



SECTION 2: BENEFITS

HEALTH AND OTHER WELFARE BENEFITS

Regular full-time employees are generally eligible to participate in a variety of health and welfare benefit plans and programs sponsored by the Company subject to the terms of those plans and programs. All full-time employees are also eligible to participate in the Company's 401K savings plan. Please refer to the provider's Summary Plan Descriptions for information relating to XYZ COMPANY's employee benefit plans.

MILITARY LEAVE

Employees who serve in the Armed Forces of the United States will be entitled to an unpaid leave of absence for the period during which they are engaged in active service or are undergoing required training. If your absence due to military service is less than 31 days, your benefits will be continued provided you continue to pay your portion of the premiums. If your absence due to military service will be more than 30 days, your benefits will continue to the end of the month in which the leave begins. When these benefits end, the employee and dependents may elect continued coverage under COBRA. Your supervisor or designated location contact will provide details at the time a military leave is requested.

There are provisions that outline the employment rights for those employees who are considered either a member of a "Reserve" component of the military or a "draftee" under the Military Selective Service Act and who are called to active duty or training. Please contact your supervisor for specific details.

At your option, you may charge your military leave to any vacation benefits to which you may be entitled.

EXCUSED PAID BENEFITS

A. Holidays

At the beginning of each calendar year, the holiday schedule for each location will be published and distributed to all employees. There is no waiting period for your eligibility for scheduled Company holidays; you are eligible for holiday pay (equal to your base rate of pay plus any shift differentials) immediately upon being hired. Except for vacations authorized under the Company's vacation policy, employees must work the last scheduled work day before the holiday and the first scheduled work day after the holiday in order to be eligible for holiday pay.

If, as a *non-exempt employee*, you work all available hours in a week and also work on a designated holiday during the same week, you will be paid 8 hours regular holiday pay plus 1-1/2 times your straight-time rate for hours worked that day. If you work on a designated holiday, you will be paid a minimum of 4 hours, even if you actually work fewer hours.

Part-time employees will be eligible for holiday pay at the flat rate of 4 hours of pay on all holidays occurring in a week that the employee is scheduled to work. Part-time employees will receive holiday pay only for holidays that result in the closing of the division.



ACCESS TO EMPLOYEE PERSONNEL FILES

To ensure that its personnel records are kept up-to-date, the Company requests that you promptly report to your supervisor, in writing, any changes to the following information:

- Legal name
- Marital status
- Address
- Telephone number
- Emergency contact
- Family dependents
- Beneficiary
- Withholding exemptions
- Education, training certifications and other achievements outside the job
- Any other information pertinent to personnel records.

While employed with XYZ COMPANY, you may inspect your own personnel file during regular business hours by scheduling time with the HR contact. During employment, you may have a copy of any documentation that is in your file. To request a copy of the information in your personnel file, notify your supervisor and a copy will be produced for you as soon as possible.

An employee does not have access to information concerning references, criminal investigations and other official business conducted by the Company relating to the employee unless otherwise required by law.

WORK-RELATED INJURY OR ILLNESS

XYZ COMPANY is concerned about the safety and well being of its employees. If you suffer a work-related injury or illness, you must report it to your the work-related condition is not promptly reported, you may jeopardize any workers' compensation benefits to which you may be entitled.

Upon reporting a work-related injury or illness, management may require that you be examined by a Company physician. A federal law known as the Occupational Safety and Health Act ("OSHA") requires that XYZ COMPANY keep records of all work-related injuries and illnesses. State workers' compensation laws may also require XYZ COMPANY to report work-related conditions.

EMPLOYEE IDENTIFICATION CARD

If applicable, employees may receive a XYZ COMPANY Employee Identification or Security Access card on or about the date of hire. This card is valuable Company property. You may be required to present the card for inspection at any time while at work.

All identification cards remain the property of XYZ COMPANY. Defacing or transferring the card to another person is prohibited. You should immediately report the loss of a XYZ COMPANY identification card to your supervisor.



Any questions regarding this policy should be directed toward your supervisor or the designated office contact.

RESIGNATION AND TERMINATION

If you wish to voluntarily terminate your employment with the Company, you are requested to notify your supervisor in writing at least two weeks in advance of the intended termination date. There may be times when the supervisor will ask you to leave work on the day you give notice.

