Comfort Management

Employee Handbook

Welcome new employee!

On behalf of your colleagues, I welcome you to Comfort Management Corporation and wish you every success here.

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

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

We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

Sincerely,

Maurice J. Breton

Comfort Management
Employee Handbook

INTRODUCTORY STATEMENT

This handbook is designed to acquaint you with Comfort Management and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. 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 Comfort Management to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

No employee handbook can anticipate every circumstance or question about policy. As Comfort Management continues to grow, the need may arise and Comfort Management 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. The only exception to any changes is our employment-at-will policy permitting you or Comfort Management to end our relationship for any reason at any time. Employees will, of course, be notified of such changes to the handbook as they occur.

Comfort Management
Employee Handbook

CONFIRMATION OF ACKNOWLEDGEMENT FORM

I have read and will comply with all policies and procedures contained within the Employee Policy Handbook.

The employee handbook describes important information about Comfort Management, and I understand that I should consult the Director of Human Resources, a Trainer, or the Director of Stores in the respective location regarding any questions not answered in the handbook.

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

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

Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document. I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it. I will return the "**Confirmation of Acknowledgement Form**" within 10 business days.

I also understand that this handbook is the sole possession of Comfort Management. If when my employment ends with Comfort Management, I agree that I will return the complete handbook back to Comfort Management in the same condition as received, less wear and tear. If I do not comply with returning the Employee Handbook back to Comfort Management, I understand that it will be my responsibility to reimburse Comfort Management $25.00 for the cost of replacing the Employee Handbook. I authorize reimbursement by payroll deduction if payment hasn't been remitted prior to my last paycheck.

EMPLOYEE'S NAME (printed): _____ SALES PERSON #_____

EMPLOYEE'S SIGNATURE: _____

DATE: _____

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EMPLOYEE'S NAME (printed): _____ SALES PERSON #_____

EMPLOYEE'S SIGNATURE: _____

DATE: _____

CUSTOMER RELATIONS

Customers are among our organization's most valuable assets. Every employee represents Comfort Management to our customers and the public. The way we do our jobs presents an image of our entire organization. Customers judge all of us by how they are treated during each employee contact. Therefore, one of our first business priorities is to assist any customer or potential customer. Nothing is more important than being courteous, friendly, helpful, and prompt in the attention you give to customers.

Customers who wish to lodge specific comments or complaints should be directed to the Human Resources Representative at the respective location for appropriate action. Our personal contact with the public, our manners on the telephone, and the communications we send to customers are a reflection not only of ourselves, but also of the professionalism of Comfort Management. Positive customer relations not only enhance the public's perception or image of Comfort Management, but also pay off in greater customer loyalty and increased sales and profit.

MISSION STATEMENT

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- PROVIDE THE HIGHEST QUALITY PRODUCTS AND EXPERIENCES FOR PROFIT IN CONVENIENT, EXCITING STORES WHEREIN OUR CUSTOMERS AND EMPLOYEES ARE OUR MOST IMPORTANT ASSETS.
- PROVIDE A TEAM-ORIENTED ATMOSPHERE WHEREBY GOAL SETTING AND COMMUNICATIONS EXIST, WITH EXCELLENT TRAINING AND DEVELOPMENT FOR ALL ASSOCIATES.
- MAKE OUR COMMUNITIES A BETTER PLACE TO LIVE.

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CORPORATE HISTORY

Maurice Breton founded Comfort One Shoes in 1993. Maurice started Comfort One Shoes in response to the growing needs of today's consumer. By the end of the 1980's America's footwear needs were changing. The population was aging, the workweek was increasing in length, free time was becoming more active and the world was becoming more casual.

During his twenty years in the retail shoe business Maurice rose through the ranks from Sales Associate to Executive Vice President of footwear for Federated Department Stores. During these years Maurice obtained a first rate education in retailing and manufacturing.

The Old Town Alexandria store was opened to combine the twenty plus years of knowledge and experience with his vision of a new form of footwear retailing. Maurice opened L1 to sell only the finest European Comfort footwear and related accessories. The European Comfort product met both the foot health needs and the move to a more comfort oriented dress code.

The early years were spent establishing a set of best practices for exceptional customer experiences. The next goals were to replicate the process by opening additional stores. Each additional store increased the success and refined the process for growth. In 1998 the corporate office, warehouse, training and distribution center were opened.

The company currently has stores open under the Comfort One Shoes and ECCO names.

The company's core values of offering the finest European Comfort Shoes combined with exceptional internal and external service are as much a cornerstone of the company today as they were in the first store in Alexandria. The only major difference is that the vision and the knowledge have been shared with a leadership team that has been hand picked to prepare Comfort One Shoes for future growth without sacrificing the original standards.

Comfort Management

Employee Handbook

As you become the newest member of The Comfort Management team, you are counted on to carry the visions and the values from Maurice to our customers. By doing so, you will become an important part of our future and eventually our history.

SHORT-TERM GOALS

Comfort Management is committed to offering the finest quality European inspired Comfort shoes in the world and continuously striving to improve. The present short-term goals include implementation of state of the art training programs and facilities. Upgrading the technology, merchandising and accounting depts. Introducing competitive compensation and benefit programs. Outsourcing areas outside the present core competencies. The sum total of the short-term goals ready Comfort Management for aggressive growth while improving quality.

LONG-TERM GOALS

Comfort Management Long-term goals revolve around systematic growth throughout the Mid-Atlantic Region. The growth plans are based on continuing to replicate the existing successes, stressing foot health through knowledge combined with the finest Euro-Comfort footwear in the world.

101 Nature of Employment

Effective Date: 5/18/2004
Revision Date: 3/7/2005

Employment with Comfort Management is voluntarily entered into, and the employee is free to resign at will at any time, with or without cause. Similarly, Comfort Management may terminate the employment relationship at will at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.

Policies set forth in this handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between Comfort Management and any of its employees. The provisions of the handbook have been developed at the discretion of management and, except for its policy of employment-at-will, may be amended or cancelled at any time, at Comfort Management's sole discretion.

These provisions supersede all existing policies and practices and may not be amended or added to without the express written approval of the chief executive officer of Comfort Management.

102 Employee Relations

Effective Date: 5/18/2004
Revision Date: 3/7/2005

Comfort Management believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors.

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that Comfort Management amply demonstrates its commitment to employees by responding effectively to employee concerns.

103 Equal Employment Opportunity

Effective Date: 5/18/2004
Revision Date: 3/7/2005

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Comfort Management will be based on merit, qualifications, and abilities. Comfort Management does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.

Comfort Management will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

In addition to a commitment to provide equal employment opportunities to all qualified individuals, Comfort Management has established an affirmative action program to promote opportunities for individuals in certain protected classes throughout the organization.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor. 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 disciplinary action, up to and including termination of employment.

