



**1010 N Jefferson Way
Indianola, IA 50125
515-690-6902**

Employee Handbook

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INTRODUCTORY STATEMENT

This handbook is designed to acquaint you with Pipsy's Wee Care & Preschool (Pipsy's) and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. **THIS HANDBOOK IS NEITHER A CONTRACT OF EMPLOYMENT, NOR A LEGAL DOCUMENT.** You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by the Company to benefit employees. One of our objectives is to provide a work environment that is conducive to personal and professional growth.

No employee handbook can anticipate every circumstance or question about policy. The needs of the Company and employees change. Accordingly, the policies described in this handbook are subject to change. The Company therefore reserves the right to revise, supplement, or rescind any policies or portion of the handbook from time to time as it deems appropriate, in its sole and absolute discretion. This handbook will be reviewed on a regular basis and employees will be notified of any major changes.

CODE OF ETHICS

The success of our organization is dependent on the trust and confidence we earn from our employees, customers and persons served. It is our objective to conduct business in an appropriate manner in all business interactions and to treat everyone associated with the organization with respect and dignity.

As employees of Pipsy's we follow this code.

Professional Responsibilities:

- A. Treat all people with courtesy, respect, and dignity through speech, appearance, demeanor, attitude and behavior.
- B. Provide the highest quality of products, services and care.
- C. We will not discriminate against nor refuse services to anyone with regard to race, color, sex, age, religion, national origin, physical or mental disability, sexual orientation, gender identity, veteran status or any other protected status under federal or state law or local ordinance.
- D. We are committed to continually improving our relationship with the public, employees and participants.

Business Practices:

- A. We agree to engage in and promote honest and ethical conduct, including but not limited to the soliciting, negotiating and monitoring of all contractual relationships.
- B. We will avoid the actual or appearance of conflicts of interest.
- C. We will comply with applicable laws, rules, and regulations of federal, state, and local governments.
- D. We will responsibly use and control all assets, resources, and information in our possession. This includes money, credit cards, technology, vehicles and donated goods among other things.
- E. We will use restricted monies for its requested specific purpose. We will be able to account for its activity and show how the funds were used.

Marketing and Communications Activities:

- A. We will practice honest, transparent and timely communication to facilitate the free flow of essential information in accordance with the public interest.
- B. We will ensure that all services and products are promoted in a manner that fosters respect for our employees and the people receiving services, as well as sensitivity to cultural values and beliefs.
- C. We will protect confidential information and comply with all legal requirements for disclosure of information affecting the welfare of others.
- D. We will protect the privacy of our employees and disclose information about them as permitted or required by law and/or only with their expressed, written permission.
- E. We will protect the privacy of people served and use their stories only with their expressed and written permission.

- F. We will disseminate accurate information and promptly correct any erroneous communication for which we may be responsible.
- G. We will maintain separation of personal and business relationships at all times. This includes, but is not limited to communication outside of the Brightwheel App. Examples including but not limited to using a personal device for texting, phone calls, social media, and any other forms of communication that are not related directly to their roles/responsibilities at Pipsy's.

Human Resources:

- A. Through on-going professional development and continuing education, we will strive to remain current with the skills and abilities relevant to the services we offer.
- B. We are committed to diversity within our workforce to effectively meet the needs of our customers and the people we serve.
- C. We are committed to providing a safe, drug-free, smoke and vape free, and healthy work environment.

Service Delivery (for employees providing direct service to our participants):

- A. We will maintain the confidentiality of information regarding persons served. We will not discuss confidential information related to the company, employees or persons served.
- B. We will strive to provide quality services at all times.
- C. We will strive to avoid any real or perceived conflicts of interest and will make arrangements for alternative services, as needed.
- D. We strongly support the setting of professional boundaries between employees and persons served; while honoring a friendly and respectful provider/customer relationship.

I. GENERAL EMPLOYMENT POLICIES

EMPLOYMENT AT WILL

This Handbook in no way constitutes an employment contract between employees and Pipsy's Wee Care and Preschool LLC.

EMPLOYMENT WITH THIS COMPANY IS VOLUNTARILY ENTERED INTO, AND THE EMPLOYEE IS FREE TO RESIGN AT WILL AT ANY TIME, WITH OR WITHOUT CAUSE. SIMILARLY, THE COMPANY MAY TERMINATE THE EMPLOYMENT RELATIONSHIP AT WILL AT ANY TIME, WITH OR WITHOUT CAUSE. ALL EMPLOYMENT IS TEMPORARY FOR THE FIRST 90 DAYS WITH PERMANENT PLACEMENT AND PAID TRAINING UPON COMPLETION OF 90 DAY TRIAL PERIOD.

No statements made by any representative of Pipsy's Wee Care and Preschool LLC in pre-hire interviews, in discussion, or in recruitment materials may alter the at-will

nature of employment or imply that discharge will occur only with cause. This policy isn't changed by any statements in this handbook or any other company literature, including but not limited to employment applications, memoranda, and recruiting materials. None of these documents is intended to create an express or implied contract of employment for a definite period, nor state in any way that termination will occur only for "just cause." Because statements presented in this handbook concerning grounds for termination are examples only and not all-inclusive lists, they do not restrict the company's right to terminate at-will.

It should be clearly understood, therefore, that nothing in this handbook changes the employment-at-will relationship or creates an expressed or implied contract or promise concerning present or future company policies. Also, the Company retains the right to establish, change, or abolish any of its policies, practices, and rules at its will and as it sees fit without prior notification.

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of Pipsy's Wee Care and Preschool LLC not to base employment decisions or discriminate against individuals on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, gender identity, veterans' status, genetic information or any other characteristics protected by law. Further, the company reasonably accommodates persons with mental or physical disabilities as long as the accommodation doesn't cause undue hardship. Pipsy's Wee Care and Preschool LLC complies with all applicable statutes and executive orders regarding affirmative action and non-discrimination.

Employees with questions or concerns about any type of discrimination in their workplace are encouraged to bring these issues to the attention of their immediate supervisor or Human Resources. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to corrective action, up to and including termination of employment.

REASONABLE ACCOMMODATION UNDER THE AMERICANS WITH DISABILITIES ACT (ADA) AS AMENDED (2008)

We are committed to the fair and equal employment of individuals with physical and mental disabilities. We will work to reasonably accommodate qualified individuals with disabilities perform the essential functions of his or her position unless the accommodation would impose an undue hardship on the company. This policy applies to all applicants, employees, and employees seeking promotional opportunities.

WORKPLACE HARASSMENT POLICY

Pipsy's Wee Care and Preschool LLC promotes a productive and safe work environment and does not tolerate any verbal or physical conduct by an employee which harasses, disrupts, or interferes with another's work performance or which creates an intimidating, offensive or hostile environment, especially if such conduct concerns race, gender, religion, age, disability, national origin, sexual orientation or veteran status. It

is the responsibility of all employees, whether managers, supervisors or co-workers, to maintain an environment free of harassment.

Examples of harassment might include, but are not limited to, threats, insults, racial or religious slurs, unwelcome comments, jokes, pranks, gestures or physical contact, and display or circulation of derogatory or inappropriate written or other physical materials, cartoons or pictures.

Sexual harassment is specifically defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- Submission to or rejection of such conduct by an individual is used as the basis for an employment decision affecting that person; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive environment.

Sexual harassment can take many forms, including but not limited to these examples:

- | | |
|------------------|--|
| Verbal | Sexual innuendo and other suggestive comments, humor and jokes about sex or gender-specific traits, offensive written notes, sexual advances or propositions, insults, or threats; |
| Nonverbal | Leering, whistling, suggestive or insulting looks, sounds, gestures, pictures, cartoons, or calendars; or |
| Physical | Intentional touching of the body (e.g., brushing, patting, pinching), kissing, inappropriate display of body parts, or coerced acts of a sexual nature. |

Any employee who experiences and/or observes the actions or words of another employee and believes that those actions or words constitute harassment should:

- Tell the harasser that the behavior is unwelcome or offensive, explaining how it made you feel and/or how it has affected your work
- Report or make a complaint as soon as possible to a supervisor or other member of management.
- The incident or behavior will then be referred directly to Human Resources who will either conduct a prompt and confidential investigation or designate another member of management to conduct the investigation.

Retaliation against employees that report harassment or who participate in the investigation of harassment reports is prohibited.

It should be emphasized that you are not required to report harassment to a supervisor who has engaged in harassment against you, or who is a close associate of the person who has engaged in the harassment in question. If such situations would otherwise prevent you from reporting harassment, such reports may be directed to the CEO or a member of Human Resources.

Any employee who engages in proven harassment will be subject to corrective action up to and including termination of employment.

II. EMPLOYEE CONDUCT

COMPLIANCE PROGRAM

As a federal contractor, Pipsy's Wee Care and Preschool LLC is committed to the prevention and detection of fraud, fiscal mismanagement and misappropriation of funds. We have a compliance program to ensure ongoing monitoring and conformance with all legal and regulatory requirements.

While compliance is everyone's responsibility, the Owner acts as the Corporate Compliance Officer. Compliance Officer duties include:

- Serve as the primary point of contact for all compliance issues including scheduling meetings, and reporting on activities and recommendations.
- Develop, implement, and monitor – on a regular and consistent basis – the organization's compliance plan, including all internal and external monitoring, auditing, investigative and reporting processes, procedures and systems.
- Prepare, submit and present periodic reports to the Directors as may be required to provide clear communication to the organization's leadership for corporate compliance oversight which includes:
 - o A summary of all allegations, investigations and or complaints
 - o A complete description of all corrective actions taken.
 - o Any recommendations for changes to the organization's formal policies and procedures.
 - o Coordinate the development of the organization's formal corporate compliance plan.
 - o Have direct and unimpeded access to the CEO, Board of Directors and/or legal counsel for matters pertaining to corporate compliance.
 - o Schedule, coordinate and monitor regular and periodic reviews of risk areas.

WHISTLEBLOWER - WASTE, FRAUD AND ABUSE

A whistleblower as defined by this policy is an employee of Pipsy's Wee Care and Preschool LLC who reports an activity that he/she considers to be illegal or dishonest. It is the policy of Pipsy's Wee Care and Preschool LLC that all employees report suspected waste, fraud, abuse and any other suspected violations of questionable financial activity, audit matters, or potential legal violations of state and/or federal laws.

The Owner will oversee the intake and response to the complaints. A full investigation and evaluation will be completed as expeditiously as possible. The employee bringing the complaint should, in good faith, participate in any subsequent procedures necessary to investigate the complaint.

The company will not retaliate or take part in any form of reprisal against an employee bringing a good faith complaint to the Owner. An employee bringing a complaint who is found to have knowingly fabricated the facts as reported in the complaint will be subject to corrective action.

SOLICITATION AND WRITTEN DISTRIBUTION

In an effort to ensure a productive and harmonious work environment, persons not employed by Pipsy's Wee Care and Preschool LLC may not solicit or distribute literature in the workplace at any time for any purpose.

Employees may not solicit for or distribute written solicitation concerning outside events, organizations or activities during work time without consent from the owner. Work time does not include meal, break or rest periods or other specified times during the work shift where employees are not engaged in performing their work tasks.

Examples of solicitation not allowed during work time include:

- The collection of money, goods, or gifts for religious, other non-profit and political groups or causes;
- The announcement of community events;
- The sale of goods, services, or subscriptions;
- The circulation of petitions;
- The solicitation of memberships, fees, or dues.

