

2024

EMPLOYEE HANDBOOK

1616 W I-240 Road.

Oklahoma City, Ok 73159



Table of Contents

Section 1 - Introduction

- 1.1 Welcome Message
- 1.2 Employee Handbook
- 1.3 Contact Us
- 1.4 Changes in Policy
- 1.5 Employment-At-Will

Section 2 - Employment Policies

- 2.1 Employee Classifications
- 2.2 Equal Employment Opportunity & Americans with Disabilities Act.
- 2.3 Confidentiality
- 2.4 Employment of Minors
- 2.5 Employment of Relatives
- 2.6 Introductory Period
- 2.7 Personnel Records and Employee References
- 2.8 Privacy
- 2.9 Immigration Law Compliance
- 2.10 Political Neutrality

Section 3 - Hours of Work and Payroll Practices

- 3.1 Pay Periods and Paydays
- 3.2 Overtime
- 3.3 Rest and Meal Periods
- 3.4 Time Clock
- 3.5 Payroll Deductions
- 3.6 Wage Garnishment
- 3.7 Direct Deposit

Section 4 - Standards of Conduct and Employee Performance

- 4.1 Anti- Harassment and Discrimination
- 4.2 Attendance

- 4.3 Discipline and Standards of Conduct
- 4.4 Dress Code
- 4.5 Safety
- 4.6 Substance and Abuse
- 4.7 Workplace Searches
- 4.8 Internet, Email and Computer Use Policy
- 4.9 Social Media Policy
- 4.10 Cell Phone Policy

Section 5 - Employee Benefits and Services

- 5.1 Amenities
- 5.2 Group Medical Benefit
- 5.3 COBRA
- 5.4 Worker's Compensation
- 5.5 Social Security Benefits (FICA)
- 5.6 Unemployment Insurance

Section 6 - Employee Leaves of Absence and Time Off

- 6.1 Generally
- 6.2 Sick Days
- 6.3 Vacation Days
- 6.4 Holidays
- 6.5 Pregnancy-Disability Leave
- 6.6 Family and Medical Leave
- 6.7 Workers' Compensation Leave
- 6.8 Bereavement Leave
- 6.9 Jury Duty
- 6.10 Voting Time
- 6.11 Military Leave
- 6.12 Military Family Leave

Conclusion

Section 1 Introduction

1.1 Welcome to Canales Furniture



A FAMILY-TO-FAMILY Business, a message from our CEO Silvia Veronica Canales

My siblings and I built this business together out of the desire to have a better quality of life and to keep the family together. With one suitcase on wheels, I carried catalogs around the apartment complexes, knocking on doors and asking if our neighbors wanted to buy furniture. My family and I have been working since we were very young, and our father always told us to stay united and work hard.

As a family, we have the desire to do something good with our lives. Over the last 20 years, we have built 18, and counting, Canales Furniture stores throughout the DFW Metroplex. Customers continue to refer other customers, and we at Canales Furniture still beat any price in town.

Today, I offer you the opportunity to be a part of our family at **J&D Canales Corp DBA Canales Furniture**.

I ask that you read this handbook carefully and think deeply about how our everyday actions affect Canales Furniture, our colleagues, our customers, our investors, and our communities. Our company's reputation depends on your commitment to honest and ethical behavior. Thank you for your cooperation and dedication to Canales Furniture.

Sincerely, S. Veronica Canales, CEO, and Founder of Canales Furniture

1.2 Employee Handbook

This Employee Handbook ("Handbook") is designed to summarize certain personnel policies and benefits of **J&D Canales Corp DBA Canales Furniture** (the "Company"), located at 1616 W I-240 Road, Oklahoma City, Ok 73159, and to acquaint employees with many of the policies and rules concerning employment with the Company. This Handbook applies to all employees, and compliance with the Company's policies is a condition of employment. This Handbook supersedes all previous employment policies, written and oral, express, and implied. The Company reserves the right to modify, rescind, delete, or add to the provisions of this Handbook from time to time in its sole and absolute discretion.

This Employee Handbook is not a binding contract between the Company and its employees, nor is it intended to alter the at-will employment relationship between the Company and its employees. The Company reserves the right to interpret the policies in this Handbook and to deviate from them when, in its discretion, it determines it is appropriate.

1.3 Contact Us

Please contact us if you have any questions regarding this handbook or if you need additional information.

Email the Human Resources Department at:

Yolandacanales104@gmail.com

Call the Human Resources Department at:

817-921-1690

Mailing Address: Canales Furniture

Human Resource Dept

1616 W 1-240

Oklahoma City, OK 73159

1.4 Changes in Policy

Since our business is constantly changing, the Company expressly reserves the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this handbook or in any other document, except for the policy of at-will employment as described below. No oral statements or representations can, in any way, alter the provisions of this Handbook. Nothing in this employee handbook or in any other document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee. Any changes to your at-will employment status, described below, must be in writing and must be signed by the Company.

If you are uncertain about any policy or procedure, please check with your manager or Human Resources.

1.5 Employment-At-Will

Employment with the Company is on an at-will basis, unless otherwise specified in a written employment agreement. You are free to resign at any time, for any reason, with or without notice. Similarly, the Company is free to terminate the employment relationship at any time for any lawful reason, with or without cause, and with or without notice.

Nothing in this Handbook will limit the right of either party to terminate an at-will employment. No section of this Handbook is meant to be construed, nor should be construed, as establishing anything other than an employment-at-will relationship. This Handbook does not limit management's discretion to make personnel decisions, such as reassignment, change of wages and benefits, demotion, etc. No person other than the CEO, President, or CFO has the authority to enter into an agreement for employment for any specified period or to make an agreement for employment other than at-will terms. Only the CEO, President, or CFO of the Company has the authority to make any such agreement, which is only binding if it is in writing and signed by the President of the Company.

Section 2 Employment Policies

2.1 Employee Classifications

The following terms are used to describe employees and their employment status:

Exempt Employees - Employees whose positions meet specific tests established by the Federal Labor Standards Act ("FLSA") and Texas state law. In general, exempt employees are those engaged in executive, managerial, high-level administrative, and professional jobs, paid a fixed salary, and performing certain duties. Additionally, certain commissioned sales employees and highly paid computer professionals are exempt. Exempt employees are not subject to the minimum wage and overtime laws.

Nonexempt Employees - Employees whose positions do not meet specific tests established by the FLSA and Texas state law are considered nonexempt. All employees covered by federal, or state minimum wage and overtime laws fall into this category. Employees working in nonexempt jobs are entitled to be paid at least the minimum wage per hour and a premium for overtime.

Full-Time Employees - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work 30 hours per week.

Part-Time Employees - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work less than 30 hours per week.

Temporary Employees - Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project. Employment assignments in this category are of limited duration, and the temporary employee can be let go before the end of the defined period. Short-term assignments generally last for three (3) months or less; however, such assignments may be extended. All temporary employees are at-will, regardless of the anticipated duration of the assignment (see Employment-at-Will Policy). Temporary employees retain that status unless and until notified in writing of a change.

Independent Contractor or Consultant - These individuals are not employees of the Company and are considered self-employed. An independent contractor or consultant is engaged to perform a task according to his/her own methods and is subject to control and direction only as to the results to be accomplished. Independent contractors or consultants are not entitled to benefits.