104 Business Ethics and Conduct

Effective Date: 5/18/2004
Revision Date: 3/7/2005

The successful business operation and reputation of Comfort Management is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of Comfort Management is dependent upon our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to Comfort Management, its customers, and shareholders to act in a way that will merit the continued trust and confidence of the public.

Comfort Management will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor and, if necessary, with the Human Resources Department for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every Comfort Management employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

107 Immigration Law Compliance

Effective Date: 5/18/2004
Revision Date: 3/7/2005

Comfort Management is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with Comfort Management within the past three years, or if their previous I-9 is no longer retained or valid.

Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

108 Conflicts of Interest

Effective Date: 5/18/2004
Revision Date: 5/11/2005

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which Comfort Management wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the Human Resources Department for more information or questions about conflicts of interest.

Transactions with outside firms must be conducted within a framework established and controlled by the executive level of Comfort Management. Business dealings with outside firms should not result in unusual gains. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit either the employer, the employee, or both. Promotional plans that could be interpreted to involve unusual gain require specific executive-level approval.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of Comfort Management's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to an officer of Comfort Management as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which Comfort Management does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving Comfort Management.

110 Outside Employment

Effective Date: 1/7/2005
Revision Date: 3/7/2005

Comfort Management prefers that regular full-time employees not accept employment with another company. However, your personal activities outside working hours are a private matter and the company's primary concern is to avoid a conflict of interest and the possible negative effect outside activities may have on your job performance. If you believe a conflict of interest will arise by virtue of outside business or work activities, please discuss them with your immediate supervisor.

112 Non-Disclosure

Effective Date: 5/18/2004
Revision Date: 5/11/2005

The protection of confidential business information and trade secrets is vital to the interests and the success of Comfort Management. Such confidential information includes, but is not limited to, the following examples:

* compensation data inside and outside the Company
* computer processes
* computer programs and codes
* customer lists
* customer preferences
* financial information
* labor relations strategies
* marketing strategies
* new materials research
* pending projects and proposals
* proprietary production processes
* research and development strategies
* scientific data
* scientific formulae
* scientific prototypes
* technological data
* technological prototypes
* vendor preferences
* vendor terms / programs / discounts
* training & educational protocols

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

114 Disability Accommodation

Effective Date: 5/18/2004
Revision Date: 3/7/2005

Comfort Management is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Upon request, job applications are available in alternative, accessible formats, as is assistance in completing the application. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position.

Reasonable accommodation is available to all disabled employees, where their disability affects the performance of job functions. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures, position descriptions, lines of progression, and seniority lists. Leave of all types will be available to all employees on an equal basis.

Comfort Management is also committed to not discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability. Comfort Management will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

This policy is neither exhaustive nor exclusive. Comfort Management is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

116 Job Posting

Effective Date: 5/18/2004
Revision Date: 3/7/2005

Comfort Management provides employees an opportunity to indicate their interest in open positions and advance within the organization according to their skills and experience. In general, notices of all regular, full-time job openings are posted, although Comfort Management reserves its discretionary right to not post a particular opening.

To be eligible to apply for a posted job, employees must have performed competently for at least 90 calendar days in their current position. Employees who have a written warning on file, or are on probation or suspension are not eligible to apply for posted jobs. Eligible employees can only apply for those posted jobs for which they possess the required skills, competencies, qualifications and transportation.

To apply for an open position, employees should submit a job posting application to the Human Resources Representative listing job-related skills and accomplishments. It should also describe how their current experience with Comfort Management and prior work experience and/or education qualifies them for the position.

Comfort Management recognizes the benefit of developmental experiences and encourages employees to talk with their supervisors about their career plans. Supervisors are encouraged to support employees' efforts to gain experience and advance within the organization.

An applicant's supervisor may be contacted to verify performance, skills, and attendance. Any staffing limitations or other circumstances that might affect a prospective transfer may also be discussed.

Job posting is a way to inform employees of openings and to identify qualified and interested applicants who might not otherwise be known to the hiring manager. Other recruiting sources may also be used to fill open positions in the best interest of the organization.

201 Employment Categories

Effective Date: 1/7/2005
Revision Date: 3/7/2005

It is the intent of Comfort Management 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 Comfort Management.

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 excluded from specific provisions of federal and state wage and hour laws. An employee's EXEMPT or NONEXEMPT classification may be changed only upon written notification by Comfort Management management.

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

REGULAR FULL-TIME employees are those who have completed their 90 day introductory period and who are regularly scheduled to work Comfort Management's full-time schedule (30 hour minimum). Generally, they are eligible for Comfort Management's benefit package, subject to the terms, conditions, and limitations of each benefit program.

INTRODUCTORY or CONDITIONAL employees are those whose performance is being evaluated to determine whether further employment in a specific position or with Comfort Management is appropriate. Employees who satisfactorily complete the 90 day introductory period will be notified of their new employment classification.

All of the above classified employees are hired subject to and on the basis of their continued suitability to the job or fill a required need. The status categories or anything contained in these policies and procedures do not ensure or guarantee employment for any specified length of time.

Employment is "at will" and can be terminated at any time, with or without reason, by either Comfort Management or the employee.

202 Access to Personnel Files

Effective Date: 5/18/2004
Revision Date: 3/7/2005

Comfort Management maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records.

Personnel files are the property of Comfort Management, and access to the information they contain is restricted. Generally, only supervisors and management personnel of Comfort Management who have a legitimate reason to review information in a file are allowed to do so. Supervisors and Managers must have the Director of Human Resources or Vice President present when viewing personnel files. Notes may be made, but no copying of documentation is allowed.

203 Employment Reference Checks

Effective Date: 5/18/2004
Revision Date: 3/7/2005

To ensure that individuals who join Comfort Management are well qualified and have a strong potential to be productive and successful, it is the policy of Comfort Management to check the employment references of all applicants.

The Human Resources Representative at the respective location will respond in writing only to those reference check inquiries that are submitted in writing. Responses to such inquiries will confirm only dates of employment, wage rates, and position(s) held. No employment data will be released without a written authorization and release signed by the individual who is the subject of the inquiry.

204 Personnel Data Changes

Effective Date: 5/18/2004
Revision Date: 3/7/2005

It is the responsibility of each employee to promptly notify Comfort Management 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. If any personnel data has changed, notify the Human Resources Representative at the respective location.

205 Introductory Period

Effective Date: 5/18/2004
Revision Date: 3/7/2005

The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. Comfort Management uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or Comfort Management may end the employment relationship at will at any time during or after the introductory period, with or without cause or advance notice.