Bulletin boards are to be used only for Company communications. Employees may not solicit or distribute literature to the customers on company property at any time for any purpose without consent from the Owner.

Employees should not send company-wide emails or distribute literature to all employees without prior consent. It is the intent of Pipsy's Wee Care and Preschool LLC that this policy be applied in a non-discriminatory manner. It is intended to comply with all National Labor Relations Board (NLRB) guidelines.

If an employee feels other staff or families could benefit from a program or event, they

may share that information with management and management will share it with staff and or families if they approve and deem there to be no conflict of interest.

CONFLICTS OF INTEREST

Our policy is to conduct business ethically and to avoid conflicts of interest or the appearance of such conflicts. Our employees have an equal obligation to avoid conflicts of interest.

We expect employees to be conscientious and loyal in representing the company. Business dealings with outside firms should not result in gains for either those firms or our employees. That is, bribes, product bonuses, special fringe benefits, unusual price incentives and other windfalls designed ultimately to benefit either the outside firm, their employees or others are prohibited. Gifts, meals and accommodations of a reasonable and normal value, typically less than \$50, provided to all employees may be accepted. The exchange of gifts, money and gratuities between employees and participants is prohibited. Employees should consult with management on the appropriateness of any gift exchange. Employees who receive unauthorized inducements from vendors for the purpose of selling goods or services to the Company will be subject to corrective action, up to and including termination of employment.

CONFIDENTIALITY, PROTECTED HEALTH INFORMATION (PHI) and HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

Confidentiality

It is the policy of Pipsy's Wee Care and Preschool LLC to provide safeguards to ensure privacy and confidentiality of proprietary assets including participant and employee information. Such information could include but it is not limited to trade information, customer lists, pricing and cost allocations, marketing plans, production data, trade secrets, or protected health information.

Information designated as confidential should not be discussed outside the company and only discussed within the company on a "need-to-know" basis. Employees are prohibited from attempting to obtain confidential information for which they have not received access authorization or which they do not directly need, with such behavior being subject to corrective action, up to and including termination and/or legal action.

Employees have an additional obligation to avoid disclosure of non-confidential information about the company, its customers, and its suppliers. Such procedures should not interfere with normal company operations and relationships but should instead remind employees of their responsibilities for discretion to safeguard company assets.

All media inquiries including press releases, publications, speeches, and other official company declarations must be referred to the Owner. Inquiries concerning information about current or former employees must be referred to the Owner.

Informed Consent

It is the policy of Pipsy's Wee Care and Preschool LLC that employee or participant information is released only with informed consent or as authorized by state and federal laws.

Safeguarding Protected Health Information

It is the policy of Pipsy's Wee Care and Preschool LLC and the responsibility of each employee to safeguard Protected Health Information (PHI) to prevent improper use and limit unauthorized disclosures of PHI. We ensure, to the extent possible, that PHI is not intentionally or unintentionally used or disclosed in a manner that would violate the HIPAA Privacy Rule or any other federal or state regulation governing confidentiality and privacy of health information.

Pipsy's Wee Care and Preschool LLC will periodically monitor the organization's compliance regarding its reasonable efforts to safeguard PHI. The following safeguards will be a part of daily protocol.

Safeguards for Verbal and Written PHI

Meetings and telephone conversations where PHI needs to be discussed will only involve staff members who have a "need to know". Attendees will take all reasonable measures to ensure unauthorized persons do not hear conversations, including keeping voices to a moderate level, conversing in a secure place and keeping content to the minimum amount necessary.

All physical or electronic documents containing PHI should be stored appropriately to reduce the potential for incidental use or disclosure. This includes:

- Storing records in a secure area only accessible to authorized users and protected from loss, damage and destruction.
- Ensuring computers are not left unattended and unlocked.
- Not leaving paper copies containing PHI unattended in printers, copiers or fax machines where unauthorized employees may access.
- Securely shredding documents ready for disposal.
- Encrypting emails containing PHI.

If an employee discovers a breach of PHI they should report it to the Director immediately.

RECORD RETENTION

Pipsy's Wee Care and Preschool LLC retains administrative records in accordance with prudent business practices and applicable local, state and federal laws. Ask your supervisor for more information about record retention in your department.

When requested employees may review their own personnel files through the Director. All files are kept in a secure and confidential area.

OUTSIDE EMPLOYMENT

Employees are able engage in outside employment provided it does not conflict with, or compromise company interests, or adversely affect job performance at Pipsy's Wee Care and Preschool LLC. An employee who decides to obtain outside employment is required to inform his/her supervisor in writing.

All employees will be expected to meet the job performance standards established by the company and will be subject to Pipsy's Wee Care and Preschool LLC's work and scheduling demands, regardless of any other outside work requirements. Employees must comply with confidentiality requirements and cannot use company tools or equipment for outside work unless authorized.

If Pipsy's Wee Care and Preschool LLC determines that an employee's outside work interferes with his or her job performance or the ability to meet the requirements of Pipsy's Wee Care and Preschool LLC at any time, the employee may be asked to terminate the outside employment if he or she wishes to remain employed with Pipsy's Wee Care and Preschool LLC. A refusal to comply with Pipsy's Wee Care and Preschool LLC's reasonable request to terminate outside employment may result in immediate termination of employment with Pipsy's Wee Care and Preschool LLC.

Employees performing work outside of Pipsy's Wee Care and Preschool LLC's work locations and hours on behalf of another employer are not covered by the benefits and rights of Pipsy's Wee Care and Preschool LLC as an employer. Therefore, the employee will release from liability and waive the right to sue Pipsy's Wee Care and Preschool LLC, employees, officers, volunteers and agents from any and all claims which may result from this outside employment.

EMPLOYEE/VOLUNTEER/PARTICIPANT RELATIONSHIPS

A work environment where employees maintain clear boundaries between personal and business interactions is necessary for effective and safe operations. Personal, sexual or romantic relationships between employees and participants are prohibited. Romantic or personal relationships between employees where one individual has influence or control over the other's conditions of employment or pay are also prohibited.

If a complaint is received that an employee or volunteer, and a participant are involved romantically, an investigation will be conducted. If the investigation reveals that the complaint is valid, corrective action, up to and including termination of employment, may occur.

Hiring

Pipsy's Wee Care and Preschool LLC will consider a member of an employee's family for employment if the applicant possesses the necessary qualifications for the position. A family member may not be hired, however, if the employment would create either a direct or indirect supervisor/employee relationship with a family member or create a conflict of interest or the appearance of a conflict of interest. This includes if the related individuals would both have the authority to approve pay of the relative and/or disburse agency funds.

VISITORS IN THE WORKPLACE

To provide for the safety and security of employees and the organization's facilities, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

All visitors should enter at the reception area. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed, employees should immediately notify their supervisor or, if necessary, direct the individual to the reception area.

USE OF EQUIPMENT AND VEHICLES

Employees required to use equipment and vehicles to perform job duties should do so with care. The use and maintenance of company equipment and vehicles should only be performed by employees certified and required to perform such tasks as part of his/her job. Employees must follow operating instructions, follow safety standards (including wearing a seat belt) and perform required maintenance.

Please notify the supervisor if you are in need of equipment or if any equipment, machines, tools or vehicles appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, can result in corrective action, up to and including termination of employment. Pipsy's Wee Care and Preschool LLC will not pay the fine(s) for traffic or parking violations incurred by an employee.

DRUG AND ALCOHOL USE

Employees and participants have the right to work in a drug-free environment. Pipsy's Wee Care and Preschool LLC is committed to maintaining a safe workplace free from the influence of drugs and alcohol and complying with Iowa's Private Sector Drug-free Workplace Act, and the federal Drug Free Workplace Act. No employee may be under the influence of any illicit drug or alcohol while in the work place, while on duty, or while operating a vehicle or equipment owned or leased by the company.

The unlawful manufacture, possession, distribution, transfer, purchase, sale, use or being under the influence of alcoholic beverages or illegal drugs while on the company's property, while on duty, or while operating a vehicle or machine leased or

owned by the company is strictly prohibited and may lead to corrective action, including suspension without pay or termination of employment.

Employees may use physician-prescribed medications, provided that the use of such drugs does not adversely affect job performance or the safety of the employee or other individuals in the workplace. Employees must notify their supervisor, and provide documentation from their physician as well as their pharmacy, if they are using a physician prescribed medication that has any known side effects that could affect their job performance or their safety or the safety of other individuals in the workplace.

Employees who voluntarily admit to having drug or alcohol problems that have not resulted in corrective action may be eligible for unpaid time off to participate in a rehabilitation program. Such a leave will be granted if the employee abstains from the use of the problem substance while on leave, abides by all Company policies, rules, and prohibitions relating to conduct in the work place, and if the Company will not suffer an "undue hardship" as a consequence of granting the leave.

As a condition of employment on a Federal contract or grant, which shall apply to all employees, the employee must not only abide by the terms of this policy, but must also notify the Owner, within five calendar days, that the employee has been convicted of a criminal drug violation in the workplace.

DRUG AND ALCOHOL TESTING

I. INTRODUCTION.

The abuse of alcohol and use of illegal drugs by any employee threatens the health and safety of that employee, the employee's co-workers, clients, children in care, and Pipsy's Wee Care and Preschool LLC. Pipsy's Wee Care and Preschool LLC also recognizes that employees should be able to work in an alcohol and drug-free environment, and to work with other employees who are alcohol and drug-free. Pipsy's Wee Care and Preschool LLC has, therefore, adopted this drug testing policy.

Nothing in this drug testing policy is intended, nor should it be construed by the employee, to alter the at-will employment relationship between the Company and its employees. Either the Company or the employee may terminate the employment relationship with or without cause, and with or without notice, at any time. The Company also reserves the right to modify or terminate the provisions of this testing policy at any time, with or without prior notice.

II. DEFINITIONS.

The following terms, when used in this policy, are defined as follows:

1. "Drug": A substance considered a controlled substance and included in schedule I, II, III, IV, or V under the federal Controlled Substances Act, 21 U.S.C. § 801, et. seq.
2. "Employee": A person employed by the Company, including the chief executive officer, president, vice presidents, supervisors, managers, and officers of the Company who are actively involved in the day-to-day operations of the business.
3. "Good Faith": A reasonable reliance on facts, or that which is held out to be factual, without the intent to be deceived, and without reckless, malicious, or negligent disregard for the truth.
4. "Prospective Employee": A person who applies, whether orally or in writing, for employment with the Company, and who is determined to be minimally qualified, having passed the first round of applicant screening.
5. "Reasonable Suspicion Drug Testing": Drug testing based upon evidence that an employee is using or has used drugs in violation of this policy drawn from specific objective and articulable facts and reasonable inferences drawn from those facts in light of experience. For purposes of this policy, facts and inferences may be based upon, but are not limited to, any of the following:
 - a. Observable phenomena while at work such as direct observation of drug use or abuse or of the physical symptoms or manifestations of being impaired due to drug use;
 - b. Abnormal conduct or erratic behavior while at work or a significant deterioration in work performance;
 - c. A report of drug use provided by a reliable and credible source;
 - d. Evidence that an individual has tampered with any drug test during the individual's employment with the current employer;
 - e. Evidence that an employee has caused an accident while at work which resulted in an injury to a person that, if suffered by an employee, a record or report could be required by Chapter 88 of the Iowa Code, or resulted in damage to property, including to equipment, in an amount reasonably estimated at the time of the accident to exceed one thousand (\$1,000) dollars; or
 - f. Evidence that an employee has manufactured, sold, distributed, solicited, possessed, used, or transferred drugs while working or while on the employer's premises or while operating any of the employer's vehicles, machinery, or equipment.

