



# EMPLOYEE HANDBOOK

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**TABLE OF CONTENTS**

**1 INTRODUCTION..... 6**

1.1 Welcome to Marcho Farms, Inc. .... 6

1.2 About this Handbook..... 6

1.3 Equal Employment Opportunity ..... 7

1.4 Anti-Harassment Policy..... 8

1.5 Accommodations for Disabilities ..... 9

1.6 Religious Accommodations..... 10

1.7 Employment of Relatives and Fraternalization ..... 10

1.8 Open Communications ..... 11

**2 GETTING STARTED ..... 12**

2.1 Proof of Work Authorization ..... 12

2.2 Employee Background and Reference Checks ..... 12

2.3 Certifications and Licensure..... 13

2.4 Job Postings..... 13

2.5 New Hire Orientation..... 13

2.6 Introductory Period for New Employees ..... 14

**3 TOTAL COMPENSATION..... 15**

3.1 Employment Classification ..... 15

3.2 Overtime Pay ..... 15

3.3 Shift Differential Pay ..... 16

3.4 On-Call Pay..... 16

3.5 Payroll & Payday..... 16

3.6 Mandatory Deductions ..... 17

3.7 Salary Basis Policy ..... 17

3.8 Timekeeping Procedures ..... 18

3.9 Business Expense Reimbursements ..... 19

3.10	Performance Feedback.....	19
3.11	Transfers and Promotions.....	19
3.12	Holidays .....	20
3.13	Vacation .....	21
3.14	Personal Days.....	22
3.15	Bereavement Leave .....	22
3.16	Family and Medical Leave (FMLA) .....	23
3.17	Extended Disability .....	26
3.18	Medical Leave (non-FMLA).....	26
3.19	Personal Leave .....	27
3.20	Military Leave .....	28
3.21	Jury Duty.....	29
3.22	Witness and Crime Victims Leave .....	29
3.23	State of Emergency Leave.....	29
3.24	Emergency Responders Leave.....	30
3.25	Health Benefits.....	30
3.26	Life, Accidental Death and Dismemberment Insurance.....	30
3.27	Section 125 Plan .....	31
3.28	Workers' Compensation.....	31
3.29	Retirement Plan .....	31
3.30	Education and Training .....	31
3.31	Employee Purchases .....	31
<b>4</b>	<b>EXPECTATIONS .....</b>	<b>32</b>
4.1	Work Schedules .....	32
4.2	Standards of Conduct .....	32
4.3	Business Ethics.....	33
4.4	Interactions with Customers and the Public.....	33

4.5	Discipline Policy .....	34
4.6	Conflict of Interest .....	35
4.7	Gifts .....	35
4.8	Outside Employment.....	36
4.9	Confidential Information .....	37
4.10	Drug and Alcohol Policy .....	37
4.11	Criminal Activity and Arrests .....	39
4.12	Attendance and Punctuality .....	40
4.13	Meal and Break Periods.....	41
4.14	Cell Phone Use .....	42
4.15	Personal Property .....	42
4.16	Company Property .....	42
4.17	Electronic Communications Policy.....	43
4.18	Internet Use.....	44
4.19	Use of Social Media .....	46
4.20	Media Contacts .....	47
4.21	Appearance Policy .....	47
4.22	Solicitation and Distributions.....	49
4.23	Personnel Records and Administration .....	49
4.24	Suggestions .....	50
4.25	Bulletin Boards .....	50
4.26	Parking .....	50
4.27	Employee Access Cards .....	50
4.28	Housekeeping .....	50
4.29	Termination and Resignation .....	51
<b>5</b>	<b>SAFETY IN THE WORKPLACE.....</b>	<b>52</b>
5.1	Health and Safety in the Workplace.....	52

5.2	Safety Equipment.....	52
5.3	Hair Covering .....	53
5.4	Sanitary Rules.....	53
5.5	Hazard Communication Information .....	54
5.6	Zero Tolerance for Violence.....	54
5.7	Domestic Violence .....	55
5.8	Inspection of Property .....	55
5.9	Visitors in the Workplace .....	55
5.10	Use of Vehicles .....	56
5.11	Smoking Policy.....	57
5.12	Fire Prevention.....	58
5.13	Emergency Evacuation .....	58
5.14	Emergency Closings .....	58
	<b>EMPLOYEE HANDBOOK ACKNOWLEDGMENT .....</b>	<b>59</b>

## **1 INTRODUCTION**

*This handbook has been developed by Marcho Farms, Inc. (“Marcho Farms” or “the Company”) in order to familiarize you with the Company, with key policies and procedures, and with many of the benefits you can expect.*

### **1.1 Welcome to Marcho Farms, Inc.**

On behalf of all of our employees at Marcho Farms, we are pleased to welcome you to our organization! You are about to begin what we hope will be one of the most satisfying times in your career.

Every employee is valued and essential to our excellent reputation and success. In order to create an optimal customer-oriented environment, we must work together as a team. Together we will achieve our goals through dedicated hard work, commitment and team spirit from every employee.

As a new employee, we are sure that you will find this Employee Handbook a valuable source of information pertinent to your relationship with our company. It provides you with general information about our culture, our mission, your benefits and some of our operational guidelines. We invite you to learn about us and ask any questions that may arise so that we can meet each other’s expectations. This Employee Handbook is an evolving document, which means that it will be reviewed and revised from time to time to reflect our ever-evolving culture, philosophy, policies and programs. Please contact your supervisor or the Human Resources Department if you have any questions regarding this Employee Handbook or any matter related to your employment at Marcho Farms.

Again, welcome to your new role at Marcho Farms. You have our personal best wishes as, together, we face the numerous opportunities, challenges, and rewards ahead.

Wayne Marcho

Owner

### **1.2 About this Handbook**

Marcho Farms, Inc. is committed to providing you with the necessary resources for a successful employment relationship. We believe in providing an atmosphere of open communication, therefore, this Employee Handbook will be an effective communication

tool that you can keep handy, serving as an ongoing resource that will answer many of your questions.

This Employee Handbook supersedes any prior handbook, policies, memos and notices of Marcho Farms. In order to most effectively meet the needs of our clients and respond to the ever-changing environment in which we work, Marcho Farms may at any time amend, supplement, modify, or eliminate one or more of the benefits or policies described in the Employee Handbook, or any other employment benefits, procedures, or policies, with or without prior notice, at the sole discretion of the company. We will make every effort to communicate any changes to you in a timely manner. Actual plan documents are the final authority on all matters relating to benefits. Eligibility for coverage or benefits shall be determined in accordance with the plan provisions.

This employee handbook does not constitute a contract of employment and does not guarantee any fixed terms and conditions of employment. There is no promise of any kind by the Company contained in this employee handbook; your employment is based on a voluntary employment-at-will relationship. Accordingly, this employee handbook does not constitute a guarantee that your employment will continue for any specified period of time or end only under certain conditions, and nothing in this booklet constitutes an expressed or implied contract of employment or warranty of any benefits. This means that you retain the right to terminate your employment with the Company for any reason and at any time. Likewise, Marcho Farms reserves the right to end your employment at any time, with or without cause and with or without notice. No one has the authority to bind Marcho Farms to any agreement contrary to the foregoing except the President. Any such agreement must be in writing and signed by the President and the employee(s) to whom the agreement applies.

The policies and procedures in this handbook are guidelines only. Marcho Farms reserves the right to interpret and administer the provisions of this handbook as needed.

### **1.3 Equal Employment Opportunity**

At Marcho Farms, it is our policy to provide equal employment opportunities to all employees and applicants for employment based on qualifications, abilities and merit. Therefore, Marcho Farms prohibits discrimination against employees, applicants or any other legally covered persons because of race, color, religion, national origin, age, sex (including pregnancy), citizenship, genetic information, disability status, past, current or prospective membership in the uniformed services or any other characteristic protected under applicable federal, state or local law. This policy applies to all terms and conditions of employment, including, but not limited to hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

No one will be subject to, and Marcho Farms prohibits, any form of discipline, reprisal, intimidation or retaliation for good faith reports or complaints of incidents of discrimination of any kind, pursuing any discrimination claim or cooperating in related investigations. Questions or concerns about discrimination should be reported to your immediate supervisor or the Human Resources Department.

#### **1.4 Anti-Harassment Policy**

It is the policy of the Company that harassment of employees or any other legally covered persons on the basis of race, color, religion, national origin, age, sex (including pregnancy), disability status, past, current or prospective membership in the uniformed services or any other legally protected group is unacceptable and will not be tolerated.

This policy applies to all employees. It covers harassment by employees of the Company (including supervisor and management), customers, vendors or other third parties with whom the Company has business dealings. The Company will not tolerate any form of unlawful harassment. Unlawful harassment can take many forms. It may be, but is not limited to, words, signs, offensive jokes, cartoons, pictures, posters, e-mail jokes or statements, pranks, intimidation, physical assaults or contact, or violence.

Sexual Harassment: The Company does not tolerate sexual harassment. Sexual harassment is any unwelcome sexual advances or requests for sexual favors or any other conduct of a sexual nature, when any of the following is true:

- Submission to the advance, request or conduct is made either explicitly or implicitly a term or condition of employment.
- Submission to or rejection of the advance, request or conduct is used as a basis for employment decisions.
- Such advances, requests or conduct have the purpose or effect of substantially or unreasonably interfering with an employee's work performance by creating an intimidating, hostile or offensive work environment.

No employee should be subjected to offensive or unwelcome sexual overtures. Nor should any employee be led to believe that an employment opportunity or benefit would in any way depend upon "cooperation" of a sexual nature. Other prohibited forms of harassment include jokes, verbal abuse, degrading comments, the display of objects and pictures and other offensive conduct.

Reporting Harassment of Any Kind: If you feel that you have been the subject of harassment (or have reason to believe that someone else has been the subject of harassment), including sexual harassment, notify the Human Resources Department in oral or written form. If a member of the Human Resources Department is unavailable or if you believe it would be inappropriate to contact that person, you should immediately contact the President. You will be expected to provide information that the Company

requests, including a detailed account of the incidents complained of, witnesses (if any), dates and other information considered relevant by the Company. A prompt investigation of the matter will be made. All employees – whether complainant, witness or accused – are required to be truthful, accurate and cooperative during the Company investigations. Information obtained during the investigation will only be told to another on a need-to-know basis. As the reporting employee or a witness employee, the Company will not retaliate against you for prompting or participating in the investigation.

Anyone who is found to have engaged in prohibited harassment will be subject to appropriate sanctions, which may include termination of employment, depending on the circumstances. No one should be presumed to be in violation because an investigation is being conducted.

No Retaliation: No one will be subject to, and Marcho Farms prohibits, any form of discipline, reprisal, intimidation or retaliation for good faith reporting of incidents of harassment of any kind, pursuing any harassment claim or cooperating in related investigations.

## **1.5 Accommodations for Disabilities**

Marcho Farms is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices are conducted on a non-discriminatory basis. It is the policy of Marcho Farms to provide a reasonable accommodation to qualified individuals with disabilities unless the accommodation would impose an undue hardship on the organization. Marcho Farms prohibits any harassment of, or discriminatory treatment of, employees on the basis of a disability or because an employee has requested a reasonable accommodation.

In accordance with the ADA as amended, reasonable accommodations will be provided to qualified individuals with disabilities to enable them to perform the essential functions of their jobs unless doing so would create an undue hardship. This policy applies to all applicants for employment and all employees. If you would like to request an accommodation, please contact the Human Resources Department. You may request an accommodation either orally or in writing.

The Company expressly prohibits any form of discipline, reprisal, intimidation or retaliation against any individual for requesting an accommodation in good faith.

## **1.6 Religious Accommodations**

Marcho Farms encourages a diverse workforce and will make reasonable accommodations for an applicant's or an employee's sincerely held religious beliefs if the accommodation would resolve a conflict between the individual's sincerely held belief and a work practice or requirement unless doing so would create an undue hardship for the Company. Safety and impact on customer service is paramount and will therefore receive significant consideration when evaluating an accommodation request and identifying opportunities to meet the request. A determination as to whether a request for a religious accommodation will impose an undue hardship will be made on a case by case basis. Individuals who wish to request an accommodation should contact the Human Resources Department

Marcho Farms expressly prohibits any form of discipline, reprisal, intimidation or retaliation against any individual for requesting an accommodation in good faith.