An exit interview may be scheduled prior to the last day of employment.

The terminating employee's immediate supervisor is responsible for ensuring that the employee returns all Company property.

Terminated employees are paid in full for all time worked prior to termination, plus all accrued and unused vacation pay and any other wages owed either on the next regular pay date following the termination date or sooner, if required by state law.

Health insurance benefits for terminating employees will generally cease on the date described in the governing Plan documents and Summary Plan descriptions. Unless released for gross misconduct, terminated employees and their covered dependents may, however, elect continued medical, dental, and vision insurance coverage after that date, in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

RETIREMENT

Various age and service requirements affect the retirement benefits and programs for which an employee may be eligible. You are requested to notify your Human Resources representative at least 90 days prior to your planned retirement to discuss the attainment of specific retirement criteria, and to allow for proper processing.

An exit interview may be scheduled prior to the last day of employment.

The retiring employee's immediate supervisor is responsible for ensuring that the employee returns all Company property.

Retiring employees are paid in full for all time worked prior to termination, plus all accrued and unused vacation pay and any other wages owed either on the next regular pay date following the termination date or sooner, if required by state law.

SERVICE DATE POLICY

Under the Company's Service Date Policy, if you voluntarily leave the Company, or lose your employment because of a "layoff" (terminated solely by reason of a reduction in the Company's work force), and are re-employed by the Company within six months, your original service date will be reinstated. You will retain your occasional illness and vacation accrual (as applicable), and the right to enroll in the Company's 401(k) plan.

If you voluntarily leave the Company or lose your employment because of a "layoff," and are re-employed by the Company after six months, your original service date will be adjusted to reflect the difference in dates of employment with XYZ COMPANY.



Additionally, XYZ COMPANY will perform a criminal background check on all newly-hired employees, both full- and part-time. This screening provides the Company with objective and reliable information concerning the integrity of our employees.

EMPLOYEE STATUS CLASSIFICATIONS

A. Full-Time v. Part-Time:

- 1) *Regular full-time employee:* An employee who works 36 or more hours per week on a regularly- scheduled basis is a regular full-time employee. There is not, however, any guarantee of an on-going specific work schedule. All regular full-time employees are, upon meeting applicable requirements, eligible to participate in the Company's Employee Benefit Programs.
- 2) *Part-time employee:* A part-time employee is an employee who usually works fewer than 36 hours per week (whether working on a regularly-scheduled basis or not). Part-time employees are not guaranteed a weekly work schedule. Part-time employees are not eligible to participate in the Company's Employee Benefit Programs but they will accrue Vacation credit and, upon meeting eligibility requirements, will have the opportunity to participate in the Company's 401(K) plan.

B. Exempt v. Non-Exempt Employees:

- 1) *Exempt Employee:* An exempt employee is paid a salary and is not eligible for overtime pay.
- 2) *Non-Exempt Employee:* A non-exempt employee is paid on an hourly basis. A non-exempt employee is compensated for overtime when the employee works, at the supervisor's request, more than 40 hours per week, unless otherwise required by state law.

If you have any questions regarding these classifications, please contact your supervisor.

From time to time, the Company may hire individuals on a contractual or temporary basis. **The provisions of this Handbook are not applicable to individuals who are not employees of the Company.**

EMPLOYMENT OF RELATIVES

While XYZ COMPANY does not discourage the employment of related individuals, to minimize conflicts of interest, the Company will not employ a relative of an employee under any of the following circumstances:

- Two relatives working in the same department
- Two relatives working under the same supervisor
- An employee directly or indirectly exercising supervisory authority over a relative
- A relative responsible for auditing, verifying, receiving, or being entrusted with monies handled by an employee
- A relative having access to the employee's confidential information such as payroll and personnel records

For the purpose of this policy, a relative is defined as an employee's spouse, common-law spouse, parent, parent-in-law, step-parent, brother, sister, brother-in-law, sister-in-law, step-brother, step-sister, child, child-in-law, step-child, grandparent, grandchild, aunt, uncle, or cousin, regardless of where they reside, and any other relative or person who lives with you in the same household.