Each employee will be advised of his or her status at the time of hire and any change in status. Regardless of the employee's status, the employee is employed at-will, and the employment relationship can be terminated by the Company or the employee at any time, with or without cause and with or without notice.

2.2 Equal Employment Opportunity & Americans with Disabilities Act.

It is the policy of the Company to provide equal employment opportunities to all employees and employment applicants without regard to unlawful considerations of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status, or any other classification protected by applicable local, state, or federal laws. This policy prohibits unlawful discrimination based on the perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics. The policy applies to all aspects of employment, including, but not limited to, hiring, job assignment, working conditions, compensation, promotion, benefits, scheduling, training, discipline, and termination.

The Company expects all employees to support our equal employment opportunity policy and to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment, accommodating others in line with this policy to the fullest extent required by law. For example, the Company will make reasonable accommodations for employees' observance of religious holidays and practices unless the accommodation would cause undue hardship on the Company's operations. If you desire a religious accommodation, you are required to make the request in writing to your manager as far in advance as possible. You are expected to strive to find co-workers who can assist in the accommodation (e.g., trade shifts) and cooperate with the Company in seeking and evaluating alternatives.

Additionally, in compliance with the Americans with Disabilities Act (ADA), the Company provides reasonable accommodations to qualified individuals with disabilities to the fullest extent required by law. The Company may require medical certification of both the disability and the need for accommodation. Keep in mind that the Company can only seek to accommodate the known physical or mental limitations of an otherwise qualified individual. Therefore, it is your responsibility to come forward if you need an accommodation. The Company will engage in an interactive process with the employee to identify possible accommodations, if any, that will help the applicant or employee perform the job.

2.3 Confidentiality.

In the course of employment with the Company, employees may have access to 'Confidential Information' regarding the Company. This information may include its business strategy, future plans, financial details, pricing, contracts, suppliers, customers, personnel information, intellectual property, or other information that the Company considers proprietary and confidential. Maintaining the confidentiality of this information is vital to the Company's competitive position in the industry and, ultimately, to its ability to achieve financial success and stability. Employees must protect this information by safeguarding it when in use, using it only for the business of the Company, and disclosing it only when authorized to do so and to those who have a legitimate business need to know about it.

This duty of confidentiality applies whether the employee is on or off the Company's premises, during, and even after the end of the employee's employment with the Company. This duty of confidentiality also extends to communications transmitted by the Company's electronic communication systems. See also the Internet, Email, and Computer Use policy herein.

As a condition of employment with the Company, all employees must sign a Non-Disclosure Agreement.

2.4 Employment of Minors.

The FLSA's child labor provisions, which the Company strictly adheres to, are designed to protect the educational opportunities of youth, and prohibit their employment in jobs that are detrimental to their health and safety. The FLSA sets the minimum age for employment (14 years for non-agricultural jobs), restricts the hours youth under the age of 16 may work, and prohibits youth under the age of 18 from being employed in hazardous occupations. In addition, the FLSA establishes subminimum wage standards for certain employees who are less than 20 years of age, full-time students, student learners, apprentices, and workers with disabilities. Employers generally must have authorization from the U.S. Department of Labor's Wage and Hour Division (WHD) in order to pay sub-minimum wage rates.

2.5 Employment of Relatives.

The Company recognizes that the employment of relatives in certain circumstances, such as when they will work in the same department, supervise, or manage one another, or have access to confidential or sensitive information regarding the other, can cause problems related to supervision, safety, security, or morale, or create conflicts of interest that materially and substantially disrupt the Company's operations. When the Company determines that any of these problems will be present, it will decline to hire an individual to work in the same department as a relative unless authorized by Human Resources. Relatives subject to this policy include father, mother, sister, brother, current spouse or domestic partner, child (natural, foster, or adopted), current mother-in-law, current father-in-law, grandparent, or grandchild.

If current employees become relatives during employment, the Company should be *notified* so that we may determine whether a problem involving supervision, safety, security, or morale, or a conflict of interest that would materially and substantially disrupt the Company's operations exists. If the Company determines that such a problem exists, the Company will take appropriate steps to resolve the issue, which may include the reassignment of one relative (if feasible) or asking for the resignation of one of the relatives.

2.6 Introductory Period.

The first 1 to 15 days of employment are considered an introductory period for all newly hired employees. During this time, you will learn your new responsibilities, get acquainted with fellow employees, and determine whether you are satisfied with the position. Also, during this time, your manager will monitor your performance. Upon completion of the introductory period, your manager will review your performance. If the Company finds your performance satisfactory and decides to continue your employment, you will be advised of any expected improvements. This is also an opportunity for you to make suggestions to improve the Company's efficiency and operations. Completion of the introductory period does not entitle you to remain employed by the Company for any definite period, but instead allows both you and the Company to evaluate whether or not you are the right fit for the position. Your status as an at-will employee does not change—the employment relationship may be terminated with or without cause and with or without advance notice, at any time by you or the Company.

2.7 Personnel Records and Employee References.

The Company maintains a personnel file and payroll records for each employee as required by law. Personnel files and payroll records are the property of the Company and may not be removed from Company premises without written authorization. Because personnel files and payroll records are confidential, access to the records is restricted. Generally, only those with a legitimate reason to review information in an employee's file are allowed to do so.

Disclosure of personnel information to outside sources will be limited. However, the Company will cooperate with requests from authorized law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.

Employees may contact a Human Resources representative to request a time to review their payroll records and/or personnel file. With reasonable advance notice and at the discretion of the Company's Human Resources Manager, an employee may review their own records in the Company's offices during regular business hours and in the presence of an individual appointed by the Company to maintain the records. No copies of documents in the file may be made, with the exception of documents that the employee has previously signed. Employees may add their comments to any disputed item in the file.

By policy, the Company will provide only the former or present employee's dates of employment and position(s) held with the Company. Compensation information may also be verified if written authorization is provided by the employee.

2.8 Privacy.

The Company respects employee privacy, and all employee demographic and personal information will be shared only as required in the normal course of business. Healthcare enrollment information is kept in a separate folder from other human resources forms, and Workers' Compensation information is not considered private healthcare information. However, this information will be released only on a need-to-know basis.

The Company does not make or receive any private healthcare information in the course of normal work. If any employee voluntarily shares private healthcare information with a member of management, this information will be kept confidential. If applicable, the Company will set up guidelines for employees and management to follow to ensure that company employees conform to the requirements of the Health Insurance Portability and Accountability Act (HIPAA).

2.9 Immigration Law Compliance.

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 on the date of hire and present documentation establishing identity and employment eligibility within three business days of the date of hire. Former employees who are rehired must also complete an I-9 form if they have not done so with the Company within the past three years or if their previous I-9 form is no longer retained or valid. You may raise questions or complaints about immigration law compliance without fear of reprisal.

2.10 Political Neutrality.

Maintenance of individual freedom and our political institutions necessitates broad-scale participation by citizens concerning the selection, nomination, and election of our public office holders. The Company will not discriminate against any employee because of identification with and support for any lawful political activity. Company employees are entitled to their own personal political positions. The Company will not discriminate against employees based on their lawful political activity engaged in outside of work. If you engage in political activity, however, you should always make it clear that your actions and opinions are your own and not necessarily those of the Company, and that you are not representing the Company.