## **1.7 Employment of Relatives and Fraternization**

Marcho Farms permits members of the same family to work at the Company. However, in some circumstances, the employment of relatives may conflict with the best interests of Marcho Farms.

Therefore, relatives of a present employee may not be hired without the full knowledge and written approval of Marcho Farms management. For the purposes of this policy, relatives are: spouse, sibling, parent, child, grandparent, grandchild, uncle, aunt, nephew, niece, first cousin, or step/in-law relations. Other members of your household or other relatives may be included depending upon the individual circumstances. A candidate who is in a relationship with a present employee, including a domestic partner, romantic partner, or co-habitant, must also disclose this information and get written approval before being hired. This policy applies to all employees regardless of the gender or sexual orientation of those involved.

An individual in a relationship with a current employee, as described above, may not be hired if Marcho Farms management determines that there is a conflict of interest or the appearance of one, including one relative being in a supervisory role over another.

Employees who hold a position as a supervisor, manager, director or executive (collectively referred to as a "supervisor") within the Company are prohibited from engaging in a romantic or sexual relationship with any subordinate employee. For purposes of this policy, a subordinate employee is defined as any employee working in any function or area of responsibility that reports directly to or reports up through a chain of command to a supervisor. In the event that a romantic or sexual relationship develops, the supervisor, manager, director or executive involved in such a relationship

must immediately report the relationship to the President. Failure to report the relationship immediately will result in discipline up to and including termination of employment.

### **1.8 Open Communications**

Marcho Farms encourages you to discuss any issues you may have with a co-worker directly with that person. If a resolution is not reached, or if you have any other concern related to your employment or the Company, you should follow this process:

- Step One (Immediate Supervisor): You should discuss the nature and cause of the issue or problem with your immediate supervisor within 1-2 business days of its occurrence.
- Step Two (General Manager): If a satisfactory resolution is not reached in Step One, you may submit the issue or problem in writing to the General Manager. You must make this submission within three (3) business days after receiving the response in Step One or within three (3) business days after the response from the supervisor was due. A response will be given to you within 3 business days to the extent possible.
- Step Three (Human Resources): If a satisfactory resolution is not reached, the General Manager will review the issue with the Human Resources Manager.
- Step Four (President): If a satisfactory resolution is not reached, the Human Resources Manager will review the issue with the President who will render a final decision.

Any information discussed in an Open Communication meeting is considered confidential, to the extent possible while still allowing management to respond to the problem.



## **2 GETTING STARTED**

*We understand that getting established in a new role can sometimes be overwhelming. To make your transition as smooth as possible, this section outlines what you can expect as a new employee.*

### **2.1 Proof of Work Authorization**

All offers of employment are contingent on verification of the candidate's legal right to work in the United States. U.S. Citizenship and Immigration Services require that the Company and new employee provide specific information for completion of the Form I-9, Employment Eligibility Verification within three days of commencing employment. You must complete Section 1 of Form I-9 no later than the end of your first day of work. Failure to provide the appropriate documentation for completion of the Form I-9 will result in suspension and/or termination.

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

### **2.2 Employee Background and Reference Checks**

To ensure that individuals who join Marcho Farms are well qualified and to ensure that Marcho Farms maintains a safe and productive work environment, we may conduct pre-employment background checks on applicants for certain positions who accept an offer of employment. Background checks may include verification of any information on the applicant's resume or application form.

If an applicant refuses to provide the information necessary for the Company to conduct the necessary background checks or provides false information during the application process, we will deny employment. Additionally, if it is determined at any time after hire that you provided false information during the application process, you may be terminated from employment.

Employment offers for certain positions are contingent upon successful completion of any required -background checks including, but not limited to, reference, criminal, credit, driving records, and/or professional credentials verification. Marcho Farms will ensure that all background checks are held in compliance with all federal and state statutes including, but not limited to, the Fair Credit Reporting Act, the Americans with Disability Act, and Title VII of the Civil Rights Act of 1964. Negative information disclosed as a result of a background check will not necessarily exclude an individual from employment, continued employment or promotion.

All final employment candidates for production, vehicle operation and maintenance positions will be subject to a physical and a drug test once a conditional offer of employment has been extended and accepted. Employees being promoted to management positions are subject to a drug test as well. All reports are kept confidential and are only viewed by individuals involved in the hiring process.

Background checks will include a criminal record check, although a criminal conviction does not automatically bar an applicant from employment. Any applicant with a criminal conviction shall be evaluated on an individual basis to determine whether they should be excluded from consideration based on the conviction and its relationship to the job for which they are being hired.

### **2.3 Certifications and Licensure**

If company, government or industry regulations require you to possess current licensure or certification credentials, including a current commercial driver's license (CDL), you are required to provide valid and current proof of such documents to your supervisor. If your credentials and/or license are not current and valid, you may not be permitted to continue to work in the position for which the credentials and/or license is required and therefore, may be suspended from duty without pay, terminated or reassigned as appropriate. You may periodically be required to provide updated information showing current status of driver's license or any other licensure or certifications. It is your obligation to notify Marcho Farms if there is ever a loss or suspension of your driver's license or any other required licenses or certifications.

### **2.4 Job Postings**

Most job openings at Marcho Farms will be internally posted. Marcho Farms reserves the right to fill certain positions without prior posting.

Job openings will be posted on employee bulletin boards and in the employee lunchroom. Postings will provide information regarding the open position, including its department, location, job summary, essential duties and qualifications. If you would like to apply for a posted position, please contact the Human Resources Department.

### **2.5 New Hire Orientation**

As a new employee, you will meet with your supervisor to familiarize yourself with the responsibilities of your position and the expectations of Marcho Farms. You will also meet with the Human Resources Department to review your new hire paperwork and complete any necessary safety and operational training. We encourage you to ask

questions to ensure you understand our Company and have the requisite information and skills to be successful.

## **2.6 Introductory Period for New Employees**

Marcho Farms will monitor and evaluate your performance during the first 60 days of your employment to determine whether further employment in a specific position or with Marcho Farms is appropriate. At the same time, you have the opportunity to decide if Marcho Farms provides the right work environment for you.

All employees, whether during their introductory period or after successfully completing it, are at-will employees and can be terminated by the Company for any reason with or without notice. Regular employees should normally receive discipline based on the four steps described in our Discipline Policy, unless an exception applies as set forth within that policy. Introductory employees, however, should not expect steps of discipline, but may be terminated for any policy violation or unacceptable performance or conduct.



### **3 TOTAL COMPENSATION**

*The total compensation you receive for the work you do goes beyond your paycheck. Marcho Farms also offers employees paid time off and health benefits as outlined in this section.*

#### **3.1 Employment Classification**

Employees are designated as either non-exempt or exempt in accordance with federal and state wage and hour laws. Non-exempt employees are entitled to overtime pay under specific provisions of federal and state laws while exempt employees are not.

In addition to the non-exempt or exempt classification, employees are divided into the following categories:

- **Introductory:** An introductory employee has not yet completed the introductory period. The number of hours worked each week will have no impact on this status.
- **Full-time:** A regular full-time employee is regularly scheduled to work at least 40 hours per week in a regular workweek.
- **Part-time:** A regular part-time employee is regularly scheduled to work less than 30 hours per week in a regular workweek.
- **Temporary:** A temporary employee is hired to work on a specific project or for a specified amount of time. The number of hours worked each week will have no impact on this status.

#### **3.2 Overtime Pay**

Overtime compensation is paid to non-exempt employees in accordance with federal and state wage and hour restrictions. All overtime work performed must receive the supervisor's prior authorization. Failure to receive supervisor approval prior to working overtime hours will result in discipline up to and including termination of employment.

At certain times Marcho Farms may require you to work overtime due to operating requirements. We will attempt to give as much notice as possible; however, advance notice may not always be possible. Failure to work overtime when required may result in discipline, up to and including discharge.

Overtime pay is based on the actual hours worked. For this reason, vacation days and other paid or unpaid leaves of absence are not counted as hours worked when calculating overtime pay.

The workweek at Marcho Farms begins at 12:00 a.m. each Monday and continues to 11:59 p.m. on the following Sunday, and consists of seven consecutive 24-hour days.

### **3.3 Shift Differential Pay**

Non-exempt employees are eligible for shift differential pay if they work the 2nd shift. Your supervisor will advise you of Marcho Farms' current shift differential pay rates determined by the company and based on current local market conditions.

### **3.4 On-Call Pay**

Certain employees may be required, on occasion, to make themselves available to return to work outside of regularly scheduled hours, in order to attend to urgent business needs. This will be designated as "on-call" status. Employees who are on-call must follow these guidelines:

- Unless otherwise advised, you are not required while on-call to remain on Company premises. However, you must remain available by telephone or text while off site and respond to any message within fifteen (15) minutes.
- If called back to work, you must do so within 1 hour of responding to the message.
- You are not required to restrict your activities while on-call, but you must remain free of the influence of alcohol or illegal drugs. In addition, you should not take any prescription drug that adversely affects your ability to safely and effectively perform your job duties. If you have concerns about complying with this requirement, contact Human Resources.
- If you are unable to be on-call during your assigned time, you must notify your manager in advance.

If you are called to come back to work while on-call, you will be paid for hours actually worked, but no less than one hour. Only time actually worked will be counted toward overtime calculations.

### **3.5 Payroll & Payday**

Employees are paid weekly. Direct deposit is available and strongly recommended. Pay checks or pay statements will be available in the office by the Thursday (Friday during holiday weeks) following the end of the pay period. It will include earnings for the work performed through the end of the prior payroll period. If the normally-scheduled payday falls on a Company-recognized holiday, your pay check/pay statement will be available the workday following the holiday. If a regularly-scheduled payday occurs while you are on paid time off, you will receive your pay statement upon your return to work.

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, notify the Human Resources Department who will contact the Payroll Department so the problem can be addressed and any necessary correction can be made promptly.

To ensure timely and accurate payroll processing, it is your responsibility to promptly notify the Company of any changes in your personal information (such as: name, address or phone number, beneficiary, marital status, dependents, emergency contact information, training certificates, etc.). In addition, coverage or benefits that you and your family may receive under a Company-sponsored benefits package could be negatively affected if you do not notify the Company of changes to this information.

### **3.6 Mandatory Deductions**

Marcho Farms is required by law to make certain deductions from your paycheck. Among these are applicable federal, state and local income taxes and your contribution to Social Security as required by law. These deductions will be itemized on your check stub. The amount of the deductions will depend on your earnings and on the information you furnish on your W-4 form regarding the number of exemptions you claim. If you wish to modify the number of exemptions you claim, please complete a new W-4 form. Only you may modify your W-4 form. Verbal or written instructions are not sufficient to modify withholding allowances. We advise you to check your pay stub to ensure that it reflects the proper number of withholdings.

The W-2 form you receive annually reflects how much of your earnings were deducted for these purposes.

Wage Garnishments: Any other mandatory deductions to be made from your paycheck, such as court-ordered garnishments, will be explained to you whenever Marcho Farms is required to make such deductions from your pay.

### **3.7 Salary Basis Policy**

The Fair Labor Standards Act (FLSA) is a federal law which requires that most employees in the United States be paid at least the federal minimum wage for all hours worked and overtime pay at time and one-half the regular rate of pay for all hours worked over 40 hours in a workweek. However, the FLSA provides an exemption from both minimum wage and overtime pay for certain employees in particular job functions which meet certain criteria regarding job duties and salary.

Salary Basis Requirement for exempt employees: Being paid on a “salary basis” means an employee regularly receives a predetermined amount of compensation each pay period. The predetermined amount cannot be reduced due to quality or quantity of the employee’s work. Subject to certain exceptions, an exempt employee must receive the full salary for any workweek in which the employee performs any work, regardless of the number of days or hours worked. Exempt employees do not need to be paid for any workweek in which they perform no work. If the employer makes deductions from an

employee's predetermined salary, i.e., because of the operating requirements of the business, that employee is not paid on a "salary basis." If the employee is ready, willing and able to work, deductions may not be made for time when work is not available.

