



HEARTH

A Safe Place Matters

EMPLOYEE POLICY MANUAL
Revised July 2021

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AT HEARTH, NEITHER THE EMPLOYEE NOR THE COMPANY IS COMMITTED TO AN EMPLOYMENT RELATIONSHIP FOR A FIXED PERIOD OF TIME. EITHER THE EMPLOYEE OR MANAGEMENT HAS THE RIGHT TO TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, FOR ANY REASON. THE LANGUAGE USED IN THIS POLCY MANUAL AND ANY VERBAL STATEMENTS BY MANAGEMENT DO NOT INTEND TO CONSTITUTE A CONTRACT OF EMPLOYMENT, EITHER EXPRESS OR IMPLIED, NOR IS THERE A GUARANTEE OF EMPLOYMENT FOR ANY SPECIFIC DURATION.

THE CONTENTS OF THIS PERSONNEL POLICY MANUAL ARE SUMMARY GUIDELINES FOR EMPLOYEES AND THEREFORE ARE NOT ALL INCLUSIVE. THIS PERSONNEL POLICY MANUAL SUPERSEDES ALL PREVIOUSLY ISSUED EDITIONS. EXCEPT FOR THE AT-WILL NATURE OF THE EMPLOYMENT, THE COMPANY RESERVES THE RIGHT TO SUSPEND, TERMINATE, INTERPRET, OR CHANGE ANY OR ALL OF THE GUIDELINES MENTIONED, ALONG WITH ANY OTHER PROCEDURES, PRACTICES, BENEFITS, OR OTHER PROGRAMS. THESE CHANGES MAY OCCUR AT ANY TIME, WITH OR WITHOUT NOTICE.

WELCOME STATEMENT

Welcome:

On behalf of your colleagues, we welcome you and wish you every success here.

We believe that each employee contributes directly to our growth and success, and we hope you will take pride in being a member of our team.

This policy manual was developed to describe some of the expectations of our employees and to outline some of the policies, programs and benefits available to eligible employees. Employees should familiarize themselves with the contents of the employee policy manual as soon as possible for it will answer many questions about employment with us.

We hope your experience here will be challenging, enjoyable, and rewarding.

Again, welcome!

Marisa C. Williams
Chief Executive Officer

EQUAL EMPLOYMENT OPPORTUNITY/UNLAWFUL HARASSMENT

HEARTH is dedicated to the principles of equal employment opportunity. We prohibit unlawful discrimination against applicants or employees on the basis of age, race, sex, color, religion, national origin, disability, military status, genetic information, sexual orientation, sexual identity, or any other status protected by applicable state or local law. This policy applies to all employees; including managers, supervisors, co-workers, contractors, volunteers, and non-employees such as customers, clients, members, vendors, consultants, etc.

HARASSMENT, INCLUDING SEXUAL HARASSMENT

HEARTH will not tolerate any form of harassment of employees and strives to maintain a work environment free from any form of direct or construed harassment. Harassment includes verbal or physical conduct that has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment. Actions based on an individual's age, race, color, national origin, religion, disability, military status, genetic information, sexual orientation, sexual identity will not be tolerated. Prohibited behavior includes but is not limited to the following:

- Written form such as cartoons, e-mail, posters, drawings, or photographs
- Verbal conduct such as epithets, derogatory comments, slurs, or jokes
- Physical conduct such as assault, or blocking an individual's movements
- Social media post and tweets

Employees who feel they or any other employee have been harassed in any way by another employee or a member or vendor should report the conduct to their supervisor immediately. All complaints will be investigated promptly. Confidentiality will be protected to the extent reasonably possible. Any employee determined to have violated this policy will be subject to disciplinary action, up to and including immediate termination. Retaliation against an employee who makes a complaint or participating in an investigation is prohibited.

AMERICANS WITH DISABILITIES ACT

HEARTH will make reasonable accommodation for qualified individuals with known disabilities and employees whose work requirements interfere with a religious belief unless doing so would result in an undue hardship to the Company or cause a direct threat to health or safety. Employees needing such accommodation are instructed to contact their supervisor.

EMPLOYMENT PRACTICES

All employment practices shall be consistent with applicable laws and other such acts and regulations which control the employment relationship. Employment with HEARTH is not guaranteed and shall not be for any specific term and may be terminated at any time upon the initiative of either the employee or the Company.

Code of Conduct

Employee conduct must be governed by dedication to customer service, professionalism, business goals, and respect for people and property. Conduct will not be tolerated if it violates

any of these principles. Some actions are considered gross misconduct and include but are not limited to:

- Illegal behavior/commission of criminal acts.
- Theft of property from company or individual.
- Disclosure of privileged or confidential information.
- Violating any policies.
- Intentional misuse or damage to company property.
- Falsification, alteration, or material omission of information on records, employment application, or tampering with time sheet records.
- Failure to report to work as scheduled.
- Intoxication and/or possession of alcoholic or any controlled substance without a prescription or medical card.
- Violating harassment/workplace violence policy.
- Physically or verbally assaulting a client, volunteer, vendor or another employee.
- Unsatisfactory performance or conduct.
- Fighting or threatening violence in the workplace.
- Insubordination or other disrespectful conduct.
- Removal or destruction of records, equipment, or other property belonging to HEARTH.
- Possession of any weapons on the grounds.
- Personal relationship with clients.

