

Employee Handbook



*Nourison*TM

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WELCOME

Welcome to Nourison. We are pleased to have you as a member of our team. One of our key goals is to provide our customers with high quality products and services. Individual dedication to quality in all that we do is necessary to meet this goal, which in return will enable Nourison to offer career development opportunities to individuals as our business grows. A second key goal is to help all individuals enjoy a high degree of personal job satisfaction. Our open door policy for individual communications is one essential step in reaching this goal.

ABOUT THIS HANDBOOK

This company handbook has been created and presented to you to provide a consistent and clear understanding of the policies that support the continued growth of this company and, in turn, you as one of its members. It is intended only to summarize Nourison's policies, practices and benefit programs. It is not a contract, and neither it nor any other company document contains any guarantees or promises, creates an employment contract, or establishes any legal rights between you and Nourison. These policies and responsibilities apply to everyone in the company and we expect you to fully understand them. If you require additional information or clarification on a subject discussed in this book, you should ask your supervisor/manager. The contents of this handbook are subject to change at any time, and you will be notified of all changes as soon as feasible.

EMPLOYMENT AT-WILL

Employment at Nourison is "at will," which means that it is for no definite period, and may be terminated at any time and for any reason by either you or Nourison, with or without cause, and with or without prior notice or warning. This also means that Nourison is free to change any term or condition of your employment at any time, without your consent and without prior notice. Nothing in this handbook, any other company documentation, or any verbal statement by any Nourison representative can change this. Your employment-at-will status may be changed only by a formal contract of employment signed by one of Nourison's senior officers.

INTRODUCTORY EMPLOYMENT PERIOD

When you are hired by Nourison, your first 90 days of work are considered your introductory employment period. This time allows Nourison to properly evaluate your ability to contribute to and grow within the Nourison organization. The introductory period also affords you the opportunity to find out if you will be happy working at Nourison. At the end of this 90-day period, your work will be evaluated. Unless otherwise stated in this handbook, upon completion of the introductory period, you will become eligible for most benefits offered by the Company. Completion of this period in no way alters the "at will" employment relationship.

The logo for Nourison, featuring the word "Nourison" in a stylized, cursive script font. The letter "N" is large and ornate, with a long tail that loops under the rest of the word. A small trademark symbol (TM) is located at the end of the word.

PHILOSOPHY

Our objective is to maintain a working environment that provides opportunities for personal growth and advancement, while remaining competitive within the industry. Maintaining this objective will provide recognition, security and earnings to the people and the Company while contributing to the well being of the community. At Nourison, we will select, retain and promote employees on the basis of individual ability, performance and experience, avoiding any discriminatory practices.

We are glad that you have chosen to be part of this company.

SAFETY

Our intention is to provide an atmosphere that will allow an accident-free operation. Nourison does everything reasonable to provide a safe place to work. Good housekeeping is an important part of keeping a safe workplace. You are urged to report any hazardous conditions or unsafe acts to your supervisor, and must obey all safety signs throughout the building.

Your fellow workers depend on you to use safe practices and good judgment in every phase of your work. Total support by each person is essential for the success of the safety program.

EMPLOYEE RELATIONS POLICY

At Nourison, employees are the most important factor in the success of the Company. We believe each employee is a mature and responsible adult who deserves the full respect and trust of the company and his/her fellow employees. Each employee will be treated as an individual with respect, dignity and fairness.

We intend to provide a climate in which you can deal directly with the Company's management concerning all issues, on a fair and equitable basis, and with complete freedom to think and speak for yourself.

OPEN DOOR POLICY

We at Nourison believe in the open door policy. An open, honest communication of information and opinion is vital to establish a relationship of mutual trust and respect among our teammates. Should a problem arise, it is always best to start with your supervisor. It is part of the supervisor's responsibility to correct the situation. Nearly all problems or misunderstandings can be resolved quickly.

If a matter is not resolved between you and your supervisor, or if you do not feel comfortable discussing the matter with your supervisor, feel free to contact someone else at the managerial level with whom you feel comfortable talking, or the Manager of Human Resources. Remember, it is our intention to communicate sincerely and honestly with each other at all times.



BUSINESS ETHICS & CONDUCT

Nourison expects and requires that all of its officers, directors and employees exercise the highest degree of business ethics in all actions they undertake on behalf of the Company. This means not only complying with all of the laws and other legal requirements of each country and state in which Nourison does business, but also making sure that all of your business-related conduct is carried out in a manner which is both honest and in the best interests of the Company.

Accordingly, under no circumstance shall any officer, director, employee or other representative of Nourison:

1. Engage in any type of illegal, unlawful or unethical activity, including but not limited to offering or accepting any bribe or kickback, or using the Company's assets (including its confidential or proprietary information) for personal gain outside the employment relationship or for the benefit of any third party;
2. Falsify any record or document, or do anything else which would mislead any customer, supplier, co-worker, superior or investigator;
3. Engage in any conduct which could create a conflict of interest for you or Nourison, such as by accepting any form of personal compensation or gift for goods or services provided by the Company, or from a supplier; or engaging in any type of activity which could divert business opportunities away from the Company, interfere with your job performance or be contrary to the Company's interests; or
4. Engage in any other conduct which could reflect negatively on the business or reputation of the Company, or subject it to any civil or criminal liability or penalty.

Any employee who becomes aware of conduct which could or does violate this policy must immediately report such conduct to the Manager, Human Resources. Employees who violate this policy are subject to discipline, including but not limited to immediate termination. Depending upon the nature of the violation, they may also be reported to the applicable legal authorities for prosecution.

PERSONNEL RECORDS

Your personnel file is a record of information about you and your job at Nourison and any changes relative to:

- Address
- Phone Number
- Name
- Dependency Status (for tax and insurance purposes)
- Beneficiary
- Person to notify in case of emergency

must be reported immediately to the personnel department. Please also keep us informed of any academic courses completed, new skills developed, etc. These matters may influence promotional opportunities and should be included in your record.

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EMPLOYMENT POLICIES

EQUAL EMPLOYMENT OPPORTUNITY POLICY

The Company is an Equal Opportunity Employer committed to high standards of business conduct and civic responsibility. This includes a long standing policy of offering fair and equal opportunities to every employee or applicant for employment regardless of race, color, religion, ethnicity, sex, pregnancy, childbirth or related medical conditions, age, national origin, physical or mental handicap or disability, or any other protected classification, in accordance with applicable law.

We are committed to providing a work environment free of unlawful discrimination, harassment or retaliation.

The Company will continue to:

1. Base decisions on employment, recruiting and hiring so as to further the principle of equal employment opportunity.
2. Ensure that promotion decisions are in accordance with principles of equal employment opportunity by imposing only valid, job-related requirements for promotional opportunities.
3. Ensure that all personnel actions, including but not limited to compensation, benefits, transfers, layoffs, recall from layoff, company sponsored training or educational assistance, and social and recreational programs, are administered in accordance with the principle of equal employment opportunity.
4. Ensure that company facilities are not segregated.
5. Periodically review all personnel actions to assure compliance with the principles of equal employment opportunity.

If, for any reason, you believe you have not been treated fairly, we encourage you to contact your Supervisor or another Manager.

ANTI-DISCRIMINATION & HARASSMENT POLICY

The Company expressly prohibits any form of employee or non-employee discrimination or harassment based on race, color, religion, ethnicity, sex, pregnancy, childbirth or related medical conditions, age, national origin, physical or mental handicap or disability; or any other classification protected by federal, state or local law. Improper interference with the ability of any employee or non-employee to perform their expected job duties will not be tolerated. The Company does not tolerate discrimination or harassment (sexual or otherwise), nor does it tolerate reprisals or retaliation against any employee who makes a good faith discrimination, harassment or retaliation complaint.

Each member of management is responsible for promoting a productive work environment and creating an atmosphere free of any form of unlawful discrimination, harassment or retaliation.

Each employee is responsible for respecting the rights of their co-workers and conducting themselves in a manner that does not harass, disrupt or interfere with another person's work performance and does not create an intimidating, offensive or hostile work environment.