Employers may make deductions from an exempt employee's pay in the following circumstances:

Full day absences where a full day deduction will be made

- Absence from work for one or more full days for personal reasons (not sickness/disability);
- Unpaid disciplinary suspensions due to workplace conduct rule violations; and
- Absence from work for one or more full days due to sickness/disability if the deduction is made in accordance with plan, policy or practice of providing compensation for salary lost.

Full or partial day absences where a full or partial day deduction will be made

- To offset amounts employees receive as jury or witness fees, or for military pay;
- During initial or last week of employment;
- For penalties imposed for infractions of safety rules of major significance; and
- When an employee takes unpaid leave under the Family and Medical Leave Act.

It is Marcho Farms' policy to comply with the salary basis requirements of the FLSA. Therefore, we prohibit all company managers from making any improper deductions from the salaries of exempt employees. We want employees to be aware of this policy and that the Company does not allow deductions that violate the FLSA or any provisions of applicable state law.

If you believe that an improper deduction has been made to your salary, you should immediately report this to the Human Resources Department. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, you will be promptly reimbursed for any improper deduction made.

### **3.8 Timekeeping Procedures**

It is the policy of Marcho Farms to comply with the requirements of the Fair Labor Standards Act (FLSA) and any relevant state statute and/or regulation in compensating exempt and non-exempt employees for regular hours and overtime hours worked. Therefore, on a daily basis, all non-exempt employees must complete an accurate record of all time worked to ensure proper payment for all hours worked. Non-exempt employees should indicate when they begin work, the start and end times of any meal or personal breaks and the time they end work for the day utilizing the time reporting system that is used in their department. Non-exempt employees may not begin work before their scheduled starting time, work past their scheduled stopping time, or work

overtime without prior authorization from their supervisor. Non-exempt employees are never permitted to work off the clock.

Exempt employees must record any paid time off, holidays, or leave days and submit the information on a weekly basis to the Human Resources Department and the Company's corporate office. All non-exempt employees are expected to sign their time record to confirm that it is a true and accurate accounting of time worked. Punching a time clock for another employee or falsification of any time record will result in disciplinary action up to and including termination.

### **3.9 Business Expense Reimbursements**

Reimbursement will generally be approved for business-related expenses including but not limited to mileage, meals, hotels, etc. Expense forms must be completed and receipts must accompany every business expense where receipts are available. Please contact the Finance Department for the appropriate form and specific information regarding the reimbursement process and eligible expenses and reimbursable amounts. All expenses must be pre-approved by your supervisor before they are incurred.

### **3.10 Performance Feedback**

Marcho Farms is committed to a participatory performance review process with an exchange of performance-related information between you and your supervisor. You will receive an appraisal at the conclusion of your first sixty days of employment. During this initial appraisal, your supervisor will review and evaluate your ability to meet the job responsibilities and performance requirements of the position.

You should also expect to receive feedback on a day-to-day basis which may include discussion of the following:

- your current job duties and responsibilities
- areas of strong performance
- improvement suggestions
- ongoing objectives and strategies for achieving optimal job performance standards
- training and development needs and plans

### **3.11 Transfers and Promotions**

Marcho Farms encourages career development and advancement of our employees by providing opportunities for transfers and promotions. Employees must meet the minimum required education and experience requirements of the position before being considered.

In addition, employees seeking a transfer or promotion may be required to have a medical examination if the examination is job-related and consistent with business necessity.

Though Marcho Farms prefers to fill open positions from within, we reserve the right to advertise positions externally, to solicit outside candidates during or after the posting period, and to hire external candidates after consideration of both internal and external applicants. Internal candidates will be considered based on their qualifications and performance and current departmental staffing and operational needs. Marcho Farms endeavors to hire the most qualified individual for available positions.

Please contact the Human Resources Department for more information and to obtain the form required to apply for a promotion or transfer.

### **YOUR TIME OFF & LEAVES**

*Marcho Farms understands that you will be at your best when you are able to meet your personal needs and enjoy regular rest and relaxation. That is why we offer paid time off benefits to our employees.*

#### **3.12 Holidays**

Marcho Farms provides the following paid holidays to full-time employees:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Full-time employees will receive paid time off for company-recognized holidays after completion of their first 60 days of employment. Please note that individual time off for Company holidays may be dependent on the customer and business needs.

Paid time off for holidays is paid at your regular base pay rate at the time of the holiday, based on your regularly scheduled hours, up to a maximum of eight (8) hours per day. Paid time off for holidays is not included for purposes of overtime calculation.

If a holiday falls during paid time off, non-exempt employees will receive vacation pay and the holiday pay. If you are on an unpaid leave of absence, you will not receive holiday pay for a holiday that falls within your leave.

You must work the last scheduled day prior to the holiday, and the first day immediately scheduled after the holiday, in order to receive pay for the holiday. An exception will be made if you have supervisor approval to use an approved vacation or personal day immediately prior to or after the holiday.

### 3.13 Vacation

All regular full-time employees are eligible for paid vacation time. Regular part-time employees are not eligible for paid vacation. Vacation can be used for an absence due to illness or injury with approval from your supervisor.

On their anniversary date, full-time employees will receive the following vacation days based on their length of employment:

Length of service	Vacation granted annually on your anniversary date of hire
1 – 2 years of continuous service as of your anniversary date	5 days
3 – 9 years of continuous service as of your anniversary date	10 days
10 or more continuous years of service as of your anniversary date	15 days

Any employee who misses 30 or more working days during the year between their anniversary dates, for reasons other than an approved leave of absence, will have a pro-rated amount deducted from their vacation time.

Scheduling vacation: You are responsible for requesting vacation at least two weeks in advance to your supervisor. Vacation will be scheduled according to departmental business needs, with minimal disruption to customer service.

If a paid holiday falls during your approved vacation time, you will receive pay for the holiday at your regular hourly rate in addition to your vacation pay.

Vacation will be paid for at your current rate of pay, not including overtime, commissions, incentives or bonuses.

Using Vacation: Unused vacation time must be taken in the benefit year in which it is given. It may not be carried over into the next benefit year. Any unused vacation time is forfeited at the end of the benefit year in which it is given.

Unused vacation time may not be used in lieu of proper notice of termination. Vacation days, even if pre-approved, cannot be taken within the last two weeks of employment after notice of termination has been given.

End of Employment: Employees who are terminated for budgetary reasons or who resign with two weeks' notice and work the full notice period will receive payment for the cash value of vacation time that was earned but unused as of the final day of employment. Employees who are terminated for cause or who resign without proper notice or who do not work the full notice period will forfeit unused vacation time.

### **3.14 Personal Days**

Personal days provide employees with additional paid leave to cover absences for personal reasons such as religious observances or sick time. When the need for personal time is foreseeable, you must request approval at least two weeks in advance. When the need is not foreseeable (such as an illness or emergency), you must follow the call-off procedures in our *Attendance and Punctuality* policy. Personal days may not be used to extend vacation time.

All regular full-time employees who have completed at least one year of employment are eligible for two (2) personal days in addition to vacation time and the Company's regular holidays.

Personal days are paid at your regular base pay rate at the time it is used.

You may carryover up to three (3) unused personal days from one year to the next but may not accumulate more than 5 personal days.

Personal days that remain unused at the end of employment will be forfeited. Even if pre-approved, personal days cannot be taken within the last two weeks of employment after notice of termination has been given nor taken in lieu of proper notice of termination.

### **3.15 Bereavement Leave**

Full-time employees who have completed 60 days of employment are eligible for up to 2 days of paid leave in the event of the death of an immediate family member defined as: spouse, natural or adopted child, step-child, mother, father, sibling, mother-in-law and father-in-law.

One (1) business day off is paid in the event of a death of an extended family member defined as: grandparents, grandchildren, siblings-in-law, grandparents-in-law, aunts, uncles, nieces and nephews.

You must notify the Human Resources Department as soon as possible before the leave commences. Bereavement pay is calculated using your base pay rate at the time of

leave multiplied by the number of hours you are regularly scheduled to work during that time. Any additional time needed due to extenuating circumstances must be approved by your supervisor. If additional leave is approved, available paid time off must be used before unpaid time will be allowed.

### 3.16 Family and Medical Leave (FMLA)

Family Medical Leave Act (FMLA) allows employees to balance their work and family life by taking reasonable leave for certain family and medical reasons. In order to be eligible for an FMLA leave, you must have worked for Marcho Farms for at least 12 months and have worked 1,250 hours during the past 12 months and you must work at a site where at least 50 employees are employed by the Company within a 75 mile radius.

<b>REASON FOR LEAVE</b> <i>(According to FMLA law, "immediate family member" includes spouse, parent and child)</i>	<b>Max length of unpaid, job-protected leave/12-month period*</b>
Employee's own serious health condition	12 weeks
Birth of a child and to care for the newborn child	12 weeks
Placement of a child with you for adoption or foster care	12 weeks
To care for an immediate family member with a serious health condition	12 weeks
To respond to an urgent situation arising out of an immediate family member's active duty or call to active duty (deployment to a foreign country) in the National Guard, Reserves or Regular Armed Forces (qualifying exigencies)	12 weeks
To care for an immediate family member who has incurred a serious injury or illness while on active duty in the Armed Forces, including a veteran discharged within past five years	26 weeks
To attend to an immediate family member who is on "rest and recuperation" from military service	15 days

\*With the exception of the 26-week Military Caregiver leave, the Company uses a rolling calendar that looks backward from the first day of FMLA leave used to measure this 12-month period. Each time you take leave, the remaining leave entitlement would be the balance of the time allowable under FMLA which has not been used during the preceding 12-month period. For Military Caregiver leave, the 12 months begins on the first day you take leave and ends twelve months later.

Benefits and Protections: During FMLA leave, you maintain health coverage under any “group health plan” on the same terms as if you had continued to work. You must continue to pay your portion of the premiums in monthly payments. Upon return from FMLA leave, you will be returned to your original or equivalent positions with equivalent pay, benefits, and other employment terms. If you do not return to work after your FMLA leave expires, the Company reserves the right to recoup the money spent on health insurance benefits during your leave period. Consistent with Company policy for all types of leave, you will not accrue vacation while you are on unpaid FMLA leave.

Definition of Serious Health Condition: A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents you from performing the functions of your job, or prevents the qualified family member 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 consecutive calendar days combined with at least two visits to a healthcare provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave by Spouses Employed by the Company: If you and your spouse both work for the Company and each of you wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care of a parent (but not a “parent in-law”) with a serious health condition, you may only take a combined total of 12 weeks of leave. If you and your spouse both wish to take leave to care for a covered injured or ill service member, you each may only take a combined total of 26 weeks of leave.

Requesting FMLA Leave: If your need for FMLA leave is foreseeable, you must give the Company at least 30 days' prior written notice. If this is not possible, you must give notice as soon as practicable (within one to two business days of learning of your need for leave) and generally must comply with the Company’s normal call-in procedures. Failure to provide such notice may be grounds for delaying FMLA-protected leave, depending on the particular facts and circumstances.

Additionally, if you are planning a medical treatment or a series of treatments or you are taking military caregiver leave, you must consult with the Company first regarding the dates of such treatment to work out a schedule that best suits the needs of the employee or the covered military member, if applicable, and the Company.

Certification Process: Within five business days after you have provided the Company with notice of a request for FMLA leave, we will provide you with the Department of Labor’s (DOL) Notice of Eligibility and Rights Form as well as the appropriate DOL certification form. You are responsible for ensuring that we receive a completed certification form for us to determine if the request qualifies for FMLA leave. Completed certifications must be received by the Company within 15 days of the

request. Failure to provide the required certification for FMLA leave may result in the denial of leave or continuation of leave.

Substitution of Paid Leave for Unpaid Leave: While on FMLA leave, you must use any vacation that you have available. Your absence due to a workers' compensation injury will run concurrently with unpaid FMLA leave provided that the absence is due to a qualifying "serious health condition" as defined under the FMLA. Please be aware that employees receiving workers' compensation payments are not able to substitute accrued paid time off for any part of the leave of absence unless state law permits and employer and employee agree to have paid leave supplement workers' compensation benefits, such as in the case where workers' compensation only provides partial replacement of an employee's salary.