Confidentiality

In the course of performing job duties with HEARTH, many employees have access to confidential information and records, including client lists, development information, contacts, personnel, fundraising, planning, financial, and business records. Employees have a duty to keep information confidential. Employees who improperly use or disclose personal or confidential business information will be subject to disciplinary action, up to and including termination of employment.

Upon separation no employee may take and use our client lists, contacts, any confidential information or Company interests. It is up to HEARTH to determine whether any information was intentionally compromised, and if so to prosecute to the fullest extent of the law.

Conflict of Interest

Employees should avoid any situation that involves or may involve a conflict or appearance of conflict between their personal interest and the interests of HEARTH. As in all other duties, employees dealing with clients, vendors, contractors, competitors, or any person doing or seeking to do business with HEARTH is to act in the best interest of the Company. Employees should make prompt and full disclosure in writing to their supervisor of any potential situation which may involve a conflict of interest.

Examples of such conflicts include, but are not limited to, the following:

- Ownership by employee or by a member of their family with a significant interest in any outside enterprise which does or seeks to do business with HEARTH, or competes with

HEARTH.

- Employees employed with an outside enterprise that does or is seeking to do business with or is a competitor of HEARTH.
- Personal benefit from any transaction including: sale, purchase, rent, lease of property, services, or supplies.
- Any other arrangements or circumstances, including family or other personal relationships, which might dissuade the employee from acting in the best interest of HEARTH.
- Unauthorized use of materials, equipment, facilities for personal purposes.

Chief Executive Officer

Chief Executive Officer is bound to all staff policies except where the contract or offer letter states differently. The Chief Executive Officer is a direct report to the Board of Directors.

Disciplinary Action

Any employee violating a Policy or when the conduct or performance of an employee is not meeting required standards, disciplinary action steps will be taken. Disciplinary action may call for any of four steps-verbal warning, written warning, suspension, or termination of employment, and could be subject to civil or criminal legal proceedings. Depending on the severity of the problem and the number of occurrences, there may be circumstances when one or more steps are bypassed. HEARTH may move directly to termination of employment based on the circumstances.

Employee Status

Full-time Employee - an employee regularly scheduled to work at least 40 hours per week. Fulltime employees are eligible for benefits.

Part-time Employee - an employee regularly scheduled to work less than 40 hours and more than 30 hours per workweek. Part-time employees are eligible for medical benefits.

Part-time Employee - an employee regularly scheduled to work less than 30 hours per workweek. Part-time employees are not eligible for benefits.

Temporary Employee - an employee who is hired in a job established for a temporary period not to exceed six (6) months. Not eligible for benefits.

Exempt Employee - an employee who is paid a predetermined amount and is not eligible for overtime pay. Exempt employees should devote the amount of time necessary to accomplish HEARTH's work.

Nonexempt Employee - Nonexempt employees are eligible for paid overtime at one and one-half times their regular rate of pay for all hours worked in excess of 40 hours per workweek.

Job Posting and Employee Referral

HEARTH provides employees an opportunity to indicate their interest in open positions and advance within the Company according to their skills and experience. Internal employees will be

made aware of an open position at the beginning of the recruitment. Internal applicants are encouraged to apply for any position in which they meet the qualifications. All employees will be interviewed if they meet the minimum qualifications. The most qualified applicant will be selected for the position. All applicants will be notified when an offer has been made.

HEARTH encourages employees to identify friends or acquaintances who are interested in employment opportunities and refer qualified outside applicants for open positions. Employees are not to make commitments or oral promises of employment.

Orientation

All new employees shall be given an orientation about HEARTH by their supervisor. Orientation shall include a review of the policies and procedures, HEARTH's history, goals, and objectives, the employee's job description, and agency services that are provided to the client and community.

Background Checks

All individuals seeking employment must consent to a criminal background check and/or drug testing. Employment is contingent on the results. Convictions will be evaluated on a case-by-case basis based upon the position. Applicants who fail the drug testing or to fully disclose their criminal convictions as required will not be hired or will be terminated if hired. Former or returning employees will be required to have a new background check and drug testing conducted.

Orientation Period

All new employees shall serve a six-month orientation period. The orientation period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. The Company uses this period to evaluate employee capabilities, work habits, and overall performance. Termination may occur at any time during this period.

There is training and close supervision during this period. Any significant absence will automatically extend an introductory period by the length of the absence. If the Company determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period not to exceed three months.

During the orientation period an employee will accrue paid time off (PTO) at the prescribed rate. PTO is not available as a benefit until the orientation period is complete. Personal days may be taken during this time with approval from the supervisor. In extenuating circumstances, the Chief Executive Office may advance the use of PTO. If the employee leaves employment with HEARTH prior to acceptably completing the orientation period, any advanced PTO days will be deducted from their final paycheck.

Upon satisfactory completion of the introductory period, employees enter the "regular" employment classification.

Media Relationship:

Communication with the media is managed through the Chief Executive Officer or delegate.

Whistleblower Policy

All employees of HEARTH are to report, either orally or in writing, all evidence of activity by a department or employee that may constitute:

- Forgery or alteration of documents.
- Authorizing or receiving compensation for goods not received, services not performed or hours not worked.
- Fraudulent financial reporting.
- A violation of State or Federal law.
- Abuse, inappropriate activity with an employee or client.

Reports should be submitted to your immediate supervisor. Any employee who in good faith reports such incidents as described above will be protected from threats of retaliation, discharge, or other types of discrimination including, but not limited to, matters of compensation or terms and conditions of employment that are directly related to the disclosure of such reports. In addition, no employee may be adversely affected because the employee refused to carry out a directive which, in fact, constitutes fraud or is a violation of state or federal law.