6. "Sample": A sample from the human body capable of revealing the presence of drugs or their metabolites, which shall include only urine, saliva, breath, and blood. "Sample" only includes blood when a blood test was administered by or at the direction of a person providing treatment to an employee involved in a work place accident. A blood sample cannot be administered at the request or suggestion of the employer. "Sample" may also include hair but only for prospective employees. The hair to be tested cannot be longer than one and one-half inches and is limited to the hair closest to the skin.
7. "Legal Drug": A prescription medication prescribed for the employee consuming the medication, and being taken in the amount prescribed by the employee's treating physician, and in accordance with the prescribed directions, or over-the-counter medication being taken and used for its intended purpose and in accordance with any applicable directions.
8. "Under the Influence of Alcohol": Being under the influence of alcohol shall mean having an alcohol concentration level of .02 grams of alcohol, or greater, per two hundred ten liters of breath, or its equivalent.

III. PROHIBITED CONDUCT.

Pipsy's Wee Care and Preschool LLC strictly prohibits the use, possession, consumption, sale, transfer (or any attempt to sell or transfer) of alcohol or any illegal or unauthorized drug including any "look alike" substance, or being under the influence of alcohol or any illegal or unauthorized drug, during work time, while conducting any type of business on the Pipsy's behalf, or while on the Pipsy's premises or property. Any employee engaging in such activity shall be subject to corrective action up to and including the immediate termination of their employment with Pipsy's Wee Care and Preschool LLC. Furthermore, Pipsy's reserves the right to immediately discharge any employee who tests positive for alcohol or drug use pursuant to the procedures outlined in this policy, and to the extent permitted by Iowa law, without first offering the employee substance abuse evaluation, treatment, rehabilitation, or any related service.

An employee may use, possess, and be under the influence of a legal drug while on the Pipsy's premises or property or during work time, provided the medication is kept in the container or packaging in which it was received from the pharmacy, and provided the prescription or over-the-counter drug will not impair the employee's work performance or present a safety risk to the employee, others or property. Pipsy's reserves the right to take appropriate action (including relieving the employee from his/her work duties) if an employee's use of legal drugs either impair or are likely to impair the employee's ability to perform his or her work assignments.

Failure to submit to any drug testing under this policy including, but not

necessarily limited to, an employee's failure to report in a timely manner to a collection site, sign any required consent form or otherwise fully cooperate in the collection of any authorized sample, is strictly prohibited, and will be treated by Pipsy's Wee Care and Preschool LLC the same as a confirmed positive drug test.

Any action taken against an employee or prospective employee pursuant to this policy based on a drug test will be based only on the results of the drug test.

IV. WHEN DRUG TESTING MAY BE CONDUCTED.

Pipsy's reserves the right to conduct any form of drug or alcohol testing permitted under Iowa law. The testing methods Pipsy's may use to test employees or prospective employees for drug or alcohol use include, but are not necessarily limited to, the following methods:

A. Reasonable Suspicion Testing.

Any employee for whom a reasonable suspicion exists that he/she is under the influence of alcohol or an illegal or unauthorized substance will be subject to alcohol or drug testing. A test result indicating an alcohol concentration level of greater than .02 grams of alcohol per two hundred ten liters of breath, or its equivalent, shall be considered a positive test result within the meaning of this policy. Any employee who refuses to submit to testing under this provision will be deemed to have received a confirmed positive drug test. Reasonable suspicion testing is defined in Section II(5) of this policy.

If drug testing is required, the testing shall screen for the presence of the following substances or similar substances:

| | |
|---------------------|--------------|
| Cocaine | Amphetamines |
| Marijuana | Opiates |
| Phencyclidine (PCP) | |

Employees will be given an opportunity to provide any information which may be considered relevant to the test, including identifying prescription or non-prescription drugs currently or recently used, or other relevant medical information.

If the employee being tested holds a position involving duties which could subject the employee, others, or property to injury or damage, the employee will be removed from his or her normal work duties and will be placed in a job that will not subject the employee, others, or property to injury or damage until the results of the reasonable suspicion drug test are received. If the employee's reasonable suspicion drug test is confirmed positive in violation of this policy, the employee will be terminated from employment immediately.

B. Regulatory Testing.

Regulations promulgated by the Department of Transportation (DOT) or any other state or federal regulatory agency may require Pipsy's Wee Care and Preschool LLC to maintain a drug testing program that includes the mandatory alcohol and drug testing of certain employees. The testing program includes random, post-accident, reasonable suspicion, and other forms of drug and alcohol testing. Pipsy's Wee Care and Preschool LLC maintains a separate policy for those employees who are covered by the DOT's provisions.

Pipsy's Wee Care and Preschool LLC also reserves the right to conduct any other form of drug or alcohol testing required by federal law or regulation, or by law enforcement.

C. Post-Accident Testing.

Pipsy's Wee Care and Preschool LLC may conduct drug or alcohol testing when investigating accidents in the workplace in which the accident resulted in an injury to a person for which injury, if suffered by an employee, a record or report could be required under Iowa Code Chapter 88, or resulted in damage to property, including to equipment, in an amount reasonably estimated at the time of the accident to exceed one thousand (\$1,000.00) dollars.

Pipsy's Wee Care and Preschool LLC shall follow the same procedures and methods it uses with respect to reasonable suspicion drug or alcohol testing when conducting post-accident drug or alcohol testing and shall test for the same substances. Those methods and procedures are contained in Section IV(B) of this policy.

D. Alcohol Testing.

Alcohol breath tests shall be conducted pursuant to the requirements governing evidential breath testing devices, alcohol screening devices and the qualifications for personnel administering the initial confirmatory test consistent with regulations adopted as of January 1, 1999 by the United States Department of Transportation governing alcohol testing required to be conducted pursuant to the Federal Omnibus Transportation Employee Testing Act of 1993. If Pipsy's Wee Care and Preschool elects to use a breath test for purposes of determining the presence of alcohol, it will not provide for a split specimen at the time the sample is collected, and it will not be reviewed by the Medical Review Officer.

E. Rehabilitation Testing.

Pursuant only to Section VII of this Policy, Pipsy's Wee Care and Preschool LLC may conduct drug or alcohol testing of employees during, and after completion of, drug or alcohol rehabilitation.

V. SUSPENSIONS.

Pipsy's Wee Care and Preschool LLC reserves the right to suspend a current employee, with or without pay, following a drug or alcohol test, but prior to receipt of the final results of the drug or alcohol test. If an employee is suspended without pay, and the confirmed test results are negative, Pipsy's Wee Care and Preschool LLC shall reinstate the employee, with back pay with interest, provided other reasons do not exist to terminate the employee's employment. Pipsy's Wee Care and Preschool LLC shall have sole discretion to determine if sufficient reasons exist to terminate the employment relationship with or without a confirmed positive test result.

VI. EMPLOYEE ASSISTANCE.

Recognizing that employees' personal problems can damage or interfere with job performance, Pipsy's Wee Care and Preschool LLC provides an Employee Assistance Program (EAP) to give confidential therapy and counseling to all employees and their families for marital, familial, emotional, psychological, and financial problems, as well as for overcoming drug and alcohol dependency.

Employees may call the EAP therapist themselves to arrange counseling, or they may be referred to the therapist by a supervisor. All counseling is strictly confidential, and, in the case of a supervisor referral, the supervisor will only be notified that contact has occurred between the employee and the counselor.

Using the EAP services does not protect an employee from enforcement of this policy or in any way prevent testing or prevent the Company from enforcing appropriate consequences for employees who violate this policy.

VII. POSSIBLE REHABILITATION.

Pipsy's Wee Care and Preschool LLC reserves the right to terminate the employment of any employee the first time he or she receives a positive test result for drug use and will not offer drug or alcohol evaluation or rehabilitation to employees unless required to do so under applicable law.

Pipsy's Wee Care and Preschool LLC shall, however, provide rehabilitation, treatment, or counseling in a program approved by Pipsy's Wee Care and Preschool LLC to any employee who receives a positive test result indicating an alcohol concentration in excess of .02 grams of alcohol per two hundred ten liters of breath, or its equivalent provided each of the following conditions are met:

- (a) The employee has been employed by Pipsy's for at least twelve of the preceding eighteen months,

- (b) The employee agrees to undergo the rehabilitation, treatment, or counseling as offered by Pipsy's, and
- (c) The employee has not previously violated this policy.

If rehabilitation is offered pursuant to the terms of this policy, the cost of the rehabilitation shall be apportioned between Pipsy's and the employee in the manner and to the extent required by Iowa law.

VIII. CONFIDENTIALITY.

Pipsy's Wee Care and Preschool LLC shall regard as confidential all communications it receives that pertain to the drug test results of an employee or prospective employee, or any information Pipsy's otherwise receives through its drug testing program. The Company, however, reserves the right to disclose the results of a drug or alcohol test, or other related information, under the following circumstances:

- (a) In an administrative agency or judicial proceeding under workers' compensation laws, or unemployment compensation laws, or under common or statutory laws where any action taken by the Company based on a positive test result as defined by this policy is either relevant or challenged.
- (b) To any federal agency or other unit of the federal government as required under federal law, regulation, or order, or in accordance with compliance requirements of a federal government contract.
- (c) To any state agency authorized to license individuals if the employee tested is licensed by that agency and the rules of that agency require such disclosure.
- (d) To a substance abuse evaluation or treatment facility or professional for the purpose of evaluation or treatment of the employee.

IX. ACCESS TO RECORDS.

Employees or prospective employees who are subject to a drug or alcohol test pursuant to this policy, and for whom a positive test result is obtained, shall be given access to any records relating to the employee's drug or alcohol test, including records of the laboratory where the testing was conducted, and any records relating to the medical review officer selected by the Company to interpret the test result.

Notwithstanding the above, a prospective employee shall be entitled to records under this section only if the prospective employee requests the records within fifteen calendar days from the date the Company provides the prospective

employee with written notice of his or her test result as required by Iowa law. The Company shall not release any records concerning a positive test result obtained by a prospective employee unless the records are requested within that fifteen-day period.

All requests for drug or alcohol testing records can be obtained through Pipsy's Wee Care and Preschool LLC's background check vendor. The Director can provide the vendor contact information upon request.

X. TRAINING.

The Company will provide annual training to supervisory personnel involved with drug or alcohol testing under this policy. The training shall include, but is not limited to, information concerning the recognition of evidence of employee alcohol and other drug abuse, the documentation and corroboration of employee alcohol and other drug abuse, and the referral of employees who abuse alcohol or other drugs to the employee assistance program or to the resource file maintained by the Company.

SMOKING

To maintain a safe and comfortable work environment, smoking (including vaping and e-cigarettes) is strictly prohibited in any company office, facility, premises, parking lot or company vehicle. Because the company may be subject to criminal and civil penalties for violations of the applicable smoking law, we must adhere to this policy. An employee's failure to abide by this company policy and state law may subject the employee to corrective action, up to and including termination from employment.

If you or someone you know would like to quit smoking please call Quitline Iowa at 1-800-QUIT NOW or 1-800-784-8669.