All new and rehired employees work on an introductory basis for the first 90 calendar days after their date of hire. Employees who are promoted or transferred within Comfort Management must complete a secondary introductory period of the same length with each reassignment to a new position. Any significant absence will automatically extend an introductory period by the length of the absence. If Comfort Management determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period.

In cases of promotions or transfers within Comfort Management, an employee who, in the sole judgment of management, is not successful in the new position can be removed from that position at any time during the secondary introductory period. If this occurs, the employee may be allowed to return to his or her former job or to a comparable job for which the employee is qualified, depending on the availability of such positions and Comfort Management's needs.

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

Employment status is not changed during the secondary introductory period that results from a promotion or transfer within Comfort Management.

208 Employment Applications

Effective Date: 5/18/2004
Revision Date: 3/7/2005

Comfort Management relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

209 Performance Evaluation

Effective Date: 5/18/2004
Revision Date: 5/11/2005

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Formal performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

210 Job Descriptions

Effective Date: 5/18/2004
Revision Date: 3/7/2005

Comfort Management makes every effort to create and maintain accurate job descriptions for all positions within the organization. Each description includes a job information section, a job summary section (giving a general overview of the job's purpose), an essential duties and responsibilities section, a supervisory responsibilities section, a qualifications section (including education and/or experience, language skills, mathematical skills, reasoning ability, and any certification required), a physical demands section, and a work environment section.

Comfort Management maintains job descriptions to aid in orienting new employees to their jobs, identifying the requirements of each position, establishing hiring criteria, setting standards for employee performance evaluations, and establishing a basis for making reasonable accommodations for individuals with disabilities.

The Human Resources Representative at the respective location and the hiring manager prepare job descriptions when new positions are created. Existing job descriptions are also reviewed and revised in order to ensure that they are up to date. Job descriptions may also be rewritten periodically to reflect any changes in the position's duties and responsibilities. All employees will be expected to help ensure that their job descriptions are accurate and current, reflecting the work being done.

Employees should remember that job descriptions do not necessarily cover every task or duty that might be assigned, and that additional responsibilities may be assigned as necessary. Contact the Human Resources Department if you have any questions or concerns about your job description.

212 Salary Administration

Effective Date: 5/18/2004
Revision Date: 5/11/2005

The salary administration program at Comfort Management was created to achieve consistent pay practices, comply with federal and state laws, mirror our commitment to Equal Employment Opportunity, and offer competitive salaries within our labor market. Because recruiting and retaining talented employees is critical to our success, Comfort Management is committed to paying its employees equitable wages that reflect the requirements and responsibilities of their positions and are comparable to the pay received by similarly situated employees in other organizations in the area.

Compensation for every position is determined by several factors, including job analysis and evaluation, the essential duties and responsibilities of the job, and salary survey data on pay practices of other employers. Comfort Management periodically reviews its salary administration program and restructures it as necessary.

Employees should bring their pay-related questions or concerns to the attention of the Director of Stores or the Director of Human Resources, who are responsible for the fair administration of departmental pay practices.

301 Employee Benefits

Effective Date: 1/12/2005
Revision Date: 5/11/2005

Eligible employees at Comfort Management are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Your supervisor can identify the programs for which you are eligible. Details of many of these programs can be found elsewhere in the employee handbook.

The following benefit programs are available to eligible employees:

* Long-Term Disability
* Short-Term Disability
* Medical Insurance
* Dental Insurance
* Life Insurance

Some benefit programs require contributions from the employee.

303 PTO (Paid Time Off)

Effective Date: 1/7/2005
Revision Date: 5/11/2005
Revision Date: 01/01/2014

Definitions:

- Anniversary Date - The month and day of hire
- Average weekly hours - YTD (year to date) hours worked divided by the number of weeks worked or if leave time requested is during the first half of the calendar year, the previous calendar year's hours worked divided by the previous calendar year's number of weeks worked. For example, an employee worked 1750 hours last calendar year and worked 52 weeks. The average hours worked is 33.65 hours per week (1750/52=33.65). Time is rounded to the nearest 1/4 hour. In the example, the employee has earned 33.75 hours' paid leave.
- PTO rate – For employees hired after January 1, 2014, Paid Time Off is paid at base salary or hourly rate, without regard to commissions, pm's or other miscellaneous pay items.
- Full-time employee - Works a minimum average of 30 hours per week or 300 hours in the previous 10-week period.

Paid Time Off:

- After completion of the first year of uninterrupted service, all full time employees are entitled to one week of paid leave, as defined and at the rate detailed above.
- After three (3) years of uninterrupted service, all full time employees are entitled to two (2) weeks paid leave.
- After five (5) years of uninterrupted service, all full time employees are entitled to three (3) weeks paid leave.

ALL VACATION EARNED BUT NOT TAKEN WITHIN THE YEAR FOLLOWING THE PTO AWARD WILL NOT BE PAID. THE PTO BANK IS RE-SET TO THE NEWLY EARNED PTO FOR THE UPCOMING YEAR.

ANY PTO EARNED BUT NOT TAKEN WILL NOT BE PAID UPON SEPARATION.

305 Paid Holidays

Effective Date: 1/12/2005
Revision Date: 3/7/2005
Revised Effective: 09/01/2013

ALL: Employee must work or have previously scheduled approved PTO for the work day before and the work day following the holiday to qualify for holiday pay. The only exception to this policy is if someone is sick and has a doctor's note confirming illness.

Part-time employees are not eligible for paid holidays.

Holiday pay for hourly employees will be the average hours worked per day during the immediately preceding thirteen (13) consecutive weeks.

Paid Holidays for Stores and Operations Employees:

After one year of service, full-time employees (who have worked thirty (30) hours per week for the thirteen (13) weeks immediately preceding the holiday) will receive pay for the following days off:

- Thanksgiving
- Christmas Day

Paid Holidays for Office Employees:

Full-time Office employees are paid for:
- New Years Day
- Memorial Day
- 4th of July
- Labor Day
- Thanksgiving
- Day after Thanksgiving
- Christmas.

ALL HOLIDAY PAY EARNED BUT NOT TAKEN WILL NOT BE PAID UPON SEPARATION.

306 Workers' Compensation Insurance

Effective Date: 5/18/2004
Revision Date: 5/18/2004

Comfort Management 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.

Employees who sustain work-related injuries or illnesses should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible.

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

309 Bereavement Leave

Effective Date: 1/7/2005
Revision Date: 3/7/2005

Salaried Employees:
In the calendar year after completion of six months of uninterrupted employment, full time salaried employees are entitled to the following considerations:

For an immediate family member's bereavement, i.e., husband, wife, child, father or mother; three (3) days of compassionate leave will be considered

In the event of extended family bereavement, i.e., aunt, uncle, nephew, niece, and grandparents etc.; one (1) day of leave will be considered.