All reported violations will be promptly and thoroughly investigated and acted on appropriately. If a complaint alleging an ethical violation requires additional action, the Company will respond promptly. Employees must cooperate with any investigation and provide accurate and truthful information. Employees must not disclose or discuss the fact that an investigation is being conducted or has been conducted and must not disclose the results of any investigation to anyone. If possible, the employee making the initial report will be informed about the status of the investigation and the outcome of the matter if it will not jeopardize confidentiality of the issue.

TOTAL COMPENSATION

HEARTH strives to offer a well-balanced total compensation package. The Company believes it is most successful in attracting and retaining excellent employees if direct compensation levels and benefits are competitive. Salary and benefits are part of the total compensation for working at HEARTH. The Company is committed to a compensation program that is non-discriminatory and competitive. However, all policy decisions must take into consideration HEARTH's overall financial condition and competitive position in the marketplace.

SALARY ADMINISTRATION**Merit Increase**

Base pay adjustments may be awarded by HEARTH in an effort to recognize truly superior employee performance. The decision to award such an adjustment is dependent upon numerous

factors, including the information documented by the employee's formal annual performance evaluation and availability of funding.

Rehires

Employees who have left HEARTH in good standing and have not been terminated for cause are eligible to re-apply for employment at HEARTH. Employees rehired within 90 days of separation will maintain their original hire date and benefits eligibility to the extent permitted by the terms and conditions of the applicable benefits plans. Employees rehired after 90 days of separation will be treated as a new hire.

Performance Evaluation

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A formal written performance evaluation will be conducted at the end of an employee's orientation period of hire. Additional formal performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals. Employees shall be evaluated annually.

Promotions

An employee is deemed to be promoted when he/she moves into a position which is a higher grade level. A promotion is based upon the employee's qualifications, overall job performance, the needs of HEARTH, and the availability of funds. An employee may be eligible to receive a pay increase with a promotion.

Transfer

A transfer is a lateral move from one job to another. A transfer does not involve a salary change.

BENEFITS

HEARTH strives to offer a well-balanced benefits program that complies with and supplements government-mandated laws and regulations. HEARTH's benefit package includes a number of different plans and other benefits for eligible employees. Information on and descriptions of employee benefits are provided to employees during their initial orientation process or whenever a change in status or coverage occurs. Benefits may be modified or terminated at the discretion of HEARTH.

In the event that any of the following information conflicts with the actual terms and conditions of coverage, the latter governs.

- Medical/Dental/Vision Insurance Plan - helps pay covered medical expenses for you and your family at group rates.
- Retirement Plans – employee and employer contributions to help fund retirement.

- Life Insurance and Accidental Death – provided for employees by HEARTH.
- Short Term and Long-Term Disability Insurance Plan – provided for employees by the HEARTH.

Eligibility

The following benefits are available to full-time employees beginning on the first day of the month following their hire or benefits plan eligibility date.

Medical/Dental/Vision Insurance

Full time employees are eligible to participate in HEARTH’s sponsored group health/dental/vision insurance plan. While the precise terms of these group plans may change from time to time, HEARTH will pay the cost of monthly premiums for health insurance for any full-time employee who is not covered by other health insurance. The employee is responsible for the cost of the monthly premium for qualified dependents.

COBRA (Continuation of Health Care Benefits)

Federal law provides for continuation of health benefits for employees or dependents that lose their health coverage due to a qualifying event. This temporary extension provides eligible employees/dependents continuation of benefits on a private-pay basis (group rate plus a 2% administrative fee) for up to 18 months. In some circumstances, this benefit can be continued for an additional 26 weeks. Qualifying events include, but are not limited to, employees who leave HEARTH or are terminated, employees who lose coverage due to reduction of hours, or circumstances in which covered dependents lose coverage.

Retirement Plan

All employees who work more than 1,000 hours annually are eligible to participate in the 403(b) retirement program. Employees are eligible to have a matching contribution in the program after their first 6 months of qualified employment.

<u>Length of Employment</u>	<u>Employee Contribution</u>	<u>HEARTH Match*</u>
Under 6 months		0
7-12 months	\$1	\$.50 (1/2)
More than 13 months	\$1	\$1.00 (1)

*HEARTH will match up to a maximum of 5% of the employee’s annual salary.

Life and Accidental Death Insurance

Once an employee becomes eligible, HEARTH provides a policy of \$25,000 for each employee for life and AD&D insurance. The policy is paid by HEARTH.

Short Term Disability

HEARTH provides a short-term disability plan for eligible full-time employees. The plan provides

60% of an employee's income up to a maximum of \$1,500 per week for non-job-related injuries or illnesses that render an employee unable to work for a limited time period. Policy kicks in after a seven-day waiting period and can last up to 13 weeks. Entire cost for program is paid by HEARTH.

Long Term Disability

HEARTH provides to eligible full-time employees a financial protection for an employee who become disabled and is unable to work due to a disability. Benefits begin after 90 days of inability to work and are payable at 60% of monthly earning to a maximum of \$4,000 per month. Entire cost for program is paid by HEARTH.