The conduct prohibited by this Policy includes:

1. Unwelcome or unwanted sexual advances. This includes patting, pinching, brushing up against, hugging, cornering, kissing, fondling, whistling or any other similar physical contact or conduct considered unacceptable by another individual. This also includes leering or staring at another individual in a sexual manner or making other sexual gestures towards an individual;
2. Requests or demands for sexual favors. This includes subtle or blatant expectations, pressures or requests for any type of sexual favor accompanied by an implied or express promise of preferential treatment or negative consequence concerning one's employment status;
3. Verbal abuse, jokes, innuendos or kidding, or pictures, cartoons or other depictions that are sexual in nature or based upon a protected characteristic (such as age, race, religion, etc.) and that could be considered offensive by another individual. This includes commenting about an individual's body or appearance where such comments go beyond mere courtesy; telling "dirty jokes" or jokes based upon a protected characteristic that are clearly unwanted and considered offensive by others; or any other tasteless or offensive comments, innuendoes or actions based upon sex or any other protected characteristic;
4. Engaging in any type of sexual or other conduct based upon a protected characteristic that would reasonably interfere with another employee's work performance. This includes extending welcome or unwelcome sexual attentions or sex-based hostility to someone which reduces personal productivity or time available to work at assigned tasks;
5. Creating a work environment that is intimidating, hostile or offensive. This includes unwelcome or unwanted conversations, suggestions, requests, demands, physical contacts or attentions that are sexual in nature or based upon any other protected characteristic;
6. Making the submission to a sexual advance or a request for sexual conduct a condition of employment, or using the submission to or rejection of such conduct as a basis for a decision affecting someone's employment, such as in promotion, compensation or termination decisions;
7. Otherwise treating someone differently because of their race, color, gender, nationality, age, disability or other protected classification; and
8. Retaliating, in any way, against someone because they complained about conduct prohibited under this Policy, or participated in an investigation into such conduct.

COMPLAINT PROCEDURE

Any employee who believes that he/she is experiencing any discrimination, harassment or retaliation prohibited by this Policy, or who has witnessed or otherwise becomes aware of such conduct, must immediately report the incident(s) to his/her supervisor, another manager or the Manager of Human Resources. No employee is required to report such conduct to the supervisor or manager who engaged in such conduct.

Members of management, or any employee acting as a representative of management, who becomes aware of, or suspects, potentially discriminatory, harassing or retaliatory behavior must immediately report the situation to the Manager of Human Resources.

All reported concerns of discrimination, harassment or retaliation will be investigated as promptly and thoroughly as practicable and required under the circumstances, as determined in the Company's sole discretion. Confidentiality will be maintained throughout the investigation process to the extent possible in order to protect the privacy of the persons involved. In many cases, however, the Company's duty to investigate and remedy the situation makes absolute confidentiality impossible. The Company will try, to the extent practicable and reasonable under the circumstances, to limit confidential information to those employees with a "need to know." All employees who assist in an investigation are required to keep confidential all information they learn or provide.

In conducting the investigation, the Company will try to take the wishes of the complaining employee under consideration, but the need to completely investigate all allegations will be the Company's paramount concern. Thus, the timing, scope and extent of the investigation will be determined by the Company on a case-by-case basis considering the circumstances involved. All employees are, however, required to fully cooperate in the investigation to the extent requested by the Company.

Pending the outcome of an investigation, reasonably necessary and prudent interim measures, such as separation of the complaining employee and the alleged offender, suspension of the alleged offender or temporary paid leave for the complaining employee, will be taken in the Company's sole discretion.

For New Jersey employees, certain forms of retaliation are also prohibited by the Conscientious Employee Protection Act ("CEPA"). Please refer to your CEPA handout, which the Company distributes on an annual basis, for more information.

DISCIPLINARY PROCEDURE

If the Company determines that an employee has discriminated against, harassed or retaliated against another individual, appropriate disciplinary action will be taken against the offending employee, up to and including termination.

The Company prohibits any form of retaliation against any employee for filing a bona fide complaint under this policy or for assisting in a complaint investigation. However, if after investigating a complaint of harassment or discrimination, the Company determines that the complaint is not bona fide or that an employee has provided false information regarding the complaint, disciplinary action may be taken against the individual who filed the bad faith complaint or who gave the false information.



WORKPLACE VIOLENCE POLICY

The Company is committed to providing a safe working environment for all employees. This commitment includes a workplace that is free from any form of violence against any employee. The Company strictly prohibits employees, consultants, customers, visitors, or anyone else on the Company premises or engaging in a Company-related activity, from behaving in a violent or threatening manner.

Violence includes, but is not limited to, threatening and intimidating behaviors, verbal comments, physical abuse, use or threatened use of weapons of any kind, including but not limited to guns, knives, mace, pepper spray, bringing any type of weapon onto company property, vandalism, arson, sabotage or any other act that is deemed by management to be inappropriate in this regard.

Employees who feel that they have been subjected to any type of the above inappropriate behaviors or actions should immediately report the incident to their Supervisor or to a member of management. Also, employees who observe or have any knowledge of any violation of this policy must report it immediately to their Supervisor or to another member of management.

Further, employees should notify the Human Resources Department if any relevant restraining order is in effect, or if a potentially violent non-work related situation exists that could result in violence in the workplace.

INVESTIGATION

All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. In appropriate circumstances, the Company will inform the reporting individual of the results of the investigation. To the extent possible, the Company will maintain the confidentiality of the reporting employee and of the investigation, but may need to disclose results in appropriate circumstances, for example, in order to protect individual safety. The Company will not tolerate retaliation against any employee who reports workplace violence.

CORRECTIVE ACTION AND DISCIPLINE

Any employee who violates this policy will be subject to immediate disciplinary action, up to and including termination. In addition, the Company may request that the employee participate in counseling, either voluntarily or as a condition of employment. If the violent behavior is that of a non-employee, the Company will take appropriate corrective action in an attempt to ensure that such behavior is not repeated.

CLOTHING AND PERSONAL HYGIENE

You and your clothing must be clean and neat at all times. Regular bathing or showering is required. Hands must be washed before returning to work after breaks and using the rest room.

There may be times when traditional business dress (for example, a suit and tie) is necessary. For the most part, casual business attire can be acceptable, but there are limits to that definition. All employees must wear shirts that cover the upper body. The minimum requirements are a short sleeve shirt or tee shirt, but not a tank top or muscle shirt. The shirt should be of solid construction, no fish net or see through type materials.

Appropriate attire: Jackets, sweaters, collared shirts, golf shirts, dresses, skirts, and blouses.

Inappropriate attire: Halter tops, spaghetti strap dresses or blouses, mini-skirts, torn or ripped clothing, shorts, sweat pants, tee shirts, flip flops.

Jeans and Capri pants may be worn on Friday.

HOUSEKEEPING

A clean working environment contributes to productivity and safety. Place trash in designated containers. Never mix product materials in the same containers. All containers must be labeled as to contents. Keep your work area clean and picked up at all times. Return unused product material to designated areas.

HOURS OF WORK AND OVERTIME

HOURS OF WORK

Nourison offices are open to address customers, suppliers, and other business from 8:00 a.m. to 6:00 p.m. Monday through Friday. The hours are specific to locations.

TIMEKEEPING

Accurate recording of time worked is the responsibility of every non-exempt or hourly employee. Federal and state laws require the Company to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is time actually spent performing assigned duties.

You must swipe your card or use the hand reader on a daily basis at the following times: at the beginning of your work day, at the beginning and end of your lunch break and at the end of your work day. It is your responsibility to accurately punch "IN" and "OUT." If you forget to swipe your card or otherwise report your time, immediately inform your supervisor so necessary corrections can be made. Do not attempt to make any changes on your records yourself.

Hourly employees must accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They must also record the beginning and ending time of any split shift or departure from work for personal reasons. Overtime



SALARY RATES

Nourison monitors industry and geographical trends to identify fair wages and salary rates, based on your skill and responsibilities. As a result, we have established a series of job classifications and wage ranges for all positions in the organization.

PAY FOR WORKING ON A HOLIDAY

Holidays are an important time for many families. However, circumstances may occur that require you to work during a holiday. If you are required to do so, you will be paid your regular pay for the actual hours you work, in addition to your normal holiday pay.

PAYDAY

Nourison's normal payday is Friday. If you are enrolled in direct deposit, depending on your bank, your net pay may not be deposited until Monday. This is beyond Nourison's control, as direct deposits are transmitted through the US banking system.

There are several legal banking holidays during the year which fall on Friday's or Monday's, which are not Nourison holidays. On those banking holidays, all direct deposits will be delayed. This is beyond Nourison's control. You should plan accordingly.

A supervisor will deliver your paychecks to you personally. To protect your assets and ensure that you receive your pay, we will not give your paychecks to anyone else without your written permission.

The Company takes all reasonable steps to assure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of his or her immediate supervisor or manager so that corrections can be made as quickly as possible. Once under- or over-payments are identified, they will be corrected in the next regular paycheck. Adjustments to regular pay, such as deductions for unpaid time off, leaves of absence and payroll advances will be reflected on the paycheck for the following pay period.