Section 3 Hours of Work and Payroll Practices

3.1 Pay Periods and Paydays.

Employees are paid on a weekly basis, with all payments made on Wednesdays. Payments are issued to all employees by check or direct deposit on the specified payday. If the regular payday falls on a weekend or a Company holiday, employees will be paid on the last business day before the holiday or weekend.

3.2 Overtime.

Nonexempt employees will be paid in accordance with federal and Texas state law.

All overtime work by non-exempt employees must be authorized in advance by their manager. Overtime pay will be calculated based on hours worked.

3.3 Rest and Meal Periods.

All rest and meal periods will be in accordance with Texas state law.

Although Texas state law does not specifically mandate rest and meal breaks, nonexempt employees will receive a 15-minute rest break for every four-hour period of work, which will be counted and compensated as time worked. Additionally, all nonexempt employees, whether scheduled to work fewer than 8 hours or more than 8 hours, will be given a mandatory 30-minute unpaid meal break.

3.4 Time Clock.

Nonexempt employees are required to maintain accurate and complete records of their attendance and hours worked. EZ Process PRO is the official business record and may not be altered without the approval of the employee's supervisor, nor may it be falsified in any way.

3.5 Payroll Deductions.

Various payroll deductions are made each payday to comply with federal and state laws pertaining to taxes and insurance. Deductions will be made for the following: Federal and State Income Tax Withholding, Social Security, Medicare, State Disability Insurance & Family Temporary Disability Insurance, and other items designated by you or required by law (including a valid court order). You can adjust your federal and state income tax withholding by completing the proper federal or state form and submitting it to Accounting or Human Resources. At the start of each calendar year, you will be provided with your Wage and Tax Statement (W-2) form for the prior year. This statement summarizes your income and deductions for the year.

3.6 Wage Garnishment.

A garnishment is a court order requiring an employer to remit part of an employee's wages to a third party to satisfy a just debt. Once the Company receives the legal documents ordering a garnishment, we are required by law to continue making deductions from your paycheck until we have withheld the full amount or until we receive legal papers from the court to stop the garnishment. Even if you have already paid the debt, we still need the legal documents to stop the garnishment.

3.7 Direct Deposit.

All employees are encouraged, but not required, to use direct deposit and have their paychecks deposited into an account with an accredited participating bank or credit union.

Section 4 Standards of Conduct and Employee Performance

4.1 Anti- Harassment and Discrimination

The Company is committed to providing a work environment free of sexual or any form of unlawful harassment or discrimination. Harassment or unlawful discrimination against individuals on the basis of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status, or any other classification protected by local, state, or federal laws is illegal and prohibited by Company policy. Such conduct by or towards any employee, contract worker, customer, vendor, or anyone else who does business with the Company will not be tolerated. Any employee or contract worker who violates this policy will be subject to disciplinary action, up to and including immediate termination of employment or engagement. If a customer, vendor, or other person with whom the Company does business engages in unlawful harassment or discrimination, the Company will take appropriate corrective action.

Prohibited Conduct:

Prohibited harassment or discrimination includes, but is not limited to, any verbal, physical, or visual conduct based on sex, race, age, national origin, disability, or any other legally protected basis if:

- A. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or engagement.
- B. Submission to or rejection of such conduct by an individual is used as a basis for decisions concerning that individual's employment or engagement; or
- C. It creates a hostile or offensive work environment.

Prohibited harassment includes (but is not limited to) unwelcome sexual advances, requests for sexual favors, lewd, vulgar, or obscene remarks, jokes, posters, or cartoons, and any unwelcome touching, pinching, or other physical contact. Other forms of unlawful harassment or discrimination may include racial epithets, slurs, derogatory remarks, stereotypes, jokes, posters, or cartoons based on race, national origin, age, disability, marital status, or other legally protected categories. Prohibited harassment might also be transmitted using the Company's electronic communications system or through other online conduct.

Complaint Procedure:

Employees or contract workers who feel that they have been harassed or discriminated against, or who witness any harassment or discrimination by an employee, contract worker, customer, vendor, or anyone else who does business with the Company, should immediately report such conduct to their *supervisor* or any other member of *management*.

Do not allow an inappropriate situation to persist by not reporting it, regardless of who is creating the situation. No employee, contract worker, customer, vendor, or other person doing business with this organization is exempt from the prohibitions in this policy. In response to every complaint, the Company will conduct an investigation, which may involve interviewing witnesses if warranted. If improper conduct is found, appropriate corrective action will be taken.

If an employee or contract worker is dissatisfied with the way the Company handles a harassment or discrimination complaint, he or she may also contact the appropriate state or federal enforcement agency for legal relief.

4.2 Attendance.

Punctuality and regular attendance are essential to the successful operation of the Company's business. If an employee is unable to report to work (or report on time) for any reason, the employee must notify their supervisor before the starting time. If an employee desires to leave work for any reason during the workday, they must obtain the approval of their supervisor prior to leaving. In the event that the employee fails to call their supervisor or report for work for three consecutive workdays, the employee will be deemed to have *voluntarily resigned* from their employment with the Company and will be removed from the payroll. Excessive absenteeism or tardiness may subject the employee to disciplinary action, up to and including termination.

4.3 Discipline and Standards of Conduct.

As an at-will employer, the Company may impose discipline whenever it determines it is necessary or appropriate. Discipline may take various forms, including verbal counseling, written warnings, suspension, demotion, transfer, reassignment, or termination. The discipline imposed will depend on the circumstances of each case; therefore, discipline will not necessarily be imposed in any particular sequence or progression. Moreover, at any time, with or without cause, the Company may terminate an employee immediately.

Every organization must establish certain standards of conduct to guide the behavior of employees. Although it is not possible to identify every rule of conduct, the following list is illustrative (not intended to be comprehensive or to limit the Company's right to impose discipline for any other conduct it deems inappropriate). Keep in mind that these standards of conduct apply to all employees whenever they are on Company property and/or conducting Company business (on or off Company property). Engaging in any conduct the Company deems inappropriate may result in disciplinary action, up to and including termination.

- A. Dishonesty.
- B. Falsification of Company records.
- C. Unauthorized use or possession of property that belongs to the Company, a coworker, or of the public.
- D. Possession or control of illegal drugs, weapons, explosives, or other dangerous or unauthorized materials.
- E. Fighting, engaging in threats of violence or violence, use of vulgar or abusive language, horseplay, practical jokes, or other disorderly conduct that may endanger others or damage property.
- F. Insubordination, failure to perform assigned duties or failure to comply with the Company's health, safety, or other rules.

- G. Unauthorized or careless use of the Company's materials, equipment, or property.
- H. Unauthorized and/or excessive absenteeism or tardiness.
- I. Lack of teamwork, poor communication, unsatisfactory performance, unprofessional conduct, or conduct improper for the workplace.
- J. Sexual or other illegal harassment or discrimination.
- K. Unauthorized use or disclosure of the Company's confidential information.
- L. Violation of any Company policy.