Vacation

HEARTH believes it is in the best interests of all employees that annual vacations are taken for the purpose of rest, recuperation and recreation. Therefore, employee may be granted annual vacation leave with full pay at such times that best suit the requirements of their jobs and individual needs. Employee's requests for vacation time must have prior approval of the supervisor. Vacations among employees must be staggered to ensure the facility is adequately staffed throughout the year. Cash shall not be paid in lieu of vacation time except at termination.

Vacation Accrual Policy

Vacation time is accrued beginning with the first day of employment. Vacation time may NOT be taken in excess of the accrued balance. A maximum of the yearly accrual rate (10 days, 15 days, 20 days) may be carried over into the next calendar year. However, the maximum vacation that an employee may accumulate is their annual accrual allotment. ***Once an employee reaches this ceiling, the employee ceases accruing any additional days.*** If the employee later uses enough vacation hours to fall below the ceiling, the employee starts accruing vacation hours again from that date forward until reaching their ceiling. Accordingly, staff members are encouraged to use all vacation soon during the year to avoid reaching the ceiling on vacation hours.

Vacation-Allowance Chart

Benefitted Years of Service	Vacation earned in the following year*
Less than one year	10 days
One to two years	10 days
Three to ten years	15 days
Ten or more years	20 days

Accrual tier change due to anniversary dates is effective at the first of the following month.

*Vacation days are prorated for part time employees based on number of hours worked. Carry over for part time employees may not exceed their maximum number of days earned in a year.

Sick Leave Accrual Policy

Sick leave is provided to regular benefits eligible employees working full or part time. For employees who qualify, time-off for the following reasons can be charged against accumulated sick leave on an hourly basis as needed:

- ✦ An injury sustained on the job (waiting period only, prior to Worker's Compensation coverage)
- ✦ Personal illness or disability
- ✦ Time-off, with supervisory approval, may be taken for illness of the employee's immediate family; the immediate family is defined to include spouse, children, and parents. A doctor's verification may be required
- ✦ Trips for outside medical attention

All full-time employees will accrue sick leave with pay at the rate of **10 days** per year. Prorated for part-time employees. Sick leave may be accumulated up to a maximum of 20 days or 160 hours. No unused sick leave will be paid upon separation from employment or upon status change from full-time to part-time.

Sick leave shall be considered an unscheduled absence. Each incident, no matter what the reason or length of time, will count as one occurrence.

A physician's verification of illness may be requested. In case of illness or serious health condition, a physician's verification will be required, indicating the beginning date of the health condition and the date on which the employee was certified to be physically able to return to work. The employee will be expected to return to work upon receipt of written release statement from their physician. The statement must be provided to the Chief Executive Officer upon reporting for work.

At the end of each calendar year, an employee may exchange three sick days for one exchange time off day. Employees must use the exchange time off day within the year. They cannot be converted back to sick leave and cannot carry over.

Paid Holidays

All full-time employees receive ten recognized holidays.

- | | |
|------------------------|------------------------|
| New Year's Day | Labor Day |
| Martin Luther King Day | Thanksgiving |
| Memorial Day | Day after Thanksgiving |
| Independence Day | Christmas Day |
| Your Birthday | Veterans Day |

If a holiday listed above occurs on a Saturday or Sunday, an additional day off will being observed on Friday or Monday. Employees who work on a holiday to maintain coverage are entitled to another day off. If an additional day off is scheduled for employees individually, it must be scheduled and taken within the pay period. Holidays will not carry forward. The floating holiday is earned and available to be taken upon successful completion of the orientation period.

The employee must work the day before and after to receive holiday pay unless an absence has been approved by the supervisor.

Personal Days

All full-time employees receive three personal days per year. Part-time employees will earn two personal days per year. All personal days require the approval of the supervisor. All personal days must be used in the year they are earned. Personal days are not allowed to carry forward.

Inclement Weather Policy

At times, emergencies such as severe weather, fires, power failures, snow, or earthquakes can disrupt our operations. In extreme cases, these circumstances may require the closing of the office or location. The Chief Executive Officer will schedule and communicate delays or closures.

When operations are officially closed due to emergency conditions, the time off from scheduled work will be paid for up to one (1) day. If the office or location is not open after one (1) day, employees may use available paid time off or will be without pay.

Flex Time

One time per month, full time employees may schedule to work their 80 hours pay period in nine days. Any day of the week can be taken during the second week. The day off must be scheduled ahead of time and receive approval from the Chief Executive Officer.

Bereavement

HEARTH grants full time employees bereavement leave for immediate family. Employees may be granted up to three days with pay with approval. These days shall not be deducted from accrued paid time off.

The immediate family is defined to include spouse, children, mother, father, mother-in-law, father-in-law, brother, sister, grandparents, grandchildren and other relatives living in the employee's household.

If it is necessary that employees exceed three-day limit, such extra time must be arranged in consultation with the supervisor. It will be considered paid time off if the employee has hours or leave without pay.

Jury Duty

Heath recognizes jury duty as a civic responsibility of everyone. When summoned for jury duty, a regular full-time employee will be granted leave to perform his or her duty as a juror. If the employee is excused from jury duty during his or her regular work hours, he or she is expected to report to work promptly.

Employees receive regular pay for up to five days of jury duty per year, less court remuneration, if they were scheduled to work and they provide confirmation of juror service. Employees must provide evidence of jury duty.

For jury duty in excess of five (5) days is without pay from the Company.

Payroll Deduction for Benefits

All payments for insurance premiums and retirement must be made by payroll deduction.