SAFETY

Establishment and maintenance of a safe work environment is the shared responsibility of Pipsy's and employees at all levels of the company. Pipsy's complies with all federal, state and OSHA regulations/guidelines. Employees are expected to obey safety rules and to exercise caution in all their work activities. You are asked to immediately report any unsafe conditions to their supervisor. Supervisors and employees at all levels of the company are expected to correct unsafe conditions as promptly as possible. No employee is to attempt to perform any type of maintenance for which they are not qualified. Please refer to Pipsy's Safety Manual for additional procedures.

All accidents that result in injury must be reported to the appropriate supervisor, regardless of how insignificant the injury may appear. Such reports are necessary to comply with laws and initiate insurance and workers' compensation procedures.

Pipsy's workers' compensation insurance is provided by West Bend Insurance. Non-emergent employee workers' compensation care referrals will be made by the Director. In emergency situations call 911. The Nurse Hotline will direct the caller to the

approved medical provider closest to the call location.

SECURITY/PERSONAL PROPERTY

Pipsy's maintains a work environment that is free of illegal drugs, alcohol, firearms, knives, explosives, and other improper materials. To this end, Pipsy's prohibits the control, possession, transfer, sale, or use of such materials on its premises. We discourage theft or unauthorized possession of the property of Pipsy's, and its employees, visitors, and customers.

Employees are expected to safeguard all physical assets, such as cash, products, vehicles, equipment, and intangible assets, such as trade and company information. Employees leaving company premises with company property or equipment must have prior authorization from their supervisor and are solely responsible for the proper care and return of everything assigned to their possession.

All personal belongings should be placed in lockers or non-work areas prior to the start of work unless being used to fulfill responsibilities associated with their position. Pipsy's is not responsible for theft or loss of any personal items brought onto our property. To the extent possible, employees of Pipsy's will respect and safeguard the personal property of persons served, visitors, employees and company owned property. Personal items may be placed in a locker while employees are working and employees may bring a lock to secure their locker while working. Lockers may not be used to hold items that aren't allowed on the premises and Pipsy's reserves the right to search lockers.

Pipsy's or its representatives may at any time, either with or without prior notice, inspect any package and person entering and/or leaving the premises. Desks, lockers, and other storage devices provided for the convenience of employees remain the sole property of the Company and may also be inspected at any time with or without prior notice. Do not bring any articles or materials you do not want to be inspected onto the premises.

LEGAL ACTIONS

It is the policy of Pipsy's to cooperate with governmental investigations, searches and other external audits.

Employees who receive a visit or an inquiry from a governmental agency regarding a Pipsy's employee or participant must direct the individual to the Director. Please be advised that employees have the right not to respond to inquiries from governmental agencies without first seeking assistance from an attorney.

Employees who are served a subpoena for testimony will notify the Director as soon as possible and submit a copy of the subpoena. The Director will immediately evaluate any subpoena received and initiate appropriate follow up action, by notifying the employee's supervisor or the appropriate staff that the employee will be excused from work for the time requested by the subpoena.

Any employee summoned to comply with a Pipsy's work-related mandated court

appearance will be granted time off with pay. The employee is requested to notify his or her supervisor and the Human Resources department as far in advance as possible of any absence for such purpose.

If a location receives a search warrant call the Director or the Owner and follow these steps

- Request to see identification from the agents serving the warrant and record the information.
- If the agents do not provide a copy of the warrant request one. Also request a copy of the affidavit.
- Try to gain as much information through conversation. Is the company a target or is it an employee?
- Employees are not required to give an interview during a search and have the right to have an attorney present. If an employee chooses to conduct an interview he/she must only provide the facts.

THREATS AND VIOLENCE IN WORKPLACE

Pipsy's strives to maintain a work environment free from intimidation, threats or violent acts. This includes, but is not limited to, intimidating, threatening or hostile behaviors, physical abuse, vandalism, arson, sabotage, use of weapons, carrying weapons of any kind on company property, or any other act determined by management to be inappropriate in the workplace. In addition, jokes or offensive comments regarding violent events will not be tolerated. Violations of this policy may result in corrective measures, up to and including termination from employment.

Employees who feel they have been subjected to any of the behaviors listed above are requested to immediately report the incident to their supervisor, human resources or the Ethics hotline. Complaints will be investigated. Based upon the results, corrective action will be taken against the offender, if appropriate.

Employees who observe, or have knowledge of, any violation of this policy should immediately report it to management. We will take action when unforeseen events transpire and look to employees for support of this policy. Employees are empowered to contact the proper law enforcement authorities without first informing management if they believe there is a threat to the safety of others.

DRESS CODE

What to wear to work is a reflection on the pride we have in the company and must accommodate safety and comfort while on the job. While representing our organization with our customers, members of the public and industry representatives, it is important for all employees to present a neat and appropriate appearance. Supervisors should communicate any department-specific workplace attire to staff members. Any questions about the department's guidelines for attire should be discussed with the immediate supervisor. If an employee's dress or appearance does not meet the attire or grooming standards set by his or her department the employee may be asked to leave the premises to change. Hourly paid employees will not be compensated for work time missed because of failure to comply with designated workplace attire. If issues

persist with meeting dress code and grooming standards additional corrective action may be taken.

Appropriate/Inappropriate attire: All employees are asked to wear appropriate attire. Appropriate attire is clean, non-offensive, and non revealing. The definition of inappropriate content is at the discretion of management.

Inappropriate attire includes:

- Apparel that contains inappropriate messages or pictures, contains movie or music references or images that are not appropriate for children, advertises or encourages the use of substances such as alcohol, tobacco, or drugs, political messages, weapons, violence, or that is obscene and disrespectful. Any revealing attire, low necklines or visible undergarments.
- Recreational/athletic attire that is revealing.
- Shirts or dresses that are backless, strapless, or have thin (spaghetti) straps unless such garments are covered by another article of clothing (e.g. a sweater or jacket)
- Overpowering fragrances
- Offensive tattoos must be covered
- Undergarments must be worn at all times
- Dresses and skirts above the knees or without a pair of shorts or leggings under them at all times.
- Jeans with holes.
- Leggings that are not under a dress or skirt.

Examples of appropriate attire:

- Black pants that meet all other attire guidelines.
- Joggers or scrubs that are solid black.
- Black skirts that come to the knee or longer with shorts or leggings under them.
- Pipsy's shirts.

All clothing should be clean, free of wrinkles, pet hair and excessive odors including strong perfumes, detergents, and smoke.

Staff should be clean, practice good oral hygiene, and wear deodorant as needed to prevent unpleasant odors.

Shoes must be worn at all times in the facility. A pair of shoes may be kept on site to use as indoor shoes. Slippers, socks and bare feet are not allowed.

ATTENDANCE

Regular and predictable attendance is considered a performance standard for all Pipsy's employees. Absenteeism and tardiness place a burden on other employees and on the company. While life circumstances may require employees to be away from work

due to illness or emergency, patterns of tardiness or unscheduled absences could lead to corrective action up to and including termination from employment.

Management is responsible for establishing employee work schedules. In the rare instance when employees cannot avoid being late to work or are unable to work as scheduled, they should notify the Owner and Office Manager as soon as possible in advance of the anticipated tardiness or absence. All communication should be done via Brightwheel and include the Owner and Office Manager as well as any other staff that may need to be notified of the absence.

Absence

"Absence" is defined as an employee not reporting for work when he or she is scheduled to work. The two types of absences are defined below:

Excused absence occurs when all the following conditions are met:

- The employee provides to his or her supervisor sufficient notice at least 2 weeks in advance of the absence.
- The absence request is approved in advance by the employee's supervisor.

Unexcused absence occurs when any of the above conditions are not met. If it is necessary for an employee to be absent or late for work because of an illness or an emergency, the employee must notify his or her supervisor no later one hour prior to the employee's scheduled starting time on that same day. If the employee is unable to call, he or she must have someone make the call.

Employees with two or more consecutive days of excused absences because of illness or injury may be asked to provide proof of physician's care and a fitness for duty release prior to returning to work.

PTO may be used with manager's approval for both scheduled and unscheduled absences unless otherwise allowed by company policy (e.g., leave of absence, bereavement, jury duty). PTO will not be used in cases of unexcused tardiness. PTO may only be used in 4 hour increments. Full time staff are eligible for paid holidays that take place on a day they are scheduled to work upon completion of 6 months of employment. Additionally, full time staff may start accruing PTO upon the completion of 12 months of employment. Full time staff receive a total of up to 200 hours of combined Holiday and personal paid time off. Staff must be in good standing for their attendance to receive paid time off. This includes Holiday pay as well as PTO. Employees that have an unexcused absence the day prior to or after a holiday are not eligible to be paid for that holiday. Staff with an unexcused absence the day prior to or after an approved PTO absence will forfeit the pay for that entire absence.

Tardiness and Early Departures

Employees are expected to report to work and return from scheduled breaks on time. If employees cannot report to work as scheduled, they must notify their supervisor no later than their regular starting time. This notification does not excuse the tardiness but simply notifies the supervisor that a schedule change may be necessary. Employees

who must leave work before the end of their scheduled shift must notify a supervisor immediately.

Tardiness and early departures are each one-half an occurrence for the purpose of corrective action under this policy.

Corrective Action

Unexcused absences will be tracked on a rolling 12-month calendar. Patterns of absences, tardiness or failure to follow call in procedures (no call no show) may be grounds for corrective action without following the steps described below. Pipsy's reserves the right to skip steps if warranted.

Excessive absenteeism in a 30-day period may result in corrective action. Eight occurrences of unexcused absence in a 12-month period are considered grounds for termination of employment.

Guidelines for attendance are below:

1-4th Unexcused Absence – No Corrective Action

5th Unexcused Absence – Verbal Warning

6th -7th Unexcused Absence – Written Warning

8th Unexcused Absence – May result in termination of employment

Job Abandonment

Any employee who fails to report to work for a period of three days or more without notifying his or her supervisor will be considered to have abandoned the job and voluntarily terminated the employment relationship.

CORRECTIVE ACTION

Each employee is responsible for performing the duties of his or her position while demonstrating behavior that supports the organization's values, ethics and policies. When work performance or behavior is unsatisfactory, corrective action provides a consistent and fair process for the employee to correct the problem or issues. Any one, or a combination of the following actions may be utilized during the corrective action process: coaching and counseling/verbal warning, written warning, final written warning, performance improvement plan, paid or unpaid suspension, demotion or move to a different position, or termination of employment.

Expectations

The following actions will generally occur when corrective action is needed. No two situations requiring corrective action are identical, and individual circumstances will determine the appropriate level of corrective action implemented. A member of the management is required to consult with the Owner/Director prior to implementation of any corrective action other than coaching or a counseling/verbal warning.

Enforcement

Unsatisfactory work performance, behavior or violation of policies or any other action that is contrary to the company's policies or Mission Statement will result in

appropriate corrective action, up to and including termination of employment. Additionally, individuals may be subject to civil and/or criminal prosecution if behavior has been in violation of federal, state or local statutes. Progressive discipline is not required. Nothing herein is intended to modify an employee's at-will status.