In any other circumstances, time off to attend a funeral may be considered. Bereavement days are specific events and cannot be used for vacation. All bereavement pay earned but not taken will not be paid upon separation. No bereavement can carry over from year to year and each year closes on December 31st annually.

Hourly Employees:
Are not eligible for compassionate leave. However, consideration will be given without pay depending on circumstances.

313 Benefits Continuation (COBRA)

Effective Date: 5/18/2004
Revision Date: 3/7/2005

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Comfort Management'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; 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 Comfort Management's group rates plus an administration fee. Comfort Management provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under Comfort Management's health insurance plan. The notice contains important information about the employee's rights and obligations.

316 Health Insurance

Effective Date: 1/1/2005
Revision Date: 3/7/2005

Comfort Management's health insurance plan provides employees and their dependents access to medical insurance benefits. Employees in the following employment classifications are eligible to participate in the health insurance plan:

* Regular full-time employees (30 hour week minimum)

Eligible employees may participate in the health insurance plan subject to all terms and conditions of the agreement between Comfort Management and the insurance carrier.

A change in employment classification that would result in loss of eligibility to participate in the health insurance plan may qualify an employee for benefits continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Refer to the Benefits Continuation (COBRA) Policy for more information.

Details of the health insurance plan are described in the Summary Plan Description (SPD). An SPD and information on cost of coverage will be provided in advance of enrollment to eligible employees. Contact the Human Resources Department for more information about health insurance benefits.

317 Dental Insurance

Effective Date: 5/20/2008
Revision Date: 5/20/2008

Comfort Management provides a dental plan benefit for eligible employees in the following employment classification:

* Regular full-time employees (30 hour week minimum)

Eligible employees may participate in the dental plan subject to all terms and conditions of the agreement between Comfort Management and the insurance carrier which includes meeting their 90-day introductory period.

Please contact the Human Resources Department for more information about dental insurance benefits.

318 Short-Term Disability

Effective Date: 1/12/2005
Revision Date: 5/20/2008

Comfort Management provides a short-term disability (STD) benefits plan to eligible employees who are unable to work because of a qualifying disability due to an injury or illness. Employees in the following employment classifications are eligible to participate in the STD plan:

* Regular full-time employees

Eligible employees participate in the STD plan subject to all terms and conditions of the agreement between Comfort Management and the insurance carrier which includes meeting their 90 day introductory period.

Disabilities arising from pregnancy or pregnancy-related illness are treated the same as any other illness that prevents an employee from working.

Details of the STD benefits plan including benefit amounts, when they are payable, and limitations, restrictions, and other exclusions are described in the Summary Plan Description provided to eligible employees. Contact the Human Resources Department for more information about STD benefits.

319 Long-Term Disability

Effective Date: 1/1/2005
Revision Date: 5/20/2008

Comfort Management provides a long-term disability (LTD) benefits plan to help eligible employees cope with an illness or injury that results in a long-term absence from employment. LTD is designed to ensure a continuing income for employees who are disabled and unable to work.

Employees in the following employment classifications are eligible to participate in the LTD plan:

* Regular full-time employees

Eligible employees participate in the LTD plan subject to all terms and conditions of the agreement between Comfort Management and the insurance carrier. Eligible employees begin LTD coverage only after completing 90 calendar days of service.

Details of the LTD benefits plan including benefit amounts, and limitations and restrictions are described in the Summary Plan Description provided to eligible employees. Contact the Human Resources Representative Department for more information about LTD benefits.

401 Timekeeping

Effective Date: 1/1/2005
Revision Date: 3/8/2005

Accurately recording time worked is the responsibility of every employee. Federal and state laws require Comfort Management to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

All employees should accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. 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.

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

Corrections or modifications to the time record must be performed by the Supervisor. If the Supervisor is not available, note time record corrections on nightly fax. After verification, time record will be adjusted at the corporate office.

405 Employment Termination

Effective Date: 1/1/2005
Revision Date: 5/11/2005

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

* Resignation - voluntary employment termination initiated by an employee.
* Discharge - involuntary employment termination initiated by the organization.
* Layoff - involuntary employment termination initiated by the organization for non-disciplinary reasons.
* Retirement - voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the organization.

Since employment with Comfort Management is based on mutual consent, both the employee and Comfort Management have the right to terminate employment at will, with or without cause, at any time.

Employee benefits will be affected by employment termination in the following manner; no vacation or personal days 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.

501 Safety

Effective Date: 1/1/2005
Revision Date: 5/11/2005

To assist in providing a safe and healthful work environment for employees, customers, and visitors, Comfort Management has established a workplace safety program. This program is a top priority for Comfort Management. Its success depends on the alertness and personal commitment of all.

Comfort Management provides information to employees about workplace safety and health issues through regular internal communication channels such as supervisor-employee meetings, bulletin board postings, memos, or other written communications.

Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with their supervisor, or with another supervisor or manager, or bring them to the attention of the Human Resources Department. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes. All reports can be made without fear of reprisal.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify the appropriate supervisor. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefits procedures.

502 Work Schedules

Effective Date: 1/1/2005
Revision Date: 5/11/2005

- The work week is Sunday through Saturday. A work schedule will be made by the Manager by the previous Sunday and turned in to the office with Sunday paperwork.
- The work schedule will be posted by the previous Friday. (example)

The schedule for Sunday, Jan. 10 - Saturday, Jan. 16 will be sent to the office Sunday, Jan. 3rd and posted Friday, Jan. 8th.

- All employees are expected to be prepared to **start** working by the scheduled time. (This is **not** an arrival time). Employees should arrive in time to accomplish personal needs prior to scheduled time.
- Special scheduling requests are made to the Manager verbally and in writing. The Manager will accept or deny the request based on the needs of the store, the nature of the request and prior commitments.
- Employees that are not scheduled to work should not be on the premises.

It is the individual employee's responsibility to clock in and out on your terminal. If an error is made, please notify the store Manager immediately. The Manager must make any necessary corrections. Nobody other than the employee may clock the employee in or out.

505 Smoking

Effective Date: 1/1/2005
Revision Date: 3/8/2005

In keeping with Comfort Management's intent to provide a safe and healthful work environment, smoking in the workplace is prohibited. Smoking is prohibited in all indoor areas.

Smoking is allowed during lunch break, off the clock and away from the entrances of our stores.

This policy applies equally to all employees, customers, and visitors.

506 Rest and Meal Periods

Effective Date: 1/1/2005
Revision Date: 5/11/2005

All employees who work more than six (6) hours per day may be scheduled for a lunch period of thirty (30) minutes without pay. If you are scheduled to work under six (6) hours you may take a thirty minute unpaid meal break upon request and approval. This time must be reflected on your time record.