Voting

HEARTH encourages employees to fulfill their civic responsibilities by participating in elections. Generally, employees are able to find time to vote either before or after their regular work schedule. If an employee has two (2) hours before or after their work schedule while the polls are open, the employee uses his/her personal time to vote. If employees are unable to vote in an election during their nonworking hours, HEARTH will allow an employee to leave one hour early or come in one hour late to vote.

Employees should request time off to vote from their supervisor at least two (2) working days prior to the Election Day. Advance notice is required so that the necessary time off can be schedule at the beginning, over lunch, or end of the work shift, whichever provides the least disruption to the normal work schedule.

Workers Compensation

This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment.

Employees who sustain work-related injuries or illnesses should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately by the employee. Reporting an injury or illness after the incident may delay or forfeit benefits.

Neither HEARTH nor the insurance carrier will be liable for the payment of workers compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by the Company.

LEAVE OF ABSENCE

A leave of absence is defined as an excused absence of more than two weeks. In accordance with applicable law, requests for a leave of absence will be evaluated based on a number of factors, including anticipated workload requirements and staffing considerations during the proposed absence and the reason for leave.

Medical/Parental Leave

Regular full-time employees who have completed one year of employment are eligible to request unpaid medical leave. Approval is based on HEARTH's ability to cover the employee's workload during their absence. Except for medical emergencies, the employee must provide at least 2 weeks written notice of expected departure date and notice of intention to return to his/her job.

Eligible employees may request to take up to 90 days of unpaid medical leave per rolling 12-month period for absences for the purpose of:

- Incapacity due to pregnancy, prenatal medical care, or child birth.
- To care for the employee's child after birth, or placement for adoption or foster care.
- To care for the employee's spouse, son or daughter, or parent, who has a serious health condition.
- Serious health condition that makes the employee unable to perform the employee's job.

Paid Time Off leave must be used during the parental leave. Health and insurance coverage, as well as other benefits, will continue during medical leave, provided the employee continues to pay their portions of the premiums. Employees on medical leave do not receive paid time off, holidays, funeral leave, or employer's jury duty pay.

At the end of any medical leave, the employee is eligible to return to the same or equivalent position, with the same status, pay, length of service credit and seniority, where applicable, as of the date of leave. An employee who does not return to work following medical leave will be considered to have resigned from employment.

Military Leave

HEARTH will grant military leaves in accordance with federal and state law. An employee may receive up to two weeks unpaid military leave per year while on active duty. You should provide a copy of your orders to your supervisor. The time off should be scheduled as far in advance as possible. Your eligibility for reinstatement after your military duty or training is completed is determined in accordance with applicable federal and state laws.

Personal/Administrative Leave

At its sole discretion, the Chief Executive Officer may grant an employee leave for other personal or administrative reasons.

Personal leave without pay may be granted for a period of up to five consecutive working days per year

Administrative leave with or without pay may be imposed upon employees, most often in circumstances where the employee is being suspended for disciplinary reasons or being investigated.

Engaging in or applying for any other employment while on any leave of absence is grounds for immediate termination.

PAY

Compensatory Time

HEARTH does not recognize Comp Time for exempt employees. Exempt employees should devote

the amount of time necessary to accomplish the Company's work.

Personnel Records

Employees may schedule a time to review their personnel file in compliance with applicable state statutes. Employees may not add or remove any items from their file. HEARTH will provide copies or documents out of personnel files to former employees with a written request at a cost of .10 cents per page.

Overtime

From time to time, employees may be required to work overtime. In these instances, employees are given as much advance notice as practical. Nonexempt employees are paid at the rate of one and one-half times their regular hourly rate for hours worked in excess of 40 hours during the established workweek. The established workweek begins at 12:00 a.m. on Sunday and ends at 11:59 p.m. midnight on Saturday.

For purposes of calculating overtime payments, only hours actually worked are counted (**holidays, paid time off days are not calculated in overtime**). The supervisor is responsible for the preparation of the working schedule for all employees. All employees' working schedules are approved by the supervisor. All overtime hours must be approved in advance by your supervisor. Working overtime without supervisor approval will not be tolerated and may lead to disciplinary action up to and including termination.

Paydays

Employees are paid every other week. Paychecks will be available after 3pm on the payday for the first two paychecks. After all subsequent paychecks will be direct deposit. Each paycheck will include earnings for all work performed through the end of the previous pay period. Deductions from paychecks are for benefits or those required by law. The company does not provide pay advances.

Time Reporting

Exempt employees are paid on a salary basis. This means exempt employees will regularly receive a predetermined amount of compensation each pay period on a semimonthly basis. Employees must accurately record paid time off used per pay period. Paid time off should be used in four (4) or eight (8) hour blocks.

All non-exempt employees are required to accurately record their time at the beginning and end of shifts, lunch periods, and any time the employee leaves the premises on personal business and returns to work. Since these records are used for attendance, payroll, and other business records, they must be accurate. All Paid time off use must be recorded on the timesheet.

Employees and supervisors must review timesheets, approve and sign off on the reported hours prior to payroll dates.

Missed timesheets or recording of work for any reason other than time clock error, management

error, or instances beyond the employee's control will lead to disciplinary action up to and including termination. Employees are not allowed to clock in or out for other employees. Employees or supervisors falsifying, tampering, or other fraudulent use of time records will result in termination.

WORKING ENVIRONMENT

Anti-Violence

HEARTH is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, the Company has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

All employees should treat others with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others.

