



WELCOME TO EMPLOYEES...

Dear Employees:

We would like to welcome you to Nature's Way Purewater Systems, Inc. d/b/a USHydrations. You are the most important asset we have. We depend on you to produce the beverage products that we manufacture for our long list of customers. We want you to feel like part of our family.

We are proud of our company. We are making progress every day that will insure the long term success for the company and its employees.

To continue to prosper, we must run an efficient operation and satisfy our customers every day of the year. To do this we will need your individual effort, as well as the teamwork of all employees. With your support, we will work together to make this a healthy and profitable company.

Once again, welcome to USHydrations and best wishes to you. We are happy that you are with us and hope that you will be as successful in reaching your goals, as we will be in reaching ours.

Sandy Insalaco, Sr.
Chairman

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INTRODUCTION

Interpretation of the Employee Manual

This Employee Manual (“Manual”) is regularly updated to inform you of USHydrations (“the Employer” or “the Company”) philosophy, employment practices, and policies, as well as the benefits provided to you as a valued employee.

Some Things You Must Acknowledge:

1. USHydrations, at its option, may add, change, delete, suspend or discontinue any part or parts of the policies in this Manual at any time for any or no reason without prior notice as business, employment legislation, and economic conditions dictate.
2. Any such action shall apply to existing and future employees.
3. Employees shall not accrue eligibility for any benefits that they have not become eligible for through actual time spent at work.
4. Employees shall not accrue eligibility for any benefits, rights, or privileges beyond the last day worked.
5. Only authorized personnel of USHydrations may alter or modify any of the policies in this Employee Manual. Any alteration or modification of the policies in this Manual must be in writing.
6. No statement or promise by a manager, past or present, may be interpreted as a change in policy nor will it constitute an agreement with an employee to alter your “at-will” employment status.

This most recent version of the Employee Manual supersedes all other versions. Other policies and procedures practiced outside the scope of our Employee Manual may still apply in whole or in part on a regular basis in order for you to perform your responsibilities. It is impossible for the Employee Manual to address every possible working scenario through a policy. For this reason, all employees and management alike should use common sense and discretion when making decisions or taking action that affect coworkers and the Company throughout their term of employment. If you are ever unsure of your duties or action to take, ask your Supervisor or a member of Management for help.

If you are ever encouraged to ignore workplace employment practices, safety policies or other general procedures outlined inside or outside this Manual, please notify the Human Resources Department. Similarly, if you believe our day to day policies are practiced differently from what is represented throughout the Employee Manual, please bring this to the attention of the Human Resources Department. We intend the Employee Manual and other written or verbal policies will accurately reflect the reality of our workplace. All our rules and policies are created with the intent to improve communication, working safety and compliance while remaining flexible enough for all employees and managers to effectively accomplish their goals. We believe this approach will foster a culture of accountability and responsibility where employees do the right thing for themselves, their coworkers and the Company at large.

What you can expect from USHydrations

USHydrations believes in creating a harmonious working relationship between all employees. In pursuit of this goal, USHydrations has created the following employee relations objectives:

1. Provide an exciting, challenging, and rewarding workplace and experience.
2. Select people on the basis of skill, training, ability, and character without discrimination with regard to age, sex, color, race, creed, national origin, religious persuasion, marital status, political belief, disability or any other characteristic protected by law that does not prohibit performance of essential job functions.
3. Take prompt and fair action to listen to and investigate any complaint which may arise in the everyday conduct of our business, to the extent that is practicable.
4. Acknowledge individual rights and treat all employees with courtesy.
5. Maintain mutual respect in our working relationships.
6. Provide buildings and offices that are comfortable, orderly and safe.
7. Make promotions or fill vacancies from within USHydrations whenever practical.
8. Keep all employees informed of the progress of USHydrations, as well as the company's overall goals, and objectives.
9. Promote an atmosphere in keeping with USHydrations vision, mission, and goals.

GOVERNMENT REQUIRED BENEFITS

Employees are provided a wide range of protection and benefits mandated by law such as Equal Employment, Disability Protection, Immigration Protection, Social Security, workers' compensation, military leave and unemployment compensation. Some of these mandated benefits are listed below. The full listing of required regulations and benefits is posted for your review in the workplace.

Equal Employment Opportunities

The Company is an EEOC employer and does not discriminate in employment opportunities or practices on the basis of race, color, gender, national origin, age, religion, creed, disability, veteran's status, sexual orientation, gender identity, gender expression or any other characteristic protected by law. In addition, the Company will not accept any acts of discrimination by our employees and all such acts will be subject to investigation.

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

Americans with Disabilities Act (ADA)

The Company is committed to comply with the Americans with Disabilities Act (ADA) and to ensure equal employment opportunity exists for qualified disabled persons. All employment practices and activities are conducted on a nondiscriminatory basis. Pre-employment inquiries are made regarding an applicant's ability to perform the essential duties of each position. For those who meet the essential requirements, other factors such as experience and attitude are considered before an applicant becomes an employment candidate.

Reasonable accommodations to perform work are available to any disabled employee provided their accommodation is not an "undue hardship" on the Company. All position requirements and goals are fully explained in formally defined job descriptions and other procedures. Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as

well as changes in job assignments, classifications, organizational structures, positions descriptions, lines of progression and seniority lists.

The Company will not discriminate or allow discrimination by employees against any employee or applicant because they are a disabled person or are associated with a person with a disability. The Company shall follow any federal, state or local law that provides individuals with disabilities greater protection under the ADA.

Immigration Law Compliance

The Company is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin. In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 within the past three years, or if their previous I-9 is no longer retained or valid.

Employees with questions or seeking more information on immigration law issues are encouraged to contact their Supervisor. Employees may raise questions or complaints about immigration law compliance without the fear of reprisal.

Military Leave

A military leave of absence will be granted to employees who are deployed on military duty and absent from work in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required verbally or in writing, unless military necessity prevents such notice by the employee or it is otherwise impossible or unreasonable. The Company does not offer paid wages for non-worked time by employees who take military leave in accordance with USERRA. Military employees may request to use any of their personally available or accrued vacation pay during the absence if they choose, although using such accrued or available leave may not be mandated by the employer.

While on USERRA leave, the employee is considered to have remained at work during the term he/she was away performing military responsibilities. To this end, the employee will continue to accrue vacation or other paid leave and entitlement to benefits and pay increases as though he/she remained employed. This "escalator principle" applies to only those time and longevity based pay changes, training, qualifications, promotions, etc. Performance based changes may not be covered by USERRA.

Continuation of health insurance benefits through COBRA is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible. Employees on military leave for up to 30 days are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with USERRA and all applicable state laws. Employees returning from military leave will be placed in the position they would have attained had they remained continuously employed or a comparable one depending on the length of military service in accordance with USERRA. They will be treated as though they were continuously employed for purposes of determining benefits based on length of service.

Additional USERRA Rights and reference information is posted with other workplace postings for your review. Contact the Accounting Office for more information or questions about military leave and USERRA.

Family and Medical Leave Act

Basic Leave Entitlement

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- for incapacity due to pregnancy, prenatal medical care or child birth;
- to care for the employee's child after birth, or placement for adoption or foster care;
- to care for the employee's spouse, son, daughter or parent, who has a serious health condition; or
- for a serious health condition that makes the employee unable to perform the employee's job.

Military Family Leave Entitlements

Eligible employees whose spouse, son, daughter or parent is on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings. FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. A covered service member is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness*; or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.*

**The FMLA definitions of "serious injury or illness" for current service members and veterans are distinct from the FMLA definition of "serious health condition".*

Benefits and Protections

During FMLA leave, the employer must maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms. Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Eligibility Requirements

Employees are eligible if they have worked for a covered employer for at least 12 months, have 1,250 hours of service in the previous 12 months*, and if at least 50 employees are employed by the employer within 75 miles.