4.4 Dress Code.

ADMINISTRATIVE & OFFICE WORKERS: Employees are required to adhere to the Canales Furniture uniform policy, which includes wearing polo shirts, long-sleeve shirts, sweaters, and jackets with the Canales logo. Business casual attire is permitted, but you must always have a visible company badge either attached to the shirt or worn on a lanyard. Shirts or tops must be long enough to touch the waist of the pants or skirts; spaghetti straps are not permitted, with a minimum strap width of 2 inches required. Transparent fabrics are not permitted unless layered over appropriate attire. Dresses, shorts, skirts, and skorts should be of a length that reaches at least the tip of the longest finger when the arm is fully extended down the side of the leg. If these garments become shorter when sitting down or when the hands are extended over the head, they are deemed inappropriate for work attire. Leggings are not considered suitable for work attire. Business casual attire at Canales Furniture includes both dress pants and slacks. Additionally, ONLY on Wednesdays, jeans are allowed, if they are not torn, cut, slashed, or frayed, and do not expose any part of the skin or undergarments above the knee. Footwear should be a style of shoe appropriate for a professional setting, avoiding overly casual shoes options such as sneakers or sandals/flip flops. Shoes should be in a neutral, black, white, or royal blue color. Comfort is important, so employees may wear shoes like loafers, dress shoes or flats. High heels can be worn if they are not overly flashy or distracting.

SALES: Employees are required to adhere to the Canales Furniture dress code policy, which includes wearing the blue polo shirts, or long-sleeve shirts, sweaters, and jackets with the Canales logo. Leggings are not considered suitable for work attire. Both dress pants and slacks are part of the dress code and can be either black or khaki. Comfort is important, so employees may wear shoes like loafers, dress shoes, flats, or business casual shoes (No open-toe shoes.). Name tag should also always be worn while on the sales floor.

WAREHOUSE WORKERS: Employees are required to adhere to the Canales Furniture uniform policy, which includes wearing polo shirts, long-sleeve shirts, sweaters, and jackets with the Canales logo. Additionally, you must always have a visible company badge either attached to the shirt or worn on a lanyard. Pants include “Dickies Pants”, jeans with the acceptance that they are not torn, cut, slashed, or frayed, and do not expose any part of the skin or undergarments above the knee. Sagging is not allowed. They are **REQUIRED** to have, a safety belt/back brace, and **safety steel-toe shoes** in neutral, black, or royal blue. The only exception for not wearing steel-toe shoes is if an employee has a medical reason and has provided a doctor's note to the human resources department. Employees must also adhere to proper Personal Protective Equipment (PPE) uniform guidelines while working in the

warehouse.

4.5 Safety.

The Company is committed to providing a safe workplace. Accordingly, the Company emphasizes 'safety first.' It is the employee's responsibility to take steps to promote safety in the workplace and work in a safe manner. By remaining safety-conscious, employees can protect themselves and their coworkers. Employees are expected to promptly report all unsafe working conditions, accidents, and injuries, regardless of how minor, so that any potential hazards can be corrected to the appropriate Human Resources Representative.

4.6 Substance and Abuse.

The Company is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol or use, possess, sell, purchase, or transfer illegal drugs at any time while on the Company's premises or while using Company vehicles or equipment, or at any location during work time.

No employee may report to work with illegal drugs (or their metabolites) or alcohol in their bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed amounts. It also includes any substance a person holds out to another as an illegal drug.

Any violation of this policy will result in disciplinary action, up to and including termination.

Any employee who feels they have developed an addiction to, dependence upon, or a problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered.

4.7 Workplace Searches.

All offices, desks, file drawers, cabinets, lockers, Company vehicles, and other Company equipment (including, but not limited to, computers, email, and voicemail) and facilities, or any area on Company premises, are the property of the Company ('Company Property') and are intended for business use. Employees have no expectation of privacy with respect to Company property and/or items stored within Company Property or on Company premises. Inspection may be conducted at any time, without notice, at the discretion of the Company.

Additionally, when the Company deems it appropriate, employees may be required to submit to searches of their personal vehicles, parcels, purses, handbags, backpacks, briefcases, lunch boxes, or any other possessions or articles brought onto the Company's premises.

Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy may not be permitted to enter. All employees must cooperate in an inspection; failure to do so is insubordination and will result in disciplinary action, up to and including termination.

4.8 Internet, Email and Computer Use Policy.

The Company uses various forms of electronic communication, including but not limited to computers, email, telephones, voicemail, instant messaging, text messaging, Internet, cell phones, and smartphones (hereafter referred to as 'electronic communications'). The electronic communications, including but not limited to all software, databases, hardware, and digital files, remain the sole property of the Company and are to be used only for Company business and not for personal use.

The following rules apply to all forms of electronic communications and media that are: (1) accessed on or from Company premises; (2) accessed using Company computers or telecommunications equipment, VPN, or via Company-paid access methods; and/or (3) used in a manner that identifies the Company. The following list is not exhaustive, and the Company may implement additional rules from time to time.

- A. Electronic communication and media may not be used in any manner that would be discriminatory, harassing, or obscene, or for any other purpose that is illegal, against Company policy, or not in the best interest of the Company. Employees who misuse electronic communications and engage in defamation, copyright, or trademark infringement, misappropriation of trade secrets, discrimination, harassment, or related actions will be subject to discipline, up to and including termination. Employees may not install personal software on Company computer systems.
- B. ***Employees may only use their own electronic media during breaks.*** All other company policies, including the Company's zero-tolerance stance for discrimination, harassment, or retaliation in the workplace, appl.
- C. All electronic information created by any employee on Company premises or transmitted to Company property using any means of electronic communication is the property of the Company and remains the property of the Company. You should not assume that any electronic communications are private or confidential and should transmit personal sensitive information in other ways. Personal passwords may be used for security purposes, but the use of a personal password does not affect the Company's ownership of the electronic information. The Company will override all personal passwords if necessary for any reason.
- D. The Company reserves the right to access and review electronic files, messages, internet use, blogs, 'tweets', posts, instant messages, text messages, email, voicemail, and other digital archives, and to monitor the use of electronic communications as necessary to ensure that no misuse or violation of Company policy or any law occurs. All such information may be used and/or disclosed to others, in accordance with business needs and the law. The Company reserves the right to keep a record of all passwords and codes used and/or may be able to override any such password system.

- E. Employees are not permitted to access the electronic communications of other employees or third parties unless directed to do so by Company management. No employee may install or use anonymous email transmission programs or encrypt email communications.
- F. Employees who use devices on which information may be received and/or stored, including but not limited to cell phones, cordless phones, portable computers, fax machines, and voicemail communications, are required to use these methods in strict compliance with the Confidentiality section of this Handbook. These communication tools should not be used for communicating confidential or sensitive information or any trade secrets.
- G. Access to the Internet, websites, and other types of Company-paid computer access is to be used for Company-related business only. Any information about **J&D Canales Corp DBA Canales Furniture**, its products or services, or other types of information that will appear in electronic media about the Company must be approved before the information is placed on any electronic information resource that is accessible to other.

4.9 Social Media Policy.

J&D Canales Corp DBA Canales Furniture is committed to utilizing social media to enhance its profile and reputation, to listen and respond to customer opinions and feedback, and to drive revenue, loyalty, and advocacy. We encourage employees to support our activities through their personal social networking channels while adhering to the guidelines outlined in this section.