Conduct that threatens, intimidates, or coerces another employee, a client, at any time, including off-duty periods and on social media, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law.

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to your immediate supervisor or any other member of management. This includes threats by employees, as well as threats by clients, vendors, solicitors, or other members of the public.

HEARTH will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The Company may suspend employees, either with or without pay, pending investigation. Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

Appearance, Attire, and Hygiene

HEARTH believes an employee's dress and grooming should be appropriate to convey respect for the clients, customers, each other to project a credible and professional image, and as part of our branding. Radical departures from what the Company considers conventional dress, professional and business-like image or personal grooming are not permitted regardless of the nature of the job performed.

General guidelines are as follows:

- Employees are expected to dress in a manner normally acceptable in professional business establishments.
- Hair should be clean, combed, and neatly trimmed. Unnatural colors are not tolerated.

- Sideburns, moustaches, and beards should be neatly trimmed. Long hair should be pulled back. Eccentric styles of facial hair are not permitted.
- Tattoos and jewelry requiring body piercing must be modest in appearance.
- Clothing that reveals too much cleavage, back, chest, stomach, or underwear is not appropriate.
- Extremes in makeup and accessories are not acceptable attire during work hours.
- Employees may not wear excessively worn pants, shirts, or shoes.
- Employees may not wear workout clothes.
- Perfume, cologne, or after shave should be used sparingly.

If employees report for work improperly dressed or groomed in the Company's opinion, their supervisor may instruct them to return home to change clothes, employees will not be paid for that time.

Attendance and Punctuality

To maintain a safe and productive work environment, HEARTH expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on misc.

- All employees are expected to be on time for showing up to work. Regular attendance is considered an essential function and is necessary for the efficient operation of the business.
- Employees who are going to be absent or late must contact their supervisor by phone or text as soon as possible prior to the start of their shift. Leaving messages with other employees, faxes, or on voice mail is not acceptable. Excessive absences, tardiness or early departure eight (8) times in a six-month period will result in disciplinary action up to and including termination.
- Unexcused, repeated tardiness or absences and/or failure to personally notify your supervisor of an absence will result in disciplinary action up to and including termination.
- Failure to call in when absent will be considered a "no call, no show". An employee who is a "no call, no show" for two (2) consecutive shifts or work days will be deemed to have abandoned the job by voluntary termination.

Communication Systems

HEARTH's computer network, access to Internet, e-mail and voice mail systems are business tools intended for employees to use in performing their job duties. These systems are intended for employees to use in performing their jobs. Therefore, all documents and files are the property of the Company. All information regarding access to the Company's computer resources, such as user identifications, phone numbers, client listing, client numbers, access codes, and passwords are confidential information and may not be disclosed to non-Company personnel.

All computer files, documents, and software created or stored on the Company's computer systems are subject to review and inspected at any time. Employees should not assume that any such information is confidential, including e-mail either sent or received.

Computer equipment should not be removed from the Company premises without written approval from the supervisor. Upon separation of employment, all communication tools must be returned to the Company.

Drug Free Workplace -Alcohol, Marijuana and Drugs

Alert and rational behavior is required for the safe and adequate performance of job duties. The unlawful manufacture, distribution, dispensation, sale, possession, or use of drug is prohibited in the workplace. Therefore, working after the apparent use of alcohol, prescription drugs, controlled substance or abuse of any other substance is prohibited. Furthermore, the possession, purchase, or consumption (use), or sale of a controlled substance or alcohol on premises or while conducting Company business will lead to immediate termination.

Employees must notify the Chief Executive Officer within five days after being convicted of any offenses under any criminal drug statute.

Employees will be required to submit to substance abuse screening post-accident or upon reasonable suspicion if an employee on duty appears to be under the use of a controlled substance or alcohol. Any employees who refuse to be tested or tests positive under this policy shall be immediately terminated.

E-mail

E-mail is to be used for business purposes. For all business-related matters, employees are to use their email account from HEARTH. While personal e-mail is permitted, it is to be kept to a minimum. The Company prohibits the display, transmittal, or downloading of material that is offensive, pornographic, obscene, profane, discriminatory, harassing, insulting, derogatory, or otherwise unlawful at any time. No one may solicit, promote, or advertise any outside organization, product, or service through the use of e-mail or anywhere else on Company premises at any time.

The Company reserves the right monitor e-mail to ensure compliance with policies. Employees are prohibited from unauthorized use of encryption keys or the passwords of other employees to gain access to another employee's e-mail messages.

Employee Conduct

To ensure orderly operations and provide the best possible work environment, HEARTH expects employees to follow rules of conduct that will protect the interests and safety of all employees and the Company.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- * Theft or inappropriate removal or possession of property
- * Falsification of timekeeping records

- * Working under the influence of alcohol or illegal drugs
- * Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- * Fighting or threatening violence in the workplace
- * Insubordination or other disrespectful conduct
- * Violation of safety or health rules
- * Sexual or other unlawful or unwelcome harassment
- * Unauthorized disclosure of business "secrets" or confidential information
- * Violation of personnel policies
- * Unsatisfactory performance or conduct

Employee Relations

HEARTH is committed to providing the best possible working conditions for its employees. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receive a timely response from management.

Employees should attempt to resolve the problem between/among themselves. If not satisfied with the situation the employee should discuss with their supervisor within three days. The supervisor shall discuss and try to resolve the problem with all involved employees. If still not satisfied with the situation the employee should present the issue in writing within five days to the Chief Executive Officer. The decision of the Chief Executive Officer is final. If the issue is with the Chief Executive Officer the employee should present the issue to the Chairman or the Board of Directors. The Board of Directors decision is final.