PAYROLL DEDUCTIONS

Payroll deductions will appear on your paycheck as either mandatory or optional. By law, a portion of your pay can be withheld from your check if ordered by a court of law for certain items, including support payments and repayments of loans for higher education. If we receive an order to garnish your wages, we will inform you of the amount to be withheld from your paycheck.

ATTENDANCE

You are important to the overall success of our team effort. When you are not here, someone else must do your job.



On occasion, sickness or another important reason may prevent you from attending work or cause you to be late for work. It is your responsibility to report your absence or tardiness to your supervisor as soon as the reason for your absence or tardiness becomes known, or no later than two hours before the start of your shift. Nourison's policy concerning absenteeism is as follows:

Absences will be excused for the following reasons:

A medical appointment for the employee or a member of their immediate family. The employee is required to provide proof of the date and time of the visit. A member of the immediate family for this purpose consists of: a child, spouse, civil union partner or parent.

A military responsibility of the employee related to the reserves or active duty. The employee is required to provide a copy of their military orders, if applicable, in order for this to be excused.

A court appearance or other legally required appearance. The employee is required to bring a copy of the subpoena, or a statement from the court.

Jury duty. The employee is required to bring a copy of the jury summons. Nourison does not pay for time lost during jury duty.

An illness or other absence covered by the federal Family Medical Leave Act or any similar state or federal law.

Any absence other than those stated above will not be excused and will be treated in the following manner:

An employee tardy/absent from work on an unexcused basis three times in any rolling, consecutive three month period will receive a verbal warning.

An employee tardy/absent from work on an unexcused basis four times in any rolling, consecutive four month period will receive a written warning.

An employee tardy/absent from work on an unexcused basis five times in any rolling, consecutive five month period will be suspended without pay for one week.

An employee tardy/absent from work on an unexcused basis six times in any rolling, consecutive six month period will be subject to automatic dismissal. A dismissal on this basis may disqualify an employee from receiving unemployment benefits since it is an infraction of company policy.

The Company reserves the right to deviate from this policy as circumstances may require.

SICK DAYS

Regular full-time employees accrue 5 days of paid sick leave per calendar year. Newly hired employees are not be eligible to accrue or use paid sick leave during the first three months of employment. Part-time and temporary employees are not eligible for paid sick leave.

Accrued, but unused sick leave does NOT roll over from calendar year to calendar year. Any

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accrued, but unused sick leave remaining in an employee's bank at 11:59 p.m. on December 31 of any given calendar year will be forfeited effective 12:00 a.m. on January 1 of the following calendar year. Sick leave may be used only when you suffer from an ailment or condition which renders you too ill or unable to work. It is not a substitute for vacation time.

LEAVES OF ABSENCE

Types of Leave Available

The following types of leave are provided by the Company:

- Family and Medical Leave in accordance with the Federal Family and Medical Leave Act of 1993 (FMLA);
- Leave in accordance with the New Jersey Family Leave Act (NJFLA) for New Jersey employees;
- Disability leave as required to reasonably accommodate employees with a qualified disability under the Americans with Disabilities Act (ADA) or with a workplace injury;
- Other legally required leaves of absence

Prior to going on any continuous leave, employees will be required to complete the proper paperwork and turn in any Company property, such as identification badge, cellular phone, etc.

All requests for any type of leave should be submitted to your supervisor or the Manager of Human Resources.

FEDERAL FAMILY MEDICAL LEAVE ACT (FMLA)

The FMLA allows eligible employees to take up to 12 weeks of unpaid leave per year for certain specified family and medical reasons. The rights and obligations of such employees are summarized below and in the Notice attached to this Handbook as Appendix A.

A. Eligibility Factors

To be eligible for FMLA, an employee must meet the following criteria:

- Worked for the Company for at least 12 months prior to the date on which the leave is to commence;
- Worked at least 1,250 hours in the 12 months preceding the leave; and
- Worked at a worksite (1) with 50 or more employees; or (2) where 50 or more employees are located within 75 miles of the worksite.

B. Amount of Leave

Provided that all of the eligibility conditions for leave are met, an employee may take a maximum of 12 weeks of family and medical leave in a rolling 12-month period measured backwards from the date the employee's leave commences. Parents who are both employed by the Company may take a maximum combined total of 12 weeks of family care



leave in a 12-month period for the birth, adoption or foster care of their child.

C. Permissible Uses of FMLA

Eligible employees may take up to 12 work weeks of unpaid leave in a calendar year for any one or combination of the following reasons:

1. Birth/Adoption/Foster Care of a Child

Federal Law allows 12 weeks of leave to be used in one continuous block of time, within 12 months of the birth/placement of the child.

2. Care for an Immediate Family Member with a Serious Health Condition

Immediate family member is defined as a spouse, child, or parent. Parent/child includes legal ward, stepchild or stepparent.

3. Care for Self if You Have a Serious Health Condition

Medical leave may be requested for an employee's own serious health condition if that condition makes the employee unable to perform on or more of his/her essential job functions.

4. Any qualifying exigency arising out of the fact that the spouse, child or parent of the employee is a covered military member on active duty, or has been notified of an impending call to active duty status in the United States National Guard or Reserves, in support of a contingency operation.

Please contact your supervisor for more information if you believe that you may be eligible for and require leave for this reason.

D. Additional Leave Time for Military Caregivers

Employees who are the spouse, child, parent, or next of kin of a covered service member of the United States Armed Forces (including the National Guard or Reserves) with a serious illness or injury sustained in the line of duty on active duty may be entitled to up to 26 weeks of leave in a single 12-month period to care for the service member. This military caregiver leave is available during a single 12-month period during which an eligible employee is entitled to a combined total of 26 weeks of all types of FMLA leave.

E. Definition of a Serious Health Condition

A serious health condition is an illness, injury, impairment or physical or mental condition that involves:

- Inpatient care involving hospital, hospice, or nursing home care;
- Continuing treatment; and/or
- A period of incapacity, of more than 3 consecutive calendar days, and subsequent treatment or incapacity involving:

1. Two or more treatments by a health care provider;

2. Treatment by a health care provider which results in continuing treatment under the supervision of a health care provider. Continuing treatment includes a course of prescription medication or therapy;
3. Incapacity due to pregnancy, or for prenatal care;
4. Incapacity or treatment due to chronic serious health condition. Periodic treatments over extended period of time, and may cause episodic periods of incapacity (for example, asthma, diabetes, epilepsy);
5. Incapacity which is permanent or long-term and may not be treatable. (for example, Alzheimer's, severe stroke, terminal stages of disease); or
6. Absences to receive multiple treatments for restorative surgery or for a condition that would result in incapacity if not treated (for example, cancer/chemotherapy; severe arthritis/physical therapy; kidney disease/dialysis).

F. Employee Notice Requirements

If the leave is foreseeable, an employee must notify the company in writing at least 30 days before the leave is to begin when requesting family leave for the birth or adoption of a child or for a foreseeable family care leave or personal medical leave. For events that are unforeseeable 30 days in advance and are not emergencies, the employee must notify the Company, in writing, as soon as he or she learns of the need for the leave, ordinarily no later than one to two working days after the employee learns of the need for the leave. If the leave is requested in connection with a planned, non-emergency medical treatment, the employee may be requested to reschedule the treatment so as to minimize disruption of the Company's business.

Employees requesting leave for the birth or placement of a child must submit a schedule of proposed days that they would like to take off at the time the request is submitted.

If medical treatment is on an emergency basis, employees must notify the Company as soon as possible, but in no event more than 48 hours after the occurrence of the reason for the leave.

G. Medical Certification

Medical certification of the health care provider is required for requests for medical leave and requests for family leave to care for an immediate family member. It is the employee's responsibility to provide a medical certification, which includes the following:

- The date on which the serious health condition commenced;
- The probable duration of the condition; and
- The appropriate medical facts within the knowledge of the health care provider regarding the condition.
- For leave requests for the care of an immediate family member, the certification must also include a statement that the employee is needed to care for the family member with an estimate of the amount of time needed for this care.

The Company may request that an employee provide a second health care provider certification form from a health care provider chosen, and paid for, by the Company. If the original certification and the second certification conflict, a third health care provider will be agreed upon and a certification obtained. The opinion of the third health care provider will be binding.

An employee's failure to provide medical certification may result in delay of approval or denying continuation. If certification is not provided prior to the start of a foreseeable leave, leave may be denied until certification is provided.

When the leave is not foreseeable, the employee must provide certification within 15 calendar days. If certification is not provided, the company may deny continuation of leave.

The Company may request medical recertification every 30 days. Upon return to work from a personal medical leave, the Company requires a return-to-work certificate from the health care provider.

For intermittent leave or reduced leave schedule requests, the certification must include the dates and duration of the planned medical treatment.