**Special hours of service eligibility requirements apply to airline flight crew employees.*

Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave

An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Substitution of Paid Leave for Unpaid Leave

Employees may choose or employers may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the employer's normal paid leave policies.

Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures. Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities

Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility. Covered employers must inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the employer determines that the leave is not FMLA-protected, the employer must notify the employee.

Unlawful Acts by Employers

FMLA makes it unlawful for any employer to:

- interfere with, restrain, or deny the exercise of any right provided under FMLA; and
- discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement

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

Employees should contact Human Resources for additional information regarding the Family Medical Leave Act.

COBRA

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue benefit coverage under the employer's medical plans, dental plans, vision plan, and flexible spending accounts when a "qualifying event" normally causes a loss of benefit eligibility. The plan administrator must notify affected employees of their right to elect COBRA. The employee and his/her family each have 60 days to elect the COBRA coverage, otherwise they lose all rights to COBRA benefits.

Upon eligibility for COBRA, the Human Resources Department will forward a notice of COBRA rights and duties to the address and attention of each employee and their dependents or covered persons. Employees will become eligible primarily following separation from employment or as a result of a reduction in work hours. Other qualifying events will include the employee's own death, divorce, retirement or when a covered employee's child becomes ineligible to remain on the policy due to school status or age limits.

Once qualified, an employee will be forwarded all benefit enrollment forms and a notice to pay their share of medical, vision and dental premiums they select for enrollment plus up to two percent of the premium as a fee directly to the employer. Coverage will continue for 18 months as long as payments are made within the grace period established by the Company which is a minimum of thirty days following the initial premium due date. The employer is not required to send an invoice or reminder after the initial notice is made.

COBRA eligibility will end if the employee is covered by a spouse's plan or by a new employer's plan or if the payments are not made within the established grace period. In the event the employer changes benefits during the COBRA coverage period, the employee and their dependents will each have an independent option to enroll in the new plan(s). If an employee refuses coverage for himself, his family has the option to enroll on their own as individuals.

Under certain circumstances such as death, divorce and dependent in-eligibility, it is the employee's responsibility to advise the Human Resources Department of the qualified event so the benefits may be extended beyond the 18 month period. For further details, the employee should consult our COBRA posting, COBRA general notice provided upon enrollment into a benefit program, or the full COBRA policy. Employees may also reference the Employee Benefit Security Administration (EBSA) website or ask for assistance from Human Resources Department.

Workers' Compensation

All employees are entitled to Workers' Compensation benefits. This coverage is automatic and immediate and protects you from an on-the-job injury is defined as an accidental injury suffered in the course of your work, or an illness which is directly related to performing your assigned job duties. This job-related injury or illness, Workers' Compensation insurance pays your medical bills and provides a portion of your income until you can return to work.

All near miss accidents, actual accidents, workplace injuries or illnesses arising out of the scope of your employment must be reported to your supervisor immediately so an accident report can be completed. Prompt reporting is the key to prompt benefits. Benefits are automatic, but nothing can happen until your employer knows about the injury. Insure your right to benefits by reporting every injury, no matter how slight.

Employees returning to work after being absent due to a work-related injury must bring a doctor's clearance for returning to work. In many cases, the employee will be available for a limited duty job assignment until they are recovered. The Company and the Workers' Compensation insurance company

will work with the doctor to make sure any work you do is within the “doctor’s orders” until you have a full release to return back to your job.

Unemployment Compensation

Depending upon the circumstances, employees may be eligible for Unemployment Compensation upon separation from employment with the Company. Eligibility for Unemployment Compensation is determined by the Division of Unemployment Insurance of the State Department of Labor. The Company pays the entire cost of this insurance program.

Unemployment compensation is designed to provide you with a temporary income when you are out of work through no fault of your own. For your claim to be valid, you must have a minimum amount of earnings determined by the State, and you must be willing and able to work. You should apply for benefits through the local State Unemployment Office as soon as you become unemployed.

Social Security

The United States Government operates a system of mandated insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund from which benefits are paid. As your employer, USHydrations is required to deduct this amount from each paycheck you receive. In additions, USHydrations matches your contribution dollar for dollar, thereby paying one-half of the cost of your Social Security benefits. Your Social Security number is used to record your earnings. Employees are encouraged to protect your Social Security record by ensuring your name and Social Security number on your pay stub and W-2 Form are correct. You may also want to make sure your earnings statement is accurate each year by requesting a Personal Earnings and Benefit Estimate Statement from the US Social Security Administration by calling 1-800-772-1213 or you may even access them on-line at www.ssa.gov.

OSHA General Notice

Under Section 5 of the Occupational Safety and Health (OSH) Act of 1970, and under 29 USC 654;

(a) Each employer:

(1) shall furnish to each of his employees employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to his employees;

(2) shall comply with occupational safety and health standards promulgated under this Act.

(b) Each employee shall comply with occupational safety and health standards and all rules, regulations, and orders issued pursuant to this Act which are applicable to his own actions and conduct.

In addition to this general OSHA standard, other required safety and training plans are mandated by the Act. These Plans and training encourage safe working conditions, help employees to recognize workplace hazards and require employers provide training and Personal Protective Equipment to the extent needed at each worksite.

GENERAL WORKPLACE PRACTICES

At-Will Employment

Your entire employment term with USHydrations is at-will. This means that neither you nor USHydrations has entered into a contract regarding the duration of your employment. You are free to terminate your employment with USHydrations at any time, with or without notice or reason. Likewise, USHydrations has the right to terminate or alter your employment, or transfer, or demote you at its own discretion with or without notice or reason.

No employee of USHydrations can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without written approval from the President.

Introductory Period

Your first sixty (60) days of employment at USHydrations are considered an Introductory Period. This Introductory Period will be a time for getting to know your fellow employees, your supervisor and the tasks involved in your job position, as well as becoming familiar with USHydrations. Your supervisor will work closely with you to help you understand the needs and processes of your job.

This Introductory Period is a “getting acquainted” time for both you, as an employee, and USHydrations, as an employer. During this Introductory Period, USHydrations will evaluate your suitability for employment, and you can evaluate USHydrations as well. Please understand, however, that completion of the Introductory Period does not guarantee continued employment, as the entire term of employment is always “at-will”. You are free to terminate your employment at any time, with or without notice or reason, and USHydrations may choose to terminate your employment at any time with or without notice or reason. During the Introductory Period, you and your supervisor will each have opportunities to discuss your job performance. This ongoing verbal review will be similar to the job performance review that is held for regular full-time or part-time employees on an annual basis.

Employee Classifications

The following terms are found throughout this manual and are used to describe the different classifications of employees and their employment status. The Fair Labor Standards Act (FLSA) in conjunction with state wage and hour requirements has established specific tests to determine which classification applies to each employee regarding exemption from overtime pay requirements.

Exempt: Employees who meet the requirements of computer, administrative, executive or professional designations. These positions must also meet the duties test, wage payment requirements and supervise the appropriate number of employees to be considered exempt from receiving overtime compensation. Typically these employees are compensated with an agreed upon salary. For executive designations, overtime does apply during training periods.

Non-Exempt: Employees who do not meet the exemption requirements listed above, may be paid a salary, however will be entitled to ½ time for hours worked in excess of 40/ week. Typically, these employees receive overtime pay after 40 hours in a pay cycle based on 1½ their regular rate of pay.

Full-Time: Employees hired as “full time” who typically average 30 or more work hours per work week over a minimum of 13 consecutive workweeks. Full Benefits are provided as per established policy and as they exist from time to time.

Part-Time: Employees hired as “part time” who typically average less than 30 work hours per work week. Part time employees who occasionally work more than 30 hours in a work week are not considered full time by virtue of one or more busy weeks of employment. Only a manager may change your status to another category.

Temporary: Employees who are hired by an agency or in-house for an indefinite period of time as either full-time or part-time to fill specific seasonal or project needs. Temporary employees are ineligible for company benefits.