Employees who are collecting short-term disability payments while on FMLA leave will not be required to use available vacation unless they choose to do so and the plan allows.

Intermittent Leave or Reduced Work Schedule: You may take the leave continuously, intermittently or on a reduced work schedule basis when medically necessary. However, in all cases, the leave may not exceed a total of 12 weeks (or 26 weeks to care for an injured or ill service member). You must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt Company operations. Leave due to qualifying exigencies may also be taken on an intermittent basis. Intermittent time cannot be taken in increments of less than one (1) hour.

Reporting While on Leave: If you take leave because of your own serious health condition or to care for a covered relation, the Company may require you to contact them during your leave regarding the status of the condition and your intention to return to work. In addition, you must give notice as soon as practicable (within two business days if feasible) if the dates of leave change or are extended or initially were unknown. Employees on intermittent leave must report following our Attendance policy whenever leave is needed.

Recertification: We may request recertification for the serious health condition of you or your family member when circumstances have changed significantly, or if we receive information casting doubt on the reason given for the absence, or if you seek an extension of your leave. Otherwise, we may request recertification for the serious health condition of you or your family member every six months in connection with an FMLA absence.

Returning from FMLA Leave: If you take leave because of your own serious health condition (except if you are taking intermittent leave), you are required, as are all employees returning from other types of medical leave, to provide medical certification that you are fit to resume work. Otherwise, you will not be permitted to resume work until it is provided.

Notices Sent by Employer: We will send all Notices of Rights and Eligibility Forms, Designation Notices and letters regarding Expiration of FMLA leave/Return to Work Orders to you by email, certified mail or via hand delivery.

Unlawful Acts by Employers: FMLA makes it unlawful for any employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA;
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement: You may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer. FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

Additional Information: For additional information about your rights and obligations, see the Family Medical Leave Act poster in your workplace, visit the U.S. Department of Labor's website ([www.wagehour.dol.gov](http://www.wagehour.dol.gov)) or contact the Human Resources Department.

### **3.17 Extended Disability**

If a period of disability continues beyond the 12 weeks provided for within the Family and Medical Leave policy, an employee may apply in writing for an extended disability leave in accordance with our *Medical Leave (non-FMLA)* policy. This extended leave time is not guaranteed, but will be considered on a case by case basis.

### **3.18 Medical Leave (non-FMLA)**

Occasionally, for medical reasons not covered by FMLA, you may need to be temporarily released from the duties of your job. It is the policy of Marcho Farms to allow employees to apply for and be considered for an unpaid medical leave of absence related to their own health issue.

If your need for medical leave is foreseeable, you must give the Company at least 30 days' prior written notice. If this is not possible, you must give notice as soon as practicable (within one to two business days of learning of your need for leave) and generally must comply with the Company's normal call-in procedures. You must also provide a certification from a healthcare provider that demonstrates that you are: (a) a qualified individual with a disability under the Americans with Disabilities Act; (b) unable to perform the essential functions of your job, even with a reasonable accommodation; and (c) an estimated amount of time that you will be unable to do so.

Management reserves full discretion to decide if medical leave is appropriate, if granting a medical leave would pose an undue hardship on the Company, and, if granted, the

duration of an approved leave. If approved, medical leave will run concurrent with any paid time off you have available.

While on leave, your healthcare may be subject to termination based on the terms of the relevant plan. In such a case, you may elect to continue health coverage at your own expense, as allowed by law. If premium payments are due while you are on leave, you will be responsible for paying your share of the premium. The Company will give instructions for payment at the time of leave.

During a medical leave, the Company may request updates on your status and expected return-to-work date. In addition, you will be required to provide medical certification that you are fit to resume work with or without a reasonable accommodation.

If your position is permanently filled while on a non-FMLA medical leave of absence, you can apply for any available open position within the Company. If you do not return to work at the end of the approved leave of absence, we will consider that a voluntary resignation.

### **3.19 Personal Leave**

Occasionally, for personal reasons, you may need to be temporarily released from the duties of your job. It is the policy of Marcho Farms to allow employees who have completed one full year of service to apply for a personal leave of absence. In addition, you must have worked at least 1960 hours in the 12 months immediately preceding the start of your requested leave. If you meet these eligibility requirements, the Company will consider allowing an unpaid leave of up to 3 weeks. While on leave you must use any vacation you have available. Leaves will not be granted under this Policy for an employee's own medical issues. If you require a medical leave, vacation can be used and/or you can make a request for FMLA, if applicable, or a request for leave under our Medical Leave Policy.

If your need for leave is foreseeable, you must give the Company at least 30 days' prior written notice. If this is not possible, you must give notice as soon as practicable (within one to two business days of learning of your need for leave) and generally must comply with the Company's normal call-in procedures. Management reserves full discretion to decide if a personal leave is permissible and the duration of an approved leave.

While on leave, your healthcare may be subject to termination based on the terms of the relevant plan. In such a case, you may elect to continue health coverage at your own expense, as allowed by COBRA law. If premium payments are due while you are on leave, you will be responsible for paying your share of the premium as monthly payments. The Company will give instructions for payment at the time of leave.

If you do not return to work at the end of the approved personal leave, we will consider that a voluntary resignation.

### **3.20 Military Leave**

Marcho Farms recognizes that you may need to be absent from work to serve in the U.S. military. Marcho Farms provides military service leaves of absence to all full-time, part-time and introductory employees in compliance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and applicable state laws.

If you need to take military service leave, you or an authorized military service officer should provide advance notice to your supervisor. When possible, you should give at least 30 days' notice of your request for leave. If 30 days' notice is not possible because of military necessity or for other reasons, you should give as much advance notice to Marcho Farms as possible. The Company reserves the right to request a copy of your military orders or training paperwork.

Military service leave is unpaid. However, you may use any or all of your accrued but unused vacation or other paid time off during your military service leave. During military service leave, all benefits provided under an employee benefit plan are governed by the terms and conditions of the applicable employee benefit plan documents in accordance with applicable law. You may be eligible for reemployment after your military service leave. If you would like to return to work, you must report to work or submit an application for reemployment, including your military discharge documentation, if available, as follows:

- If your military service was for less than 31 days, you must report to work on the first regularly scheduled workday that is at least eight hours after you return home from military service.
- If your military service was for 31 to 180 days, you must apply for reemployment within 14 days following completion of military service.
- If your military service was for more than 180 days, you must apply for reemployment within 90 days following completion of military service.

If you do not report to work or apply for reemployment within the applicable timeframe, you will be subject to Marcho Farms' rules about unexcused absences. Nothing in this policy requires Marcho Farms to reemploy individuals who are not eligible for reemployment rights under applicable law. If you are eligible for reemployment, you will be reemployed with the same seniority, and all rights and benefits based on that seniority, that you would have attained if you had not taken military leave. Seniority rights include pay and benefits that accrue or are determined based on your length of service.

Marcho Farms prohibits and will not tolerate discrimination or retaliation against any employee or applicant because of that person's membership in or obligation to perform service for any branch of the U.S. military. Where state or local military service leave

laws offer more protections or benefits to employees, the protections or benefits that are most favorable to the employee, as provided by such laws, will apply.

### **3.21 Jury Duty**

Marcho Farms is committed to supporting the communities in which we operate, including supporting you in fulfilling your responsibility to serve as a juror whenever it is possible. When you receive notification regarding upcoming jury duty, it is your responsibility to notify your direct supervisor within one business day of receiving the notice. If you are required to report to jury duty, at the end of each day of jury duty, notify your supervisor of your status. We expect you to return to your job if you are excused from jury duty during your regular working hours.

Exempt employees will be paid according to applicable law. Non-exempt employees may take the time as unpaid leave or use vacation to cover their absence. Marcho Farms will not take any adverse action against you because of time lost as a result of reporting for jury duty or responding to a subpoena.

### **3.22 Witness and Crime Victims Leave**

If you are unable to report to work due to your attendance or appearance in court by reason of being a victim of, or a witness to, a crime, or are a member of a victim's family, you are permitted to take an unpaid leave of absence. Please provide as much notice as possible to your supervisor before taking leave under this policy. You must confirm the reason for your absence before leave is approved by either producing a subpoena or, if you are attending as a member of the victim's family, proof of attendance will be required the following day for each day you are absent for this reason. Leaves of absence will not be approved to attend proceedings where you are a criminal defendant. We expect you to return to your job if you are excused from court during your regular working hours.

Notwithstanding any other provision of this policy, time off will be paid when you are required to attend a criminal proceeding concerning an offense against Marcho Farms.

### **3.23 State of Emergency Leave**

If you are unable to report to work due to road closures in Montgomery County or the county in which you reside, and the road closures are due to a state of emergency declared by the Governor of the Commonwealth of Pennsylvania, your inability to report to work will be excused. You may choose to use paid time off if such is available. If such is not available, exempt employees will be paid in accordance with applicable law. Non-exempt employees will not be paid if no paid time off is available.

### **3.24 Emergency Responders Leave**

If you are a volunteer firefighter or volunteer member of an ambulance service or rescue squad, tardiness and time off will be excused where you are called to respond to an emergency call taken before the start of your scheduled shift. Time off will be given in accordance with the time needed to respond to the emergency. If you report to work after responding to such an emergency, you must produce proof from the volunteer service of which you are a member that you were responding to an emergency within the time period during which you were absent or tardy for your scheduled shift.

### **YOUR BENEFITS & PERKS**

*Marcho Farms offers benefits for eligible employees and each benefit plan has separate eligibility conditions. This section provides a brief overview of the programs offered. For additional information, please contact the Human Resources Department.*

### **3.25 Health Benefits**

Eligible employees may choose to enroll in our medical insurance plan. All plan benefits are described in detail in the Summary Plan Description prepared by the insurance carrier and available to all eligible employees for review.

Special enrollment periods may apply to you and/or your dependent(s) if you have a qualifying event according to the plan documents and applicable law. A qualifying event could be a marriage, birth or adoption, or if you and/or your dependent are no longer eligible for coverage under a plan in which you or your dependent was previously enrolled. If you experience a qualifying event, notify the Human Resources Department immediately.

### **3.26 Life, Accidental Death and Dismemberment Insurance**

Marcho Farms provides group life insurance to all eligible employees. For more details, please contact the Human Resources Department.

### **3.27 Section 125 Plan**

Marcho Farms offers a Section 125 Plan to eligible employees to allow pre-tax deductions for qualified medical expenses. For more details, please contact the Human Resources Department.

### **3.28 Workers' Compensation**

Marcho Farms complies with all state and federal laws pertaining to workers' occupational safety and any occupational injuries or illnesses arising in the course of employment. Any work-related injury or illness must be reported to your supervisor immediately, no matter how slight or inconsequential that it may seem. If that person is unavailable, you must report it to the next level above your supervisor.

### **3.29 Retirement Plan**

Marcho Farms supports employee retirement preparation and investment by providing a 401(k) Plan. The details regarding participation, contributions, vesting, administration, and investments are provided in the Summary Plan Description.

### **3.30 Education and Training**

Marcho Farms believes in offering ongoing training and educational opportunities for our employees so that they have the latest information regarding practices in our industry.

In line with this commitment, your supervisor may periodically coordinate training opportunities for you so that you may upgrade your knowledge and skills. The safety committee will also ensure that appropriate safety training is provided to all departments. Marcho Farms may provide special training programs when deemed necessary, or as required by government regulation.

### **3.31 Employee Purchases**

Employee purchases are offered at the discretion of the Company based on product availability. Product orders must be placed no later than the Friday prior to the Thursday on which the employee would like to pick up the product. All sales will be paid by payroll deduction. Please contact your supervisor for more information.