For intermittent leave requests of an unplanned nature, the certification must include a statement of the medical necessity for the intermittent leave and expected duration of the leave.

For a family leave request to care for an immediate family member with an unplanned serious health condition, the certification must include a statement that the intermittent leave is medically necessary for the care of the family member and the expected duration of the leave.

An employee's failure to provide all of the required information to support a leave request or continued leave, and to do so in a timely manner, may result in the delay or denial of leave and/or benefits, denial of reinstatement, or termination of employment for unauthorized absence.

H. How Leaves May Be Taken (Continuous or Intermittently)

1. Birth/Adoption/Foster Care of a Child

Leave taken for the birth, adoption or foster care placement of a child generally must be taken in blocks of at least two weeks' duration. Such leave must be concluded within one year of the birth, adoption or placement.

2. Care for an Immediate Family Member or Care for Self

Leave for the care of an immediate family member with a serious health condition, and medical leave for the employee's own serious health condition, may be taken intermittently or on a reduced leave schedule when medically necessary.

Employees requesting a foreseeable intermittent or reduced schedule leave based on planned medical treatment may be temporarily transferred to an "alternative position" for which he/she is qualified and which better accommodates his/her recurring periods of leave. The alternative position must only be equivalent in pay and benefits; equivalent duties are not required.

An employee must attempt to schedule a leave so as not to disrupt the Company's operation.

I. Continuation of Benefits

Employees will have the option to maintain the same benefits for the duration of the leave as would have been provided if a leave had not been taken. To maintain coverage, employees must continue to pay the employee portion of the premiums that they were paying prior to the leave.

If an employee's premium payment is more than 30 days late, the benefit coverage will cease, except where continuation is required by state law.

If an employee fails to return to work after the leave, other than for continuing disability, the Company is entitled to recover the company's share of the premium paid during the leave.

Employees on family care and medical leave accrue employment benefits, such as vacation benefits or seniority, only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual.

J. Substitution of Paid Leave

Employees are required to substitute accrued paid vacation time and other paid leave time for all family care and medical leaves, except where prohibited by state law. The substitution of paid leave for family care or medical leave does not extend the total duration of family care and medical leave to which an employee is entitled beyond twelve weeks in a 12-month period. For example, if an employee has accrued four weeks of unused paid vacation time at the time of the request for family care or medical leave, that paid vacation time will be substituted for the first four weeks of family care or medical leave, leaving up to eight additional weeks of unpaid leave.

Where an employee on FMLA leave also receives short-term disability, workers' compensation benefits, paid family leave benefits, or other state-sponsored wage replacement benefits which pay a portion of normal compensation, these benefits will run concurrently with the employee's unpaid leave. An employee who is eligible for these benefits may also choose to use accumulated paid leave during their approved unpaid leave to supplement these benefits. All such payments will be integrated so that employees will receive no more than their regular compensation during this period. Employees who are not eligible for such state-sponsored wage replacement benefits are required to use their accumulated paid leave during an approved unpaid leave. Use of paid time off will not serve to extend the length of any leave.

K. Leave's Effect on Pay

Except to the extent that other paid leave is substituted for family and/or medical leave as stated above, family and medical leave is unpaid.

L. Return to Work

Upon return to work, the employee will be returned to his/her original position or an equivalent position. Reinstatement may be denied to employees who are among the highest paid 10% of the Company's employees and whose reinstatement would cause substantial economic

injury to the Company's operations. Additionally, employees shall have no greater right to reinstatement than if they had been actively employed during the leave period. Therefore, if an employee would not have been otherwise employed at the time he or she is ready to return to work, that return to work may be denied.

An equivalent position includes one:

- With equivalent pay, benefits, working conditions, privileges prerequisites and status.
- With the same work site or a geographically proximate work site.
- With substantially the same or similar duties and responsibilities, and which entails substantially equivalent skill, effort, responsibility and authority.

Upon return to work, benefits will be reinstated to the level existing before the leave was taken, without preexisting conditions, exclusions or waiting periods.

If return is to a part-time position, employees are only eligible for part-time pay and benefits.

If you have any questions regarding the interpretation of this policy, please contact a member of management.

M. Nursing Mothers Return to Work

Upon return to work, a nursing mother will be provided reasonable break time to express breast milk for her nursing child for one year after the child's birth each time such employee has the need to express the milk. The Company will provide a private place which may be used by an employee to express breast milk. Please inform your supervisor if you are eligible for and will need such breaks.

For further information regarding FMLA leave, please contact Human Resources.

LEAVE IN ACCORDANCE WITH THE NEW JERSEY FAMILY LEAVE ACT

The New Jersey Family Leave Act (NJFLA) provides eligible employees with time off from work in connection with the birth or adoption of a child or the serious health condition of a parent, child, spouse or civil union partner. The NJFLA's definition of "parent" includes a parent-in-law or a stepparent. The NJFLA provides for up to 12 weeks of leave in a 24-month period. The 24-month period begins on the first day of the employee's first NJFLA leave. Leave for the birth or placement of a child for adoption must commence within 12 months of the birth or placement.

To be eligible for leave under the NJFLA, an employee must be employed in New Jersey. The employee also must have been employed for at least 12 months, and must have worked at least 1,000 hours in the preceding twelve 12-month period.

Please note that the FMLA provides time off from work due to an employee's own serious health condition, while the NJFLA does not.

NJFLA leave may be taken in one consecutive period of up to 12 workweeks, or when medically necessary, may be taken on an intermittent or reduced leave schedule. Employees needing intermittent or reduced NJFLA leave must attempt to schedule their leave so as not to disrupt Nourison's operations. In addition, the Company may assign an employee



to an alternative position with equivalent pay and benefits that better accommodated the intermittent or reduced leave schedule.

NJFLA leave is generally unpaid. However, where applicable, paid leave may be used concurrently with NJFLA leave. Additionally, family leave insurance benefits may be available from the State of New Jersey. FMLA and NJFLA leave shall run concurrently when the leave is taken for a circumstance covered by both laws.

An employee seeking to use NJFLA leave must submit documentation as to the need for the leave. Unless an emergency exists, employees must provide at least 30 days notice to Human Resources prior to the requested leave. The failure to provide proper notice or documentation may result in the delay or denial of the leave or reinstatement, or the termination of employment for unauthorized absences.

Upon the expiration of NJFLA leave, and unless a key employee exception applies, an employee shall be restored to the position he or she held prior to the leave, or a position of comparable compensation, benefits, seniority and other terms and conditions of employment. If the employee would have lost his position had he or she been actively employed during the leave period, such as, for example, due to a reduction in force, the employee may be denied reinstatement.

For further information regarding NJFLA leave, please contact Human Resources.

PAID FAMILY LEAVE – NEW JERSEY EMPLOYEES ONLY

Eligible employees may apply for up to 6 weeks of Family Leave Insurance benefits for the following purposes:

- Bonding with a child during the first 12 months after the child's birth, if the covered individual or the domestic partner or civil union partner of the covered individual is a biological parent of the child, or the first 12 months after the placement of the child for adoption with the covered individual.
- Caring for a family member with a serious health condition supported by a certification provided by a health care provider.

To be eligible for this state-provided benefit, employees must have worked at least 20 calendar weeks in covered New Jersey employment or have earned at least 1,000 times the minimum wage in the prior year. Employees must also have been granted a leave of absence under the Company's family leave provisions. Claims may be filed for consecutive weeks or for intermittent periods of time during the 12 month period beginning with the first date of the claim.

Employees intending to take leave to bond with a newborn or newly adopted child must provide the Company with a minimum of 30 days notice prior to commencement of the family leave. Unless the leave is unforeseeable, employees who fail to provide this notice may have the amount of benefits they receive reduced.

Unless an emergency or other unforeseen circumstances preclude prior notice, employees intending to take continuous leave to care for a family member must provide the Company with prior notice in a reasonable and practicable manner, and employees intending to take



intermittent leave to care for a family member must provide the Company with a minimum of 15 days notice prior to the commencement of the family leave.

These paid family leave benefits will run concurrently with any leave time under federal and state leave laws where those laws are applicable. Employees are required to utilize any accrued but unused paid time, up to a maximum of two weeks.

DISABILITY LEAVE UNDER THE AMERICANS WITH DISABILITIES ACT (ADA) OR WORKPLACE INJURY.

Employees may take a temporary disability leave of absence if necessary to reasonably accommodate a workplace injury or a qualified disability under the ADA or state law. Any disability leave under this section may run concurrently with any medical leave to which the employee is entitled under the FMLA section of this policy. Disability leaves under this section are unpaid.