507 Overtime

Effective Date: 1/1/2005
Revision Date: 1/7/2005

When operating requirements or other needs cannot be met during regular working hours, employees will be given the opportunity to volunteer for overtime work assignments. 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 in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked. Time off on sick leave, vacation leave, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations.

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

508 Use of Equipment and Vehicles

Effective Date: 1/1/2005
Revision Date: 3/8/2005

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Please notify the supervisor if any equipment, machines, tools, or vehicles that 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 accidents or avoidable traffic and parking violations, or accidents can result in disciplinary action, up to and including termination of employment.

510 Emergency Closings

Effective Date: 1/1/2005
Revision Date: 5/11/2005

The safety of our employees and customers will always be our first priority in the event of extreme weather.

There may, however, be instances where the media will exaggerate the risk of a storm or just misjudge its impact on an area.

After careful consideration, if it is possible to open for business, we will avail ourselves to serving the needs of our customers. Boots, socks, and various other items could be very necessary to their comfort and well being at this time.

Therefore, the decision to open or close will be determined by Maurice Breton, Jerry Boucher or Sandra Holloman based on information gathered on specifics of severity and timing of the storm.

The initial responsibility for following the procedures for opening or closing of stores will be delegated to the Director of Stores. The Director of Stores will expect Store Managers and Assistant Managers to make themselves available to cover their stores or assign staffing to cover all stores. If there is a situation that causes the metro service to be disrupted, it will become necessary for staff with cars to take the responsibility to open or close stores and help provide transportation to employees without public transportation availability.

If the decision is made not to open the store, the staff will take this day as their usual day off or use vacation/personal leave.

Should employees already be working and it become necessary to close the store, the employees will only be paid for the hours worked. Any hours unworked due to inclement weather or emergency closing will not be paid.

522 Workplace Violence Prevention

Effective Date: 1/1/2005
Revision Date: 3/8/2005

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

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of Comfort Management without proper authorization.

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

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

All suspicious individuals or activities should also be reported as soon as possible to a supervisor. Do not place yourself in peril. If you see or hear a commotion or disturbance near your workstation, do not try to intercede or see what is happening.

Comfort Management will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, Comfort Management may suspend employees, either with or without pay, pending investigation.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

Comfort Management encourages employees to bring their disputes or differences with other employees to the attention of their supervisors or the Human Resources Representative at the respective location before the situation escalates into potential violence. Comfort Management is eager to assist in the resolution of employee disputes, and will not discipline employees for raising such concerns.

523 Computer and Email Usage

Effective Date: 1/1/2005
Revision Date: 3/8/2005

Computers, computer files, the email system, and software furnished to employees are Comfort Management property intended for business use. Employees should not use a password, access a file, or retrieve any stored communication without authorization. To ensure compliance with this policy, computer and email usage may be monitored.

Comfort Management strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, Comfort Management prohibits the use of computers and the email system in ways that are disruptive, offensive to others, or harmful to morale.

For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

Email may not be used to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters.

Comfort Management purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, Comfort Management does not have the right to reproduce such software for use on more than one computer.

Employees may only use software on local area networks or on multiple machines according to the software license agreement. Comfort Management prohibits the illegal duplication of software and its related documentation.

Employees should notify their immediate supervisor, the Human Resources Department or any member of management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

586 Computer Usage Acknowledgement Form

Effective Date: 1/1/2005
Revision Date: 3/8/2005

COMPUTER USAGE POLICY

Each store computer is the property of Comfort Management Corporation and any unnecessary or unauthorized use is prohibited. Changes in configuration can affect the performance of the system and internet software can interfere with daily polling.

Changing configurations, downloading, installing software, use of the Internet, or playing games on these computers will be considered as insubordination and subject to termination.

My signature below indicates that I have read and understand the above policy.

_____ _____
Employee **Date**

_____ _____
Witness **Date**

601 Medical Leave

Effective Date: 1/1/2005
Revision Date: 3/8/2005

Comfort Management provides medical leaves of absence without pay to eligible employees who are temporarily unable to work due to a serious health condition or disability. For purposes of this policy, serious health conditions or disabilities include inpatient care in a hospital, hospice, or residential medical care facility; continuing treatment by a health care provider; and temporary disabilities associated with pregnancy, childbirth, and related medical conditions.

Employees in the following employment classifications are eligible to request medical leave as described in this policy:

* Regular full-time employees

Eligible employees may request medical leave only after having completed 90 calendar days of service. Exceptions to the service requirement will be considered to accommodate disabilities. Eligible employees should make requests for medical leave to their supervisors at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events.

A health care provider's statement must be submitted verifying the need for medical leave and its beginning and expected ending dates. Any changes in this information should be promptly reported to Comfort Management. Employees returning from medical leave must submit a health care provider's verification of their fitness to return to work.

Eligible employees are normally granted leave for the period of the disability, up to a maximum of 12 weeks within any 12 month period. Any combination of medical leave and family leave may not exceed this maximum limit. If the initial period of approved absence proves insufficient, consideration will be given to a request for an extension. Employees will always be required to first use any accrued paid leave time before taking unpaid medical leave.

Employees who sustain work-related injuries are eligible for a medical leave of absence for the period of disability in accordance with all applicable laws covering occupational disabilities.

Subject to the terms, conditions, and limitations of the applicable plans, health insurance benefits will be provided by Comfort Management until the end of the month in which the medical leave begins. At that time, employees will become responsible for the full costs of these benefits if they wish coverage to continue. When the employee returns from medical leave, benefits will again be provided by Comfort

Management according to the applicable plans.

Benefit accruals, such as vacation, sick leave, or holiday benefits, will be suspended during the leave and will resume upon return to active employment.

So that an employee's return to work can be properly scheduled, an employee on medical leave is requested to provide Comfort Management with at least two weeks advance notice of the date the employee intends to return to work. When a medical leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified.

If an employee fails to return to work on the agreed upon return date, Comfort Management will assume that the employee has resigned.

602 Family Leave

Effective Date: 1/1/2005
Revision Date: 3/8/2005

Comfort Management provides family leaves of absence without pay to eligible employees who wish to take time off from work duties to fulfill family obligations relating directly to childbirth, adoption, or placement of a foster child; or to care for a child, spouse, or parent with a serious health condition. A serious health condition means an illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential medical care facility; or continuing treatment by a health care provider.

Employees in the following employment classifications are eligible to request family leave as described in this policy:

* Regular full-time employees

Eligible employees may request family leave only after having completed 90 calendar days of service. Eligible employees should make requests for family leave to their supervisors at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events.

Employees requesting family leave related to the serious health condition of a child, spouse, or parent may be required to submit a health care provider's statement verifying the need for a family leave to provide care, its beginning and expected ending dates, and the estimated time required.