1. **Counseling/Verbal Warning** – The manager provides coaching or a verbal warning to the employee about the unsatisfactory performance or behavior. Even though the coaching or warning is oral, a written summary of the warning may be placed in the employee's personnel file. This may include feedback provided via messaging in Brightwheel from a member of management.
2. **Written Corrective Action** – Used for situations that have not been resolved through prior counseling or a verbal warning or situations so serious they warrant a formal written document. Through written corrective action, the manager provides the employee with a documented plan for improving the deficient performance or unsatisfactory behavior. This can include either a written warning or final written warning for performance not corrected after a written warning or for first-time issues that are significantly serious to warrant elevated corrective action. A Performance Improvement Plan (PIP) could be another form of written corrective action. A PIP is a time bound action plan used to help employees meet expectations of their role.
3. **Termination of Employment** – Used when behavior or job performance does not improve through other actions of the corrective action process, or when behavior or problems with job performance warrants ending the employment relationship. A decision to terminate employment requires the approval of the respective Leadership Team member (or designated signature authority), and the Director of Human Resources or the Human Resources Generalist.
4. **Other actions that may be used in the corrective action process** include a paid or unpaid suspension, a demotion, move to another position, or other measures the Owner or Director deems appropriate for the situation.

III. ADMINISTRATION AND PAY PRACTICES

EMPLOYMENT CATEGORIES

It is our intent to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and Pipsy's Wee Care and Preschool LLC.

Each employee is designated as either NONEXEMPT or EXEMPT from federal and state wage and hour laws. NONEXEMPT employees are entitled to overtime pay under the specific provisions of federal and state laws. EXEMPT employees are executives, administrators, supervisors and professional employees and do not receive overtime.

In addition to the above categories, each employee will belong to one other employment category:

REGULAR FULL-TIME employees are those who are not in a temporary status and who are regularly scheduled to work a full-time schedule 30+ hours/week. Generally, they are eligible for the benefit package, subject to the terms, conditions, and limitations of each benefit program.

REGULAR PART-TIME employees are those who are not assigned to a temporary or introductory status and who are regularly scheduled to work less than the full-time work schedule but at least 20 hours per week. Regular part-time employees may be eligible for some benefits sponsored by the company, subject to the terms, conditions, and limitations of each benefit program.

PART-TIME LESS THAN 20 HOURS/WEEK employees are those who are not assigned to a status and who are scheduled to work fewer than 20 hours per week. While they do receive all legally-mandated benefits (such as Workers' Compensation and Social Security benefits), they are ineligible for all of the company's other benefit programs.

TEMPORARY employees are those who are hired for a limited duration (less than 12 months), to temporarily supplement the work force, to assist in the completion of a specific project or are hired for a specific season, such as the summer. Temporary employees receive all legally-mandated benefits (such as Worker's Compensation and Social Security benefits), they are ineligible for all of the company's other benefit programs.

PARTICIPANTS are all persons who receive wages and are in a training program. Participants are like temporary employees because employment is for a limited duration, receive legally-mandated benefits and are ineligible for all other benefit programs.

EMPLOYEE VOLUNTEERS

Pipsy's sponsors a variety of activities and events outside of normal working hours which require the utilization of volunteers. Hourly wage employees may participate as volunteers with full knowledge that such services will be performed without normal compensation. No hourly employee or participant may volunteer in the area of work they normally perform or could be expected to perform as a part of their work duties. Such work would be compensable time.

PROMOTION, TRANSFER AND JOB POSTING

Pipsy's is committed to recruiting and employing the best qualified individuals for available positions and engaging in recruitment and selection practices that comply with applicable employment laws. Open positions will be posted internally and externally unless the position is available due to reorganization, represents a defined career path advancement opportunity or is a temporary assignment.

Employees may apply for a position within Pipsy's at any time given they meet the

minimum job qualifications. The employee's Director will be notified prior to a selection decision being made. Hiring managers will be made aware of any current or past written corrective action for internal candidates being considered.

BACKGROUND CHECK POLICY

Offers to candidates are contingent upon clear results of a thorough background check. An offer of employment must be extended to a candidate and appropriate authorization received before the background check is run. Candidates are defined as individuals external to the organization who are being considered for employment or a current employee being considered for a transfer or promotion, if additional checks are required for the position.

Pre-employment Background checks will include:

Social Security Verification: Validates the applicant's Social Security number, date of birth and former addresses.

National Sex Offender Registry: National check of convicted sex offenders.

Criminal History: Includes a review of criminal convictions. The following factors will be considered for applicants with a criminal history:

- The nature of the crime and its relationship to the position
- The time since the conviction
- The number (if more than one) of convictions
- Whether hiring, transferring or promoting the applicant would pose an unreasonable risk to the business, its employees or its customers and vendors.

The following additional background searches will be required if applicable to the position.

- Education Verification: Confirms the educational institution, including the years attended and the degree/diploma received
- Employment Verification: Verifies former employers, job titles and dates of employment.
- Motor Vehicle Records: provides a report on an individual's driving history in the state requested. This search will be run when driving is an essential function of the position
- Dependent Adult and Child Abuse Registry
- Department of Criminal Investigation
- Office of the Inspector General List of Excluded Individuals and Entities (LEIE)
- Drug Screens pursuant to the DOT Requirements - Drivers of our straight trucks and semis requiring class A or B CDL licenses will also be required to successfully pass a drug screen and obtain a current DOT medical certification through Pipsy's designated physician.

Should an employee transfer into a position that requires additional searches, those will be run and the transfer will be contingent on successful completion of the background check. In the event an offer of employment is rescinded based on a background check, the organization will follow applicable Fair Credit Reporting Act (FCRA) requirements to notify the candidate.

Post Hire

For certain positions working in departments that receive federal funding, verification of the LEIE through the Office of the Inspector General will be conducted at a minimum of twice per year. If it is determined upon reasonable due diligence that an individual is listed as excluded by the OIG, the employment relationship shall be immediately terminated.

Reporting of Convictions

Employees are required to notify the Director of any criminal conviction or founded dependent adult abuse of child abuse within 48 hours of conviction or entry of the record of founded abuse. Based on an evaluation of the situation, a determination will be made as to whether the employee's employment will be continued or modified in any way. Failure to report within 48 hours may result in corrective action up to and including termination from employment.

ACCESS TO PERSONNEL FILES

Employees shall have access to their personnel files in accordance with applicable state law. Employees can request access by contacting the Director and scheduling a time so a representative of the company may be present. If an employee wants a copy of any item in the personnel file, the company may charge a reasonable copying fee.

EMPLOYEE DATA CHANGES

It is the responsibility of each employee to promptly notify the company of any changes in personnel data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishments, and other such status reports should be accurate and current at all times.

PAY DAYS

All employees are paid bi-weekly on the Friday following the end of the previous pay period. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

In the event that a regularly scheduled payday falls on a day off (e.g. a holiday or regularly scheduled day off), employees will receive pay on the following business day. All checks will be in staff mail boxes by the close of business on pay day. If a staff member gets off prior to close of business they may come back to pick up their check or they may collect it the following business/scheduled work day. Staff may stop outside of business hours to collect their check with prior permission from the Owner/Director.

PAY ADVANCES

Neither pay advances nor extensions of credit on unearned wages can be provided to employees.

PAYROLL DEDUCTIONS

Standard Deductions include federal income tax, state income tax, Social Security tax

and FICA.

Garnishments and Wage Assignments will be dealt with to comply with state or federal law.

EXPENSE REIMBURSEMENT

It is the policy of Pipsy to reimburse all employees for approved expenses, such as mileage, meals, telephone and lodging.

All expense receipts must accompany an Expense Reimbursement Form or the claim will be denied. Expense Reimbursement forms must be submitted the within 30 calendar days of the date of transaction/expense.

TIMEKEEPING

Accurately recording time worked is the responsibility of every nonexempt employee. Federal and state laws require the Company to keep an accurate record of time worked in order to calculate employee pay and benefits. All time spent working on the job is considered as time worked for purposes of computing overtime.

Nonexempt employees should accurately record the time they begin and end their work. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. Overtime work must always be approved before it is performed.

Tampering, altering, or falsifying time records, or recording time on another employee's time record may result in corrective action, including termination of employment.

OVERTIME

When operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime hours. When possible, advance notification of these mandatory assignments will be provided. All overtime work must receive the supervisor's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

Overtime compensation is paid to all nonexempt employees for all hours worked over forty (40) in a workweek. As required by law, overtime pay is based on actual hours worked. Time off for PTO or any leave of absence will not be considered hours worked for purposes of performing overtime calculations.

Failure to work assigned overtime may result in corrective action, up to and including possible termination of employment.

PERFORMANCE REVIEW

Pipsy's managers will provide regular feedback to employees about performance and performance standards. In addition, regular part-time and full-time employees will participate in an annual performance review. The goals and criteria for the review are

determined by the supervisor and based on department and organizational goals. Both job performance and behaviors are evaluated. Employees are expected to provide input into the review process. Employees may receive an increase in pay in the form of a merit increase if the performance review supports the increase. The amount of the increase is dependent on organizational budgets, employee performance and compensation equity.

EMPLOYMENT TERMINATION

Since employment is based on mutual consent, both the employees and Pipsy's have the right to terminate employment at will, with or without cause, at any time. Many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated.

Resignation - Employment termination initiated by an employee who chooses to leave the company voluntarily. Pipsy's requests at least two weeks' written notice of resignation from nonexempt employees.

Termination - Employment termination initiated by the company.

Reduction in Force - Involuntary employment termination initiated by the Company for non-disciplinary reasons.

Administrative termination - Employment termination initiated by the employee or by Pipsy's when an employee is unable, for health reasons, to continue to work.

Leaves of absence - Failure to return to work upon termination of an approved medical leave of absence or other type of leave of absence.

Retirement - Voluntary retirement from active employment status initiated by the employee.

Employee benefits will be affected by employment termination. All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

IV. EMPLOYEE BENEFITS

Eligible employees of Pipsy's are provided:

DISABILITY INSURANCE

Pipsy's provides full-time employees with short-term and long-term disability income benefits and pays the full cost of this coverage. In the event you become disabled, disability income benefits are provided as a source of income.

WORKER'S COMPENSATION INSURANCE

Pipsy's provides a comprehensive workers' compensation insurance program at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Any employee who sustains a work-related injury or illness should inform his or her supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible. The supervisor will then call the Secura nurse line at 888-333-3334. The nurse line will connect you with a certified nurse who will direct care for the employee. Failure to use the required care provider may jeopardize benefits. If the injury is an emergency 911 should be called.

Neither Pipsy's nor the insurance carrier will be responsible for the payment of worker's compensation benefits for any injury which arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity which is not part of the employee's work-related duties. There are currently no such activities requiring employee participation. If and when there is such activity, you will be notified.

BENEFIT CONTINUATION (COBRA)

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the Company's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee. Others include a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at the company's group rates plus an administration fee. Pipsy's provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under the company's health insurance plan. The notice contains important information about the employee's rights and obligations.

CONFERENCE, IN-SERVICE TRAINING AND PROFESSIONAL EDUCATION

It is the policy of Pipsy's to encourage and support employee growth and professional development. Professional development may be obtained through a variety of opportunities including internal and external training programs, professional education and resources provided by CCR&R of Iowa, the Iowa State Extension Office, and Department of Health and Human Services.

It is our intent to allow regular full-time employees the opportunity for Professional Development. These opportunities must benefit both the employee and Pipsy's and be

related to company goals and objectives or state mandated requirements. Opportunities may include in-service and/or professional education training related to the person's current position or which would assist in developing qualifications for advancement.