## **4 EXPECTATIONS**

*Marcho Farms has developed organizational conduct guidelines to ensure that all our employees will have everything needed to do the best job possible in a safe, professional environment. This section outlines our expectations. If you observe or learn of a potential violation of these guidelines, you must report the matter to your supervisor or the Director of Human Resources without fear of retaliation.*

### **4.1 Work Schedules**

Regular operating hours for each department vary depending upon business and customer needs; therefore work schedules for employees vary throughout the organization. Your supervisor will advise you of your individual work schedule and your department's operating hours. Staffing levels and business needs may require variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week. When business needs cannot be met during regular working hours, employees may be scheduled to work mandatory overtime hours. Whenever possible, advance notification of these assignments will be provided.

### **4.2 Standards of Conduct**

We are responsible for providing the highest quality and best service to our customers and the community. We are also responsible for the safety of our employees. To meet our obligations and to create a safe and respectful environment for everyone, we have established a set of conduct, performance and attendance standards based on the duties of our organization, best practices for exceptional customer service and legal compliance. While it is impossible to list every action that is unacceptable conduct, the following lists some examples. Employees who break work rules such as these may be subject to disciplinary action, up to and including termination of employment:

- Behavior that results in complaints from customers or in customer's request for removal of employee
- Failure to follow required U.S.D.A. rules and regulations
- Concerted or deliberate restriction of output (slowdown, delaying other workers, etc.)
- Use of foul or abusive language
- Making false, fraudulent or malicious statements about a customer or another employee
- Theft or inappropriate removal or possession of property
- Falsification of timekeeping or other Company 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 Company vehicles or equipment
- Fighting or threatening violence in the workplace or while on duty
- Negligence or improper conduct leading to damage of Company or customer property
- Defacing Company property
- Insubordination
- Violation of safety or health rules
- Smoking in prohibited areas
- Sleeping on the job
- Any unlawful harassment, including sexual
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
- Unauthorized absence from work station during the workday
- Unauthorized use of telephones, mail system, or other Company equipment
- Unauthorized disclosure of business "secrets" or confidential information
- Unsatisfactory performance or conduct

#### **4.3 Business Ethics**

It is important to act with the highest professional and ethical standards when representing our company in any business matter or at any event. Marcho Farms' business should always be conducted in strict observance of both the letter and spirit of all applicable laws, and the integrity of each employee is of utmost importance. Marcho Farms expects all employees to comply with all applicable laws and codes of conduct; any illegal, dishonest, or unethical actions or conduct of employees will not be tolerated. Employees are also prohibited from conducting business with any person or organization connected with illegal or unethical activities.

#### **4.4 Interactions with Customers and the Public**

Our pledge is to provide all of our customers with professional service at every step. Regardless of your position, as an employee of Marcho Farms, you are our ambassador. The more goodwill you promote, the more our customers will respect and appreciate you and our services. Each one of us is responsible for ensuring that our customers, visitors, general public and fellow employees feel comfortable and welcome at our company.

#### **4.5 Discipline Policy**

Our discipline process may involve any of the actions indicated below which will be applied in an attempt to resolve unacceptable conduct, attendance concerns and/or any other infraction of workplace policies, rules or procedures (hereinafter referred to collectively as a “violation”). The Company reserves the right to determine the appropriate level of discipline based upon the particular circumstances and severity of the matter and may move to any level in the discipline process as it deems appropriate. Disciplinary actions may include:

1. Verbal Warning – The employee is informed of the violation by the supervisor and told what constitutes proper conduct. The purpose of a verbal warning is to make certain the employee is fully aware of the violation and the Company’s expectations so that the potential for future violations may be eliminated.
2. Written Warning – The employee receives a written warning following a violation. The purpose of a written warning is to make certain the employee understands the severity of the situation and that further misconduct will most likely result in suspension or discharge.
3. Suspension and/or Final Written Warning – A suspension without pay of up to five days and/or a final written warning is used to address continuing problems where previous action has been ineffective or following a more serious violation. The purpose of this step is to make certain the employee understands the seriousness of the situation and that any other violation could lead to termination.
4. Termination – The employee is discharged as the result of a serious violation or the final step in the discipline process.

These steps are intended as a guide to both supervisors and employees. Each step of the process will be documented and will become part of your personnel file. In addition to conduct discussed elsewhere in this handbook, some incidents may be grounds for immediate discharge including, but not limited to, theft, violations of the Company’s anti-harassment policies, falsification of time cards and threats or acts of violence.

All employees, whether during their introductory period or after successfully completing it, are at-will employees and can be terminated by the Company for any reason with or without notice. The preceding steps will not apply to the introductory period.

Performance deficiencies may be addressed with counsel, training or a performance improvement plan. This process may include some of the disciplinary steps outlined above, as well. Failure to correct performance deficiencies may result in transfer to a different position or termination, at management’s discretion.

#### **4.6 Conflict of Interest**

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. Employees should avoid any situation which involves or may involve a conflict between their personal interest and the interest of Marcho Farms. You should always act in the best interest of Marcho Farms when dealing with customers, suppliers, contractors, competitors, or any person doing or seeking to do business with our company. You must never use your position with Marcho Farms, or any of its customers, for private gain, to advance personal interests or to obtain favors or benefits for yourself, members of your immediate family or any other individuals, corporations or business entities. For the purpose of this policy, “immediate family” is defined as spouse, domestic partner, natural or adopted child, step-child, mother, father, sibling, mother-in-law, father-in-law, grandparents or grandchildren.

You should always conduct your personal affairs in such a fashion that your duties and responsibilities to the company are not jeopardized and/or legal questions do not arise with respect to your association or work with Marcho Farms.

Examples of potential conflicts of interest:

- Any kind of ownership (other than nominal ownership in a publicly traded company) by an employee or by a member of their family in any outside company which does or seeks to do business with Marcho Farms, including suppliers, clients or competitors;
- Serving as an officer, partner, consultant, board member, or employee with an outside company which does or is seeking to do business with Marcho Farms, including suppliers, customers or competitors;
- Any other arrangements or circumstances, including family or other personal relationships, which might dissuade the employee from acting in the best interest of the company;
- Receipt of inappropriate gifts (refer to the Gifts policy that follows); and
- Using business or financial information learned in the course of employment with Marcho Farms for personal gain.

If a conflict of interest may occur, report the situation to your supervisor or the President immediately.

#### **4.7 Gifts**

Acceptance of gifts, entertainment, or other personal favors from a customer, individual, or organization involved in business or legal matters with Marcho Farms may present an undesirable appearance of impropriety or may be inappropriate under certain circumstances. Generally it is allowable to receive ordinary token gifts or meals,

and/or provide such gifts or meals to individuals or organizations that we are doing business with, under the following circumstances:

- The gifts are in line with accepted business practices;
- The gifts are of limited value (such as calendars, pens, plants or cookies, etc.);
- Lunch and/or dinner with vendors as long as the invitation is extended by the vendor;
- The gifts are in a form that will not be considered a bribe or payoff. Employees must never accept (or offer) a gift of cash, cash equivalent such as stocks or other securities, or any gift valued in excess of \$100;
- The gifts are not in violation of applicable laws and generally accepted ethical standards; and
- Public disclosure of information regarding the gift will not embarrass you or Marcho Farms.

If you do receive an inappropriate gift, return it immediately and report it to your supervisor. If you are not able to return the gift, donate the gift to charity. Please contact the President if you have any questions. Only the President can make exceptions to this policy.

#### **4.8 Outside Employment**

You are permitted to engage in outside work or to hold other jobs, subject to certain restrictions as outlined in this policy. Please discuss any outside employment opportunities with the Human Resources Department or President to ensure that the opportunity does not present a conflict of interest.

If approved, DOT-regulated drivers will be required to report all compensated work and must adhere to all rules, set forth in the Hours of Service regulations issued by the Federal Motor Carrier Safety Administration.

Activities and conduct away from the job, including self-employment, must not compete with, conflict with or compromise the Company interests or adversely affect job performance and the ability to fulfill all job responsibilities. You are prohibited from performing any services for customers on non-working time that are normally performed by Marcho Farms. This prohibition also extends to the unauthorized use of any Company equipment and the unauthorized use or application of any confidential information. In addition, you are not to solicit or conduct any outside business during paid working time.

You are cautioned to carefully consider the demands that additional work activity will create before accepting outside employment. Outside employment will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel or refusal to work overtime or different hours. If Marcho Farms

determines that your outside work interferes with performance, you may be asked to terminate the outside employment.

If you are on a leave of absence, whether medical or non-medical, you are not permitted to engage in outside employment while on leave. Engaging in outside employment while on a leave of absence will result in termination of employment.

#### **4.9 Confidential Information**

During the course of your employment with Marcho Farms, you may become aware of trade secrets and other similarly protected proprietary and confidential information about Marcho Farms' business including, but not limited to, its financial records, marketing plans, pending contracts, projects or proposals, and business strategies. You may not disclose any such information to anyone outside of the Company. In addition, you are not permitted to share confidential information belonging to or regarding the Company's business partners, vendors and customers such as confidential financial data, marketing strategies, trade secrets, and proprietary information.

Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, including termination of employment and legal action, even if they did not actually benefit from the disclosed information.

#### **4.10 Drug and Alcohol Policy**

Marcho Farms is committed to providing a safe, healthy and productive workplace that is free from alcohol and unlawful drugs as classified under state or federal laws, including marijuana, while employees are working on Company premises, another worksite of the Company and while operating Company-provided or personal vehicles. Employees that work while under the influence of drugs or alcohol pose a safety risk to themselves and others with whom they work. Therefore, working under the influence of alcohol or drugs, including marijuana, is strictly forbidden. For purposes of this policy, "working under the influence" means the use of drugs or alcohol on or off duty which results in a positive test after a test is administered based upon one of the testing circumstances described below. This policy applies to all employees of Marcho Farms, without exception, including part-time and temporary employees.

In addition to forbidding employees from working under the influence of drugs or alcohol, the unlawful manufacture, distribution, possession or use of any unlawful drug or drug paraphernalia on Marcho Farms' premises, while conducting Company business, or in any vehicle owned or leased by the Company is absolutely prohibited. If you are taking medication for which you have a valid prescription while on the job, you must do so in a way that is consistent with the manner prescribed and use must not pose a risk to your safety or the safety of others. However, the use of medical marijuana while on

the job or while off the job that results in the employee working under the influence is prohibited. If a physician has prescribed medication that influences your ability to safely perform your job duties, notify your supervisor.

Additionally, you are not allowed to be under the influence of, consume, possess, sell or purchase any alcoholic beverage on any property at which the Company does business or in any vehicle owned or leased on behalf of the Company.

You should report evidence of alcohol or drug use to a supervisor or a personnel representative immediately. In cases where the use of alcohol or drugs poses an imminent threat to the safety of persons or property, you must report the violation. Failure to do so could result in disciplinary action for the non-reporting employee.

Off-the-job unlawful drug use that negatively affects an employee's performance or harms other individuals or Marcho Farms is also prohibited.

Employees who violate the Drug and Alcohol Policy will be subject to disciplinary action, up to and including termination.

As a part of our policy to ensure a substance-free workplace, you may be asked to submit to a drug and/or alcohol test under any of the following circumstances:

- All final employment candidates for production, vehicle operation and maintenance positions will be subject to a drug test. Employees being promoted to management positions are subject to a drug test as well. Employment offers are contingent upon receipt of a negative drug test (or supporting documentation from a doctor for a positive result regarding lawful substances) and new employees may not begin work at Marcho Farms until such results have been received.
- Where there is reasonable suspicion for believing an employee is under the influence of alcohol or drugs. Reasonable suspicion will exist when a supervisor and other person in authority has a reasonable belief based on objective factors such as the employee's appearance, speech, behavior or other conduct and/or facts, that the employee is under the influence of drugs or alcohol, or both.
- As part of an investigation of an accident in the workplace when there is a reasonable possibility that drug use could have contributed to a reported injury or illness and where a drug test can identify impairment caused by drug use.
- On a random basis, a pre-determined percentage of all production floor personnel, vehicle operators and maintenance personnel employees may be selected for drug testing at the interval determined by the Company. An employee who is selected for random testing must report to the testing site immediately upon receiving his/her notice of selection.