Eligible employees may request up to a maximum of 12 weeks of family leave within any 12 month period. Any combination of family leave and medical leave may not exceed this maximum limit. Employees will always be required to first use any accrued paid leave time before taking unpaid family leave. Married employee couples may be restricted to a combined total of 12 weeks leave within any 12 month period for childbirth, adoption, or placement of a foster child; or to care for a parent with a serious health condition.

Subject to the terms, conditions, and limitations of the applicable plans, health insurance benefits will be provided by Comfort Management until the end of the month in which the approved family leave begins. At that time, employees will become responsible for the full costs of these benefits if they wish coverage to continue. When the employee returns from family leave, benefits will again be provided by Comfort Management according to the applicable plans.

Benefit accruals, such as PTO (Paid Time Off), or holiday benefits, will be suspended during the leave

and will resume upon return to active employment.

So that an employee's return to work can be properly scheduled, an employee on family leave is requested to provide Comfort Management with at least two weeks advance notice of the date the employee intends to return to work. When the family leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified.

If an employee fails to return to work on the agreed upon return date, Comfort Management will assume that the employee has resigned.

605 Military Leave

Effective Date: 1/1/2005
Revision Date: 3/8/2005

A military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable.

The leave will be unpaid. However, employees may use any available paid time off for the absence.

Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible.

Benefit accruals, such as vacation, sick leave, or holiday benefits, will be suspended during the leave and will resume upon the employee's return to active employment.

Employees on military leave for up to 30 days are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with USERRA and all applicable state laws.

Employees returning from military leave will be placed in the position they would have attained had they remained continuously employed or a comparable one depending on the length of military service in accordance with USERRA. They will be treated as though they were continuously employed for purposes of determining benefits based on length of service.

Contact the Human Resources Manager for more information or questions about military leave.

607 Pregnancy-Related Absences

Effective Date: 1/1/2005
Revision Date: 3/8/2005

Comfort Management will not discriminate against any employee who requests an excused absence for medical disabilities associated with pregnancy. Such leave requests will be evaluated according to the medical leave policy provisions outlined in this handbook and all applicable federal and state laws.

Requests for time off associated with pregnancy and/or childbirth, such as bonding and child care, not related to medical disabilities for those conditions will be considered in the same manner as other requests for unpaid family or personal leave.

701 Employee Conduct and Work Rules

Effective Date: 1/1/2005
Revision Date: 5/11/2005

Comfort Management is dedicated to providing exceptional customer experiences for all of our customers, in an effort to share some of our "core values" or what we stand for. Comfort Management has written the Standards of Behavior document. This will help you understand and perform the standards to the best of your ability. Comfort Management is about to commit considerable money and time toward training you to be the best you can possibly be. In addition, during your initial training, you will cost Comfort Management thousands of dollars in sales lost due to your inexperience. This is a serious undertaking for Comfort Management and can only be profitable in the long run if you maintain a genuine commitment at all times. In starting with Comfort Management, you are representing yourself as one who truly wants to grow in skills and knowledge well beyond the commonplace "clerks" found throughout retail. These "clerks" are indicative of an industry that has prioritized price and advertising over training its people to interact effectively with customers.

I understand that I will be expected to study all the materials I will be given and consistently apply the techniques in them. Consequently, I hereby accept the following Standards of Behavior, which I will be held accountable to in exchange for my compensation. I will:

- Arrive on time and adhere to the scheduled hours at all times. I realize the importance of prompt arrival to internal and external customer experiences. Prompt arrival means being ready to **start** working at the scheduled time. Determine how long it takes to arrive, clock in, use the facilities, get a drink, etc. All of the above should be completed before my scheduled start time. Scheduling is based on projected store coverage needs. **It is costly and unprofessional to arrive late**.
- Since my company invests time and money toward my personal growth, I appreciate these efforts and agree to offer at least two weeks notice prior to leaving the employment of Comfort Management, but I understand that employment with Comfort Management is strictly "at will" and there is no specified length of employment. Accordingly, either I or Comfort Management can terminate the relationship with or without cause, at any time, so long as there is no violation of applicable federal or state law.
- Always have a Positive Mental Attitude (PMA) during work hours, regardless of any personal problems I may have. I recognize that my job involves selling emotionally based decisions and projecting PMA at all times is crucial to success. Should I encounter another employee who fails in this regard, I will help them get back on track by walking away from this negativity and seeking constructive duties. I will never be a participant to negativity or encourage it by listening.
- Read and understand ALL the materials I will be given. I will take the initiative to ask the appropriate person questions necessary for my thorough understanding of this material.
- Follow all company policies and procedures. Once instructed, I will execute proper closing procedures at the end of the day. I will immediately notify accounting & the Director of Stores of any problems during closeout, with the credit card transmittal, cash deposits, or shortages. I recognize

how important proper inventory control is to our business and will take great care to properly enter in all receipts, transfers, and handling of product.

- Seek and accept constructive input without taking this input personally. I hereby acknowledge that I am representing myself as someone who desires improvement and a willingness to change any and all behaviors, which impede that goal. I recognize that the only way to improve is to change certain behaviors. I know that this input will be based, for the most part, on my company's objective measuring systems and won't reflect an individual's opinion.
- Take the initiative at all times and not wait to be told what to do.
- Dress According to Company Policy
- Build relationships with my customers; not just sell shoes. I will encourage my customers to join and use the Comfort Management Shoe Club.
- Be honest. Also, I will be watchful of my fellow employees for theft of merchandise, or cash, and taking unauthorized time off or non-compliance with policies and procedures. I will report any and all incidents of this nature to Personnel. I am aware that my company holds in the highest regard, standards of behavior, which apply to one and all regardless of the position, held. Therefore, I can report, without fear of retribution, any and all non-compliance with these standards, even if that person is a Supervisor.
- Not spend my scheduled time making personal or unnecessary phone calls to other stores or the office. I realize the importance of business phone lines being available for incoming business calls. I recognize that I am working in a public place where I will see friends and acquaintance that naturally will engage in personal conversation. I agree to politely excuse myself and move to store duties without delay, using the techniques described in the training manuals.
- Maintain productivity at or above the average of my peer group. Should I consistently fall below average, I will seek help from my manager and other employees to improve my performance. In cases where in-store networking is insufficient, I realize that visiting other stores on my own time is helpful and often solves the problems.
- Actively recruit potential associates for interviews. I recognize that growth can only be accomplished if there are associates capable of staffing the opportunities available in my company. Recruiting is encouraged by a recruiting bonus program.
- Work promptly and accurately, double-checking my work at all times. I will complete all required paperwork on time and help others to do so.
- Cooperate with all other Associates. I will always have a professional approach in my interaction with others and subordinate any personal differences.
- Help train entry level Associates. I recognize that building a team is fundamental to success as well as my company's success and future.
- At all times, I will be a team player. I agree that a competitive atmosphere brings out hidden talents in all of us. However, I recognize the positive value of teamwork.
- I agree to subordinate short-term personal goals should they damage the spirit of teamwork necessary to achieve the long-term goals of my company.
- Accept responsibility for my actions. I will use care, while operating the register, to avoid damaging

the equipment

- Recognize the value of objective feedback. Therefore, I will diligently monitor all information available to me regarding my interaction with customers. I will use productivity information & training materials to modify my behaviors for increased productivity.
- Plan my vacations and time off during lower volume periods of business. I will request and wait for confirmation for all time off prior to making any reservations or commitments. I recognize that not all requests can be granted for the exact time that I prefer to be off.
- Always take a moment to DOUBLE CHECK TO AVOID MISMATING SHOES

Help my company to grow.