Confidential Information

Upon accepting employment with USHydrations, you may be asked to sign a Confidentiality Agreement, which generally provides that you will not disclose or use any USHydrations confidential information, either during or after your employment. We sincerely hope that our relationship will be long-term and mutually rewarding. However, your employment with USHydrations assumes an obligation to maintain confidentiality, even after you leave our employ.

If someone outside the Company questions you regarding our business practices, request that they direct their questions to authorized personnel of USHydrations. No one is permitted to remove or make copies of any USHydrations records, reports or documents without prior management approval. Disclosure of confidential information could lead to termination, as well as other possible legal action.

Company Property Rights

All research, inventions, modifications, plans, improvements, schematics, records, case files, data resource materials, supplies or equipment created, updated or worked on by you or other employees during and within the scope of his/her employment with the Company shall be and remain the sole and exclusive property of the Company, and may not be copied, sold, copyrighted, patented, duplicated or removed without permission of the COO or CEO for any reason whatsoever. Removal will be considered as theft and will be dealt with accordingly.

Solicitations and Distributions

Solicitation for any cause during working time and in working areas is not permitted. You are not permitted to distribute non-company literature in work areas at any time during working time. Working time is defined as the time assigned for the performance of your job. Employees are not permitted to sell chances, merchandise or otherwise solicit or distribute literature without management approval. Activities protected by NLRB or other similar laws are exempt from this solicitation policy so long as the activity is not performed during paid work time. Persons not employed by the Company are prohibited from soliciting or distributing literature on company property.

Open Communication

Successful working conditions and relationships depend upon open communication. Not only should you be aware of changes in procedures, policies and general information, you need to communicate ideas, suggestions, personal goals or problems as they affect your work.

In addition to the exchanges of information and expressions of ideas and attitudes which occur daily, please be aware of and utilize all of the Company’s methods of communication, including this Employee Manual, bulletin boards, and discussions with your Supervisor.

You will receive other information booklets, such as your insurance booklets, from time to time. You may take these booklets home so that your family may know more about your job and your benefits. In addition, you may receive letters from USHydrations. There is no regular schedule for distribution of

this information. The function of each letter is to provide you and your family with interesting news and helpful information which will keep you up-to-date on the events here at USHydrations.

Procedure for Handling Complaints

Under normal working conditions, employees who have a job-related problem, question or complaint should first discuss it with their immediate supervisor. At this level, employees usually reach the simplest, quickest, and most satisfactory solution. If the employee and supervisor do not solve the problem, employees should contact the Human Resources Department. The issue will be reviewed and investigated based on the merits of the situation.

Severe Weather and Emergency Conditions

In the event of severe weather conditions or emergencies, the President may decide to close USHydrations. In these cases, you will be notified as soon as possible by your Supervisor.

Suggestions/Ideas

We encourage all employees to bring forward their suggestions and ideas about how our Company can be made a better place to work, how our products can improve, or how our service to customers can be enhanced. When you see an opportunity for improvement, please discuss it with your Supervisor or write down your idea and place it in the HR Drop Box located near the employee time clock.

Bulletin Boards/Monitors

Bulletin boards and television monitors placed in designated areas such as in the Employee Break Room provide employees access to important posted information and announcements. The employee is responsible for reading necessary information posted on the bulletin boards and monitors.

Dress Code and Personal Appearance

Please understand that you are expected to dress and groom yourself in accordance with the accepted social and business standards. Employees are expected to wear their company-issued shirts during work hours. Personal appearance should be a matter of concern for each employee. If your Supervisor feels your attire and/or grooming is unprofessional or unsanitary, you may be asked to leave your workplace until you are properly attired and/or groomed. Employees who violate dress code standards may be subject to appropriate disciplinary action.

Identification Badges

Employees will be issued a picture Identification/Security badge, which remains the property of USHydrations. While on duty employees must wear their badges at waist level so that they are visible. If an ID/Security badge is lost or stolen, the employee must report it immediately to their Supervisor and a temporary badge will be issued. The employee is responsible for the cost of replacing a lost or stolen badge. Employees may not transfer or share their badge with another individual. Any incident of an employee losing, unauthorized use or not displaying their ID/Security badge will be documented, and such documentation will be placed in their personnel file. Upon resignation or dismissal, employees must surrender their ID/Security badge.

Standards of Conduct

Whenever people gather together to achieve goals, some rules of conduct are needed to help everyone work together efficiently, effectively, and harmoniously. By accepting employment with us, you have a responsibility to USHydrations, and to your fellow employees to adhere to certain rules of behavior and conduct. The purpose of these rules is not to restrict your rights, but rather to be certain that you understand what conduct is expected and necessary. When each person is aware that she/he can fully depend upon fellow workers to follow the rules of conduct, our organization will be a better place to work for everyone.

Unacceptable Activities

Generally speaking, we expect each person to act in a mature and responsible way at all times. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed below, please see your supervisor for an explanation.

The following is a list of unacceptable activities that can result in disciplinary action, up to and including termination. This list is not intended to be all inclusive.

1. Violation of any company rule or any action that is detrimental to USHydrations efforts to operate profitably.
2. Failure to observe safety rules or security policies of USHydrations: failure to wear required safety equipment; tampering with USHydrations machines, safety or security equipment.
3. Negligence or any careless action that endangers your life or safety of that of another person.
4. Being intoxicated or under the influence of a controlled substance while at work; use, possession or sale of a controlled substance in any quantity while on company premises, except medications prescribed by a physician which do not impair work performance.
5. Unauthorized possession of dangerous or illegal firearms, weapons or explosives on company property or while on duty.
6. Engaging in criminal conduct or acts of violence or making threats of violence toward anyone on company premises or when representing USHydrations; fighting or provoking a fight on a company property.
7. Insubordination or refusing to follow instructions properly issued by your manager pertaining to your work; refusal to help out on a special assignment.
8. Threatening, intimidating or coercing fellow employees on or off the premises at any time, for any purpose.
9. Engaging in an act of sabotage; negligently or intentionally causing the destruction or damage of company property, or the property of fellow employees, customers, suppliers, or visitors in any manner.
10. Theft or unauthorized possession of company property or the property of fellow employees; unauthorized possession or removal of any company property, including documents, from the premises without prior permission from management; unauthorized use of company equipment or property for personal reasons; using company equipment for personal profit.
11. Dishonesty; falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by USHydrations; alteration of company records or other company documents.
12. Violating the non-disclosure agreement; giving confidential or proprietary USHydrations information to competitors or other organizations or to unauthorized USHydrations employees; working for a competing business while still employed by USHydrations; breach of confidentiality of personnel information.
13. Spreading malicious gossip and/or rumors; engaging in behavior which creates discord and lack of harmony; interfering with another employee on the job; restricting work output or encouraging others to do the same.
14. Immoral conduct or indecency on Company property.
15. Conducting a lottery or gambling of any kind on company premises.

16. Unsatisfactory or careless work; failure to meet quality standards as explained to you by your shift supervisor or plant manager.
17. Any act of harassment, sexual, racial or other; telling sexist or racist jokes; making racial or ethnic slurs.
18. Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of your supervisor; stopping work before time specified for such purposes.
19. Sleeping or loitering during working hours.
20. Excessive personal emailing or texting while working and excessive or disruptive use of company telephone or your personal cellular phone for making or taking personal calls.
21. Tobacco use or use of devices intended to simulate smoking inside the building at any time or outside the building on company property, including well sites and vehicles as specified by the Clean Air Act and in conjunction with Company policy.
22. Creating or contributing to unsanitary conditions.
23. Posting, removing or altering notices on any bulletin board on company property without the permission of an officer of USHydrations.
24. Failure to report an absence or late arrival; excessive absence or lateness.
25. Using company merchandise for resale.
26. Obscene or abusive language toward any supervisor, employee or customer; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on company premises.
27. Failure to immediately report your own first aid, injury, accident or any other workplace near miss involving company equipment, employees or the physical health and wellbeing of an employee while working.
28. Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on company premises.
29. Failure to use your timecard; alteration of your own timecard or related documents; punching or altering another employee's timecard or records or causing someone to alter your timecard or records.
30. Unauthorized video or photography of USHydrations property, personnel, equipment or products.

