons, return to work. If you have been on inactive status for more than 6 months, you will be terminated from your employment, but will remain eligible for rehire.

Resigning Employees

In the event you wish to voluntarily resign, we request, **but do not require**, that you provide us with as much advance notice as possible. In certain circumstances, we may accept your resignation and end your employment earlier than your anticipated or announced date of resignation. Should this occur, you will not be “paid out” for the remaining portion of your notice period and this should not be construed as a reflection on your integrity or work performance, but rather an action that is in the best interests of our business practices and current needs.

Exit Meeting

Upon receipt of an employee’s notice of resignation, we will usually schedule an exit meeting to review eligibility for benefits continuation and conversion, to collect all company property and equipment, and to provide departing employees with an opportunity to discuss their job-related experiences.

Final Pay

Final pay for employees who resign: If you resign, you will be paid all applicable wages and any other earned benefits within 72 hours of your resignation date, unless you have given at least 72 hours’ advance notice in which case you will be paid at the time of your resignation, or as otherwise provided by and in

accordance with applicable state law. For purposes of this policy, your resignation date is the last date on which you perform any work for FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS.

Final pay for involuntary termination/layoff: If you are terminated or laid off (without a return-to-work date in the same pay period), you will be paid all wages and any other earned benefits (if applicable), on the date of your separation or as otherwise provided by and in accordance with state law.

You are instructed to carefully review your final paycheck to ensure accuracy. If you feel that your final pay is inaccurate, you must notify your Store Director or Human Resources Manager immediately and provide any documentation or information in your possession to support your contention that the pay is incorrect. If you do not contest your final pay within one (1) pay period of receiving the pay, we will presume that we are in agreement with the final pay amount.

Return of Company Property

Before or concurrent with your final day of work, you must return all company property, including keys, electronic access cards or key-fobs, computer equipment and other devices and technology, files, documents, tools, and other equipment in your possession to your Human Resources Manager conducting your exit meeting.

Benefits

Benefits generally end on your last day of your employment. At that time, you will have the option to convert to individual insurance and/or to continue medical/dental benefits in accordance with the Consolidated Omnibus Budget Reconciliation Act ("COBRA") regulations. Information concerning such rights and responsibilities will be provided to you within 30 days of your termination date.

Neutral References

Generally speaking, we will not provide references concerning any present or past employee unless we have received a written request for such a reference. Only an authorized FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS employee (typically from Payroll or the Director of Human Resources) may respond to a request for a reference. In any such event, our response will be limited to confirmation of dates of employment and position held only.

Acknowledgement of Employee Handbook

By signing below:

- ☐ I understand that the FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS Employee Handbook's primary purpose is to serve as a quick reference guide to answer questions I may have about my employment with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS and that it may not cover each and every single aspect of my employment.
- ☐ I acknowledge that nothing in the Handbook creates, or is intended to create, a promise or guarantee of continued employment, privileges, or benefits.
- ☐ I understand that my employment at FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS is and will remain at-will, which means the employment relationship may be terminated, with or without cause and with or without advance notice at any time by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS or me.
- ☐ I understand that this Handbook and the policies and procedures contained herein supersede any and all prior practices and policies, whether oral or written, with respect to the specific policies and procedures addressed in the Handbook.
- ☐ I acknowledge that I have received my copy of the FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS Employee Handbook, have reviewed the contents of the Employee Handbook, and agree to abide by the policies and procedures set forth in it.

Employee's Signature

Print Employee's Name

Dated