FUNERAL LEAVE

Funeral leave may be granted as follows to eligible regular full-time employees (at least 30 hour/week):

Upon approval of the supervisor, five days paid leave may be taken upon the death of a: Spouse, sibling, children, step-children, parents, step-parents and spouse's parents. Three days paid leave may be taken for grandparents, grandparents-in-law, grandchildren, sister- or brother-in-law. One day of paid leave may be taken for aunt or uncle, niece or nephew. Approved paid funeral leave will not be used in computing overtime pay. Requests for funeral leave must be made in writing and forwarded to the manager and Owner/Director.

JURY DUTY

Employees called for jury duty will be granted time off. Employees must show their jury duty summons to their supervisor. Employees are expected to report for work when the court schedule permits.

BREAK AND LUNCH PERIODS

Scheduled break times vary by department. Supervisors inform team members of scheduled break times dependent on staffing to meet business needs. For non-exempt employees, lunch breaks are normally 60 minutes long and are unpaid. Non-exempt employees are asked to clock out for the 60 minute lunch break.

LACTATION BREAKS

Mothers of infants under one year of age may take reasonable breaks to express milk. Lactation breaks will typically be between 15 and 20 minutes in length and may be taken as frequently as necessary. For non-exempt employees, such breaks are not counted as hours worked and are unpaid. Pipsy's will make a reasonable effort to provide a private location, other than a toilet stall, in close proximity to the workplace for this activity.

PAID TIME OFF (PTO)

Paid Time Off is a benefit provided to employees based on the criteria below and can be used for vacation, illness or other personal reasons.

Accrual

PTO begins accruing upon completion of 12 months of employment in a benefit eligible position. To be eligible, employees must be regular employees scheduled to work at least 38 hours/week on a regular basis. Temporary, seasonal, contract, interns and participants are not eligible to accrue PTO. Accrual rates are based on hours paid and length of service.

PTO is paid at the employee's regular pay rate at the time the PTO is used and does not include overtime or any other forms of compensation.

PTO hours are available for use following the pay period in which the hours are accrued.

Full time employees working 38 hours/week will accrue PTO following the schedule below. Part time PTO eligible positions will have a separate accrual schedule based on number of hours agreed upon including Holiday pay.

Use of PTO

Whenever possible, PTO must be scheduled in advance. PTO is subject to supervisory approval, department staffing needs and established departmental procedures. Unscheduled absences will be monitored in accordance with our Attendance policy. Employees must complete a PTO request form to obtain approval.

The minimum amount of PTO you can use is 4 hours at a time.

Time off taken beyond the earned PTO is automatically considered an unexcused absence. PTO is not part of any overtime calculation.

Maximum Balance

Although you may carry over unused PTO time from year to year, there is a cap on the amount of PTO time you can accumulate. This encourages you to use your PTO and allows the company to manage its financial obligations responsibly. Once you reach your cap, you will not accumulate any more PTO until you use time in your account and drop below the cap. After your balance goes below the cap, you will begin accruing PTO again. However, you will not receive retroactive credit for time worked while you were at the cap limit. The cap for all full time staff is 40 hours per year.

A manager may request a release to work for employees who have been absent from work due to illness for three consecutive days. This release will ensure the employee is fit for duty and healthy enough to return to work. The work release does not determine if the leave was scheduled or unscheduled.

Unused PTO at time of separation

Employees are not eligible for compensation as a result of unpaid PTO at the time of separation.

PARENTAL LEAVE

Pipsy's will provide up to 8 weeks of Paid Parental Leave to employees following the birth of an employee's child or the placement of a child with an employee in connection with adoption or foster care. The purpose of Paid Parental Leave is to enable the employee to care for and bond with a newborn or a newly adopted or newly placed child. This policy will run concurrently with Family Medical Leave Act (FMLA), as applicable. This benefit is for births, adoptions or placements of foster children occurring on or after 1/1/2019.

Eligible employee must meet the following criteria:

- Have been employed with the company for at least 12 months.
- Have worked at least 1,250 hours during the 12 consecutive months immediately preceding the date the leave would begin.
- Be a full time regular employee (temporary employees and interns are not eligible for this benefit)

In addition, employees must meet one of the following criteria:

- Give birth to a surviving child.
- Be a spouse or partner of a woman who has given birth to a surviving child.
- Have adopted a child or been placed with a foster child (in either case, the child must be age 17 or younger).

Amount, Time Frame and Duration of Paid Parental Leave

- Eligible employees will receive a maximum of 8 weeks of Paid Parental Leave per birth, adoption or placement of a child/children. The fact that a multiple birth, adoption or placement occurs (e.g., the birth of twins or adoption of siblings) does not increase the total amount of Paid Parental Leave granted for that event. In addition, in no case will an employee receive more than 8 weeks of Paid Parental Leave in a rolling 12-month period, regardless of whether more than one birth, adoption or foster care placement event occurs within that 12-month time frame.
- Each week of Paid Parental Leave is compensated at 100 percent of the employee's regular, straight-time weekly pay. Paid Parental Leave will be paid on a biweekly basis on regularly scheduled pay dates.
- Approved Paid Parental Leave may be taken at any time during the six-month period immediately following the birth, adoption or placement of a child with the employee. Paid Parental Leave may not be used or extended beyond this six-month time frame.
- In the event of a female employee who herself has given birth, the 6 or 8 weeks of Paid Parental Leave will commence at the conclusion of any short-term disability leave/benefit provided to the employee for the employee's own medical recovery following childbirth.
- Employees must take Paid Parental Leave in one continuous period of leave and must use all Paid Parental Leave during the six-month time frame indicated above. Any unused Paid Parental Leave will be forfeited at the end of the six-month time frame.
- Upon termination of the individual's employment at the company, he or she will not be paid for any unused Paid Parental Leave for which he or she was eligible.

Coordination with Other Policies

- Paid Parental Leave taken under this policy will run concurrently with leave under FMLA; thus, any leave taken under this policy that falls under the definition of circumstances qualifying for leave due to the birth or placement of a child due to adoption or foster care, the leave will be counted toward the 12 weeks of available FMLA leave per a 12-month period. All other requirements

and provisions under the FMLA will apply. In no case will the total amount of leave—whether paid or unpaid—granted to the employee under the FMLA exceed 12 weeks during the 12-month FMLA period. Please refer to the Family and Medical Leave Policy for further guidance on the FMLA.

- After the Paid Parental Leave (and any short-term disability leave for employees giving birth) is exhausted, the balance of unpaid FMLA leave (if applicable) will be compensated through employees' accrued PTO. Upon exhaustion of accrued PTO any remaining leave will be unpaid leave. Please refer to the Family and Medical Leave Policy for further guidance on the FMLA.
- The company will maintain all benefits for employees during the Paid Parental Leave period just as if they were taking any other company paid leave such as paid vacation leave or paid sick leave.
- If a company holiday occurs while the employee is on Paid Parental Leave, such day will be charged to holiday pay; however, such holiday pay will not extend the total Paid Parental Leave entitlement.
- An employee who takes Paid Parental Leave that does not qualify for FMLA leave will be afforded the same level of job protection for the period of time that the employee is on Paid Parental Leave as if the employee was on FMLA-qualifying leave.

Requests for Paid Parental Leave

- The employee will provide his or her supervisor and the human resource department with notice of the request for leave at least 30 days prior to the proposed date of the leave (or if the leave was not foreseeable, as soon as possible). The employee must complete the necessary HR forms and provide all documentation as required by the HR department to substantiate the request.
- As is the case with all company policies, the organization has the exclusive right to interpret this policy.

HOLIDAYS

In addition to PTO, Pipsy's provides paid time off for seven (7) holidays for regular full-time employees who have completed 90 days of employment prior to the holiday.

Pipsy's recognizes the following holidays:

New Year's Day (January 1)
Martin Luther King Jr. Day
President's Day
Good Friday
Memorial Day (last Monday in May)
Independence Day (July 4)
Labor Day (first Monday in September)
Thanksgiving Day (fourth Thursday in November)
Friday after Thanksgiving (fourth Friday in November)
Christmas Break (12/24-12/31)

Eligibility for holiday pay for regular full-time employees commences upon completing 6 months of employment. For regular full-time employees, a holiday is considered eight hours.

All regular full-time employees must be regularly scheduled for work on the holiday in order to receive holiday pay.

Holiday time is not included in the total hours worked. A paid holiday will not be counted as hours worked by the employee in the computation of overtime pay, provided that the employee meets all the eligibility requirements.

Generally, when a holiday falls on a Saturday, it will be observed on Friday. When a holiday falls on a Sunday, it will be observed on Monday.

FAMILY AND MEDICAL LEAVES OF ABSENCE (FMLA)

PART A. Employees Who Qualify for a Leave under the Family and Medical Leave Act of 1993

Pipsy's Wee Care and Preschool LLC complies with the Family Medical Leave Act (FMLA) of 1993 and all applicable amendments of the act when it meets the minimum requirements to provide it. Including but not limited to a minimum of 50 employees.

Pipsy's will grant a leave of absence to regular full-time and regular part-time employees (who meet the requirements described below) for:

- The care of a child after birth or placement with the employee for adoption or foster care;
- The care of a family member (spouse, child, or parent) with a serious health condition;
- An employee's own serious health condition that makes the employee unable to perform the functions of the employee's job, or incapacity due to the employee's pregnancy or prenatal medical care;
- Any qualifying exigency (as defined below) arising out of the fact that a family member (spouse, son, daughter or parent) is serving in any branch of the Armed Forces, including the National Guard or Reserves on active duty or has been notified of an impending call or order to active duty in support of a contingency operation; or
- The care of a service member with a serious injury or illness if the employee is the spouse, child, parent or next of kin of the service member.

Leaves will be granted for a period of up to twelve weeks (or up to 26 weeks in the case of care for a service member, as discussed below) in any twelve-month period. The twelve-month period is a rolling period, measured from the date qualifying leave is first taken.

An employee must have completed at least twelve months of service with the Company *and* have worked a minimum of 1,250 hours in the twelve-month period preceding the

leave to be eligible for such leave. All periods of absence from work due to or necessitated by USERRA-covered service is counted in determining an employee's eligibility for FMLA leave. Service prior to a break in service of less than seven years will be counted in determining whether the employee has completed at least twelve months of service with the Company. Service prior to a break in service lasting seven or more years will be counted only when the break in service has been caused by the fulfillment of National Guard or Reserve military service obligations.

Scope of Child/Family Care/ Military Exigency Leave

You may request a leave of absence to care for a child after birth, or placement in your home for adoption or foster care. An employee's entitlement to leave for a birth or placement for adoption or foster care expires at the end of a 12-month period beginning on the date of birth or placement.

You may also request a leave of absence to care for a covered family member with a serious health condition (as defined below). A covered family member is a spouse; a biological, adoptive, step or foster parent, but not an "in law"; a biological, adoptive, step or foster child, or legal ward who is under age 18, or who is 18 or older and incapable of self-care because of a mental or physical disability at the time that FMLA leave is to commence.