Attendance

The Company expects you to be ready to work at the beginning of your assigned schedule, and to reasonably complete any tasks assigned to you by the end of your assigned work hours. When you call in to inform USHydrations of an unexpected absence or late arrival, ask for your supervisor. Please let your supervisor know when you expect to arrive for work. If you are unable to call in yourself because of an illness, emergency or for some other reason, be sure to have someone call for you. This should be done at least one (1) hour before your shift starts. If you have followed the attendance policy and still find you'll be absent because of an illness for three (3) or more consecutive days, the Company may request that you submit written documentation from your doctor stating you are able to resume normal work duties.

A consistent pattern of questionable absences may be cause for concern. In addition, excessive lateness or leaving early without letting your supervisor know will be considered a "lateness pattern" and may carry the same weight as an absence. Other factors, like the degree and reason for the lateness, will be taken into consideration. Be aware that excessive absences, lateness or leaving early are another factor leading to disciplinary action, including possible termination.

Unreported No Show / No Call

In the event an employee fails to report to work, fails to call off or fails to report in as tardy, their failure to communicate will be considered a severe disciplinary event. Unapproved unreported absences and non-contact with the employer are referred to as a "no show/ no call". Every instance of a no show/ no call will be dealt with separately from others but typically will result in disciplinary action being taken against the employee. Any three consecutive days of no show/ no call will be accepted by the Company as your voluntary resignation of your employment. Employees who resign due to no show/ no call will forfeit their right to receive a payout of their unused and accrued paid benefit time off.

It's forever the employee's responsibility to return phone calls and initiate contact with the employer to inform their Supervisor of their availability for work and current status as it pertains to their anticipated return to work on limited or full duty. Employees who are absent from work should make it a priority to remain in daily contact with the employer during the onset of an absence period and on a regular basis thereafter once the employee and the employer agree on a representative contact period. Open communication ensures accurate communication of one's intentions to the other party.

In cases where a no-show is the result of an emergency or extenuating circumstances, the Human Resources department and Management with advisement from the employee's Supervisor will determine whether discipline is warranted and to the extent of such discipline. All absences and tardiness events are to be documented by the Supervisor and forwarded to the Human Resources Department.

Reported Tardiness/ Call off / Early Departure

The Company expects that every employee will be reliably punctual in their attendance. This means employees are to be in the building and ready to work at the beginning of their shift. Absenteeism and tardiness places a burden on other employees and on the Company.

If you are unable to report for work for any reason or if you need to leave work prior to the end of your shift, notify your immediate Supervisor or leave a message at the office by calling 570-655-7755 regarding your absence. Be advised that text messaging is not considered an acceptable form of communication.

Employees who desire to report a pending call-off, who need to arrive late, or who need to leave work early must inform their Supervisor directly or call the Company at least one (1) hour prior to the start of their scheduled shift or early departure and each and every separate day the employee expects to be absent or tardy. If a one (1) hour notice is not possible, the employee or their representative should still make every effort possible to notify their supervisor or call in and alert the Company of their situation as soon as possible. The voice mail system is accessible 24 hours a day, 7 days a week. If you must rely on a friend or family member to call you off as your representative, you must still call the Company to confirm your tardiness or absence as soon as you are able to do so.

When you call in late or call off, if nobody answers, leave a voice message including the reason for your call, the time of your call and anticipated arrival for work if applicable. Be advised you may be expected to provide a doctor's note for any time missed due to medical reasons for themselves or their family members. A call off is not considered as "approved" by virtue of simply following this call off policy. The reasons, frequency and other factors associated with each case will be taken into consideration when determining whether disciplinary action is warranted and to the extent of such action.

Doctor Excuse and experiencing emergencies

Typically, only documented emergencies including emergency doctor visits will be excused. In cases where employees "self-remedy" an illness, good faith is expected on the part of employees to report back to work as soon as practical. The Company will decide on a case by case basis whether an absence and the merits of the situation qualify as emergencies and whether documented absences will count as a disciplinary issue. In this way, an absence backed up with a doctor note may or may not be considered as a disciplinary event.

Employees are urged not to report to work if they are ill as this good intention could affect the health of others in the workplace. Stay home if you are sick.

Land Line Phones

Company telephones are intended for the use of serving our customers and in conducting the Company's business. Personal usage of Company phones during business hours is discouraged except for extreme emergencies. Employees who violate this policy will be required to reimburse the Company for any charges resulting from their personal use of company telephones and also disciplinary action.

To ensure effective telephone communications, employees should always use the approved greeting and speak in a courteous and professional manner. Please confirm information received from the caller and hang up only after the caller has done so. Following the completion of a call, be aware of your comments about customers or confidential details of the call. Professionalism does not stop when the phone call ends.

Cell Phones/ PDA

Cell phone use is discouraged during work hours unless the call is for business purposes. This applies regardless of whether the cell phone is an employee's personal property or it is provided for use by the Company. In the opinion of the Company, cell phone use includes using wireless connectivity and communication devices such as a Bluetooth.

Personal cell phone usage has proven to be disruptive and has resulted in a perceived reduction in one's ability to perform efficiently in the office and while in the warehouse. Cell phones may be used for personal reasons during meal break periods or in emergencies. When not expecting a business call, employees should put their phone away as a courtesy to customers and co-workers. Employees are expected to exercise good personal judgment in keeping business calls short and to the point and limiting or avoiding personal calls while on Company time.

Driving a vehicle or operating other equipment while texting, reading or using a cell phone or wireless device is prohibited. In addition, it may be illegal and would put the Company in a position of significant risk if something should happen to you or someone else while operating a cell phone or similar device.

If you need to make or receive a call, send or reply to a text, or view your screen, just pull over to the side of the road or turn off the equipment until you are finished.

Using Computer Software or Other Company Property

Company property must be maintained according to Company rules and regulations. Supplies, copy services, computer equipment, fax equipment, postage meters, and other resources are in place for the Company's business and may not be used for personal needs. Voice mail, Electronic mail (E-mail) and Internet are to be used for business purposes only. The distribution of offensive or harassing e-mail or those containing any pornographic, politically sensitive, abusive, violent and otherwise vile literature or words is prohibited.

The Company reserves the right to listen to voice mail messages, access E-mail messages and monitor Internet usage to ensure compliance with this rule. An employee has no expectation of privacy with regard to Company property. The Company also reserves the right to perform maintenance on any Company workstation and remove any literature, software or programs that are not required for the employee to perform their job duties. No employee is authorized to download software to a company computer.

It may be necessary to assign and/or change "passwords" and personal codes for the voice mail, E-mail, computer, etc. These items are to be used for company business and they remain the property of the company. The Company reserves the right to inspect all Company property to insure compliance with its rules and regulations. Prior authorization from your supervisor must be obtained before any Company property may be removed from the premises.

HUMAN RESOURCES AND ADMINISTRATION

New Employee Orientation

On your first working day, you will be asked to complete employment paperwork. You will also meet with Human Resources and Compliance for your orientation training. Please feel free to ask the hiring manager any questions you have during your orientation. Always feel free to follow up with other questions by asking your supervisor or colleagues if appropriate.

Employee Background Check

Prior to becoming an employee of USHydrations, a job-related background check may have been conducted. As you may know, a comprehensive background check may consist of prior employment verification, professional reference checks, and education confirmation. As appropriate, a criminal record history may have also been obtained.

You would need to first authorize such an investigation in writing prior to the Company's conducting a verification of your background. Failing to authorize a background check would be grounds for immediate dismissal. This authorization would be included on your employment application or within a separate document in your hiring packet and would authorize a background check to be conducted by the employer or their representatives at any time during your term of employment.