It is a condition of your continued employment with the Company that you comply with the Drug and Alcohol Policy. A refusal to submit to a drug or alcohol test upon request by the Company will be considered a positive test and will result in discipline up to and

including termination. A refusal to submit to a test is defined as: failure to provide the required valid specimen(s); obstructing the collection of a specimen or the testing process; submitting an altered, adulterated or substitute sample; failure to show up for a scheduled test; refusal to complete the requested drug testing forms; or failure to promptly provide specimen(s) for testing, without a valid medical reason, when directed to do so.

This policy applies to all employees, including those who are subject to the Department of Transportation (DOT) regulations. DOT-regulated employees must adhere to the requirements of this Drug and Alcohol Policy as well as the DOT Drug & Alcohol Policy, given at hire.

Rehabilitation: We believe it is important for you to seek professional help for any drug/alcohol problems. It will benefit you and Marcho Farms if you proactively ask for help before the matter is addressed through the disciplinary action process. Marcho Farms will consider allowing a leave of absence to pursue rehabilitation. If the leave is granted, you will be required to sign a return-to-work agreement stipulating that upon completion of the approved rehabilitation program and subsequent release by the respective counseling program professional, you will be subject to unannounced drug or alcohol testing for a period of two (2) years following the return to work date. However, employees will be subject to the disciplinary process, up to and including termination, if they have not notified Marcho Farms of their drug or alcohol problem prior to any related investigation.

#### **4.11 Criminal Activity and Arrests**

Participating in criminal activity, whether on or off Company property, may result in disciplinary action up to and including termination. Disciplinary action depends upon a review of all factors involved, such as the nature of the act and charges, whether or not it was work-related, how it affects or may affect the company's reputation, the employee's ability to perform the essential functions of the job, or circumstances which adversely affect attendance. Disciplinary actions are not dependent upon the disposition of any case in court.

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

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

#### **4.12 Attendance and Punctuality**

To maintain a productive work environment, Marcho Farms expects you to be reliable and punctual in reporting for work. Absenteeism and tardiness place a burden on other employees and the Company. You are expected to begin your work assignment at the start of your scheduled time and remain actively involved with work responsibilities through the end of your scheduled time.

When you are unable to work your scheduled shift, all reasonable efforts should be made to call the Company answering machine at least 1 hour prior to your shift start time. You must provide your name, reason for being late or absent, a phone number at which you can be contacted and when you expect to return so that appropriate coverage can be coordinated. You are required to call each day that you are absent or late. If you are unable to comply with this policy due to an emergency or other extenuating circumstances, you (or a family member if you are unable to call) must call as soon as possible and you will be expected to provide a reasonable explanation for your failure to comply. You may not contact Marcho Farms or your supervisor by text messaging, e-mail, instant messaging, social media, etc.

It is within the sole discretion of management to categorize your absence or tardiness as excused or unexcused and permit the use of any paid time off that may be available. During any absence of more than one day it is expected that you will keep in touch with your supervisor regarding your estimated return to work. If it is estimated that you will not be able to return to work for at least three (3) or more consecutive days, please discuss with your supervisor or the Human Resources Department whether or not a leave of absence is necessary.

Management also reserves the right to request a medical note and/or other documentation to verify illness, emergencies and other extenuating circumstances when determining if an absence or tardiness will be excused or not. Upon your return, should any work restrictions be recommended by your healthcare provider, a certification should document the nature and time period of the limitations.

You will be considered to have taken an unexcused absence if you are absent from work during scheduled work hours without permission, including full or partial day absences, late arrivals and early departures. The following absences will not be counted against your attendance record:

- An approved medical or personal leave
- An absence due to illness or injury that qualifies under federal or state leave laws
- Pre-approved times away from work using accrued paid time

The following terms describe occurrences which may result in disciplinary action up to and including termination:

- Unscheduled Lateness - Work time lost when you are not at your assigned workplace at the scheduled start of your workday or when returning from any paid or unpaid breaks.
- Unscheduled Absence/Occurrence - A period of one or more consecutive, unscheduled days absent. For example, an absence of three consecutive unscheduled days would be considered one occurrence.
- Patterned absence – Examples of a patterned absence include unscheduled day(s) taken off before or after scheduled paid time off or holiday or which exhibit a pattern of Monday/Friday absences or lateness.
- No Call/No Show - Your failure to call in and leave a message and failure to report to work during your scheduled hours. An employee must follow the process found earlier in this policy regarding calling in a lateness or absence to avoid having it considered a No Call/No Show occurrence in addition to counting as an unscheduled absence/occurrence.
- Job Abandonment - An unscheduled absence of three (3) or more consecutive work days AND failure to follow Marcho Farms' call in procedures. You will be considered to have abandoned your job, resigned from your position without notice, and your employment will be terminated immediately.

Attendance discipline is based on a points system. All employees start with zero points. For each unexcused lateness the employee will receive one point and for each unexcused absence the employee will receive two points. When an employee has accrued six points in a consecutive 6-month period, disciplinary action will begin. The employee will be given two grace points before further disciplinary action is taken. If violations continue, further disciplinary actions will result, up to and including discharge. Once the employee has six consecutive months without any unapproved absences or lateness, the attendance issue is considered improved or corrected and the points are re-set to zero in the system.

#### **4.13 Meal and Break Periods**

Regular full-time non-exempt employees working in Marcho Farms' production departments will receive a 30-minute unpaid meal break during each work day. Regular full-time non-exempt employees working in Marcho Farms' offices and all regular full-time exempt employees are eligible for a 60-minute meal break. This break will be unpaid for non-exempt employees. Meal periods will be scheduled according to operational requirements.

Regular full-time non-exempt employees working in Marcho Farms' production departments will also receive one paid 15-minute rest period each work day. If an employee is scheduled to work more than eight (8) hours in a work day, a second 15-minute rest period will be scheduled.

Marcho Farms will provide breaks in accordance with federal and state law, including nursing breaks for mothers. If you require a nursing break, please contact the Human Resources Department for more information.

#### **4.14 Cell Phone Use**

Personal cell phones may not be carried with you while you are working. You must leave your device in your vehicle or turn the device off and stow it in your locker, purse, or bag while you are working. The use of personal cell phones is only allowed in the office, the employee lunch room, or your designated lunch area, and only during your scheduled break time.

Marcho Farms may provide cellular telephones to some employees for conducting company business, if their position responsibilities make it necessary. These phones are intended to be used for business-related calls only but can be used in the Marcho Farms' buildings and are an exception to the guidelines outlined above. Marcho Farms reserves the right to monitor any company-provided cellular telephone records.

For safety and liability reasons, you may not use a hand-held cell phone for Company business while driving a vehicle on Company time. You must use a hands-free device or, if hands-free is not available, you must pull over to the side of the road and park before using a cell phone for business purposes. Texting is not allowed while driving any vehicle on Company time.

Inappropriate or excessive use of your personal or Company-provided cell phone may result in disciplinary action up to and including termination.

#### **4.15 Personal Property**

The Company cannot be responsible for personal property that is lost, damaged or stolen. If you bring personal property into the office or onto Company property, you are responsible for it. In addition, the Company prohibits any personal items brought onto Company property or worksites that are sexually suggestive, offensive, or demeaning to specific individuals or groups.

#### **4.16 Company Property**

You will be provided with the necessary equipment to effectively perform your responsibilities. You are responsible for the handling and care of this equipment "as though it were your own." This includes maintaining it and protecting it from possible theft or damage and avoiding equipment misuse and abuse. Should your assigned equipment become damaged or lost, you must advise your supervisor immediately.

Equipment loss or damage, negligent or deliberate, may result in disciplinary action. If you leave the Company, all Company equipment must be promptly returned; otherwise you may be charged for the cost of the equipment.

Additionally, Company supplies, postage, letterhead, logos, and slogans are property of Marcho Farms and must only be used for authorized purposes.

#### **4.17 Electronic Communications Policy**

Marcho Farms makes every effort to provide its employees with the best available technology. In this regard, Marcho Farms' telephones, voicemail and computer systems including electronic mail (email), Internet access and other software programs are intended for company business and to be used for business purposes primarily. The term "computer systems" includes, but is not limited to all company desktop computers, laptop computers, servers, computer networks, email systems, software, handheld computers, printers, cellular phones with data, and wireless routers. All data and voicemail that is written, sent, or received through Marcho Farms' information systems becomes part of the company's business records and property; it is not the property of the employee. This also includes deleted or erased messages.

You may be provided with computer access to help you do your job. This access is intended to be used for job-related activities only. Use of the company's computer systems for personal activities may result in the elimination of this privilege and/or disciplinary action. Employees should have no expectation of privacy in any information stored on Marcho Farms' information systems including computer screen and internet history. Marcho Farms maintains the right and the ability to enter into any of these and review the data recorded on the company's information systems at any time in its sole discretion.

Marcho Farms information systems may not be used in a way that may hinder or be disruptive of its business operations. You must not display, transmit or store any illegal, unethical or pornographic images or messages using our information systems. Any display, transmission or storage of sexually explicit images, messages, or cartoons, ethnic or racial slurs or epithets, or any other material that might be construed as harassing or disparaging of others is strictly prohibited. The information systems must not be used to solicit for commercial ventures, religious or political causes, outside organizations, or other non-job-related causes.

Employees may only install authorized software onto Marcho Farms computer systems and must observe all licensing agreement requirements. Game and screensaver programs are examples of software that are not permitted to be installed on company computer systems. Software and manuals must not be copied or used in any way that violates any applicable laws.

All communications and information transmitted by, received via, or stored in these information systems are the property of Marcho Farms. Sending messages/files, accessing a file, or retrieving stored communication or files, must be done by using your authorized login and/or password identification(s). No person should attempt to gain access to another person's electronic mail, voicemail, or computer files unless expressly authorized to do so by the person whose file is being accessed, or by an authorized representative of Marcho Farms. In order to maintain the security of the information systems, you should not disclose your system passwords to any other person besides an authorized representative. All files should be checked using a current virus protection program and should be properly saved and backed-up.

Employees must have their supervisor's permission before loading any company or customer information on a personal computer or equipment that is not owned by Marcho Farms. If you have approval to load such information on a personal computer or other piece of equipment, you must delete the information once you are finished working with it.

Employees must immediately terminate use of Marcho Farms telephone, voicemail, computer systems and email upon separation of employment from the company. All equipment and information should be returned to your supervisor on or before your last day of employment.

**Employee Privacy and Monitoring:** Authorized representatives of the company may periodically monitor equipment utilization and investigate suspected or improper use of systems. They may also access/disclose current or archived private electronic employee messages or files, or internet sites visited, at any time at the company's discretion. This may be done to protect system security, fulfill company obligations, detect any transgressions and comply with the legal process while protecting company rights and property. We will comply with applicable state and federal laws regarding the protection of privacy and employee rights.

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

#### **4.18 Internet Use**

You may be provided with Internet access to help you do your job. Internet usage is intended to be used for job-related activities only. Using the internet for personal activities may result in the elimination of this privilege and/or disciplinary action.

All Internet data that is written, sent, or received through Marcho Farms' computer systems becomes part of the Company's business records. That means that we can be

legally required to provide that information to law enforcement or other parties. Therefore, you should always make sure that the business information contained in Internet email messages and other transmissions is accurate, appropriate, ethical, and legal. Marcho Farms reserves the right to monitor any data that you write, send, or receive through our online connections or that is stored in our computer systems.

You must not write, send, search for, or receive data through the Internet that contains content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person. Examples of unacceptable content include, but are not limited to, sexual comments or images, racial slurs, gender-specific comments, or other comments or images that could reasonably offend someone on the basis of race, age, sex, religious beliefs, national origin, disability, or any other characteristic protected by law.

We do not allow the unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material on the Internet by Marcho Farms or outside parties. As a general rule, if you did not create the material, do not own the rights to it, or have not received authorization for its use, you may not put the material on the Internet. Confidential or proprietary information should never be posted on the Internet. You are also responsible for making sure that anyone who sends you material over the Internet has the appropriate distribution rights. All files that are downloaded or copied from the Internet should be checked using a current virus protection program. Additionally, all information posted or sent over the Internet should be protected with the appropriate security and encryption software.