You may also request a leave of absence because of any qualifying exigency arising out of the fact that the spouse, or a son, daughter, or parent of the employee is a member of the Armed Forces, including a member of the National Guard or Reserves, on covered active duty in a foreign country (or has been notified of an impending call or order to active duty) in support of a contingency operation. A qualifying military exigency means: (a) short-notice deployment (up to seven days of leave if the military member receives seven or less days' notice of a call to active duty); (b) military events and related activities; (c) certain temporary or alternative childcare arrangements and school activities (excluding ongoing regular childcare); (d) making or updating financial and legal arrangements to address the service member's absence resulting from active duty status; (e) counseling by a non-medical counselor, such as a member of the clergy, arising from the active duty or call to active duty; (f) rest and recuperation (up to fifteen days of leave when the military member is on short-term, temporary rest and recuperation leave); (g) parental care leave for a military member's parent who is incapable of self-care when the care is necessitated by the member's covered active duty; and/or (h) post-deployment military activities.

Leave for Employee's Serious Health Condition

You may request a leave of absence in the event that your own serious health condition renders you unable to perform the functions of your position. An employee is unable to perform the functions of his or her position when the employee either cannot work at all or is unable to perform any one of the essential functions of his or her position within the meaning of the Americans with Disabilities Act. An employee who must be absent to receive medical treatment for a serious health condition is considered to be unable to perform the essential functions of the position during the absence for treatment.

Serious Health Condition Defined

The Family & Medical Leave Act broadly describes a serious health condition as an illness, injury, impairment, or physical or mental condition that involves either inpatient care or continuing treatment by a health care provider.

The term "continuing treatment" is defined in the Department of Labor regulations as including five different scenarios:

- A period of incapacity of more than three full consecutive calendar days involving two or more treatments within 30 days of the first day of incapacity (absent extenuating circumstances), by or under the orders of a health care provider, or treatment by a health care provider on at least one occasion that results in a supervised regimen of continuing treatment (for example, prescription medications or specialized therapy). *Treatment by a health care provider requires an in-person visit with the health care provider, the first (or only) in-person treatment visit taking place within seven days of the first day of incapacity;*
- Pregnancy (including severe morning sickness) and time needed for prenatal visits;
- A chronic health condition, such as asthma, diabetes, or epilepsy, which require at least two visits for treatment by a healthcare provider per year;
- A long-term condition such as Alzheimer's, a severe stroke, or the terminal stages of a disease, for which treatment may not be effective; and
- Restorative surgery after an accident or other injury, or a condition that is likely to result in a period of incapacity of more than three full consecutive calendar days if left untreated, such as physical therapy for severe arthritis or chemotherapy for cancer.

(Note: any period of incapacity that is the result of pregnancy or a chronic serious health condition, such as morning sickness or an asthma attack, qualifies for FMLA leave even if the employee does not receive treatment from a health care provider or the absence does not last more than three full, consecutive days.)

Service Member Family Leave

An eligible employee who is the spouse, son, daughter, parent, or next of kin (usually, the nearest blood relative) of a covered service member shall be entitled to a total of 26 work weeks of leave during a twelve (12) month period to care for the service member. The leave described in this paragraph shall be available only during a single 12-month period. A "covered service member" means a member or former member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary or permanent disability retired list, for a serious illness or injury, which either existed prior to the beginning of the member's active duty and was aggravated by service in the line or duty or was incurred in the line of duty on active duty that may render the service member medically unfit to perform his or her duties for which the service member is undergoing medical treatment, recuperation, or therapy.

A “covered service member” also includes a veteran who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the permanent disability retired list, for a serious illness or injury, and who was formerly a member of the Armed Forces, including a former member of the National Guard or Reserves, at any time during the period of 5 years preceding the date on which the veteran undergoes the medical treatment, recuperation or therapy. For purposes of this paragraph only, the term “serious illness or injury” means

- (a) an injury or illness incurred by the member in the line of duty on active duty in the Armed Forces (or that pre-existed active duty and was aggravated by service in the line of duty on active duty) that may render the member medically unfit to perform the duties of the member’s office, grade, rank or rating; OR
- (b) A physical or mental condition for which the covered veteran has received a VA Service Related Disability Rating (VASRD) of 50 percent or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for caregiver leave; OR
- (c) A physical or mental condition that substantially impairs the veteran’s ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service or would do so absent treatment; OR
- (d) An injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

This leave entitlement is applied on a per-covered-service-member, per-injury basis. This leave is available for up to five years after the veteran leaves the service if the veteran develops an injury or illness that was incurred or aggravated while on active duty.

Leave Entitlement and Schedule

Eligible employees are entitled to leave for up to twelve weeks (or up to 26 weeks in the case of care for a service member as discussed above) in any twelve-month period (or longer if required by applicable state or local law or, in the case of a leave for an employee’s serious health condition, where a leave extension is requested and approved).

Leave taken to care for a child after birth or placement in your home for adoption or foster care must be taken in consecutive work weeks. Leave taken for the employee’s or a covered family member’s (or nearest blood relative in the case of service member leave) serious health condition may be taken consecutively, intermittently, or on a reduced work/leave schedule based on certified medical necessity. When leave is taken on an intermittent or reduced leave schedule, the minimum increment of leave used must not be less than one hour.

To accommodate an intermittent or reduced schedule FMLA leave when the leave is foreseeable based on planned medical treatment for the employee or a covered family member, the employee may be transferred on a temporary basis to an alternative position for which the employee is qualified. The alternative position will have

equivalent pay, benefits, and terms and conditions of employment.

Combined Leave Total

If an eligible employee qualifies in the applicable 12-month period for leave to care for a service member and leave for one of the other purposes described above, that employee shall be entitled to a combined total of 26 work weeks of leave. If both a husband and wife are employed by the Company and are eligible for service member family leave, then they are entitled to take only a combined total of 26 work weeks of leave during the single 12-month period.

When an eligible husband and wife are both employed by the Company, and are not eligible for service member family leave, they may take only a combined total of 12 weeks during the applicable twelve month period if the leave is taken (1) for the birth of a child and to care for such child; (2) for the placement of a child for adoption or foster care and to care for such child; or (3) to care for his/her own parent (not an “in-law”) with a serious health condition.

Conditions of Leave

Notification Requirements: If the leave is planned in advance, you must provide us with at least thirty (30) days’ notice prior to the anticipated leave date, using the Company’s official Leave-of-Absence Request Form. In the case of leave arising out of the fact that the spouse, or a son, daughter, or parent of the employee is on active duty (or has been notified of an impending call or order to active duty) of the armed forces in support of a contingency operation, the employee shall provide such notice to the Company as is reasonable and practical. Verbal notice of the need for leave is sufficient, but it is preferred that you provide notice by filing the Company’s official Leave-of-Absence Request Form.

If the leave is unexpected, you should notify your supervisor and the Human Resources Department as far in advance of the anticipated leave date as is practicable. (Normally, this should be the same day or the next business day after you become aware of your need for the leave.) Verbal notice of the need for leave is sufficient, but it is preferred that you provide notice by filing the Company’s official Leave-of-Absence Request Form.

Designation of Leave as FMLA-qualifying: The Company will provide a written notice to the employee designating the leave as “FMLA qualifying” within five (5) business days after the Company has enough information to determine whether the leave is being taken for a FMLA-qualifying reason, absent extenuating circumstances. The Company may delay final leave designation until a required medical certification form has been returned.

Certification of the Need for Leave: The Company will require you to provide certification of the need for leave as follows:

- Employees requesting a leave to care for a child after birth or after placement in your home for adoption or foster care must provide documentation to support

the leave request.

- Employees requesting a leave to care for a covered family member (including as a next of kin in the case of service member leave, as discussed above) with a serious health condition (or serious injury or illness, in the case of service member leave) will be required to provide medical certification from the family or service member's health care provider attesting to the nature of the serious health condition, probable length of time treatment will be required, and the reasons that the employee is required to care for this family or service member.
- Employees requesting a leave due to his or her own serious health condition will be required to provide medical certification from his or her health care provider attesting to the nature of the serious health condition, probable length of time leave will be required, and the inability of the employee to perform the functions of his or her position due to the serious health condition.
- Employees requesting leave due to a military exigency will be required to provide certification that the covered family member is a member of the Armed Forces, including the National Guard or Reserves who is on active duty or called to active duty in support of a contingency operation. The employee will also be required to provide a statement, including available written support documentation, about the nature and details of the specific exigency, the amount of leave needed and the employee's relationship to the military member.
- Employees are required to provide the requested certification within fifteen (15) calendar days of the Company's request for certification. If the Company fails to receive the certification, FMLA leave may be denied. If the Company receives incomplete, vague, ambiguous or non-responsive medical certifications, the Company will notify you of the problems with the certification provide you seven (7) days to cure any deficiency unless not practicable under the circumstances. If the deficiencies are not cured within that time frame, the Company may contact the health care provider directly for clarification or authentication purposes or the FMLA leave may be denied.
- If management determines that a second medical opinion is required, management may, at its own expense, require you to obtain a second opinion from a health care provider designated by the Company. If the first and second opinions do not agree, management may, at its own expense, require you to obtain a third opinion from a health care provider agreed upon by both you and management. The opinion of the third health care provider is final.

Recertification: While on leave under this policy, management may request recertification of medical necessity every thirty (30) days, or if the medical certification indicates the minimum duration of the condition is more than 30 days, then at the end of the minimum duration. You may also be requested to provide recertification in less than 30 days if you request a leave extension, the circumstances described by the

earlier certification have changed substantially, or the Company receives information that casts doubt upon the employee's stated reason for the absence. The Company may also require periodic reports on your status and intent to return to work. Where a serious health condition of either an employee or that of a family member lasts beyond a single leave year, the Company may require employees to provide a new medical certification each subsequent leave year.

Substitution of Paid Leave: You will be required to use all accrued, unused parental leave, Paid Time Off (PTO) days during the leave period. Once such benefits are exhausted, the balance of the leave will be without pay. FMLA leave because of an employee's own serious health condition will run concurrently with worker's compensation leave, when applicable.

Continuation of Benefits: All Company benefits that operate on an accrual basis (e.g., vacation and personal days) will cease to accrue during the leave period. All group health benefits (e.g., major medical, hospitalization, and dental insurance) will continue during the leave provided you continue regular employee contributions to these plans. (Other benefits will be governed in accordance with the terms of each benefits plan.)

Reinstatement Rights

Eligible employees are entitled upon return from leave to be reinstated to their former position or an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. Exceptions to this provision may apply if business circumstances have changed (e.g., if the employee's position is no longer available due to a job elimination). In addition, employees on a leave extension are not guaranteed reinstatement.

Before you will be permitted to return from medical leave, you will be required to present the Company with a note from your health care provider indicating that you are capable of returning to work and performing the essential functions of your position with or without reasonable accommodation. Where required, the Company will consider making reasonable accommodation for any disability you may have in accordance with applicable laws.

Under limited circumstances, where restoration to employment will cause substantial and grievous economic injury to the operations of the Company, the Company may refuse to reinstate certain "key" employees after using FMLA leave. These employees will be made aware of their status as "key" employees prior to any denial of job restoration and will have a reasonable opportunity to return to work from FMLA leave upon this notice.

Non-Discrimination

Management will not interfere with, restrain, or deny an employee the opportunity to exercise any right provided under FMLA. Management will not discharge or discriminate against any employee for opposing any practice made unlawful by FMLA or because of an employee's involvement proceeding under or related to FMLA.

Confidentiality

Management will also keep any medical information it obtains in complying with the FMLA confidential, pursuant to this statute, as well as the Genetic Information Non-Discrimination Act (GINA).

Enforcement

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer to enforce the employee's rights under the FMLA. The FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement that provides greater family or medical leave rights.