For the purpose of this section, social media and networking refer to the use of web-based and mobile applications for social interaction and the exchange of user-generated content. Social media channels can include, but are not limited to: Facebook, Twitter, LinkedIn, YouTube, blogs, review sites, forums, online communities, and any similar online platforms.

Employees are expected to conduct themselves in a professional manner and to respect the views and opinions of others. The Company and its employees are committed to conducting ourselves in accordance with best industry practices in social networking, to being responsible citizens and community members, to listening and responding to feedback, and to communicating in a courteous and professional manner. Behavior and content that may be deemed disrespectful, dishonest, offensive, harassing, or damaging to the company's interests or reputation are not permitted. The use of social media channels on company time for personal purposes is not allowed.

Any social media contacts, including 'followers' or 'friends,' that are acquired through accounts (including but not limited to email addresses, blogs, Twitter, Facebook, YouTube, LinkedIn, or other social media networks) created on behalf of the Company will be the property of the Company.

Employees must not disclose private or confidential information about the Company, its employees, clients, suppliers, or customers on social networks. Employees must respect trademarks, copyrights, intellectual property, and proprietary information. No third-party content should be published without prior permission from the owner.

The Company maintains the right to monitor company-related employee activity in social networks. Violation of policy guidelines is grounds for discipline, up to and including termination.

4.10 Cell Phone Policy.

The use of personal cell phones at work is discouraged because it can interfere with work and be disruptive to others. Therefore, employees who bring personal cell phones to work are required to keep the ringer shut off or placed on vibrate mode when they are in the office, and to keep cell phone use confined to breaks and meal periods. Conversations should be held away from areas where other employees are working. When cell phone use interferes with the satisfactory performance of an employee's duties or disturbs others, the privilege of using a personal cell phone at work may be taken away, and other disciplinary action, up to and including termination, may be imposed.

The Company may provide cell phone allowances to employees in certain positions in an effort to improve efficiency and effectiveness. When cell phones are used for Company business, employees must comply with all Company policies governing conduct, including our policies prohibiting discrimination, harassment, and violence in the workplace. When using the cell phone in a public place, please remember to maintain the confidentiality of any private or confidential business information. As a courtesy to others, please shut cell phones off or place them on vibrate mode during meeting.

Section 5

Employee Benefits and Services

5.1 Amenities

Aside from those benefits required by state and federal regulations, **J&D Canales Corp DBA Canales Furniture** also offers additional benefits for its full-time employees. From time to time, benefits may be added or deleted from the medical package. The Company reserves the right to make such changes. The company actively seeks to improve amenities and benefits for our employees, such as mental health seminars, nutrition guides, ESL classes, and educational resources.

This Handbook does not contain the complete terms and conditions of any of the Company's current benefit plans (Benefits Booklet Package). It is intended only to provide general explanations. For information regarding employee benefits and services, employees should contact Human Resources.

5.2 Group Medical Insurance.

J&D Canales Corp DBA Canales Furniture offers a group plan for eligible employees. Refer to the Company's benefits booklet for complete details and benefits.

5.3 COBRA.

Under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986, if you are covered under the Company's group health insurance plan(s) you are entitled to continue your coverage in the event that your employment with the Company ends. Under COBRA, the Company must offer each qualified beneficiary (the employee and any covered dependents) who would otherwise lose coverage under the plan as a result of a qualifying event an opportunity to continue their insurance coverage. A qualifying event is defined as termination of employment, a reduction in the number of hours of employment, death of covered employee, divorce or legal separation, a dependent child ceases to be dependent, eligibility of the covered employee for Medicare, or an employer's bankruptcy.

5.4 Worker's Compensation.

All states have Workers' Compensation laws whose purpose is to promote the general welfare of people by providing compensation for accidental injuries or death suffered in the course of employment. These laws are designed to provide protection to workers suffering occupational disabilities through accidents arising out of, and in the course of employment. **J&D Canales Corp DBA Canales Furniture** carries Workers' Compensation Insurance for all employees and pays the entire cost of the insurance program. An employee who suffers an injury or illness in connection with the job is usually eligible to receive payment through the insurance company for lost wages. In addition to disability

payments, necessary hospital, medical and surgical expenses are covered under Workers' Compensation, with payments being made directly to the hospital or physician. Workers' Compensation benefits to injured workers also include assistance to help qualified injured employees return to suitable employment.

5.5 Social Security Benefits (FICA).

During your employment, you, and the Company both contribute funds to the Federal government to support the Social Security Program. This program is intended to provide you with retirement benefit payments and medical coverage once you reach retirement age.

5.6 Unemployment Insurance.

The company pays a state and federal tax to provide employees with unemployment insurance coverage in the event they become unemployed through no fault of their own or due to circumstances described by law. This insurance is administered by applicable state agencies, who determine eligibility for benefits, the amount of benefits (if any), and duration of benefits.

[Continued on Following Page]

EMPLOYEE DISCOUNT

IN HOUSE PAYMENT PLAN

10% DISCOUNT OFF THE WEBSITE PRICE FOR CURRENT PERMANT EMPLOYEES PLUS TAX, DELIVERY AND SET UP. 10% DOWN PAYMENT IS REQUIRED

EXAMPLE

NATALYA WANTS TO PURCHASE THE ENDERLINE SOFA THAT COSTS \$438 AND WOULD LIKE DELIVERY AND SET UP, WHICH MAKES HER TOTAL \$586.72. BUT NATALYA WOULD LIKE TO DO IN HOUSE PAYMENTS. SHE HAS TO PUT DOWN 10%, \$58.67 AND THEN SHE CAN MAKE \$100 PAYMENTS EACH WEEK UNTIL SHE IS DONE PAYING OFF THE COUCH.

CASH PLAN

IN-STOCK: $\text{COST} + 15\% + \text{TAX} + \text{DELIVERY AND SET UP}$ (CASH SALE)

EXAMPLE: CARLOS WANTS TO BUY THE CAMBECK FULL BEDROOM SET THAT IS IN-STOCK WITH DELIVERY AND SET UP. IT COSTS \$822 AND CARLOS WANTS TO PAY CASH, WITH HIS EMPLOYEE DISCOUNT, IT WOULD COME TO \$916.34.

OUT OF STOCK: $\text{COST} + 25\% + \text{TAX} + \text{DELIVERY AND SET UP}$ (CASH SALE)

EXAMPLE: LAURA WANT TO PURCHASE THE AMIA VANITY, WITH DELIVERY AND SET UP, BUT IT IS NOT IN STOCK AND SHE WANTS TO PAY CASH. IT COSTS \$652, WITH HER EMPLOYEE DISCOUNT, IT WOULD COME TO \$689.34

FRIENDS AND FAMILY DISCOUNT:

IF A FRIEND OR FAMILY MEMBER WOULD LIKE TO MAKE A PURCHASE, YOU MAY PROVIDE THEM YOUR EMPLOYEE DISCOUNT ADDITIONAL 10% OFF WEBSITE PRICE+ TAX+DELIVERY AND SET UP.



Section 6

UNIFORM BENEFITS

UNIFORMS ARE MANDATORY DURING WORK HOURS AND MUST BE CLEAN AND PRESENTABLE AT ALL TIMES.