Request for Information

The Company may receive a request to provide information about you. This could be at any time whether your status is that of a current or former employee. Reasons we receive requests are for employees attempting to secure a mortgage, apply for a loan, new employment or upon legal request to provide information.

If a business representative calls about you for employment purposes, the Human Resources Department is authorized to provide "reference" information. In this regard, the information we will provide is quite limited.

We will only:

1. Verify or correct the dates of employment provided to us by a prospective employer,
2. Verify or correct the job title assigned to you upon separation from employment, or
3. Verify or correct the hourly or salary rate of pay you earned upon separation from employment, or
4. Tell the other party, in our opinion, is the employee eligible for rehire. This is as simple as "not eligible" or "is eligible" for rehire and without elaborating on any reasons or terms surrounding ones reason for termination, performance reviews or any other characteristic of the employee. We feel it is up to the new Employer to interview the employee without relying on our opinion on the matter.

If financial information is requested by any party about you, it will only be released with the employee's written or verbal permission. When a daycare center, bank, or other entity requests the Company provide such information, the Human Resources Department will process the request within 3 days or less. If timeliness is an issue due to an impending deadline, please make this clear when you are submitting your form for completion to the Human Resources Department. All court ordered requests will be complied with to the extent possible.

Personnel Records and Administration

The task of handling personnel records and related personnel administration functions at USHydrations has been assigned to the Human Resources Department. Therefore, questions regarding insurance, wages, and interpretation of policies should be directed to Human Resources.

Your Personnel File

Keeping your personnel file up-to-date can be important to you with regard to pay, deductions, benefits and other matters. If you have a change in any of the items listed below, please be sure to notify your supervisor and the Human Resources Department as soon as possible.

1. Legal Name
2. Home Address
3. Home Telephone
4. Emergency Contact
5. Names and number of Dependents
6. Marital Status
7. Change of Beneficiaries
8. Exemptions for W-4 Form

Upon experiencing a family status change, please notify your supervisor or the Human Resources Department as soon as possible. If you have a change to any of the above information, a signed status report must be submitted to Human Resources indicating the type of change.

You may see information which is kept in your own personnel file if you wish, and you may request and receive copies of all documents you have signed. Please make arrangements with the Human Resources Department. USHydrations maintains this information in the strictest confidence and will not use or disclose medical information about an employee without the signed authorization of the employee.

Rehiring Former Employees

Depending on the circumstances, USHydrations may consider a former employee for reemployment. Such applicants are subject to USHydrations usual pre-employment procedures. To be considered, an applicant must have been in good standing at the time of their previous termination of employment with USHydrations. A former employee who has been rehired after separation from the Company is considered a new employee subject to the provisions of the introductory employee.

Return of Company Property

Any USHydrations property issued to you, such as keys, security badges, radios, uniforms, etc. must be returned to USHydrations at the time of your termination. You will be responsible for any lost or damaged items. The value of any property issued and not returned may be deducted from your paycheck, and you may be required to sign a wage deduction authorization form for this purpose.

Disciplinary Actions

This Disciplinary Actions Policy applies to all employees. If it becomes necessary to take disciplinary action against an employee the following steps may be repeated, executed in any order, steps may be skipped or the Company may ignore the whole progressive disciplinary policy as needed or appropriate. In most cases however, progressive discipline will be administered in this order:

Verbal Caution – You will be counseled by Management following a minor offense in an effort to eliminate possible misunderstandings and to explain what constitutes proper conduct/performance.

Written Reprimand – You will receive one or more written notices of discipline following an intentional or unintentional violation of any Company policies or procedures, repeated minor problems, or continuing performance problems. The purpose of this written notice is to make certain that an employee is fully aware of the problem areas and knows how to correct their issue in order to perform as expected. Written notices are kept in the employee's personnel file and a copy is also given to the employee for their own records.

Suspension/Demotion - If the problem is not rectified after counseling and oral or written reprimands, a paid or unpaid suspension or demotion may result, or the employee may be terminated.

Termination - In situations of gross negligence, intentional misconduct or any other policy violations an employee may be terminated for willful or non-willful misconduct.

Non-compliance with the terms of the written reprimand is willful misconduct and will result in termination of employment. A copy of any written reprimand issued to the employee will be included in their personnel file. Disciplinary warnings will remain permanently in an employee's file for reference purposes.

PAYROLL ADMINISTRATION

Compensation Philosophy

It is USHydrations desire to pay all regular employees' wages and salaries that are competitive with other employers in the marketplace in a way that will be motivational, fair and equitable. Compensation may vary with individual and company performance and in compliance with all applicable statutory requirements.

USHydrations applies the same principles of fairness to all employees, regardless of organizational level, race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law.

Your starting hourly pay rate will be pre-determined by Management and communicated to you prior to the beginning of your employment. The hourly wage increase policy is as follows:

Time Records

The WePay HandPunch GT-400/WebClock electronic time keeping system and associated work records are the official basis for recording hours worked for all non-exempt paid employees. In order to ensure consistency of treatment for non-exempt paid employees, the data recorded in the time keeping system shall be considered as the “official record of the workday for these positions. Any disputes over actual hours worked or attendance will be resolved by referring to the records.

Clock Locations

The WePay HandPunch GT-400 time clock is located inside the main entrance of the Production facility. Administrative, non-exempt employees, working in the Executive office will utilize the WePay web clock from their desktop computer.

Daily Clock IN/OUT Requirements

It is a job requirement that all non-exempt employees MUST “clock in” at the start of their shift and “clock out” at the end of their shift, as well as for scheduled meal periods. Employees are expected to clock in and out at their regularly scheduled times. Employees should not clock in earlier than 5 minutes prior to the start of their shift or clock out 5 minutes after their shift ends unless authorized by their supervisor. In the event of an error in recording your time, please report the matter to your Supervisor immediately.

Clock Punch Rounding

WePay electronic time keeping system punches will be rounded according to a seven-minute grace period with a fifteen-minute round. For example, if an employee clocks in at 7:07 AM, the employee will be paid starting at 7:00AM. If the employee clocks in at 7:08AM, they will be paid beginning at 7:15AM. The policy applies to early as well as late punches. For example, if an employee clocks in at 6:53AM, they will be paid beginning at 7:00AM. If an employee clocks in at 6:52AM, they will be paid starting at 6:45AM.

Work Schedule

Your work schedule will be determined and assigned by your Supervisor and may change depending on department staffing needs.

Pay Period and Hours

Our payroll work week begins on Monday and ends on the following Sunday.

Pay Cycle

USHydrations utilizes a bi-weekly pay cycle. Payday is Friday for services performed during the two week period ending the previous Monday. Changes will be made and announced in advance whenever holidays or closings interfere with the normal pay schedule.

Paperless Direct Deposit

USHydrations utilizes paperless direct deposit for all employees. Employees will find this benefit convenient and a real time saver because your net pay is automatically deposited into your selected bank account(s) on pay day. The enrollment and change forms are available from the Accounting or HR Offices upon hire and throughout your term of employment. Please be sure to give adequate time for your changes to be adjusted in the payroll system.

Under this process, employees will receive an email notifying them that a direct deposit occurred and direct them to login to *Payentry Employee Self Service* portal. Employees will be able to view and print their electronic direct deposit paystub. Employees who do not have an account with a financial institution will be enrolled in the MasterCard payroll card to access their pay.

Breaks & Meal Periods

Breaks and meal periods are assigned by your Supervisor. The scheduling of meal periods at USHydrations is set by the employee's immediate manager, with the goal of providing the least possible disruption to company operations.

Meal Periods

Employee meal periods are important to company productivity and employee health. Employees who work at least five consecutive hours will be provided a minimum 30 minute meal break. The meal period will not be included in the total hours of work per day and is not compensable. Nonexempt employees are strictly forbidden from performing any work while on meal breaks and must clock out for meal periods. Managers are strictly forbidden from requesting or permitting a nonexempt employee to work during mandatory meal periods.