PART B. Leaves for Employees Who Do Not Meet the Minimum Service Requirements

Full-time regular and part-time regular employees who have less than twelve months of service and/or who have not worked a minimum of 1,250 hours during the twelve-month period prior to their leave may request leaves of absence due to disabilities resulting from the employee's pregnancy, miscarriage, legal abortion, childbirth, or recovery therefrom, subject to the following terms and conditions:

1. Leave requests must be made at least thirty (30) days in advance of the date the employee would like the leave to begin or, in emergency situations, with as much advance notice as is practicable, using the Company's official Leave-of Absence Request Form. (Normally, this should be the same day or the next business day after you become aware of your need for the leave). This request must be submitted to the employee's supervisor and the Human Resources Department.
2. The certification requirements and the conditions for required use of accrued time off, benefits accrual, and continuation of group health insurance during leave set forth in Part A apply to all leave requests.
3. All leaves due to disabilities resulting from the employee's pregnancy, miscarriage, legal abortion, childbirth, or recovery therefrom will be granted for the period of disability or eight weeks, whichever is less, and which may be taken intermittently.
4. This unpaid time off will run concurrently with the two weeks of Paid Parental Leave.
5. Eligible employees are entitled on return from leave to be reinstated to their former position or an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. Exceptions to this provision may apply if business circumstances have changed (e.g., if the employee's position is no longer available due to a job elimination).

All questions regarding leaves of absence and requests for applicable forms should be directed to the Human Resources Department.

MILITARY LEAVE

A leave of absence without pay will be granted to any employee who enters any branch of the United States armed services. Benefit accruals based on length of service for any employee serving on active duty longer than 30 consecutive days will be calculated in accordance with applicable federal laws.

The employee will be reinstated with full seniority to his or her former position or to a comparable position if application for re-employment is made within 90 calendar days of the date of an honorable discharge or the date of release from hospitalization following discharge.

Any employee who is a member of a reserve component of the armed forces will be placed on unpaid leave for his or her annual two-week training duty. Benefit programs will be unaffected by the leave, and the employee may elect to use any vacation entitlement for the absence. Training leaves will not normally exceed two weeks per year, plus reasonable travel time.

PARKING

The Company provides parking for the benefit and convenience of its employees, customers, and visitors, with special spaces provided for certain individuals. As the parking lot is part of the company premises, all company policies and rules apply to employees and their vehicles while on the lot. Employees who use the parking lot do so at their own risk, and Pipsy's assumes no responsibility for any damage to or theft of any vehicle or personal property in the parking lot.

V. TECHNOLOGY IN THE WORKPLACE

TECHNOLOGY POLICY

This policy must be followed in conjunction with other Pipsy's policies governing appropriate workplace conduct and behavior. Any employee who abuses the company-provided access to e-mail, the Internet, or other electronic communications or networks, including social media, may be denied future access and, if appropriate, be subject to corrective action up to and including termination of employment. Pipsy's complies with all applicable federal, state and local laws as they concern the employer/employee relationship, and nothing contained herein should be misconstrued to violate any of the rights or responsibilities contained in such laws.

Confidentiality and Monitoring: All technology provided by Pipsy's Wee Care and Preschool LLC and the information exchanged via that technology is the property of Pipsy's Wee Care and Preschool LLC and not the employee. This includes computer systems, networks, company-related work records and other information stored electronically.

Internal and external e-mail, voice mail, text messages and other electronic communications are considered business records and may be subject to discovery in

the event of litigation. Employees must be aware of this possibility when communicating electronically within and outside the company.

Pipsy's reserves the right to examine, monitor and regulate e-mail and other electronic communications, directories, files and all other content, including systems, network and Internet use, transmitted by or stored in its technology systems, whether onsite or offsite.

Appropriate Use: Employees are expected to use technology responsibly and productively as necessary for their jobs. Internet access and e-mail use is for job-related activities; however, minimal personal use is acceptable.

Employees issued login privileges to Pipsy's Wee Care and Preschool LLC systems are expected to keep their accounts secure and not share their login credentials and passwords with any other employee or person. When improper activity is detected by Pipsy's Information Technology (IT) security systems, the activity of the employee whose login credentials under which the security incident occurred will be investigated by the IT department to determine the cause of the incident (for example: if an employee's login credentials were compromised due to hacking activity.) However, if the employee is determined to be responsible for the incident, the employee will be subject to Pipsy's Wee Care and Preschool LLC's recovery/replacement/restitution procedures for lost or damaged technology assets. Employees who suspect that their login credentials, files, etc. have been compromised are to notify the IT Department as soon as possible.

Every employee of Pipsy's Wee Care and Preschool LLC is responsible for the content of all text, audio, video or image files that he or she creates or sends over the company's Internet and e-mail systems. Employees may not use Pipsy's Wee Care and Preschool LLC's Internet, e-mail or other electronic communications for inappropriate activities including (but not limited to) transmitting, retrieving or storing any communications or other content of a defamatory, discriminatory, harassing, threatening or pornographic nature as well as personal advertising, soliciting personal business opportunities, advertising commercial ventures, promoting political and religious causes, gambling, vandalizing or corrupting Pipsy's, Pipsy's customer/client information and images, or another Pipsy's employee's data, and revealing or publicizing proprietary or confidential information.

Pipsy's computer systems and technology cannot be used in any way that disrupts those systems, networks, and/or Pipsy's mission and business operations. This includes (but is not limited to) sending or receiving excessive numbers of large files, spamming (sending unsolicited/undesired e-mail to anyone internal or external to Pipsy's), and sending electronic communications that hides or attempts to hide the identity of the sender or represent the sender as someone other than themselves.

No social media of any kind may be used on the premises or have information or images from Pipsy's Wee Care and Preschool LLC posted on it without preapproval and written consent from the Director.

Acts of piracy, copyright infringement, theft of intellectual property and other illegal activities violating federal, state and/or local laws on Pipsy's technology equipment or networks are naturally forbidden.

Employees are not to download application software or other files from questionable or unknown/unfamiliar Internet sources without prior approval from the IT department. While Pipsy's automatically scans incoming email and files, newly released threats can still evade the best anti-virus measures. Before downloading an application or file from a questionable or unknown/unfamiliar Internet source, you must contact the IT department to ensure that it will not create a security violation which your login credentials would be held accountable for.

PHONE USE

While at work employees are expected to exercise the same discretion in using personal cellular phones as is expected for the use of company phones. All Pipsy's phones are recorded lines.

Personal calls or receiving or sending texts during the workday, regardless of the phone used, can interfere with employee productivity and be distracting to others. Employees are expected to limit personal calls and texts during work time. In some areas the use of cell phones may be prohibited. Employees are therefore asked to make personal calls and texts on non-work time and to ensure that friends and family members are aware of the company's policy. Flexibility will be provided in circumstances demanding immediate attention.

Pipsy's is not liable for the loss of personal cellular phones brought into the workplace.

Safety Issues for Usage of Cellular Phone and/or Other Personal Technology Devices -

Safety must come before all other concerns. Employees whose job responsibilities include regular or occasional driving and who use a cell phone or other personal technology devices for business use are required to not use these devices while driving unless hands-free options are available. Regardless of the circumstances, including slow or stopped traffic, employees are required to pull off to the side of the road and safely stop the vehicle before placing or accepting a call/text. If acceptance of a call is unavoidable and pulling over is not an option, staff members are expected to keep the call short, use hands-free options, refrain from discussion of complicated or emotional matters and keep their eyes on the road. Texting while operating a motor vehicle is illegal per Iowa law.

RETURN AND CARE FOR COMPANY EQUIPMENT

All Pipsy's Wee Care and Preschool LLC employees are responsible for the technology assets assigned to them. All technology provided including information sent received or stored electronically is the property of the company not the employee. Employees are expected to treat Pipsy's technology exercising appropriate care and precautions at all times when using, transporting, and storing Pipsy's technology assets. Pipsy's devices

are GPS enabled and belong to Pipsy's and may not be transferred. Any information or data stored or transferred via Pipsy's technology equipment belongs to the company and is considered discoverable in litigation.

Employees must return all equipment in proper working order upon termination of employment. This includes but is not limited to key fobs, keyless entry badges, tablets, phones, and laptops. If equipment is damaged or lost employees may be held financially responsible for the damaged property. In the event of theft, damage or other loss of equipment for which the employee is responsible, the amount for the replacement and method for reimbursing Pipsy's will be determined jointly by IT and Human Resources. Replacement cost will depend on market value of a current similarly positioned product not the depreciated value of lost equipment. Replacement equipment will be subject to a minimum \$25 administrative fee. Employees must notify IT as soon as possible and within 24 hours of the loss/damage/theft of items.

SOCIAL MEDIA

Social media is a fun and rewarding way to share your life and opinions with family, friends and co-workers around the world. Pipsy's Wee Care and Preschool LLC recognizes the importance of social media to our business and mission. The same Pipsy's policies governing workplace behavior and conduct apply to social media. Any online engagement that does not align with Pipsy's policies or could be deemed damaging to Pipsy's or a conflict of interest may be grounds for corrective action including but not limited to termination of employment.

Social media includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's personal website or blog, journal or diary, social networking or affinity website, web bulletin board or a chat room, whether or not associated or affiliated with Pipsy's, as well as any other form of electronic communication.

Pipsy's Marketing and Development department will establish and maintain all social media accounts in order to share our story and important information about our business. Other departments may have the business need to establish social media accounts and will need to seek approval from the Owner/Director before creating such accounts. Pipsy's Wee Care and Preschool LLC retains control over its social media sites and retains the right to remove material that is contrary to Pipsy's mission or contrary to its policies and procedures. Should any content created on Pipsy's property, with Pipsy's association, or staff, generate monetary gains, it is the sole property of Pipsy's Wee Care and Preschool LLC and as such may be subject to forfeiture.

The same principles and guidelines found in the Company's employment policies apply to your activities online. This includes but is not limited to our policies of Confidentiality and Code of Conduct policies. Ultimately, you are responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow associates or otherwise adversely affects participants, consumers, patients, people who work on behalf of Pipsy's or Pipsy's

legitimate business interests may result in corrective action up to and including termination of employment.

RECEIPT OF EMPLOYEE HANDBOOK

I understand that it is my responsibility to read this Handbook, and to ask questions that I may have about company policies, rules and procedures. I acknowledge this Handbook will be available to me by requesting a digital or paper copy through my manager or the Director. By signing below, I indicate that I know where to access this Handbook at any time and that I understand the policies, rules and procedures outlined in the Handbook, and other policies, rules and procedures, which may be subsequently communicated by the company as a condition of my employment. I understand that the company has the exclusive right to determine its policies, rules and procedures affecting employment.

I further understand that this handbook presents no contractual rights to me, whatsoever, regarding employment, salary increases, benefits, etc., and that the company has the absolute right to amend, supplement or discontinue any policy, practice or benefit at any time, without notice.

I also understand that receipt of this Handbook does not mean that the company has guaranteed me employment for any fixed period of time and that my employment is an at-will relationship. I am completely able to terminate my employment at any time for any reason, and I am not required to state any reason as cause of my resignation. Further, I acknowledge that the company holds the same rights, and my employment can be terminated for any reason, or no reason, at my will or my employer's will.

Further, by my signature below, I acknowledge receipt of this Handbook and understand that policies, rules and procedures in this Handbook supersede any prior Handbook, verbal or written policies that I may have received.

| | |
|--------------------|--|
| Employee Signature | |
| Date | |