CANALES FURNITURE WILL COVER 50% OF THE UNIFORM COST, NEW EMPLOYEES INCLUDED, AND THE OTHER 50% WILL BE DEDUCTED FROM THE EMPLOYEE'S CHECK.

EMPLOYEES MAY SUBMIT RECEIPTS FOR UNIFORM PURCHASED FOR 50% REIMBURSEMENT, UP TO \$150, WITH MANAGERIAL APPROVAL.

UNIFORMS MAY BE PURCHASED THROUGH CATALOG AND PRICES MAY CHANGE AT ANY TIME.

EMPLOYEES NOT IN DRESS CODE ARE SUBJECT TO A WARNING AND MAY BE SENT HOME .



IF AN EMPLOYEE HAS QUESTIONS ABOUT THEIR UNIFORM, OR NEEDS TO SUBMIT AN EXCEPTION (MEDICAL, RELIGIOUS, ETC), THEY MAY SUBMIT A REQUEST TO SPEAK WITH HR.

RAISING BENEFITS

RAISES WILL BE GRANTED BASED ON EVALUATIONS CONDUCTED BY STORE MANAGERS, DEPARTMENT MANAGERS, AND SUPERVISORS.

HUMAN RESOURCES WILL MAINTAIN RECORDS AND PROVIDE THE EVALUATION REPORT.

EMPLOYEES WHO HAVE RECEIVED THREE OR MORE WARNINGS ARE NOT ELIGIBLE FOR A RAISE EVALUATION. ANY EMPLOYEE, REGARDLESS OF SENIORITY, IS ELIGIBLE FOR A RAISE EVALUATION.

SALES REPRESENTATIVES ARE COMPENSATED BASED ON A COMMISSION STRUCTURE (SPIFFS, BONUSES, DAILY GOALS, ETC.). PLEASE REFER TO THE STORES MONTHLY FLYER.



BIRTHDAY BENEFIT

| SENIORITY | HOURS | SENIORITY | HOURS | SENIORITY | HOURS | SENIORITY | HOURS |
|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
| 1 YEAR | 8 | 6 YEARS | 10 | 11 YEARS | 14 | 16 YEARS | 16 |
| 2 YEARS | 8 | 7 YEARS | 12 | 12 YEARS | 14 | 17 YEARS | 18 |
| 3 YEARS | 8 | 8 YEARS | 12 | 13 YEARS | 14 | 18 YEARS | 18 |
| 4 YEARS | 10 | 9 YEARS | 12 | 14 YEARS | 16 | 19 YEARS | 18 |
| 5 YEARS | 10 | 10 YEARS | 14 | 15 YEARS | 16 | 20+ YEARS | 18 |



EMPLOYEES WORKING WITH THE COMPANY FOR LESS THAN 1 YEAR WILL RECEIVE 4 HOURS PAID.

ALL EMPLOYEES HAVE THE OPPORTUNITY TO TAKE THE DAY OFF.

THESE BENEFITS WILL APPLY ONCE YOU HAVE COMPLETED 1 YEAR AS A PERMANENT EMPLOYEE.

RECORDS WILL SHOW ON PAYSTUB

CHRISTMAS BONUS

| SENIORITY | BONUS | SENIORITY | BONUS | SENIORITY | BONUS | SENIORITY | BONUS |
|-----------|-------|-----------|---------|-----------|---------|-----------|---------|
| 1 YEAR | \$100 | 6 YEARS | \$600 | 11 YEARS | \$1,100 | 16 YEARS | \$1,600 |
| 2 YEARS | \$200 | 7 YEARS | \$700 | 12 YEARS | \$1,200 | 17 YEARS | \$1,700 |
| 3 YEARS | \$300 | 8 YEARS | \$800 | 13 YEARS | \$1,300 | 18 YEARS | \$1,800 |
| 4 YEARS | \$400 | 9 YEARS | \$900 | 14 YEARS | \$1,400 | 19 YEARS | \$1,900 |
| 5 YEARS | \$500 | 10 YEARS | \$1,000 | 15 YEARS | \$1,500 | 20+ YEARS | \$2,000 |



EMPLOYEES WILL RECEIVE \$100 CASH BONUS AND \$100 CREDIT FOR EVERY YEAR THEY COMPLETE WITH THE COMPANY.

CREDIT WILL BE ADDED TO EMPLOYEE'S EZ PRO ACCOUNT AND IS AVAILABLE TO USE ON UNIFORM OR FURNITURE PURCHASES.

THESE BENEFITS WILL APPLY ONCE YOU HAVE COMPLETED 1 YEAR AS A PERMANENT EMPLOYEE.

RECORDS WILL SHOW ON PAYSTUB

Employee Leaves of Absence and Time Off

6.1 Generally.

While regular attendance is crucial to maintaining business operations, the Company recognizes that, for a variety of reasons, employees may need time off from work. The Company has available several types of leaves of absence, some governed by law, and others discretionary. For all planned leaves, however, employees must submit a request at least 14 days in advance; in case of emergencies, employees should submit the request as soon as they become aware of the need for leave. All leaves must have the approval of Company management. If, during a leave, an employee accepts another job, engages in other employment or consulting outside of the Company, or applies for unemployment insurance benefits, the employee may be considered to have voluntarily resigned from employment with the Company.

All requests for a leave of absence will be considered in light of their effect on the Company and its work requirements, as determined by Company management, which reserves the right to approve or deny such requests in its sole discretion, unless otherwise required by law. For disability-related leave requests, the Company will engage in an interactive process with the employee to determine if leave is the most appropriate accommodation. The employee must provide certification from his or her health care provider to the Company to support a leave for medical reasons. Failure to provide the required certification to the Company in a timely manner will result in the delay or denial of leave. If an employee requires an extension of leave, the employee must request such an extension and have it approved before the expiration of the currently approved leave.

While the Company will make a reasonable effort to return the employee to his or her former position or a comparable position following an approved leave of absence, there is no guarantee that the employee will be reinstated to his or her position or any position, except as required by law.

6.2 Sick Days.



SICKDAYS BENEFIT

| SENIORITY | HOURS | SENIORITY | HOURS | SENIORITY | HOURS | SENIORITY | HOURS |
|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
| 1 YEAR | 8 | 6 YEARS | 24 | 11 YEARS | 40 | 16 YEARS | 40 |
| 2 YEARS | 16 | 7 YEARS | 32 | 12 YEARS | 40 | 17 YEARS | 40 |
| 3 YEARS | 16 | 8 YEARS | 32 | 13 YEARS | 40 | 18 YEARS | 40 |
| 4 YEARS | 24 | 9 YEARS | 32 | 14 YEARS | 40 | 19 YEARS | 40 |
| 5 YEARS | 24 | 10 YEARS | 40 | 15 YEARS | 40 | 20+ YEARS | 40 |

BENEFITS ARE BASED ON THE EMPLOYEES' SENIORITY WITH THE COMPANY.

THIS BENEFIT WILL BE APPLIED ON YOUR ANNIVERSARY DATE, AFTER YOUR 2 MONTH PROBATIONARY PERIOD.