Employees taking disability leaves must comply with the provisions of the FMLA section of this policy regarding substitution of paid leaves, notice and medical certification. For the purpose of applying these provisions, a disability leave will be deemed to be a medical leave.

If a disability leave under this section extends beyond 12 weeks in a 12-month period, the employee will not be entitled to any continued employer contributions towards any benefit plan. An employee may however, elect to continue participation in such benefit plans at the employee's own expense, to the extent permitted by such plans under COBRA.

OTHER LEGALLY REQUIRED LEAVES OF ABSENCE

Employees will be granted unpaid leaves of absence as required by law for the purpose of fulfilling any required legal or military obligation. Examples include, but are not limited to: jury duty, appearance as a witness in a legal proceeding and military reserve duty. Employees are required to provide reasonable advance notice of any need for such leave and are expected to return to work each day or portion of the day that they are not selected for jury duty or called as a witness. In accordance with state law, Georgia employees will be paid their regular hourly wages while serving on jury duty, less any compensation provided by the court.

As for military leave, the Company will support you if you undertake military obligations, by granting leaves of absence together with reemployment rights as provided by applicable federal and/or state law.

If you serve in the Armed Forces you will be granted an unpaid leave of absence for the period of service. Upon return from the military service, you will be reinstated to your former job or to a job of similar status provided you received an honorable discharge, applied for reemployment within ninety (90) days of discharge and meet all other legal requirements.

If you are a member of the National Guard or Reserve Units you will be granted a paid leave of absence for up to two (2) weeks per year for the required training. You will be paid the difference between your regular wages and the National Guard or Reserve pay. You must present a statement of pay received from the military to your supervisor. Request for leave

shall be made in a timely fashion.

Members of the armed forces reserve or National Guard who are required to attend summer camp also will receive an unpaid leave of absence to cover the training period. It is the employee's responsibility to notify his or her supervisor as soon as your orders are received so arrangements can be made for time off. The time off will not be charged as an occurrence under the absentee control procedures.

RETURN FROM LEAVE

Failure to return from any leave by the expected date of return without the prior approval of the Company may result in termination. The expected date of return from leave may be extended provided that the Company is notified in advance in writing. Exceptions to this policy will be made only under unusual circumstances and only at the discretion of the Company.

SENIORITY AS A TIEBREAKER

Where qualifications and ability to perform in a certain position are equal, the employee's longevity with Company will be the deciding factor for purposes of promotions, layoffs, filling of permanent vacancies, transfers, and recalling after layoff. You will retain your seniority as long as you are actively employed, or on leave of absence, or on layoff with right of recall.

NON-DISCLOSURE/CONFIDENTIALITY

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

- Customer lists
- Customer preferences
- Financial information
- Marketing strategies
- Pending or past projects and proposals
- All forms of artistic designs

All employees may be required to sign a confidentiality agreement as a condition of employment. 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.

PERFORMANCE EVALUATION

Performance reviews are scheduled to help you know what is expected of you, to provide a time to discuss any concerns or questions about your work assignment, and to set mutual goals for the future.

Although your performance review does not guarantee an increase in pay or a job



promotion, notes from the review are used to determine a fair merit increase in case of superior performance. Employees are on an introductory basis for the first 90 days on the job. After that, performance reviews are scheduled at least once each year unless unusual circumstances require an immediate review.

RESIGNATION

Should the time ever come when you are thinking of leaving Nourison, talk it over with your supervisor. This is an important decision and you may not have considered some important factors. If you decide to resign, please give at least two weeks' notice.

If you provide the Company with at least two weeks' notice, then upon resignation you will be paid for all accrued, but unused vacation time. If you do not provide at least two weeks notice, you shall not be paid your accrued, but unused vacation time. Such time shall be forfeited.

EXIT INTERVIEWS

If you leave the company due to resignation or termination, you may be asked to participate in an exit interview. Exit interviews are used to complete final transactions between you and the company, such as the return of company property. Final paychecks will be distributed according to the normal pay schedule.

LAYOFFS AND RECALL

Every possible effort will be made to prevent fluctuations in the work force. Occasionally, conditions beyond our control may reduce sales and force a reduction in our operation schedule. If this happens, layoffs will be on the basis of experience, performance and, all else being equal, length of service. Anyone with a required skill who has less service time and for whom there is not a qualified individual with more service time, will be the only exception to this policy.

If you are called back to work, you must indicate your interest to return to work within 48 hours from time of notification. While on layoff you will retain the right of recall without loss of service time for up to 12 months.

DISCIPLINARY ACTIONS

While employment at Nourison is terminable at any time by either employee or Nourison, with or without cause, and with or without notice, from time to time problems arise for which the Company may elect to implement progressive disciplinary actions, including verbal counseling, written warnings, and probation, ultimately leading to dismissal if the problems are not resolved to the satisfaction of management in its sole judgment.

RULES AND REGULATIONS

Nourison will make every effort to help you adjust to your job and fellow workers. In turn, you

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have a responsibility to perform your assigned job in a satisfactory and expeditious manner and to conduct yourself according to reasonable standards of good behavior.

Here is a sample list of rules to follow in your work. This list is by no means all-inclusive. It is important that you read them carefully and understand them. Some of these rules are so serious that even a single violation may result in discharge. With other violations you may be warned and given another chance. Obviously, we could not cover everything in these rules and we expect you to use your common sense. If you are not sure what to do in a given situation, it is your responsibility to speak to your supervisor before you act. The Company reserves the right to forego progressive discipline steps, in any situation, based upon the nature or severity of a particular offense and to discipline an employee up to including termination for a first offense.

This policy does not alter in any way the employment -at-will relationship.

IMMEDIATE DISCHARGE OFFENSES

The violation of one of the following rules may result in immediate discharge:

- Destroying, damaging, or defacing Company, customer, vendor, or employee property.
- Possession, use, or being under the influence of alcohol or drugs on the job, on Company property, or in a Company vehicle, unless the drugs are prescribed by a physician and an appropriate physician's note is provided to the Company.
- Gambling on the job or on Company premises.
- Insubordination, including the refusal to perform assigned work, work overtime or to follow a supervisor's instructions.
- Falsifying any reports or records, including personnel, absence, sickness, production, and employment records/applications, or making any false claims of injury or illness
- Dishonesty.
- Theft, attempted theft, damage, abuse or the unauthorized possession of Company property, or theft of personal property belonging to a fellow employee or a person doing business with Nourison (e.g., customer, vendor).
- The conviction of a crime.
- Falsifying time cards, punching another employee's time card, having another employee punch your time card, or altering a time card in any way.
- Working "off the clock"
- Sleeping on the job.
- Fighting, horseplay, disorderly conduct or lewd or indecent behavior on the job or on Company premises.
- Workplace violence of any kind, including threats.

- Harassing, discriminating against or retaliating against another employee on a protected basis, including, but not limited to, sex, race, religion, etc.
- Use or possession of any weapons or explosives (e.g., fireworks) on the job or on Company premises.
- Negligent conduct resulting in an actual or possible serious injury to a fellow employee to a person doing business with the Company (e.g., customer, vendor).

MINOR DISCIPLINARY OFFENSES

The commission of the following offenses will generally lead to progressive discipline unless circumstances warrant immediate termination:

- Poor performance, inefficiency, or lack of effort on the job.
- Loafing or spending unnecessary time away from the job.
- Smoking in a non-smoking area.
- Violating safety procedures and rules.
- Being absent or tardy without proper notice or excuse.
- Using profane, intimidating, or abusive language.
- Excessive absenteeism or tardiness.
- Loitering or remaining on Company premises after working hours without permission.
- Permitting an unauthorized person to enter Company premises.

DRUG AND ALCOHOL TESTING POLICY

I. POLICY

It is Nourison's policy to maintain a work environment free of drugs and alcohol.

Employees are strictly prohibited from the illegal use, transfer, possession, sale, manufacture, distribution of drugs, including non-prescribed controlled substances, at any time. Employees are also prohibited from using, transferring, possessing, selling, manufacturing, distributing, or being under the influence of alcohol during working hours or while on Company property. Employees who violate this policy are subject to discipline, up to and including termination.

II. PURPOSE

To take reasonable steps to ensure the safety of employees, and the public; to ensure that no employee works while impaired by drugs or alcohol; to educate employees on the dangers of substance abuse; and to encourage employees to seek counseling and treatment for drug and /or alcohol abuse.

III. PROHIBITED BEHAVIOR

The logo for Nourison, featuring the word "Nourison" in a stylized, cursive script font. The letter "N" is large and ornate, with a long tail that loops under the rest of the word. A small trademark symbol (TM) is located at the end of the word. The logo is positioned to the right of a thick, solid black horizontal bar that spans across the page.