During discussions and meetings all staff members are expected to discuss in a calm, respectful and professional manner.

Fraud, Waste & Abuse Policy

HEARTH is committed to deterrence, detection and correction of fraud, waste and abuse.

Fraud: There are two basic categories of fraud, intentional misstatement of financial information and misappropriation of assets or theft. Fraud can lead to a variety of criminal changes.

Waste: Thoughtless or careless expenditure, consumption, mismanagement, or squandering of resources.

Abuse: The excessive, or improper use of something, or the use of something in a manner contrary to the natural or legal rules for its use.

It is the responsibility of every employee to immediately report suspected fraud, waste, or abuse to the Chief Executive Office. The Chief Executive Officer has the primary responsibility for directing the investigation and taking appropriate action.

Hiring of Relatives

Relatives by blood, marriage, adoption, or whose relationship with the employee is similar to that of persons who are related by blood or marriage, may not be employed in a position, which requires one to have direct or indirect supervisory control over the other.

Employees who marry or become members of the same household may continue employment as long as there is not a direct or indirect supervisor/subordinate relationship between such employees or an actual conflict of interest, or in the opinion of Company, or create the appearance of a conflict of interest. Should one of the above situations occur, the Company may attempt to find a suitable position within the Company to which one of the affected employees may transfer. If accommodations of this nature are not feasible, the employees may be permitted to determine which of them will resign.

Personal Expression on Public Issues

Employees are free to exercise their full liberties as citizens, including the right to express their personal convictions on social, economic, religious and political subjects during their personal time. However, they must refrain from giving the impression that the view expressed and positions taken by them are those of the Company or are deemed offensive.

Personal Use of the Internet

Some employees need to access information through the Internet in order to do their job. Use of the Internet is for business purposes during the time employees are working. Personal use of the Internet should not be on business time, but rather before or after work or during breaks or lunch period. Regardless, the Company prohibits the display, transmittal, or downloading of material that is in violation of Company guidelines or otherwise is offensive, pornographic, obscene, profane, discriminatory, harassing, insulting, derogatory, or otherwise unlawful at any time. No downloads are allowed.

Refrain from using social media while on work time or on equipment we provide, unless it is work related as authorized by your supervisor or consistent with the Company Equipment Policy. Do not use Company email addresses to register on social networks, blogs or other online tools utilized for personal use.

The Company will promptly and fully investigate every reported incident of cyber harassment and/or cyber bullying. Appropriate corrective action will be taken when reports are substantiated by the investigation. And results of the investigation will be communicated to the reporting employee. Based on the results of the investigation, the Company will take appropriate disciplinary action up to and including termination.

Positive Communication

A positive attitude and flexibility are important and should guide each employee's behavior. It is a fundamental requirement that each person in the Company demonstrate maximum respect to every other person and all other contacts. The purpose of all communication should be to help others and to make the Company run as effectively as possible, thereby maximizing organizational impact.

All employees shall treat clients, and potential clients, with patience, respect and dignity. Inappropriate remarks based on any of the following are not tolerated and such behavior will result

in immediate termination of employment: race, color, national origin, ancestry, religion, sex, age, physical or mental handicap, serious medical condition, disability, veteran's status, sexual orientation, political affiliation or belief, appearance, and other non-work-related matters.

References

HEARTH does not furnish open letters of recommendation addressed "To Whom It May Concern."

If employees receive a call inquiring about a former employee, please refer the caller to the Chief Executive Officer. The Chief Executive Officer will respond to all reference check inquiries from other employers. Responses to such inquiries will confirm only dates of employment, wage rates, and position(s) held.

Safety/Reporting of Injury

HEARTH is committed to a safe work environment for employees. Employees should report any unsafe practices or conditions to their supervisor. If employees are injured on the job, no matter how minor, they must immediately report this and fill out an incident/accident report.

If medical treatment for an on-the-job injury is needed, a drug test may be required and must be completed within 24 hours. It must be obtained from one of the Company's designated provider. If not, the employee may be responsible for the cost of medical treatment. An employee will be required to submit to substance abuse screening post-accident.

HEARTH is committed to ensure clients are safe in our buildings. Shaler Police Department will be provided with access to HEARTH's main building and boiler building apartments by staff. Police shall have access to complete Health and Welfare safety checks. During office hours, staff will escort the officers to the identified apartment and accompany them inside if there is no answer from the occupant. During non-office hours the police will contact staff through a beeper. The on-call staff or security will meet and escort police officers to the identified apartment and accompany them inside if there is no answer from the occupant.

Separation of Employment

Employment at the Company may be terminated in any of these ways:

- **Voluntary Resignation:** Resignation initiated by the employee to terminate employment with the Company. Although advance notice is not required, the Company requests at least two (2) weeks' written resignation notice from all employees.
- **Reduction in Force:** Job is eliminated due to reorganization or financial considerations determined by HEARTH's management. Employee will be given one month's notice, if possible.
- **Unsatisfactory Performance:** Employee fails to meet performance standards and has unsatisfactory performance. Employee will be given a two-month probationary status to improve performance. If performance is not improved, the employee will be terminated.