Break Periods

USHydrations recognizes that employees work better and enjoy their work more and are more productive when they are rested and refreshed. Salaried employees, as they are paid a weekly salary regardless of the hours they work, may choose to take breaks as needed. Nonexempt employees are permitted a 15-minute rest break for each four hours of work. Nonexempt employees on rest breaks are not required to clock in and clock out because this time is considered "time worked" and is compensable. However, employees are encouraged to leave their workstations during rest breaks to achieve the rest and refreshment the break is designed to give. If necessary, department supervisors will advise employees of particular arrangements necessary for rest breaks in their respective departments.

Impermissible Use of Meal Period or Rest Breaks

Neither the lunch period nor the rest break(s) may be used to account for an employee's late arrival or early departure or to cover time off for other purposes—for example, rest breaks may not be accumulated to extend a meal period, and rest breaks may not be combined to allow one half-hour-long break.

Overtime Pay and Working Overtime Hours

If you are a non-exempt employee, you will be eligible to receive overtime pay of one and one-half (1 ½) times your regular rate of pay for any hours worked over forty (40) hours in one (1) work week. If, during that week, you were away from the job because of a job-related injury, paid holiday, jury duty, vacation day, or paid sick time, those hours not worked will not be counted as hours worked for the purpose of computing overtime pay.

Please note if you are a non-exempt employee on an approved flexible work arrangement, overtime hours will be computed only on those hours worked in excess of a forty- (40) hour workweek. Although all overtime hours worked will be paid, working unauthorized overtime or padding time by coming in early or staying late will be dealt with proactively.

All overtime requested or mandated by a manager or your supervisor is considered pre-approved in advance and must be worked otherwise you may be subject to disciplinary action. Overtime worked in one workweek must be paid in that workweek and may not be moved to other workweeks with less

hours in an effort to avoid overtime. If you have questions on overtime, ask a supervisor or someone in the Accounting Office.

Mandatory Deductions from Paycheck and Wage Garnishments

USHydrations may be required by law to make certain deductions from your paycheck. Among these are your federal, state and local income taxes and your contribution to Social Security as required by law. These deductions will be itemized on your check stub. The amount of the deductions will depend on your earnings and on the information you furnish on your W-4 form regarding the number of exemptions you claim. We advise you to check your pay stub to ensure that it reflects the proper number of withholdings and that payroll deductions are accurate since it is possible for an error to occur. If you wish to modify this number, please request a new W-4 form from Human Resources. Only you may modify your W-4 form. Verbal or written instructions are not sufficient to modify withholding allowances.

Any other mandatory wage garnishments or payroll deductions which are ordered to be made from your paycheck such as federal or court-ordered wage garnishments, IRS tax levy, student loan defaults, etc. will be made whenever USHydrations is ordered to make such deductions. Other voluntary deductions or workplace elections approved by you in writing for monies owed to the company for loans, equipment use, benefit premiums, uniforms, footwear, etc. are also withheld from your paycheck. If you have questions about your pay deductions, ask a Supervisor or the Accounting office. As the employer, we are obligated by law to make these deductions on a timely basis when ordered to do so and our failure would result in legal or financial penalties to be imposed on the Company.

Pay Advances

The Company does not provide employees with pay advances or loans against their unearned wages and commissions.

Expense Reimbursement

Expenses incurred by an employee must have prior approval by an appropriate supervisor. An example of such an expense would include mileage. If the amount is more than \$25.00, the reimbursement request will be processed like an invoice. All completed reimbursement request forms shall be handed in to Payroll Department on a weekly basis.

Errors in Pay

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, tell your Supervisor immediately. He/she will take the necessary steps to research the problem and to assure that any necessary correction is made promptly. Adjustments to pay for errors will be provided in the next payroll or at the discretion of management.

BENEFITS AND INCENTIVE PROGRAMS

USHydrations is committed to sponsoring a comprehensive benefits program for all eligible employees. In addition to receiving an equitable salary and having an equal opportunity for professional development and advancement, you may be eligible to enjoy other benefits which will enhance your job satisfaction. We are certain you will agree the benefits which will enhance your job satisfaction. We are certain you will agree the benefits program described in this Employee Manual represents a very large investment by USHydrations.

A good benefits program is a solid investment in USHydrations employees. USHydrations will periodically review the benefits program and will make modifications as appropriate to the company's

condition. USHydrations reserves the sole discretion to modify, add or cancel the benefits it offers as well as the amount and level of employer and employee contributions to these benefits as business, personnel and economic conditions dictate.

Anniversary Date

The first day you report to work is your anniversary date. Your anniversary date is used to compute benefit eligibility for various benefit programs described in this Employee Manual.

Eligibility for Benefits

If you are a full-time employee, you will qualify for all of the benefits described in this Employee Manual as soon as you meet the eligibility requirements for each particular benefit. Coverage is available to you and your dependents as defined in this manual. If you are a part-time employee, you will enjoy only those benefits specifically required by law, provided that you meet the minimum requirements set forth by law and in the benefit plan(s).

Group Medical, Dental, Disability and Vision Insurance

USHydrations is dedicated to the health and well-being of you and your family. To this end, a comprehensive and quality insurance program is available to you and your family's health protection. Full time employees are eligible for insurance coverage after completing 60 days of uninterrupted service. Insurance coverage is available on the first day of the month after an employee has worked 60 calendar days of service. To be considered full time and remain eligible for benefits, an employee must work an average of thirty (30) or more hours per week per month. Once you begin participating in our group dental, health or vision plans and if your benefit eligibility is at risk due to a qualifying event, you may be eligible to keep coverage in force through COBRA continuation coverage.

Employees will have an option to review the terms of the benefits available to them before deciding whether to enroll. Following your enrollment, you will receive a summary plan description further describing the details of how your benefits work and the levels of coverage offered. The Company provides the following benefits as defined and limited in the literature provided by our insurance company. Upon the date of this updated Employee Manual, the Company and employee portions of premium are outlined below. As stated earlier, these contribution figures could change at any time:

Medical / Health Insurance Benefit

The employee contribution rate is 35% of the monthly benefit premium for any level of coverage selected. USHydrations contributes 65% of the balance for monthly premium for any level of benefits.

Dental Care Benefit

Employee pays 100% of the monthly dental benefit premium per month.

Vision Care Benefit

Employee pays 100% of the monthly vision benefit premium per month.

Short and Long Term Disability Benefit

Employee pays 100% of the monthly disability benefit premium per month.

When an employee enrolls in dental, vision or medical/health benefits and is required to make a premium contribution, the Company will make these payroll deductions from your pay check on a pre-tax basis.

Company Paid Life and Accidental Death/Dismemberment Insurance

USHydrations provides Life and Accidental Death/Dismemberment Insurance through Hartford Life and Accident Insurance Company to eligible employees after completing six (6) months of uninterrupted service. Benefit details may be obtained from the Human Resources department.

Holidays

Full time employees who have completed their 60 day introductory period are eligible for holiday pay. Holiday hours do not count toward accumulated hours worked for purposes of overtime. The following seven holidays are recognized by USHydrations as paid holidays:

- New Year's Day
- Good Friday / Easter
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Christmas

In order to get paid for a holiday, you must be scheduled to work within the week that includes the holiday. Furthermore, you must also work both the scheduled day before and after the holiday unless you have been preapproved to schedule a vacation day prior to or following the holiday. In this exception, you must work the normally scheduled day before and after the combination of holiday and vacation day. If you call off sick the scheduled workday before or after a holiday, you will typically not be eligible to receive the holiday pay. Eligible employees receive eight (8) hours at their base rate for holiday pay.

On occasion employees may be required to work on a regularly scheduled holiday in order for the Company to meet contract/vendor obligations. In the event you are required to work on a regularly scheduled holiday, you will be compensated at one and a half times your hourly base rate for each hour worked plus you will receive eight hours holiday pay at your base rate.