An employee who plans to marry another employee should notify his/her supervisor.



Prohibited conduct which may constitute sexual harassment may include explicit sexual propositions or simply sexual innuendo, suggestive comments, sexually oriented "kidding" or "teasing," "practical jokes," jokes about gender-specific traits, foul or obscene language or gestures, display of foul or obscene printed or visual material, and any type of physical contact between two individuals such as patting, pinching, or brushing against another's body. This prohibited conduct can occur in the workplace or away from the workplace at Company social functions, business trips, or meetings.

A. Reporting and Investigation Harassment:

All XYZ COMPANY Employees are individually and collectively responsible to help ensure that harassment of any type or nature does not exist or is not condoned in the workplace. If you feel that you have experienced or witnessed any type of workplace harassment, you are to notify your supervisor immediately.

All Employees are encouraged to raise any complaints or questions about harassment to their manager, the designated location contact, or a Human Resource representative. The Company forbids retaliation against any Employee who reports any type of harassment, including sexual harassment, or who assists in making a harassment complaint, or who cooperates in a harassment investigation.

The Company will promptly investigate all such complaints thoroughly and promptly and take appropriate corrective action based upon the circumstances. To the fullest extent practicable, the Company will keep the complaints and the terms of their resolution confidential. **If, however, an investigation confirms that any Employee has been involved in any conduct or action in violation of this policy or has engaged in inappropriate conduct regardless of whether it violates this policy or is unlawful, the Company will take appropriate immediate disciplinary action, up to and including termination of employment.**

If you have any questions regarding this policy, or its meaning or application, please contact any member of your management team.

ACCOMMODATIONS IN THE WORK ENVIRONMENT

XYZ COMPANY recognizes that some individuals with disabilities may require reasonable accommodations within the work environment or need these accommodations to perform the essential functions of their job requirements.

If you have a disability or become disabled during your employment, you can contact the Human Resources department to discuss the process for obtaining an accommodation. This procedure is voluntary and confidential. All information that you provide to the Company about your disability will be held in confidence and will not be disclosed to anyone without your permission, except when necessary to accommodate your disability or when required by law, legal process, and/or the safety of the workplace. The Company may request from your physician verification of information relating to your need for an accommodation.

DRUG TESTING AND CRIMINAL BACKGROUND CHECK

Drug testing will be conducted within ninety (90) days of an employee's first date of employment. Continued employment is contingent upon a satisfactory result of the drug test. At any subsequent time you appear to be working under the influence of alcohol, illegal drugs, or a controlled substance, you may be referred for a health evaluation or an additional chemical screening.



SECTION 1: EMPLOYMENT

DIVERSITY

We believe that a diverse work force best serves the interests of our employees, our customers, and the communities in which we do business. Employees from all backgrounds levels of education should believe that opportunities for professional development and advancement are available in our work environment.

EQUAL EMPLOYMENT OPPORTUNITY STATEMENT

XYZ COMPANY is an Equal Employment Opportunity employer and does not discriminate against job applicants or employees on the basis of sex, age, race, color, national origin, religion, sexual orientation, disability, veteran status or any other status or condition protected by applicable law, except where a bona fide occupational qualification applies.

XYZ COMPANY is committed (1) to recruit, hire, train and promote persons and (2) to insure that all employment and personnel actions such as compensation, benefits, transfers, promotions, layoffs, return from layoff and company sponsored training, education and activity will be administered without regard to sex, age, race, color, national original, religion, sexual orientation, disability, veteran status or any other status or condition protected by applicable law, except where a bona fide occupational qualification applies.

XYZ COMPANY has designated the **Executive Vice President, responsible for Human Resources**, as the officer responsible for implementing this Policy. In addition, the success of this Policy requires cooperation between management and employees. All violations of the Company's Equal Employment Opportunity Policy should be reported immediately to the employee's immediate supervisor. If the employee's immediate supervisor is involved in this Policy's violation or is unresponsive, it should be reported directly to XYZ COMPANY's senior management committee.

HARASSMENT POLICY

XYZ COMPANY is committed to maintaining a work environment free of all types of employment discrimination. In keeping with this commitment, XYZ COMPANY will not tolerate harassment of any of its Employees by anyone, including any supervisor, co-worker, vendor, client, or customer of XYZ COMPANY.