702 Substance Abuse Policy

Effective Date: 1/1/2005
Revision Date: 5/11/2005

Policy Overview
Comfort Management has a vital interest in maintaining safe, healthful, and efficient working conditions for its employees. Being under the influence of illegal drugs or alcohol on the job may pose serious safety and health risks not only to the user, but to all those who work or come in contact with the user. The possession, use, sale, purchase or transfer of illegal drugs or alcohol in the workplace also poses unacceptable risks for safe, healthful and efficient operations.

Prohibited Conduct
The use, possession, sale, purchase, transfer, or being under the influence of illegal drugs or alcohol during working hours, on Company property, or while on Company business is a dischargeable offense. Individuals violating the policy will be subject to disciplinary action up to and including immediate discharge, even for the first offense.

Employees will not be permitted to work while under the influence of drugs or alcohol during working hours or while the presence of such substance is suspected.

Where there is reasonable suspicion that an employee is under the influence of illegal drugs or alcohol, including, but not limited to, unusual behavior, poor job performance, or involvement in a serious or otherwise unexplainable workplace accident, the employee will be relieved from duty.

Alcohol
Possession, use, sale, purchase, transfer, or being under the influence of alcohol during working hours, while on Company premises is prohibited.

"Under the Influence" means affected by a drug or alcohol, or a combination of drug and alcohol, in any detectable manner. The symptoms of influence are not confined to that consistent with misbehavior nor to the obvious impairment of physical or mental ability, such as slurred speech or difficulty in maintaining balance.

Illegal Drugs
The use, sale, purchase, transfer, or being under the influence of illegal drugs by an employee while on Company premises or while performing Company business is prohibited.

"Illegal Drugs" means any drug (a) that is not legally obtainable or (b), which is legally obtainable but has

not been legally obtained. The term includes prescribed and non prescribed drugs not being used for prescribed purposes. It also includes marijuana.

Legal Drugs
Except as provided below, the use of being under the influence of any legally obtained drugs by any employee, during working hours, while on Company premises or while doing Company business is prohibited to the extent such use or influence may affect the safety of co-workers or members of the public, the employees job performance, or the safe efficient operation of the Company. Any employee may continue to work, even though under the influence of a legal drug, if management determined that the employee does not pose a threat to his or her own safety or the safety of co-workers and that the employee's job performance is not significantly affected by the legal drug. Otherwise, the employee may be required to take a leave of absence or comply with other appropriate action determined by management.

Employees using prescribed medical treatment with a controlled substance or taking prescribed medication that may impair their work performance, their safety, or the safety of others, are required to promptly report such use to their Supervisor and/or Manager.

"Legal Drug" includes prescribed drugs and over the counter drugs, which have been legally obtained and are being used for the purpose for which they are prescribed or manufactured.

Voluntary Rehabilitation Program
The Company, within its sole discretion, may ask an employee at his/her expense to start a voluntary rehabilitation program as a condition of continued employment.

Searches
The Company may conduct unannounced searches for illegal drugs or alcohol in Company facilities. Searches of Company facilities and property, including but not limited to lockers, toolboxes, and Company vehicles, can be conducted at any time and do not have to be based on reasonable suspicion. Employees are expected to cooperate in the conducting of all searches.

Searches of employees and their personal property may be conducted when there is reasonable suspicion to believe that the employee or employees are in violation of this policy or where there is other business related reasons for such a search.

Searches of employees and their personal property may otherwise be conducted when circumstances or workplace conditions justify them.

An employee's consent to search is required as a condition of employment and the employee's refusal to consent may result in disciplinary action, including termination, even for a first refusal.

Drug Testing

The company may conduct unannounced drug & alcohol testing. An employees' consent to testing is required as a condition of employment and the employees' refusal to consent may result in disciplinary action, up to and including termination. Even for first time refusal.

Confidentiality
No information related to drug test results will be released to any person other than the employee, medical personnel, or supervisory personnel, unless the employee permits the release of the information or the information is part of material evidence in a filed action, or released in compliance with the federal and state laws as part of grievance, arbitration, or administrative investigation or an employee's complaint.

703 Sexual and Other Unlawful Harassment

Effective Date: 1/1/2005
Revision Date: 3/8/2005

Comfort Management is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. Actions, words, jokes, or comments based on an individual's sex, race, color, national origin, age, religion, disability, sexual orientation, or any other legally protected characteristic will not be tolerated.

Sexual harassment is defined as unwanted sexual advances, or visual, verbal, or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. The following is a partial list of sexual harassment examples:

* Unwanted sexual advances.
* Offering employment benefits in exchange for sexual favors.
* Making or threatening reprisals after a negative response to sexual advances.
* Visual conduct that includes leering, making sexual gestures, or displaying of sexually suggestive objects or pictures, cartoons or posters.
* Verbal conduct that includes making or using derogatory comments, epithets, slurs, or jokes.
* Verbal sexual advances or propositions.
* Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations.
* Physical conduct that includes touching, assaulting, or impeding or blocking movements.

Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission or rejection of the conduct is used as a basis for making employment decisions; or, (3) the conduct has the purpose or effect

of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

If you experience or witness sexual or other unlawful harassment in the workplace, report it immediately to your supervisor. If the supervisor is unavailable or you believe it would be inappropriate to contact that person, you should immediately contact the Human Resources Department or any other member of management. You can raise concerns and make reports without fear of reprisal or retaliation.

All allegations of sexual harassment will be quickly and discreetly investigated. To the extent possible, your confidentiality and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment must immediately advise the Human Resources Representative at the respective location or any member of management so it can be investigated in a timely and confidential manner. Anyone engaging in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment.