Employees may also take time off to observe personal religious holidays. If available, PTO may be used for this purpose, otherwise you will not be paid for this time off. Please schedule this time off with your supervisor at least one week in advance. All national holidays are scheduled on the day designated by common business practice. You are not eligible to receive holiday pay when you are on an unpaid leave of absence.

Paid Time Off (PTO)

Paid Time Off (PTO) provides a bank of time that is accrued based on hours worked and is used when employees have a need to be off work such as for vacation, religious holidays, physician appointments or personal emergencies.

Eligibility

PTO is accrued upon hire or transfer into a benefit-eligible position. Employees scheduled to work less than thirty (30) hours per week on a regular basis are not eligible to accrue PTO.

Accrual and Payment of PTO

Accruals are based upon paid hours up to full time hours per year, excluding overtime. Length of service determines the rate at which the employee will accrue PTO. PTO does not accrue on disability pay, worker's compensation, or during unpaid leaves of absence. Employees become eligible for the new higher accrual rate on the first day of the pay period in which the employee's anniversary date falls.

- 0-2 yrs of employment = 64 total PTO hours accrued bi-weekly at a rate of 2.46 hours
- 2 yrs – 5 yrs of employment = 104 total PTO hours accrued bi-weekly at a rate of 4 hours
- 5 yrs- 11 yrs of employment = 144 total PTO hours accrued bi-weekly at a rate of 5.54 hours
- 11+ yrs of employment = 184 total PTO hours accrued bi-weekly at a rate of 7.08 hours

Use and Scheduling of PTO

PTO is used for any time off from work whether scheduled or unscheduled. Whenever possible, PTO should be scheduled two weeks in advance such as for vacations and personal appointments. Scheduled time off is subject to supervisory approval based on department staffing needs. Accrued PTO time may not be used until successful completion of the sixty (60) day introductory period.

PTO is paid at the employee's straight time rate and is not part of any overtime calculation. PTO time may not be used until accrued and banks will not be permitted to go into a negative balance. Employees who do not have time accrued must take Leave Without Pay (LWP) for any time off from work.

Non-exempt (hourly) employees may use PTO in 4 hour increments up to their regularly scheduled hours. Exempt (salaried) employees must use PTO in full day increments up to 40 hours per week.

A maximum 40 hours of accrued PTO may be carried over each calendar year (January 1).

Employees on an unpaid Leave of Absence (LOA) will be required to use their accrued PTO. Employees will be required to use accrued PTO until eligible for disability or workers compensation insurance begins.

Payment upon Termination

Upon an employee's separation, the company will pay up to a maximum eighty (80) hours of accrued PTO provided a two week notice was given. Any PTO accrued in excess of the company's maximum will be forfeited by the employee.

PTO is available for use only by the employee who earned it and may not be transferred to another employee.

PTO may not be used to augment any other type of pay such as worker's compensation or disability.

Accrued PTO may not be used in lieu of notice by the employee.

Remaining Leave upon Resignation or Termination

Paid benefits such as paid time off (PTO) will accrue up to the end of the last full pay cycle worked. If you have unused PTO hours remaining upon resignation from the Company, you will be paid for those unused and accrued hours at your regular base hourly or salary rate up to a maximum eighty (80) hours and only if a minimum two week notice is given. No incentive compensation will be utilized to calculate the payout of unused PTO. All other types of paid leave such as holidays and bereavement are ineligible for payout upon separation from employment.

If your employment is terminated at any time for a reason the Company or the Department of Labor considers “willful misconduct”, you will forfeit your rights to receive payment for all accrued and unused time. Additionally, if you or the Company separate employment for any reason during your 60 day introductory period, you will not be entitled to payment of unused accrued time.

If you are terminated for a reason other than willful misconduct following your 60 day introductory period, you will be eligible to receive payment for earned and unused paid time off according to policy.

In cases where an employee gives notice to resign, the Company may choose to accept the resignation early and make the resignation effective immediately or at any time up to the employee’s suggested resignation date. If the Company accepts your resignation early, you will be entitled to receive a payout of up to a maximum eighty (80) hours unused PTO due to your good faith in following this policy.

Resigning employees may not use PTO during their resignation period. Separating employees are expected to remain active until their last day of employment to ensure a smooth transition. Payout of PTO occurs only after the employee works during their last two weeks of employment in a manner consistent with their position responsibilities and according to policy.

The payout of unused PTO to separated employees will be made with the first available pay cycle following the audit of your paid leave account following separation from employment. This deduction will be made in consideration of the Fair Labor Standards Act (FLSA) and other state and federal laws.

401K Retirement Plan

The USHydrations 401K retirement plan is offered through Edward Jones. The plan allows each eligible employee to contribute on a pre-tax basis, a portion of annual income. Contributions are made through the convenience of payroll deduction. USHydrations may also may contributions to the SIMPLE IRA. Employees in the following employment classification(s) are eligible for the 401K as described in this policy:

- Regular full-time employees
- Regular part-time employees

Employees are eligible to enroll in 401K after one (1) year of service during the quarterly enrollment periods. Employees can contribute up to the IRS maximum. USHydrations matches employee contributions as outlined below. Employee contributions:

- Up to and including 3% of gross earnings: 1:1 match (company:employee)
- Over 3% of gross earnings: No company match

Employees are 100% vested in their contribution at all times. Employees are vested in the employer contributions as outlined below:

- One (1) year of service 20% vested in company contributions
- Two (2) years of service 40% vested in company contributions
- Three (3) years of service 60% vested in company contributions
- Four (4) years of service 80% vested in company contributions
- Five (5) years of service 100% vested in company contributions

Complete information on this plan is available through the Human Resources Department.

Funeral (Bereavement) Leave:

In the event of a death in the immediate family, full-time employees may receive up to a maximum three (3) working days (8 hours per day) of paid leave, not charged to other leave time, to make arrangements and attend funeral/memorial services which take place on their normally scheduled work days. One (1) working day of paid leave (8 hours per day), not charged to other leave time, may be taken to attend funeral/memorial services for extended family members. Our definition of immediate and extended family members are outlined below.

- Immediate family is defined as parents/step-parents, spouses/domestic partner, children, siblings, and grandparents/grandchildren.
- Extended family is defined as father and mother-in-laws, brother and sister-in-laws.

With your supervisor's approval, you may take up to one full day without pay to attend funerals of other relatives and friends. Funeral leave pay will only be made to employees for actual time spent away from work during their normal work schedule. If a holiday or part of your vacation occurs on any of the days of absence, you will not be entitled to bereavement pay in addition to holiday or vacation pay.

Employees requesting paid or unpaid bereavement leave should provide the Human Resources Department with an obituary or other information for absence documentation purposes and in case the Company or co-workers would like to offer their support and sympathy. Each employee's relationship with their own family members is unique. Employees are only expected to take off the time they require and may choose to return to work before exhausting the entire amount of leave offered. If you should require additional time off, you could request unpaid time or use your available PTO with approval.

Jury Duty

It is your civic duty as a citizen to report for jury duty whenever called. If you are called for jury duty, you must notify your supervisor within forty-eight (48) hours of receipt of the jury summons.

USHydrations will reimburse you for the difference between your jury pay and your regular pay for a maximum of three (3) work days (8 hours per day). On any day or half-day you are not required to serve, you will be expected to return to work. In order to receive jury duty pay, you must present a statement of jury service and pay to your supervisor. This document is issued by the court. If you should require additional time off, it will either be unpaid or you could use your available vacation time.

Administrative Leave (NON-Paid and NON-FMLA Protected Leave)

This leave category is always non-paid and used only in extenuating circumstances when paid time off (PTO) has already been exhausted or is not yet available. A leave of absence can be from one to ninety days and must be used in increments of one hour. A written request must be presented to the Supervisor before the leave begins and must include the dates and reasons why the employee is unable or unavailable for work. Generally the employee, and not the employee's spouse or representative will request this leave in writing. Verbal requests are not accepted.