*THESE BENEFITS ARE BASED ON YEARS OF SERVICE WORKING AT CANALES

THIS BENEFIT WILL BE AVAILBLE IN CASE OF ILLNESS OR IT MAY ALSO BE APPLIED ON VACATION DAYS

RECORDS ARE SHOWN ON THE PAYSTUB



6.3 Vacation Days.

VACATION BENEFITS

| SENIORITY | HOURS | SENIORITY | HOURS | SENIORITY | HOURS | SENIORITY | HOURS |
|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
| 1 YEAR | 40 | 6 YEARS | 80 | 11 YEARS | 120 | 16 YEARS | 160 |
| 2 YEARS | 48 | 7 YEARS | 88 | 12 YEARS | 128 | 17 YEARS | 168 |
| 3 YEARS | 56 | 8 YEARS | 96 | 13 YEARS | 136 | 18 YEARS | 176 |
| 4 YEARS | 64 | 9 YEARS | 104 | 14 YEARS | 144 | 19 YEARS | 184 |
| 5 YEARS | 72 | 10 YEARS | 112 | 15 YEARS | 152 | 20+ YEARS | 192 |



BENEFITS ARE BASED ON THE EMPLOYEES' SENIORITY WITH THE COMPANY.

THIS BENEFIT WILL BE APPLIED ON YOUR ANNIVERSARY DATE, AFTER YOUR 2 MONTH PROBATIONARY PERIOD.

* 1 VACATION DAY MAY BE TAKEN IN THE CASE OF AN EMERGENCY

*THESE BENEFITS ARE BASED ON YEARS OF SERVICE WORKING AT CANALES

VACATION BENEFITS WILL APPLY ONCE YOU HAVE COMPLETED 1 YEAR AS A PERMANENT EMPLOYEE WITH THE COMPANY

RECORDS WILL SHOW ON PAYSTUB

6.4 Holidays.

ANNUAL HOLIDAYS

CANALES FURNITURE WILL GRANT PAID HOLIDAY TIME OFF OF 8 HOURS TO ALL ELIGIBLE EMPLOYEES. HOLIDAY PAY FOR REGULAR FULL-TIME EMPLOYEES WILL BE CALCULATED BASED ON THE EMPLOYEE'S BASE PAY RATE.

IF AN ELIGIBLE EMPLOYEE WORKS ON A RECOGNIZED HOLIDAY, WITH COMPANY APPROVAL, THEY WILL RECEIVE HOLIDAY PAY PLUS WAGES AT THEIR STRAIGHT-TIME RATE FOR THE HOURS WORKED ON THE HOLIDAY.

IN ORDER TO OBTAIN THIS BENEFIT, THE EMPLOYEE MUST WORK A MINIMUM OF 32 HOURS OR WORK THEIR SCHEDULED HOURS FOR THE HOLIDAY PAYROLL WEEK.

RECORDS WILL SHOW ON PAYSTUB

THIS BENEFIT WILL APPLY ONCE YOU BECOME A PERMANENT FULLTIME EMPLOYEE



6.5 Pregnancy-Disability Leave.

Employees who are disabled on account of pregnancy, childbirth, or a related medical condition may request an unpaid leave of absence. Such leave will be granted for the period of disability, up to a maximum of three months. Time off may be requested for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth.

Leave provided for pregnancy disability is treated separately from leaves required by the state family and medical leave law. However, the first 12 workweeks of a pregnancy disability leave will be treated concurrently as a leave pursuant to the federal Family and Medical Leave Act ("FMLA") for all eligible employees.

Employees who wish to take a pregnancy disability leave must notify Human Resources of the date the leave is expected to commence and the estimated duration of the leave. Notice should be given as indicated above. The employee must also provide a medical certification of disability to the Company. Failure to provide the required medical certification to the Company in a timely manner will result in delay or denial of leave. Before returning to work, the employee must provide a medical certification that she is able to resume her original job duties. Appropriate forms may be obtained from Human Resources.

Employees who return to work immediately following the expiration of an approved pregnancy disability leave will generally be reemployed in their former position or a comparable job, as required by law.

Employees who are affected by pregnancy may also be eligible to transfer to a less strenuous or hazardous position or duties, provided certain prerequisites are met. Reasonable accommodations may be requested with the advice of the employee's health care provider. In addition, lactation accommodation is also available, upon request. For more information on FMLA, pregnancy disability leave or transfer and its effect on the terms, conditions, or benefits of employment, please contact Human Resources.

6.6 Family and Medical Leave.

Eligible employees may request a family and medical leave of absence under the federal Family Medical Leave Act ("FMLA") in the circumstances described below. Eligible employees are those who have been employed by the Company for at least 12 months (not necessarily consecutive), have worked at least 1,250 hours during the 12 months immediately prior to the family and medical leave of absence and are employed at a worksite where there are 50 or more employees of the Company within 75 miles.

Employees must request a planned family and medical leave at least 30 days before the leave begins. If the need for the leave is not foreseeable, employees must request the leave as soon as he or she becomes aware of the need for leave. Failure to comply with this requirement may result in a delay of the start of the leave.

A family and medical leave may be taken for the following reasons:

- a. the birth of an employee's child or the placement of a child with the employee for foster care or adoption, so long as the leave is completed within 2 months of the birth or placement of the child.
- b. the care of the employee's spouse or registered domestic partner, child, or parent with a "serious health condition".
- c. the "serious health condition" of the employee.
- d. because of any qualifying exigency arising out of the fact that the employee's spouse, child, or parent is on active duty or has been notified of an impending call or order to active duty, in the Armed Forces in support of a contingency operation; or
- e. to care for a covered service member (who is the employee's spouse, child, parent or next of kin) with a serious illness or injury.

A "serious health condition" is one that requires inpatient care in a hospital or other medical care facility or continuing treatment or supervision by a health care provider. A "covered service member" is a member of the Armed Forces (including National Guard or Reserves) who is the employee's spouse, child, parent or next of kin, and is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness incurred in the line of duty. A "serious illness or injury" is an injury or illness incurred in the line of duty while on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member's office, grade, rank or rating.

Medical Certification: When leave is requested for medical reasons, the employee must submit a medical certification from the health care provider that establishes the employee is eligible for family and medical leave. The certification must be provided as soon as is reasonably practical, and not later than the date leave begins or within 15 days of the Company's request, whichever is later. When the leave is requested because of the employee's own serious health condition, the certification must include: (1) the date the serious health condition commenced, (2) the probable duration of the serious health condition, and (3) a statement that, because of the serious health condition, the employee is unable to work or needs medical treatment.

When leave is requested to care for a family member who is ill or injured, the certification must contain: (1) verification the family member has a serious health condition or serious injury or illness, as defined above, and the date such condition began, (2) the probable duration of the condition, (3) an estimate of the amount of time the health care provider believes the employee will be needed to care for the family member or covered service member, and (4) a statement that the condition warrants the participation of the employee to provide care. The Company reserves the right to contact the health care provider to seek clarification of information in the certification, as needed, and may require recertification, as appropriate.

Before returning to work at the conclusion of a leave due to the employee's own serious health condition, the employee is required to provide a certification from his or her health care provider regarding the employee's fitness for duty. The employee must provide the required medical certification to the Company in a timely manner to avoid a delay or denial of leave.