A. PROHIBITED DRUGS AND SUBSTANCES

Nourison prohibits employees from engaging in the illegal use, possession, transfer, sale, manufacture, or distribution of illegal drugs. For the purposes of this policy, "illegal drugs" include all drugs the use or possession of which is prohibited as a matter of federal, state, or local law, and includes non-prescribed controlled substances, "look-alike" or synthetic substances, inhalants, or any other substance used unlawfully that is capable of altering the mood, perception, pain level, or judgment of the individual using it.

The Company also prohibits employees from using and possessing while at work, while on Company premises or while operating a Company-provided vehicle, any equipment, paraphernalia, or other items or material related to illegal drug use or substance abuse, including devices or materials designed to assist an individual to adulterate, substitute, or tamper with a drug test.

Employees are further prohibited from working, coming onto Company premises, and from operating a Company provided vehicle if the employee has alcohol in his or her system or possesses any opened containers containing alcohol (including prescribed or over-the-counter medications containing alcohol).

B. PRESCRIPTION DRUGS

Employees may use and possess prescription drugs on Company premises and/or while working provided the following conditions have been met:

- The drug has been prescribed by a doctor for the person in possession of the drug;
- The drugs are kept in their original containers or are otherwise clearly labeled or identified with prescription information; and
- Any employee who is taking a legal drug or medication which may adversely affect the employee's ability to perform work in a safe manner is required to report such use to the personnel office to determine whether the employee is able to safely perform the job. The employee need not disclose the medical condition for which the drug is being taken, but need only identify the drug being taken. Upon request, employees will be asked to obtain information from the prescribing physician about their ability to safely perform the essential functions of their jobs while using those medications.

C. CONSEQUENCES OF A POLICY VIOLATION

Employees in violation of this Policy will be subject to discipline, up to and including termination, even for a first offense. Job applicants in violation of this Policy will not be hired. If the Company has reason to believe that illegal activities may be occurring on its premises it will notify appropriate law enforcement and cooperate in any ensuing investigation.

D. VOLUNTARY TREATMENT AND EMPLOYEE ASSISTANCE PROGRAM

Nourison believes that substance abuse can be treated and encourages employees who abuse drugs or alcohol to voluntarily obtain counseling and/or treatment before the substance abuse leads to poor performance, attendance problems, or a violation of this policy. Employees who voluntarily seek assistance will not be subject to discipline on that basis but may be reassigned or placed on leave in the discretion of the Company until able to resume work free of the influence of illegal drugs or alcohol. Employees may be



entitled to a leave of absence to pursue treatment in accordance with Nourison's leave policies. Costs of treatment will be borne the employee and/or by the limits of his/her health insurance policy.

Employees participating in a rehabilitation program and who are released to return to work must continue to meet existing job performance standards. Nothing in this Policy will constitute a waiver of the employer's right to take disciplinary action in the case of poor performance, unexcused absences, or misconduct.

E. DRUG & ALCOHOL TESTING

1. Pre-employment -- Nourison may require applicants who are extended a conditional offer of employment to take, and pass, a drug test as a condition of hire. The Company will withdraw offers of employment to individuals who refuse the test or fail to receive an unqualified negative test result.
2. Reasonable Suspicion -- Nourison will conduct reasonable suspicion drug and/or alcohol testing when it has reasonable suspicion to believe that an individual has violated this policy and may be under the influence of drugs and/or alcohol. "Reasonable suspicion testing" may be initiated when management has observed actions, appearance or conduct that suggests that the individual may be in violation of this Policy. A finding of reasonable suspicion will be drawn from specific objective, contemporaneous, and articulable facts and may be based upon the following:
 - a. observable phenomena, such as direct observation of drugs/alcohol use and/or the physical symptoms or manifestations of being under the influence of drugs or alcohol;
 - b. abnormal conduct or erratic behavior while at work, or patterns of absenteeism, tardiness, or deterioration in work performance consistent with substance abuse;
 - c. a report of drug or alcohol abuse in violation of this policy provided by a reliable and credible source;
 - d. information that an employee has caused or been involved in an incident which indicates that the employee may have been impaired by the use or under the influence of a prohibited item or substance; or
 - e. when an employee is found in possession or control of drugs, alcohol, or other substances prohibited under this Policy, or drug paraphernalia.

Nourison will ensure that the employee being tested for reasonable suspicion is escorted immediately to a designated collection site. The manager or who made the reasonable suspicion determination will document within 24 hours the basis for the suspicion.

3. Return to Work and Follow-Up Testing -- If an employee tests positive for drugs or alcohol or otherwise violates this Policy, the employee will be subject to discipline, up to and including termination. In appropriate circumstances and in Nourison's sole discretion, the employee may be offered the opportunity to seek an evaluation with a substance abuse professional and to complete any education and/or treatment prescribed. Individuals who are offered this option will be required to enter into a return to work agreement that will include, among other terms, a commitment to:

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- Follow all recommendations for treatment and/or aftercare prescribed by the substance abuse professional
- Authorize the substance abuse professional to communicate with a Nourison representative regarding the employee's compliance with all prescribed education and treatment, and to discuss the employee's progress in the program, as well as his or her job duties and responsibilities;
- Take, and pass, a return-to-work drug and/or alcohol test when released to return to work; and
- Submit to unannounced follow-up testing for drugs and/or alcohol for a period of one year following the individual's release to return to work, completing at least six tests in this period.

Nourison may, in its discretion, impose additional requirements as a condition to the receipt of a rehabilitative leave and/or return to work.

F. HOW THE TEST WILL BE CONDUCTED

1. Consent -- The employee will be asked to sign a consent form authorizing the drug/alcohol test. Refusal to sign the consent form or to submit to test shall be considered an admission of a violation of this Policy and will result in discipline, up to and including termination. Efforts to delay, dilute, substitute, adulterate, or otherwise tamper with the test specimen or the testing process will be deemed refusals to test.

2. Collection and Chain-of-Custody – Persons being tested will be asked to provide a test sample by the collection site person. Samples may include urine, hair, breath, saliva, or other samples capable of revealing the presence of drugs, or their metabolites, or alcohol. Procedures for the collection of specimens will allow for reasonable individual privacy, unless there is a reason to believe the individual may alter or substitute the specimen to be provided. The collection site person and the person being tested will maintain chain-of-custody procedures for specimens at all times. With respect to drug tests, a sufficient quantity of the sample will be collected and preserved so that a re-test may be performed on the specimen.

3. Testing Methods – All drug test samples will be screened using an immunoassay technique and all presumptive positive drug tests will be confirmed using gas chromatography/mass spectrometry (GC/MS). A certified laboratory will confirm all drug tests. Breath and/or saliva tests ordinarily will be used to detect the presence of alcohol. An alcohol test will be considered positive if it shows the presence of .04 percent or more alcohol in a person's system. Tests will seek only information about the presence of drugs or their metabolites and alcohol in an individual's specimen, and will not test for any medical condition.

4. Test Results - Nourison's policy requires a second collection (without prior notice) and testing when negative dilute urine test results are received.

5. Notification – Any individual who tests positive for drugs will be so notified by a Medical Review Officer ("MRO") (a health care professional with an expertise in toxicology), and given an opportunity to provide any legitimate reason he or she may have that would explain the positive drug test. If the individual provides an explanation acceptable to the



MRO that the positive drug-test result is due to factors other than the consumption of illegal drugs, the MRO will order the positive test result to be disregarded and will report the test as negative. Otherwise, the MRO will verify the test as positive.

Individuals may request a copy of their own test result. In addition, an individual who tests positive for drugs may request that his or her remaining sample be sent to an independent certified laboratory for a second confirmatory test, at the individual's expense, although the Company may suspend, transfer, or take other appropriate action pending the results of any such re-test. (This request must be made promptly – not later than five business days after the individual is notified of the test result.) If the test result is confirmed positive, the employee will be subject to discipline or the job offer will be withdrawn. If the result is confirmed negative, the employee will be reinstated and compensated for work time lost while on suspension, unless other circumstances make a suspension without pay appropriate.

G. CONFIDENTIALITY

All records relating to positive test results, drug and alcohol dependencies, and employee medical information will be kept confidential, and disseminated to and within the Company only on a need-to-know basis. Such records will be kept in secure files separate from personnel files. Test results will not be released outside the Company without the written consent of the tested individual, except when necessary to defend an administrative proceeding or court claim brought by or on behalf of the tested individual, or as otherwise required by law.

H. COMPLIANCE WITH ALL APPLICABLE LAWS

Nourison will implement this Drug & Alcohol Policy, including the drug- and alcohol-testing portions, in a manner that complies with applicable federal, state, and local law.