If you use the Internet in a way that violates the law or policy, you will be subject to disciplinary action up to and including termination of employment. You may also be held personally liable for violating this policy.

Although not all-inclusive, some examples of prohibited activities that violate this Internet policy are:

- Sending or posting discriminatory, harassing, or threatening messages or images;
- Using Marcho Farms' time and resources for personal gain;
- Stealing, using, or disclosing someone else's code or password without authorization;
- Copying, pirating, or downloading software and electronic files without permission;
- Sending or posting messages or material that could damage Marcho Farms' image or reputation;
- Violating copyright law;
- Failing to observe licensing agreements;
- Engaging in unauthorized transactions that may result in costs to Marcho Farms;
- Participating in the viewing or exchange of pornography or obscene materials;
- Attempting to break into the computer system of another organization or person;

- Sending or posting messages that defame or slander other individuals, or attempt to denigrate an organization;
- Use of profane, obscene or offensive language in a message;
- Refusing to cooperate with a security investigation;
- Passing off personal views as representing those of Marcho Farms;
- Use of voicemail, email or the internet for personal matters that are excessive or interfere with job performance; and
- Engaging in illegal activities

#### **4.19 Use of Social Media**

Marcho Farms recognizes that the internet provides unique opportunities to participate in interactive discussions and share information on particular topics using a wide variety of social media, such as Facebook, LinkedIn, Twitter, Instagram, Pinterest, Tumblr, blogs, and wikis. However, employees' use of social media can pose risks to Marcho Farms' confidential and proprietary information, reputation, and brands, can expose the company to discrimination and harassment claims, and can jeopardize the company's compliance with business rules and laws.

To minimize these business and legal risks, to avoid loss of productivity and distraction from employees' job performance, and to ensure that the Company's IT resources and communications systems are used appropriately as explained below, Marcho Farms expects its employees to adhere to the following guidelines and rules when using social media, whether at work or outside of work:

1. You are not permitted to use social media during working times unless such is required by your job.
2. Always be respectful, fair and courteous to fellow employees, customers or suppliers. If you decide to post complaints or criticism, avoid using any statements that could be viewed as malicious, threatening, obscene, intimidating, defamatory or harassing. For more information see our Anti-Harassment policy.
3. Do not post, or express a viewpoint on another's post, such as by "liking" a Facebook post, anything that Company's customers, clients, business partners, suppliers or vendors would find offensive, such as ethnic slurs, sexist comments, discriminatory comments, profanity, abusive language, obscenity, or that is maliciously false.
4. Social media should never be used in a way that violates any other Company policy or employee obligation. If your social media activity would violate any Company policy in another forum, it will also violate them in an online forum.
5. You may not share the Company's confidential or proprietary information. For more information see our Confidential Information policy.
6. Make it clear in your social media activity that you are speaking on your own behalf.

7. Use good judgment about what you post and remember that anything you say can reflect on Marcho Farms. In addition, remember that your statements have the potential to result in liability for you or Marcho Farms.
8. Any statements made about the Company and any of its employees must also be truthful and accurate.
9. Your use should not violate any applicable law.

Carefully read these guidelines as they are intended to cover all social media related activities. You will be held responsible for what you post to social media and should use discretion and sound judgment in discussions of any work-related matters. If your posting violates any of these guidelines the Company may take action against you (up to and including termination) based on such postings.

This policy is not intended to restrict communications or actions protected or required by state or federal law. If you have questions or doubts about the appropriateness of Social Media usage, you should contact the Human Resources Department.

#### **4.20 Media Contacts**

From time to time you may be contacted by members of the media. This may include, but is not limited to television, internet and print journalists. You should not speak on behalf of Marcho Farms without express authorization from the President.

If you are contacted by media regarding the official position of Marcho Farms regarding any particular issues, products, services, customers, vendors or business partners, immediately inform the President. You are always permitted to express your own opinions to media. If you express personal opinions to media on issues related to Marcho Farms products, services, customers, vendors or business partners, make sure to state that such opinions do not represent those of Marcho Farms and are your own.

#### **4.21 Appearance Policy**

We believe that adherence to appropriate standards of dress, grooming, and hygiene contribute to employee morale and express an important professional image to our customers and visitors. If you have a specific religious belief that requires observance to a certain dress style, please let us know and every effort will be made to accommodate you. In addition, reasonable accommodations will be made for an individual with a disability in accordance with applicable laws.

During business hours or when representing Marcho Farms, we anticipate that you will promote a professional atmosphere by presenting a clean, neat, and tasteful appearance conducive to Marcho Farms environment and the industry in which we operate. If you aren't properly dressed and groomed for your position, you may be

asked to leave so that you can take care of the issue. In such circumstances, you will not be entitled to compensation for this time away from work. Please note that nothing in this policy will be interpreted to violate your rights under applicable laws.

Some guidelines and examples regarding our general appearance expectations follow. This list is not all inclusive; if you have any questions please contact your supervisor or the Human Resources Department.

Marcho Farms Office Staff: While “casual business attire” may be worn on most days, your supervisor will advise you of the appearance requirements for your position. Appropriate business casual attire includes:

- Neat, clean and combed hair, with a suitable hairstyle
- Neat, clean and trimmed mustaches and beards
- Non-slip shoes
- Cosmetics, cologne, jewelry, and accessories suitable for the workplace and used in moderation
- Slacks or khaki-style pants
- Jeans or denim clothing in good condition with no rips, tears or holes (jeans are not permitted in the corporate office)
- Collared shirts or golf shirts
- Casual sweaters, dresses, skirts, shirts or blouses

Marcho Farms Production Staff: Appropriate attire for Marcho Farms production staff includes:

- Frock or coveralls
- Steel-toed shoes
- Hair net
- Protective Hat
- Beard Net (if applicable)

#### General Guidelines for All Employees

The following are inappropriate in any position at Marcho Farms:

- Colored hair (other than hair in natural shades) and radical hairstyles (including spiked hair, shaved designs, etc.)
- Poor hygiene or offensive body odor
- Jewelry that is restrictive or could cause safety issues (jewelry is not permitted in production areas)
- Visible tattoos or body piercings that management deems to be offensive or distracting. You must cover such tattoos or remove such body piercings while at work.
- Jeans or denim clothing in poor condition
- Sweat pants or sweat shirts (except for production employees)

- Warm up or jogging suits and pants (except for production employees)
- Midriff tops, halters, tank tops, or tube tops
- Shorts
- Flip-flops
- Spandex or other tight clothing
- Mini-skirts
- Spaghetti strap or other dresses or shirts that do not cover the shoulders unless worn under a blouse or jacket
- T-shirts (except for production employees)
- Flannel shirts (except for production employees)
- Clothing with offensive messages or images
- Visible undergarments

#### **4.22 Solicitation and Distributions**

Employees may not directly solicit other employees, customers or family members for charitable contributions, membership in organizations, or other matters during work hours. Work hours do not include breaks or meal periods. While individual efforts and support in various worthwhile charities, sports teams, churches and other similar organizations are recognized, we believe it is inappropriate to directly solicit during working time, and appreciate your cooperation. This prohibition includes solicitation for membership or contributions, posting notices, distribution of literature and selling of related items. In addition, individuals that are not employees of Marcho Farms are not allowed on company premises at any time to solicit employees, distribute literature, etc.

This Section does not restrict or impede, in any way, and shall not be interpreted or understood as restricting or impeding, you from discussing the terms and conditions of your employment with co-workers or union representatives or otherwise exercising your rights under Section 7 of the National Labor Relations Act (NLRA).

#### **4.23 Personnel Records and Administration**

Active employees may review, but not remove documents from their own personnel files upon written request to the Human Resources Department. You are allowed to take notes but under no circumstance are you entitled to remove the contents from the premises, or make copies of the material.

Marcho Farms is committed to protecting the privacy of its current and former employees. Only an authorized representative of Marcho Farms will respond to requests for earnings information, work history, and other confidential information, upon receipt of your written authorization. Requests for employment verification should be referred to the Human Resources Department.

#### **4.24 Suggestions**

Marcho Farms encourages you to bring forward your suggestions and good ideas about making the Company a better place to work and enhancing service to our customers. If you see an opportunity for improvement, you are encouraged to talk it over with management. Management can help bring ideas to the attention of the people in the organization that will be responsible for possibly implementing them. All suggestions are valued.

#### **4.25 Bulletin Boards**

Marcho Farms will post official notices and information on our company bulletin board, located in the lunchroom. Other information regarding the company's activities may also be posted after review and approval by your supervisor or the Human Resources Department. It is important to periodically review the bulletin board for important notices and current events.

#### **4.26 Parking**

Employees must comply with the parking guidelines of our worksite. You are expected to follow posted speed limits while in our parking lot. Parking and speeding violations are the responsibility of the individual. Your supervisor will provide you with more information on Marcho Farms' parking guidelines and designated employee parking spots.

#### **4.27 Employee Access Cards**

You will be issued an electronic access card that will provide you access to Marcho Farms locations. This access card should only be used to gain access for authorized reasons.

You must immediately notify your supervisor or the Human Resources Department regarding any lost or stolen access card. You must return your access card by your last working day or when requested by your supervisor. If you fail to do so, you may be charged for the cost of replacement.

#### **4.28 Housekeeping**

Good work habits and a neat place to work are essential for job safety and efficiency.

Frequently, customers and potential employees visit our facilities, and we must be neat and orderly at all times. This presents a professional image that will continue to earn the confidence and trust of others.

Better organization enhances customer service. Employees are expected to keep their work space organized, and maintain their work materials in good order at all times. You should also clean up any common areas after you use them, such as the bathrooms, locker rooms, break room and reception area. Please report anything that needs repair or replacement to your supervisor as soon as possible.

#### **4.29 Termination and Resignation**

If you decide to resign from employment with Marcho Farms, we request that you submit written notice to your supervisor at least two weeks in advance for hourly roles and four weeks in advance for exempt roles. This gives the Company time to select and train your replacement. You should be prepared to work the entire notice period. Vacation and personal time cannot be used during your notice period. Marcho Farms reserves the right to accept voluntary resignations immediately and waive the requirement of working out a notice period.

Return of Company Property: All Marcho Farms property, including access cards, company information, credit cards, pagers, phones, protective equipment, tools, vehicles, and computer equipment must be returned on or before your last day worked. Marcho Farms may need to initiate legal proceedings to be fairly reimbursed in situations where employees have not returned Company equipment or have returned damaged items.



## **5 SAFETY IN THE WORKPLACE**

*The safety and health of employees is top priority. Marcho Farms strives to provide a clean, hazard-free, and safe environment in accordance with the Occupational Safety and Health Act of 1970. This section includes general safety policies.*

### **5.1 Health and Safety in the Workplace**

As an employee, you are expected to take part in maintaining a safe environment. You must comply with all of the Company's safety rules and guidelines and adhere to all written safety instructions provided by the Company, and use safety equipment when required. In addition, you must comply with any applicable federal, state and local laws regarding workplace safety. It is your responsibility to:

- Learn the location of all safety and emergency equipment, as well as the safety and/or emergency phone numbers.
- Keep your work area free of any potential hazards.
- Report any problems with Company-provided safety equipment to your immediate supervisor.
- Report any unsafe conditions or potential hazards to the supervisor immediately. If your direct supervisor is unavailable, then report it to Human Resources.
- Report all workplace injuries, accidents or illness immediately (within 24 hours), regardless of severity, to your supervisor in your department and the Human Resources Department, followed by the completion of an incident report.

Failure to follow the Company's safety rules, guidelines or any applicable workplace safety law may result in discipline, up to and including termination of employment.

You have the right to report work-related injuries and illnesses. Marcho Farms prohibits any form of discipline, discrimination or retaliation for reporting a health or safety concern, a workplace injury, a violation of this policy or for cooperating in related investigations.

Marcho Farms has established a safety committee consisting of a Company management representative, and several employees from various departments. The safety committee regularly evaluates Company safety policies and procedures in order to make Marcho Farms a safer place to work. If you have any questions or suggestions regarding safety, please contact a committee member.