704 Attendance and Punctuality

Effective Date: 1/1/2005
Revision Date: 5/11/2005

To maintain a safe and productive work environment, Comfort Management expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on Comfort Management. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor as soon as possible in advance of the anticipated tardiness or absence. A minimum of 3 hours before your scheduled shift is expected to begin.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

705 Appearance / Dress Code

Effective Date: 1/1/2005
Revision Date: 6/1/2009

STORE EMPLOYEES

MEN – ACCEPTABLE DRESS CODE:

A MINIMAL of short sleeve pointed collar shirt or a long sleeve pointed collar shirt worn tucked in and belted with a leather dress belt; coordinated with slacks and always worn with a business appropriate tie. A more formal attire of business suits, sports jackets or blazers are also acceptable.

ALWAYS:

- Shirts are to be worn tucked in and accompanied with a solid black leather or solid brown leather dress belt.
- All ties must be business appropriate and worn correctly, nothing hanging loosely with shirts unbuttoned. Novelty ties are also unacceptable.
- Clean and coordinating socks should be worn at all times.
- No hats or baseball caps are to be worn while working.
- Clothing should be clean, pressed or dry cleaned and neat in appearance.
- Good personal grooming is essential; hair should be clean and neat.
- Immoderate hairstyles or colors are unacceptable for business.
- Tattoos must be covered and not visible while working.
- One earring per ear (a pair) is considered acceptable. Any other earrings or ornamental piercing such as, rods, studs, or hoop rings should be removed and not be visible while working. (i.e., lip, nostril, chin, brow, or other facial piercing).
- DISCLAIMER – ECCO EMPLOYEES UNIFORMS MAY BE SUBJECT TO CHANGE DUE TO MANDATES OF ECCO USA THAT ARE OUT OF COMFORT MANAGEMENT'S CONTROL.
- Comfort One/ECCO Nametag

- Comfort One/ECCO dress shoes
    - current vendor being sold at home store
    - preferably full priced and current stock
    - clean and polished

WOMEN'S – ACCEPTABLE DRESS CODE

A MINIMAL of business/professional shirts, blouses or sweaters worn with coordinated slacks, skirts, and Capri pants of modest length. A more formal attire of business suits, blazers, pantsuits and business dresses are also acceptable.

ALWAYS:

- Women shirts are designed to be worn tucked in or un-tucked. Sleeveless garments may only be worn if modest (i.e. small armholes for business dresses or blouses).
- Clean and coordinating socks or hose should be worn at all times; except when wearing dress sandals
- No hats or baseball caps are to be worn while working.
- Clothing should be clean, pressed or dry cleaned and neat in appearance.
- Good personal grooming is essential; hair should be clean and neat.
- Immoderate hairstyles or colors are unacceptable for business.
- Tattoos should be covered and not visible while working.
- One earring per ear (a pair) is considered acceptable. Any other earrings or ornamental piercing such as, rods, studs, or hoop rings should be removed and not be visible while working. (i.e., lip, nostril, chin, brow, or other facial piercing).
- Comfort One/ECCO Nametag
- Comfort One/ECCO dress shoes
    1. current vendor being sold at home store
    2. preferably full priced and current stock
    3. clean and polished

UNACCEPTABLE ATTIRE (FOR MEN & WOMEN)

- Unacceptable attire includes: jeans, khakis, cargo pants, shorts, cutoffs, beach attire, halter tops, low cut blouses or dresses, tank tops or any sleeveless that reveals under garments, t-shirts, polo knit tops, sweatshirts, sweatpants, jogging suits, sportswear, or workout attire, very short skirts, dresses or Capris, jumpsuits, sheer clothing, or garments that are unnecessarily revealing, distracting, or provocative, slippers, flip flops and work boots.

- Certain shoes of our current vendors are also considered unacceptable. CROCS, ECCO Receptors, Merrells, Aetreks, All Rounders or any other athletic type of shoe is prohibited.

ENFORCEMENT

If an employee dresses inappropriately, he or she is counseled by a supervisor or manager. Dress code violations will result in the employee being sent home without pay. Repeated violations of the dress and grooming policy can result in disciplinary action up to and including termination of employment.

706 Return of Property

Effective Date: 1/1/2005
Revision Date: 3/8/2005

Employees are responsible for all Comfort Management property; to include training tools, visuals, name tags, manuals, materials, or written information issued to them or in their possession or control.

Employees must return all Comfort Management property immediately upon request or upon termination of employment. Where permitted by applicable laws, Comfort Management may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. Comfort Management may also take all action deemed appropriate to recover or protect its property.

708 Resignation

Effective Date: 1/1/2005
Revision Date: 5/11/2005

Resignation is a voluntary act initiated by the employee to terminate employment with Comfort Management. Although advance notice is not required, Comfort Management requests at least 2 weeks written resignation notice from all employees.

712 Solicitation and Distribution Policy

Effective Date: 1/1/2005
Revision Date: 5/11/2005

In an effort to ensure a productive and harmonious work environment, persons not employed by Comfort Management may not solicit, distribute literature, or leave literature for advertisement in the workplace at any time for any purpose.

Comfort Management recognizes that employees may have interests in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time. (Working time does not include lunch periods, work breaks, or any other periods in which employees are not on duty.)

Comfort Management, prohibits soliciting for any cause or distributing goods or printed materials at any time when:

1. The solicitation or distribution occurs in working areas.
2. The employee soliciting or distributing is on work time (which excludes breaks, lunch periods, and other periods when an employee is not expected to be working, such as before and after work).
3. The employee being solicited or receiving the distribution is on work time (which excludes breaks, lunch periods, and other periods when an employee is not expected to be working, such as before and after work).
4. Friends, family members, and acquaintances are not to be "visiting" during work hours. They are expected to have left the premises prior to the store closing and wait for the employees outside while closing procedures are completed.

Non-employees are not permitted to solicit or distribute literature to employees on any part of company property at any time for any purpose.

800 Life-Threatening Illnesses in the Workplace

Effective Date: 1/1/2005
Revision Date: 3/8/2005

Employees with life-threatening illnesses, such as cancer, heart disease, and AIDS, often wish to continue their normal pursuits, including work, to the extent allowed by their condition. Comfort Management supports these endeavors as long as employees are able to meet acceptable performance standards. As in the case of other disabilities, Comfort Management will make reasonable accommodations in accordance with all legal requirements, to allow qualified employees with life-threatening illnesses to perform the essential functions of their jobs.

Medical information on individual employees is treated confidentially. Comfort Management will take reasonable precautions to protect such information from inappropriate disclosure. Managers and other employees have a responsibility to respect and maintain the confidentiality of employee medical information. Anyone inappropriately disclosing such information is subject to disciplinary action, up to and including termination of employment.

Employees with questions or concerns about life-threatening illnesses are encouraged to contact the Human Resources Representative at the respective location for information and referral to appropriate services and resources.