VISITORS

Visitors are not allowed on company property without prior authorization from management. There may be occasions when visitors are permitted in the plant. These must occur during office hours with approval, or when the visit is business related and has management permission. All visitors must register at the front desk.

PARKING

You can help to make things easier for visitors by parking your vehicle in the designated employee parking area. Lock your vehicle and remove all important belongings. We are not responsible for damage to your car or losses due to theft or vandalism.

SAFETY AT WORK

To ensure your safety and that of your coworkers, you must observe the following rules:

- Running in the warehouse is prohibited unless necessitated because of emergency, operating malfunction, etc.

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- Never operate, repair, or adjust machinery or equipment unless you have proper authorization.
- Find out how heavy something is before trying to lift it. When lifting, support the weight with your legs, not with your back.
- Before turning on electricity, gas, steam, air, water, or setting any machinery or equipment in motion, be absolutely certain no one is in a position to be injured and that all safeguards are in proper position.
- If you see a potential hazard in your work area, report it promptly to your supervisor.
- Check tools and equipment before using them. If any are found to be defective, mark the equipment, and report the problem to your supervisor.
- If you are unsure how to perform a task, ask your supervisor for the safest procedure.
- Notify your supervisor if anything, including a personal problem, is distracting you when you are trying to concentrate on your work.
- Stay clear of forklifts and be careful when handling materials. Always keep clear of areas where material is being stacked or moved.
- If you have an accident at work, it is mandatory that you report it to your supervisor immediately, even if you feel no medical attention is necessary at the time.
- Advise your supervisor before any additional doctor visits, treatments or tests that are related to any injury at work. You cannot be permitted to resume work without a release note from your physician.

Failure to follow these guidelines can lead to disciplinary actions. If you are not sure about a situation or have a concern regarding safety, ask your supervisor.

The above list includes the most obvious and common safety violations. Any action that jeopardizes your safety, that of a fellow employee, or that damages the Company could result in termination.

EQUIPMENT USE

Proper maintenance and operation of equipment can improve productivity. Be responsible about equipment, use only what you have been trained to operate, and follow directions. When you are finished, make sure all equipment is cleaned, checked, and returned to its proper storage place.

If the equipment is due for maintenance, notify your supervisor. Use only replacement parts that meet specifications. Close attention to, care and maintenance of equipment will assure long, more reliable operation.

Keep the area around equipment clean and clear of fire hazards. Know where fire extinguishers are and know how to use them.

KNIVES AND FIREARMS

Except for small utility and lock-back pocket knives, necessary for the performance of your job, no other kind of knives or firearms are allowed on company property. If you are found to be carry knives or fire arms on the property, you will be subject to immediate termination.

SMOKING

We respect your right to smoke. We also respect the rights of those who do not smoke and who do not want to be around secondary smoke. As a result, smoking is permitted only in the designated area outside.

CODE OF CONDUCT

Your attitude and conduct play an important role in the success of this company. Whether or not you are ever in contact with our customers, your work has an impact on the way our company is identified. Quality in products and production, completing projects on time, and meeting the specific requirements of each job help to improve our image and help ensure growth in the future.

Support our role as a quality company throughout the day, in all tasks you perform. Show your respect towards others by eliminating improper language and actions. When you need help to complete a job more effectively, ask for assistance from others at work. Similarly, if you are not busy and see that others could use a hand, offer your help.

Treat customers, vendors, and others in our company as you would like to be treated; with respect and with positive support, in an effort to continually improve operations at Nourison.

SECURITY

The Nourison facility contains valuable machinery, equipment, furnishings, merchandise, and other property. Loss or damage to any items results in a direct loss of the value of the goods, as well as loss of time because of repair or delay in service. Pay close attention to the security of the building and equipment on company property and on site.

Be conscious of security in your job and use the following guidelines to improve security measures: Have prior approval when you are going to be in the building at times other than normal operation hours. Report any suspicious activities on or around company property to your supervisor.

INTERNET AND COMPUTER USE POLICY

COMPUTER SYSTEMS, ELECTRONIC MAIL AND VOICEMAIL SYSTEMS

Computer systems, computer files, networks, electronic mail (e-mail) and voicemail systems, software and other media furnished to employees are the property of the Company and are intended solely for business use.

Incidental personal use of the Company computer, e-mail and voicemail systems is permitted

The logo for Nourison, featuring the word "Nourison" in a stylized, cursive script font. The letter "N" is large and ornate, with a long tail that loops under the rest of the word. A small trademark symbol (TM) is located at the end of the word. The logo is positioned to the right of a thick, solid black horizontal bar.

so long as it does not interfere with job performance and is otherwise in compliance with this policy. However, e-mail may not be used to solicit others for commercial ventures, religious or political causes, outside organizations or other non-the Company ventures.

Materials or information generated or used by these systems are the property of the Company and, therefore, they are subject to inspection and monitoring by the Company in its absolute discretion. The Company also reserves the right to service the systems as necessary, which may result in some of the information in the system becoming known by other individuals.

Any information stored in the Company's computers, or in any other electronic media maintained by the Company, is subject to access, modification or removal by authorized personnel at any time. Employees who place information on the Company's systems consent to the Company's right to access, review and treat as its own any information stored there. All system passwords and security codes must be made available to the Company upon request by authorized personnel.

The Company assumes no liability for the loss, damage, destruction, alteration, disclosure or misuse of any personal data or communication transmitted over or stored on Company property. The Company accepts no responsibility or liability for the loss or non-delivery of any personal voicemail communications, email communications, or other personal data stored on Company property.

The intentional introduction of any virus-containing program or code is grounds for immediate termination, and may be grounds for criminal action. Any employee receiving a prompt or message stating that the Company software system has detected a potential virus must contact management immediately.

Inappropriate use of the Company's computer, e-mail and voicemail systems is prohibited. Inappropriate use includes, but is not limited to, the following:

- accessing, copying, saving, storing, transmitting, displaying, downloading, printing or distributing messages, text, images or other data that are harassing, derogatory, defamatory, obscene, offensive or unprofessional, including material that is sexually explicit or disparaging of others based upon a protected characteristic or belief;
- copying, saving, storing, transmitting, displaying, downloading, printing or distributing messages, text, images, music or other data that are protected by copyright without proper authorization or license from the copyright holder;
- copying, saving, storing or otherwise using the Company-licensed software outside of the scope of the respective manufacturer's software license agreement with the Company; and
- using the Company systems, files or equipment in conjunction with outside work or an outside business.

Employees are prohibited from attempting to gain access to another employee's personal computer files, e-mail or voicemail messages without the other employee's or the Company's express permission. Access by any user of any other user's computer files, e-mail, voicemail or other information not for the purpose of the Company business and without the other

user's consent is against the Company policy. However, any user who stores personal files or other personal information, or sends personal messages, on the Company computer equipment or voicemail assumes the risk of access by other users.

MONITORING OF ELECTRONIC SYSTEMS BY THE COMPANY

The Company reserves the right to monitor all use of the Company computer, e-mail and voicemail systems at any time and for any reason. Employees should not consider their use of the Company e-mail or voicemail to be private or confidential. To the contrary, the Company expressly reserves the right to monitor, copy, delete and/or disclose any and all documents, data, messages or other files stored on the Company computers, e-mail or voicemail systems without the employees prior authorization.

If, upon investigation into any suspected misuse of the Company's information systems and/or during any general monitoring of those systems, the Company discovers that an employee has engaged in activities that are in violation of law and/or potentially harmful to any third party or employee, the Company will promptly report those activities to the appropriate law enforcement officials. Further, the Company will cooperate with proper requests by law enforcement for access to and search of its information systems during the course of any criminal investigation into suspected unlawful activities.

PROTECTING CLASSIFIED INFORMATION

The primary requirement for protecting the Company's Confidential Information is that access to it may only be given to people who have a business need to know the information. Internet servers must never allow unrestricted access (for example, world-readable, public, etc.) to Company Confidential Information. Company Confidential Information accessed through or transmitted across the Internet must be protected by encryption technology (for example, data and/or session encryption). Any questions concerning protection of information should be discussed with your manager.

HARMFUL CODE

A "computer virus" is a program designed to copy itself into other programs. The virus may also be designed to cause the loss or alteration of data on a computer, or in extreme cases, to completely disable a computer. The virus is activated when the program "infected" by it is executed on a computer.

Do not execute a program or click on a link if you are uncertain of expected results or do not know and trust the source of the program.

Always use current versions of the Company's anti-virus programs to periodically check the files on your computer for viruses. Websites established by individuals (rather than by companies), and websites established by organizations with questionable ethics, are prime candidates for hosting harmful code. You should avoid these sites whenever possible.