Family and medical leave may be taken for up to 12 workweeks during the designated 12-month period for the purposes described in (a)-(d), above. The 12-month period will be calculated based on a calendar year. Leave for the purpose described in (e), above (to care for a covered service member), may be taken for up to twenty-six (26) workweeks in a single 12-month period. During the single 12-month period, an eligible employee shall be entitled to a combined total of 26 workweeks of leave for the reasons specified in paragraphs (a)-(d) and (e) above. In other words, any family and medical leave taken for reasons specified in paragraphs (a)-(d) above (up to 12 weeks), will be counted towards the total 26-week entitlement permitted for leave to care for a covered service member with a serious illness or injury during the single 12-month period. All time off that qualifies as family and medical leave will be counted against the employees federal and, if applicable, state family and medical leave entitlement to the fullest extent permitted by law.

During a family and medical leave, group benefits will be maintained for up to 12 workweeks (or up to 26 weeks when leave is for the purpose of caring for a covered service member), as if the employee was continuously employed.

If the employee does not return to work on the first workday following the expiration of an approved family and medical leave, the employee will be deemed to have resigned from his or her employment. Upon returning from such a leave the employee will normally be reinstated to his or her original or an equivalent position and will receive pay and benefits equivalent to those the employee received prior to the leave, as required by law. In certain circumstances, "key" employees may not be eligible for reinstatement following a family and medical leave. The Company will provide written notice to any "key" employee who is not eligible for reinstatement.

6.7 Workers' Compensation Leave.

Any employee who is unable to work due to a work-related injury or illness and who is eligible for Workers' Compensation benefits will be provided an unpaid leave for the period required. The first 12 weeks will be treated concurrently as a family and medical leave under the federal Family Medical Leave Act ("FMLA") for employees eligible for FMLA leave

6.8 Bereavement Leave.

SUPPORT HOURS

| SENIORITY | HOURS | SENIORITY | HOURS | SENIORITY | HOURS | SENIORITY | HOURS |
|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
| 1 YEAR | 8 | 6 YEARS | 24 | 11 YEARS | 40 | 16 YEARS | 48 |
| 2 YEARS | 8 | 7 YEARS | 24 | 12 YEARS | 40 | 17 YEARS | 48 |
| 3 YEARS | 16 | 8 YEARS | 32 | 13 YEARS | 40 | 18 YEARS | 48 |
| 4 YEARS | 16 | 9 YEARS | 32 | 14 YEARS | 40 | 19 YEARS | 48 |
| 5 YEARS | 24 | 10 YEARS | 32 | 15 YEARS | 40 | 20+ YEARS | 48 |



OUR SUPPORT PROGRAM IS AN EXTRA HELP TO OUR CANALES FURNITURE FAMILY THAT ARE EXPOSED TO HARD TIMES AFTER THE LOST OF A LOVED ONE. (MOTHER, FATHER, SPOUSE OR DOMESTIC PARTNER, CHILD)

CANALES SUPPORT IS DEPENDENT ON THE AMOUNT OF YOUR YEARS YOU HAVE COMPLETED WITH THE COMPANY

THESE BENEFITS WILL APPLY ONCE YOU HAVE COMPLETED 1 YEAR AS A PERMANENT EMPLOYEE.

RECORDS WILL SHOW ON PAYSTUB

6.9 Jury Duty.

U.S. citizens have a civic obligation to provide jury duty service when called. The employee must bring in the jury duty notice as soon as it is received so that appropriate arrangements can be made to cover his or her duties. Employees are required to call in or report for work on those days or parts of days when their presence in court is not required.

6.10 Voting Time.

Employees who are registered voters and who lack two consecutive non work hour when polls are open to vote in any local, state, and national election may take time off to vote without pay for this purpose.

6.11 Military Leave.

Military leaves are available to eligible employees who enter the Uniformed Services of the United States, including the National Guard and the Commissioned Corps of the Public Health Service, or the state military forces, or the reserve components of the same, to participate in active or inactive duty or training. Time off is also permitted for an examination to determine one's fitness for duty in any of the federal military forces. Such leave will be granted in accordance with the Texas state and federal laws, provided all legal requirements are satisfied and the employee returns to work or applies for reemployment within the time prescribed by law. The employee must provide advance notice of the need for leave whenever possible. The employee should give the employee's supervisor as much advance notice as possible to allow the Company to make arrangements to cover his or her position. Employees on federal military leave may be entitled to continue health insurance benefits, at the employee's expense, for up to twenty-four months from the date of military departure.

6.12 Military Family Leave.

Employees with a spouse or registered domestic partner serving in the United States Armed Forces, National Guard or Reserves, may take up to ten (10) days of unpaid leave when their spouse or domestic partner is on a leave from deployment during a military conflict. In order to be eligible for this leave, the employee must work an average of at least 20 hours per week and have a spouse or domestic partner who is either (1) a member of the United States Armed Forces deployed during a military conflict to a designated combat theatre or combat zone; or (2) a member of the National Guard who has been deployed during a period of military conflict; or (3) a member of the Military Reserves who has been deployed during a period of military conflict. Eligible employees are required to notify the Company of their intention to take such leave within 2 days of receiving official notice that the spouse or domestic partner will be on a qualified leave and provide documentation certifying that the spouse or domestic partner will be on leave from deployment during the time the leave is requested.

Conclusion

This handbook has described the principal benefits and obligations of working at Canales Furniture. However, it is impossible for any handbook to cover every situation that may arise in daily work. If you need further information or are in doubt about how any of these practices or procedures apply to you, please ask your supervisor. He/she will answer your question or obtain the answer for you. The Human Resources Department is also available to assist you.

The contents of this handbook are provided for your information only. while **J&D Canales Corp DBA Canales Furniture** supports the practices and procedures described in this handbook, they do not necessarily represent the conditions of employment. The company reserves the right to modify, revoke, suspend, terminate, or change any or all such plans, practices, or procedures, in whole or in part, at any time, with or without notice.

J&D Canales Corp DBA Canales Furniture welcomes your suggestions for ways to enhance the collaboration between the employee and the company. Employees may bring suggestions to their supervisor or the Human Resources Department. Revisions to this handbook will be issued from time to time. Your suggestions on how it can be more helpful are always welcome and should be directed to the Human Resources Department.

Acknowledgement Form

My acknowledgment below signifies that I have received and read the Employee Handbook. I understand that this handbook contains information regarding the company's rules, regulations, and benefits that impact me as an employee. The information provided here is not exhaustive, and any questions or clarifications should be directed to the management team. This document is not a binding contract. I acknowledge that I have read and understood the company policies. I also understand that the company may change, revise, supplement, or rescind policies, procedures, or benefits described in the manual, with or without notice.

Signature

Date

Photography Consent Form

I, _____ I hereby grant permission to the company to take and use photographs and/or digital images of me for use in social media and/or promotional materials. These materials may include printed or electronic publications, websites, or other electronic communications. Furthermore, I agree that my name and identity may be revealed in descriptive text or commentary in connection with the image(s).

I authorize the use of these images without compensation to me, and I acknowledge that all negatives, prints, and digital reproductions shall be the property of the company.

I do not authorize for images to be taken of me.

Signature

Date