- Job Abandonment: Employees who are a “no call, no show” for two (2) or more scheduled days of work without notification to supervisor. Employees will not be eligible for rehire.
- Lay Off: Employee’s work is no longer needed.
- Termination: Employee is dismissed with or without cause.

In some circumstances, it may be necessary for the Company to adjust the employee’s last day of employment to a date sooner than the employee’s original end date. Once an employee has resigned and the resignation accepted the employee may not rescind the resignation.

Employees who wish to be eligible for future re-employment with the Company are required to give a two-week notice.

All employees must return HEARTH’s equipment, keys, cards, phones or any other property prior to their last day.

Smoke-Free Workplace

HEARTH provides a smoke-free environment. No smoking is allowed within 100 yards of the door. This includes Electronic Cigarettes, Electric Cigarettes, E-Cigarettes, and Vapor Cigarettes. This restriction applies to all employees and visitors at all times, including non-business hours.

Social Media

HEARTH recognizes the role social media plays in modern communication. As such, we respect the right of employees to use social networks for self-publishing and self-expression while upholding our organizational mission and values.

As a Hearth employee, your commentary is not only a direct reflection of you personally but also our brand. Commentary that is considered defamatory, obscene, proprietary or libelous by any offended party could subject you to personal liability and damage HEARTH’s reputation. Once it’s on the Internet, it’s there forever.

HEARTH’s guidelines for personal or professional social media:

- Do no air your personal grievances on social media.
- Harassing, threatening, discriminating against or disparaging any individuals through social media will not be tolerated.
- Sharing any organization-privileged information, including copyrighted information or organization-issued documents, through social media will not be tolerated.
- Sharing photographs of other employees, clients, vendors, suppliers without their permission through social media is prohibited.
- You are to contact management immediately if contacted by the media or press about any post that relates to HEARTH’s business.

Violations of any of the guidelines listed will be subject to disciplinary action, up to and including termination.

Software and Copyright

HEARTH fully supports copyright laws. Employees may not copy or use any software, images, music, or other intellectual property (such as books or videos) unless the employee has the legal right to do so. Employees must comply with all licenses regulating the use of any software and may not disseminate or copy any such software without authorization. Employees may not use unauthorized copies of software on personal computers housed in Company facilities.

Telephones/Cell Phones/Mobile Devices

Personal cell phone usage or texting during your scheduled shift should be kept to a minimum. For employees who are in direct customer service positions, cell phones should leave with your personal items. Employees should use their break or lunch period for personal phone calls.

For safety reasons, employees may not use cell phones and mobile devices to make calls while driving. Employees must park whenever they need to use a cell phone. Generally, stopping on the shoulder of the road is not acceptable. Employees are prohibited from using a cell phone or other device to text while operating a motor vehicle. The Company's telephone lines should not be used for personal long-distance calls.

Travel and Travel Expenses

When an employee is required to travel, reimbursement for travel costs will be made upon presentation of receipts for transportation and meals. When an employee uses their own automobile, mileage will be reimbursed in accordance with standard government travel regulations. All travel related expenses must be approved by the supervisor.

Voice Mail

HEARTH voice mail system is intended for transmitting business related information. Although the Company does not monitor voice messages as a routine matter, the Company reserves the right to access and disclose all messages sent over the voice mail system for any purpose. Employees must use judgment and discretion in their personal use of voice mail and must keep such use to a minimum.

Workplace Investigations & Searches

Employees do not have an expectation of privacy in their work environment and equipment. HEARTH reserves the right to inspect personal property and all company property including, but not limited to; garment bags, purses, briefcases, buildings, lockers, office space (including desks, filing cabinets, and other storage equipment), corporate intelligence (such as computers and telephone voicemail), equipment, grounds and parking lots. The Company expects all employees to cooperate fully in any investigation or search that is conducted by the Company. Failure to

cooperate may result in disciplinary action up to and including termination.

EMPLOYEE ACKNOWLEDGMENT FORM

The employee policy manual describes important information about working for HEARTH and I understand that I should consult the Chief Executive Officer regarding any questions not answered.

I have entered into my employment relationship with the Company voluntarily and acknowledge that there is no specified length of employment. I understand the Company may change my hours, wages or working conditions. Accordingly, either I or the Company can terminate the relationship at will, with or without cause, at any time, so long as there is no violation of applicable federal or state law.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions to the policy manual may occur, except to the policy of employment-at will. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the Company has the ability to adopt any revisions to the policies of this manual.

Furthermore, I acknowledge that this policy manual is neither a contract of employment nor a legal document. I have received the policy manual, and I understand that it is my responsibility to read and comply with the policies contained in this manual and any revisions made to it.

DATE: _____

EMPLOYEE'S NAME (printed): _____

EMPLOYEE'S SIGNATURE: _____

HEARTH's PROPERTY POLICY

I verify that I received the following equipment:

_____ ATT&T LG Xpression cell phone with
battery, travel charger and USB cable

_____ Laptop Computer

_____ Other equipment (please specify)

I understand that I am responsible for any charges that are not covered by HEARTH's plans.

I agree that in the event I leave HEARTH, my final paycheck will be held until all equipment is returned. If equipment is not returned within 10 calendar days of my last day of employment, HEARTH will deduct the cost from my paychecks.

Any charges that are not part of HEARTH's mobile plan will be deducted from my final paycheck.

EMPLOYEE'S NAME (printed): _____

EMPLOYEE'S SIGNATURE: _____

DATE: _____

CELL PHONE NUMBER: _____