The type of workplace harassment which is prohibited consists of any type of, including but not limited to, unwelcome conduct, whether verbal, physical, visual, or through our information systems, that is based upon a person's protected "status", such as sex, color, race, ancestry, religion, national origin, age, disability, marital status, veteran status, citizenship status, or any other protected group status. This definition specifically includes sexual harassment. The Company will not tolerate any type of harassing conduct of any nature by any person that may affect tangible job benefits, that interferes unreasonably with another individual's work performance, or that creates an intimidating, hostile, or offensive working environment.

Sexual harassment in the workplace deserves further clarification. Any type of unwelcome sexual advances, requests for sexual favors, and any other conduct of a physical, verbal, or visual nature which is based on sex may constitute sexual harassment when:

- Submission to the conduct is an explicit or implicit term or condition of employment;
- Submission to or rejection of the conduct is used as the basis for an employment decision; or
- The conduct has the purpose or effect of "unreasonably interfering" with an individual's work performance or creating an intimidating, hostile, or offensive working environment.



Welcome to the XYZ COMPANY team. We look forward to the many contributions you'll make toward XYZ COMPANY's number one value: exceeding our customers' expectations.

XYZ COMPANY is one of the leading providers of Emergency Roadside Assistance in the U.S., serving more than 20 million members. We have been in business over 38 years, serving both wholesale and retail customers.

Our goal is to achieve rapid growth through focused business management, creative business development, and world-class customer service.

We are excited about our plans for the future and glad you have chosen to be part of them. Because you are our most valuable asset, our company's continued growth and success depends upon your skills, involvement, commitment, innovative ideas and teamwork orientation. We firmly believe that the challenges and opportunities are here to help make your career at XYZ COMPANY both satisfying and rewarding.

This Employee Handbook is your basic source of Human Resources information. It describes the key personnel policies and guidelines for our business. Any questions regarding the content of this Handbook should be directed to your supervisor or manager.

We wish you a happy and successful career as you become part of the exciting future of XYZ COMPANY.

INTRODUCTION

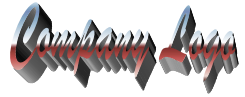
The policies and procedures outlined in this Handbook are presented to the employees of XYZ COMPANY (the "Company") as a matter of information only and are not intended to create, or to be construed to constitute, a binding employment contract between the Company and any of its employees. Employment may be terminated at anytime, for any or no reason, with or without notice either by the employee or by the Company. No one, other than a member of the senior management team of the Company may modify the Company's at-will employment policy. Members of XYZ COMPANY's senior management team are identified in Appendix 1.

The Company reserves the exclusive right to, at any time, add to, modify, revoke, suspend, terminate or change any of the plans, rules, policies and procedures set forth in this Handbook without notice. The oral or written interpretation of the Company's management personnel regarding any of the plans, rules, policies and procedures contained in this Handbook shall be binding on all employees of the Company.

If any provision of this Handbook is held to be illegal, invalid, or unenforceable under present or future law in the state in which you are employed, such provision shall be severable and the remaining provisions of this Handbook shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance. Nothing contained in these policies, guidelines or any other document provided to the employee is intended to be, nor should it be construed as, a guarantee that employment or any benefit will be continued for any period.

In addition to any of its rights to modify its policies and this Handbook, XYZ COMPANY may, from time to time, modify its plans, policies and procedures, regardless of whether the Handbook itself is modified. This Handbook may not reflect changes immediately as they occur. Consult with your supervisor if you have any questions or need for clarification.

Your supervisor or manager should be your first contact for any employee and personnel issues. If additional information or guidance is then needed, each of the Company's facilities has a designated contact whose responsibility it is to assist you with employment and personnel issues. You should feel free to contact your representative if you have any questions regarding compensation, benefits, or XYZ COMPANY rules, policies and procedures if your supervisor is unable to help.



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WELCOME



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XYZ Company EMPLOYEE HANDBOOK

Our mission is to achieve the highest possible standards in all that we do, and to deliver to our clients and customers world-class quality products and services at competitive prices, resulting in total customer satisfaction.