One technique that can be used to help guard against harmful code before visiting an Internet website for the first time is to set the security control options in your web browser to prohibit execution of applets or JavaScript. You should refer to your browsers Help option, and select help for security-related topics. If a virus infects programs on your machine,

report the virus infection to management immediately by phone.

Harmful code false alarms and hoaxes are also a problem. Employees are not to send or forward e-mail notices concerning virus or harmful code warnings to other employees. If you receive an e-mail notice about a supposed virus or harmful code threat, you should report the incident to management immediately.

BUSINESS USE

The Company's internal computer systems, workstations, and networks are only to be used for conducting the Company's business. Use is subject to audit at any time by the Company management.

When accessing the Internet from the Company's computer systems, workstations or networks:

- Adhere to the Company's Business Ethics Policy.
- Adhere to the security and usage guidelines defined in this document.
- Use only services you have authorization to access. Do not try to get into open Internet system or server ports without prior authorization.
- Do not run security-testing tools/programs against any Internet system or server without explicit authorization from the system/server owner.
- Always represent yourself as yourself - never someone else.
- Do not place any material on the Internet that would be considered inappropriate, offensive or disrespectful to others, and do not access such material.

When using electronic mail to communicate with people on the Internet:

- Do not send mail so that it appears to have come from someone else.
- Do not send unsolicited advertising via mail.
- Do not automatically forward the Company internal mail to an Internet site.
- Do not use auto reply functions to respond to your Internet mail.
- Do not send or reply to chain letters.
- Do not use the Internet to send internal business e-mail to another the Company employee.
- Always use the employee's internal e-mail address.

INAPPROPRIATE INTERNET WEBSITES

Numerous Internet websites contain or distribute material that is objectionable in the workplace. While it is impossible to list every possible website or form of objectionable material, some clear examples include:

- Websites that contain sexually explicit images and related material

- Websites that advocate illegal activity
- Websites that advocate intolerance for others

Employees are not to access such websites, or distribute or obtain similar material through the Internet. Compliance with this policy is a condition of employment.

The Company may choose to apply technical control measures to prevent access to certain websites. The Company does not routinely scan Internet websites for inappropriate material, nor does it attempt to maintain a complete list of inappropriate websites. Accordingly, employees should not presume that the Company approves access to any website not blocked by technical control measures. Employees should discuss questions concerning other inappropriate websites or objectionable material with their managers.

RECEIVING UNSOLICITED E-MAIL

Employees with an Internet e-mail address may be recipients of unsolicited non-business e-mail (sometimes referred to as SPAM or junk mail). Ignore it and delete it, just as would junk mail you receive at your home.

PERSONAL USE

Access to the Internet from the Company's business address designation is only for the Company business-related activity. However, access to Internet services for personal use during your normal work hours is allowed if such use is clearly insignificant as compared to your business use. In addition, access to the Internet for personal use from the Company's business address designation during or outside of normal work hours must:

- Not interfere or compete with the Company business,
- Not interfere with your job or the jobs of other employees,
- Not interfere with the operation of the Company's Internet gateways,
- Comply with the security and use guidelines described within this document.

In addition to the above, personal use activities must not involve additional hardware or software costs to the Company and may never include:

- Solicitation of employees for any reason,
- Providing information about, or lists of, employees to others, and/or
- Commercial solicitations for your personal, non-Company business enterprise.

CONSEQUENCES FOR VIOLATION

Misuse of computers and the Internet by employees can have great repercussions on the company because of the potentially destructive consequences on our IT systems and because of the legal liability the company may have for the unlawful actions of its employees. This being the case, it is essential that all employees understand and follow the policies described above.

Questions concerning personal use of Internet services and the Company computing resource should be discussed with your immediate supervisor or another manager.

PERSONAL MAIL AND PHONE

Nourison relies on the phone and mail systems to communicate with current and potential customers, suppliers, and other businesses. Your time at work is expected to be related to company operations.

If you must make a personal call that can only be taken care of during business hours, limit the length of your call, and call only at break or meal periods.

Phone calls from friends or relatives will be forwarded when there is an emergency.

EMPLOYEE BENEFITS

401K / PROFIT SHARING PLAN

You are eligible to contribute to the 401K plan immediately upon your date of hire, if you enroll in the plan. You are eligible for company contributions to your 401K / Profit Sharing account after one year of service. According to Federal law each year the Company may contribute, at its discretion, an amount to each eligible employee's 401K / Profit sharing plan account each year. Company contributions to your 401K plan account after one year of service are calculated as a percentage of your own contributions. Company contributions to the Profit Sharing Plan do not require that you enroll in the 401K Plan.

You are always 100% vested in the portion of your account which represents your contributions and the income earned thereon. You become vested in the Company's contributions and earnings thereon at the rate of 20% per year beginning after completion of 2 years of service, with 100% vesting reached after completion of 6 years of service. 100% vesting also occurs upon death, or total and permanent disability, or attainment of normal retirement age.

The Company reserves the right to modify or discontinue the 401K / Profit Sharing Plan at any time.

GROUP MEDICAL INSURANCE COVERAGE

Nourison offers medical insurance coverage, and provides workers compensation insurance in case of an accident or injury on the job.

If you enroll for medical insurance coverage, you will contribute towards the cost of your coverage through weekly payroll deductions. If you enroll, coverage will become effective the first day of the month after your initial 90 day introductory period. If you resign or are laid off, your coverage will be canceled by the company, but you will have the option to continue the coverage for a period of time under the rules of COBRA. Additional information can be obtained from the Human Resources Department.



HOLIDAYS

Once you have successfully completed your introductory employment period, you are eligible to receive certain holidays off with pay in an amount equal to what you would have otherwise earned for your regularly scheduled hours on that day. Such holidays are designated and announced at the beginning of each year.

To be eligible for paid holidays, you are required to be at work during the workdays before and following the holiday.

VACATION

You earn vacation time based on your length of service with the company. All full time employees are eligible. Vacation entitlement is as follows:

During 1st year of service - 1 week, accrued monthly

During 2nd through 5th year of service - 2 weeks, accrued monthly

After the 5th year of service and beyond - 3 weeks, accrued monthly

The company believes that vacations are an important way to help employees relax and regain energy. Therefore the company encourages employees to use their full allowable vacation time, in weekly periods. Accordingly, employees may not carry over unused vacation time from one anniversary year to the next.

Upon retirement, layoff or resignation with two weeks notice to the Company, you will be paid for all unused vacation time accrued during your current anniversary year. If you are terminated or resign without providing the Company with two weeks notice, you will be paid for all credited and unused vacation time only upon your signing a general release agreement with the Company.

Vacations must be requested at least 30 days in advance. To apply for a vacation, obtain a vacation request form from your supervisor. Approval will be granted based on availability of adequate replacements to maintain production schedules. Vacation requests may be denied if granting the vacation would impact our ability to meet customers' needs. No employee may take more than 15 consecutive vacation days at any one time.

If you don't take your full allowable vacation time in the current anniversary year, you will lose any unused vacation time. Also, you will not receive cash payment for unused vacation time from previous anniversary years.

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RECEIPT OF EMPLOYEE HANDBOOK

I received a copy of the Nourison Employee Handbook and will become familiar with the information and work rules contained in it. If there is anything I do not understand, it is my responsibility to request an explanation from my supervisor or manager.

I understand that the purpose of this handbook is to inform me about the Company's policies and rules and that nothing contained in this handbook or in any other Company communication, whether written or oral, constitutes an employment contract between the Company and myself. I understand further that the disciplinary rules contained in this handbook are only guidelines and that my employment can be terminated with or without notice at any time, at either my option or the Company's.

I understand that all information presented to me in this handbook is subject to change or variance at the discretion of the Company.

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DATE

EMPLOYEE NAME

WITNESS

EMPLOYEE SIGNATURE

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Nourison[™] *Industries, Inc.*

One Source. Unlimited possibilities...

US Headquarters

5 Sampson St.
Saddle Brook, NJ 07663
(800) 223-1110

Atlanta Showroom

Atlanta Merchandise Mart
240 Peachtree St. N.W.,
Space 3F2
Atlanta, GA 30303
(404) 584-7255

Las Vegas Showroom

World Market Center,
Building C
455 S. Grand Central
Pkwy., Suite C112
Las Vegas, NV 89106
(702) 454-2600

High Point Showroom

International Home
Furnishings Center (IHFC)
210 E. Commerce Ave.
InterHall Space IH101
High Point, NC 27265
(336) 841-6900

Calhoun Distribution Center

201 Union Grove Rd.
Calhoun, GA 30701
(706) 629-1799

New York Showroom

295 Fifth Ave. Suite 114
New York, NY 10016
(212) 545-1030