### **5.2 Safety Equipment**

Employees that are responsible for handling product of any kind have been supplied with appropriate garments. These garments include frocks, coveralls or uniforms.

Employees must wear a clean garment each day. Street clothes are not permitted to touch product at any time. Employees in certain roles are also required to use safety equipment including steel-toed shoes, hair nets, ear protection, steel mesh gloves and protective hats where indicated. Please refer to the *Appearance Policy* for more information.

### **5.3 Hair Covering**

Employees must wear hair coverings wherever the danger of hair falling into product and packing materials exists or there is the danger of hair being caught in a piece of machinery. Hair coverings, other than those supplied by Marcho Farms, must be approved by your supervisor. Your supervisor will let you know the type of hair covering required for your position or department (bump hat, hair net, beard net, hard hat, etc.).

### **5.4 Sanitary Rules**

Employees working in production areas and handling product must observe the following sanitary policies and procedures. Many of these rules are also required and enforced by the United States Department of Agriculture.

Unsanitary Practices: When handling edible products; scratching the head, placing the fingers in or around the nose or mouth, sneezing or coughing on product is prohibited.

Rest Room Visit: All employees shall remove their frocks, aprons, scabbards, steels, knives, guards, etc., before entering toilet areas. Hands must be washed with hot soapy water after use of the facilities.

Finger Nails: Persons handling exposed product shall keep their finger nails clean and neatly trimmed. Exposed finger nail polish is not permitted in production areas.

Food Consumption: All food is to be consumed in the lunch room. No food is to be consumed in any area where product is processed or stored. In addition, no food is to be transported through any processing or storage areas. If food is transported, it must be done through hallways. Disposable food and beverage containers must be discarded in waste containers. Please help keep the lunch room clean at all times.

Hand Washing: Every employee is required to wash their hands with hot soapy water before beginning work and after use of the toilet facilities.

Please contact your supervisor or the Human Resources Department with any questions.

## 5.5 Hazard Communication Information

A hazard communication program has been established for the following purposes:

- To teach employees about the hazards of chemicals;
- To protect employees from hazardous chemicals;
- To reduce the risk of exposure; and
- To inform employees about the chemicals they work with.

Safety Data Sheets (SDS) are basic communication tools that provide detailed information on chemical products and how to use the products safely. They are available near each workspace. Please be sure to familiarize yourself with this information and let us know if you have any questions or concerns.

## 5.6 Zero Tolerance for Violence

The Company strictly prohibits and will not tolerate any form of workplace violence. Workplace violence is any act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior. It ranges from threats and verbal abuse to physical assaults and even homicide. The Company strictly prohibits any workplace violence including, but not limited to, the following:

- Aggressive or hostile acts such as throwing objects at another person, fighting or intentionally damaging property;
- Injuring another person physically;
- Oral or written threats to injure an individual or to damage property;
- Engaging in behavior that creates a reasonable fear of injury to another person;
- Engaging in behavior that subjects another individual to extreme emotional distress;
- Bullying, intimidating or harassing another person (For example, making obscene phone calls or using threatening body language or gestures such as standing close to someone or shaking your fists at them).

This list is illustrative only and not exhaustive. No form of workplace violence will be tolerated. If you feel that you are a victim of workplace violence or suspect or witness an act of violence, you must report it immediately to your supervisor or any member of management. The Company prohibits any form of discipline, reprisal, intimidation or retaliation for reporting incidents of workplace violence of any kind, pursuing a workplace violence complaint or cooperating in related investigations.

Weapons: The Company prohibits all employees from possessing any weapons of any kind, concealed or otherwise, including at the workplace, on Company premises, while engaged in activities for the Company and at Company-sponsored events. Weapons include but are not limited to:

- Guns (including those used for hunting and target practice)

- Knives with fixed blades or blades longer than 4 inches
- Mace
- Explosives
- Any item with the potential to inflict harm that has no common purpose

If you ever observe a weapon on the premises, you must report it to the Human Resources Department or the President immediately. Employees who violate this policy will be subject to disciplinary action, up to and including termination.

## **5.7 Domestic Violence**

If you apply for or obtain a Protection from Abuse (PFA) or restraining order which lists Marcho Farms property as being a protected area, you must provide a copy of such to the Human Resources Department. In addition, where you do not have a PFA or restraining order, but you are in a situation involving domestic violence or have or were in a relationship with someone you fear, we encourage you to report that to your supervisor so that any necessary safety precautions can be considered and taken. We understand the sensitivity of such information and will follow confidentiality procedures which recognize and respect the privacy of the reporting employee(s).

## **5.8 Inspection of Property**

As part of a Company investigation of possible violations of a policy, it may be necessary for work areas, lockers, desks or cabinets to be searched on occasion. These are the property of the Company and, as such, we reserve the right to search them with or without advance notice. You should have no expectation of privacy.

You are discouraged from bringing large or valuable personal items to work. The Company is not responsible for any loss or theft of personal items.

## **5.9 Visitors in the Workplace**

In order to protect the safety and security of our employees and facilities, only authorized visitors are permitted in the workplace. All visitors must check in at the reception area. Authorized visitors will receive directions or be escorted to their destination. You are responsible for the conduct and safety of your visitors. Employees' family and friends should be discouraged from visiting the workplace.

If you observe an unauthorized visitor on Company property, contact your supervisor immediately. If you believe there is a threat to employee safety, call 911.

## 5.10 Use of Vehicles

The following guidelines must be followed at all times by all employees operating Company-provided or personal vehicles on Company business. Failure to abide by any of the following requirements will lead to disciplinary action up to and including termination:

### Driver Guidelines and Reporting Requirements

- You may not drive Company-provided vehicles without the express permission of management. Additionally, you are not permitted to use the vehicle for personal use.
- You must have a valid and current driver's license to operate a Company-provided or a personal vehicle with current auto insurance used on Company business. If you operate a Company vehicle or a personal vehicle on Company business, you shall notify your supervisor or Human Resources immediately if your driver's license has been suspended or revoked, and must **immediately discontinue operating the vehicle**. You must also report all ticket violations received during the operation of a Company-provided vehicle, or while driving a personal vehicle on Company business.
- Motor Vehicle Records: If you drive for work purposes, the Company may review your motor vehicle record periodically to ensure that you are maintaining a good driving record. Failure to maintain a good driving record (e.g., a pattern of repeated traffic violations, a preventable accident, etc.) may result in the loss of the privilege of driving for work purposes. If driving is an essential function of your job and you have not maintained a good driving record, your employment may be terminated. In addition, where driving is an essential function of your job, your employment may also be terminated if you operate Company-provided vehicles and our insurance company excludes you as a driver and/or if your driver's license is suspended or revoked.
- Damages to a Company-provided vehicle by theft, breakdown, or mechanical problem must be reported to the Company mechanic.
- You must report **any** accident involving a Company vehicle to your supervisor immediately. This includes all accidents whether or not another vehicle was involved and regardless of the extent of damage or lack of injuries. Accidents in personal vehicles while on Company business must follow these same accident procedures. A Vehicle Accident Report must be completed immediately (from the scene, during the same day, or as soon as practicable if immediate or same-day reporting is not possible). The completed Form should be given to your supervisor within 24 hours of the accident. You are expected to cooperate fully with authorities in the event of an accident without making any statements other than replying to the questions of investigating officers. Accidents involving your personal injury must be reported to your supervisor for workers' compensation purposes.
- You will be responsible for fines resulting from moving or parking violations incurred while operating a vehicle on Company business.

### Driver Safety Rules

- The use of vehicle for Company business while under the influence of alcohol, intoxicants or other drugs (which could impair driving ability) is forbidden and is sufficient cause for discipline, up to and including termination of employment.
- If you make or take work-related calls while driving, you are required to use a hands-free cell phone. Such calls should be kept short and, where possible, you should locate a lawfully designated area to park to continue the call. If hands-free devices are not available, you are strictly prohibited from (i) making or receiving personal calls, or (ii) sending or receiving text messages, emails, instant messages, or any other form of electronic communication while operating a Company-provided or personal vehicle while on Company business.
- Because motor vehicle accidents represent one of the largest groups of occupational fatalities, while on Company business you must exercise due diligence to drive safely by: a) following all traffic laws, and b) avoiding distractions while driving (such as eating or drinking; adjusting radio or temperature controls; focusing attention towards passengers or objects, persons or events outside the vehicle; personal grooming; etc.).
- You are not permitted under any circumstances to operate any vehicle while on Company business when a physical or mental impairment may cause you to drive unsafely. This prohibition includes circumstances in which you are temporarily unable to operate a vehicle safely or legally because of illness or injury, medication, fatigue, intoxication, or while under the influence of drugs.
- Seat belts must be worn at all times, even if air bags are available.
- Drivers are responsible for the security of Company vehicles assigned to them. The vehicle engine must be shut off, ignition keys removed, and vehicle doors locked whenever the vehicle is left unattended.
- If you become drowsy while driving, you should stop driving immediately.
- Applicable federal, state and local laws, including speed limits, must be obeyed at all times.

Please remember that your primary responsibility is to focus on the road and drive safely.

Employees are held responsible to have appropriate levels of personal auto insurance on their private vehicles when used for Company business. Marcho Farms is not responsible for any damage to your personal car while on Company business.

### **5.11 Smoking Policy**

In order to maintain a healthy and comfortable working environment and to ensure compliance with applicable laws, smoking or vaping in Company facilities and Company vehicles is strictly prohibited. Employees smoking in any part of the Company's building

may be subject to disciplinary action. You may leave your work assignment to smoke only during scheduled break times and in designated smoking areas.

### **5.12 Fire Prevention**

It is important to be prepared for fire or other emergencies. Our offices are equipped with fire extinguishers and there are alternate escape routes to use in case of fire or other emergency. Also, our offices maintain alarm systems. The location of fire-fighting equipment and the stairwells will be posted on our bulletin board. In order to prepare for an emergency, you should take an opportunity to review the location of exits and emergency equipment before an emergency happens.

### **5.13 Emergency Evacuation**

In the event that the emergency fire alarm system is activated, all employees will be alerted to evacuate the building. In the event of an emergency, you should keep the following common sense precautions in mind:

- Treat any alarm or drill as if it is a real emergency, and do not quit your emergency response unless instructed to do so by a building official or emergency responder;
- Do not attempt to collect work or personal items before leaving the building;
- Use the stairs and not the elevator in the event of an emergency;
- Close any windows or interior doors, if time permits; and
- After evacuating the building, leave the immediate area; do not stand immediately in front or nearby the building. Meet at the designated spot so that management can verify that all employees have safely exited the building.

If the emergency alarm was not sounded for a fire, but for another type of threat (biological, chemical, etc.), determine if you should stay put, "shelter-in-place" or get away. Under any and all circumstances, please remember that safety should always come first.

### **5.14 Emergency Closings**

At times, emergencies such as severe weather, fires, or power failures can disrupt Company operations. In such instances, management will decide if a closure or schedule change is necessary and notify you. If Marcho Farms is open and you do not report to work due to inclement weather, you must use a personal or vacation day for your excused absence.



**EMPLOYEE HANDBOOK ACKNOWLEDGMENT**

I acknowledge that I have received a copy of the Marcho Farms Employee Handbook, including the Drug and Alcohol Policy and the Anti-Harassment Policy, and I understand that it is my responsibility to read and follow all the policies in the Handbook.

I am aware that if, at any time, I have questions regarding Marcho Farms policies I should direct them to the Human Resources Department.

I understand that neither this Handbook nor any other communication by a management representative or any other employee, whether oral or written, is intended in any way to create a contract of employment. I understand that, unless I have a written employment agreement signed by an authorized Marcho Farms representative, I am employed at will and this policy does not modify my at-will employment status. If I have a written employment agreement signed by an authorized Marcho Farms representative and this Handbook conflicts with the terms of my employment agreement, I understand that the terms of my employment agreement will control.

I also am aware that Marcho Farms, at any time, without notice, may change, add to, or delete from the provisions of the Company policies.

I also understand that this version of the Handbook supersedes all prior versions published or distributed by Marcho Farms.

\_\_\_\_\_  
Employee's Printed Name

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date