If approved, up to a 90-day non-paid leave of absence will be granted when:

- A new employee within the introductory period without earned vacation or sick time has requested time off to address personal, family or business matters.
- Employees who completed their introductory period and remain in good standing as determined by Company policy or a Supervisor's discretion may request an unpaid Administrative leave of absence for their own personal, health or business reasons. This leave is considered approved at the discretion of the Supervisor and with input from the Human Resources department.

- Following the conclusion of qualified FMLA when an employee needs additional time for recovery, rehabilitation, etc.
- Employee suspension or disciplinary action.
- For any other absence or leave away from work that's not specifically addressed in this manual.

After up to ninety days of Administrative leave another request must be made if leave is to continue. Such extensions are not mandated by law and merely demonstrate the employee's intent to return to work and the employer's consideration. If the employee desires to return at any time during or after this leave, he/she will be considered for a position provided there is an opening.

During administrative leave and based on the circumstances of each case, it is possible an employee may be considered to have voluntarily separated their own employment with notice and remains unable to work for this employer. The employee will typically be ineligible to collect unemployment, participate in company paid health benefits and will not be entitled to a payout for any remaining vacation until such time the employee is permanently separated from employment. If the employee returns to work, unused vacation will be reinstated for normal use under the vacation policy. If the employee returns to work following an absence of 90+ days resulting from administrative leave, the Company will at its discretion decide to reinstate the unused vacation, tenure, etc. for each employee on a case by case basis.

A shortage of coverage occurs when someone requests a leave and puts added responsibility on the other employees in the department. For this reason, the Company is not required to hold a position open and may immediately begin searching for a replacement employee.

During unpaid administrative leave, an employee may choose to elect COBRA which allows continued benefit coverage at the expense of the employee. Dental, vision and health benefits are available to the employee and their dependents and these notices will be sent to the employee's last known address at the time of an extended leave. For shorter absences, employees will be expected to "catch up" their payroll deductions for premium contributions for any missed weeks or periods of employment.

Accepting Other Employment or Going Into Business while on Leave of Absence

If you accept any other employment or start your own business while on a leave of absence from USHydrations, you will be considered to have voluntarily resigned from employment as of the day on which you began your leave of absence.

WORKPLACE POLICIES

This Employee Manual is designed to answer many of your questions about the practices and policies of USHydrations. Feel free to consult with your supervisor for help concerning anything you don't understand.

In case of Fire

If a fire alarm sounds, immediately follow the established fire evacuation plan for the building. As an employee of the Company, your first responsibility is the safety of yourself and your co-employees. As you are leaving the building, alert other employees of the emergency and continue to evacuate. Never re-enter the building once you have left for any reason. Re-entry for missing personnel is the responsibility of the emergency response authorities. Allow them to intervene as quickly as possible. Review the fire evacuation plan at least once a year.

Tobacco Free Policy

Tobacco product use, inclusively, and other devices intended to simulate smoking is a matter of individual choice. USHydrations recognizes the hazards caused by exposure to environmental tobacco smoke, as well as the life-threatening diseases linked to the use of all forms of tobacco. Tobacco Free environments are routine amongst leading companies in the food and beverage industry. Additionally, our customers have expressed concern over tobacco use on our campus during their visits. The use of all tobacco and smoking products (cigarettes, smokeless tobacco, cigars, pipes, etc.), electronic cigarettes and any and all devices intended to simulate smoking is strictly prohibited on all USHydrations locations, well sites and vehicles. This includes interior and exterior common areas, sidewalks, parking lots, driveways and line of sight locations where an employee or any other individual can be seen from any entrance to USHydrations property. This policy applies to both employees and non-employee visitors of USHydrations.

Locker Rental Policy

USHydrations provides lockers for employees to rent at no charge during their scheduled shift. These lockers are for temporary storage of personal property and should not be used to store perishable food or unsealed beverage items. Employees are required to end their locker rental and remove all personal property from the locker at the end of their shift. Lockers will automatically expire 13 hours after initial rental and will be opened and returned to the queue for others to rent. The Company is not responsible for any lost, stolen or damaged personal property. In the interest of safety, the Company reserves the right to inspect these lockers at any time. Use of USHydrations lockers is a privilege; therefore, please be advised of the following:

- These lockers are the property of USHydrations and are for temporary storage of personal property. The following items are strictly prohibited inside the lockers: Perishable food/drink items or unsealed containers, illegal or controlled substances such as drugs or alcohol, flammable materials, dangerous chemicals, explosives or weapons of any kind.
- Employees are required to end their locker rental and remove all personal property from the locker at the end of their shift.
- The Company is not responsible for any lost, stolen or damaged personal property. Lockers will automatically expire 13 hours after initial rental and will be reset and returned to the queue for others to rent.
- Use of a locker by a person other than to whom it is assigned is forbidden. Employees must scan the barcode on their security identification badge to rent a locker. Misuse of a locker may lead to termination of locker privileges.
- The rental kiosk is touch screen. Employees are to use their finger or stylus pen only on this screen. Sharp objects, markers, pens or other instruments that may cause damage to the screen are not permitted.
- Employees are not permitted to mark, alter or affix anything to the interior or exterior of the lockers or on rental kiosk. Upon assignment and during use, employees are responsible for reporting any damage or needed repairs to Human Resources. Employees may assume the cost of any unreported damages.
- All personal items must be stored completely within a locker. All items left outside of a locker, whether secured or not, will be removed and disposed of accordingly.

- USH reserves the right to open a locker without the consent of the employee to whom the locker is registered in instances where locker procedures are being abused or in the case of an emergency situation.

Promotion and Transfer Policy

USHydrations has a policy of providing our employees with every opportunity for advancing to other positions within the company. To qualify for a promotion or transfer, you must have held your current position for a minimum of two (2) months. Approval of promotions or transfers depends largely upon training, experience, and work record. Promotions and transfers are made without regard to race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law. However, USHydrations will continue to look outside the company for potential employees as well. It is our policy to advise all employees about advancement opportunities. Employment opportunities will be posted on bulletin boards throughout the facility. Please submit your request for consideration for a specific position directly to your supervisor. Internal position applications can be obtained from the Human Resources Department. You are encouraged to discuss any contemplated transfer with your current supervisor.

Sexual Harassment Policy

USHydrations intends to provide a work environment that is pleasant, professional, and free from intimidation, hostility or other offenses which might interfere with work performance. Harassment of any sort whether verbal, physical, visual, etc. will not be tolerated by or against any of our employees. First and foremost, all employees are responsible to say "Stop" or "No" if they feel they are being harassed or if they witness harassment. Let the alleged harasser know you object to their behavior.

Sexual harassment may include unwelcome sexual advances, requests for sexual favors, or other verbal or physical contact of a sexual nature when such conduct creates an offensive, hostile and intimidating working environment and prevents an individual from effectively performing the duties of their position. It also encompasses such conduct when it is made a term or condition of employment or compensation, either implicitly or explicitly and when an employment decision is based on an individual's acceptance or rejection of such conduct.

It is important to note that sexual harassment crosses age and gender boundaries and can't be stereotyped. Among other perceived unconventional situations, sexual harassment may even involve two women or two men. Sexual harassment may exist on a continuum of behavior. For instance, one example of sexual harassment may be that of an employee showing offensive pictures to another employee.

Generally, two categories of sexual harassment exist. The first, "quid pro quo", may be defined as an exchange of sexual favors for improvement in your working conditions and/or compensation. The second category, "hostile, intimidating, offensive working environment," can be described as a situation in which unwelcome sexual advances, requests for sexual favors, or other verbal or physical contact of a sexual nature when such conduct creates an intimidating or offensive environment. Examples of a hostile, intimidating, and offensive working environment includes, but is not limited to, pictures, cartoons, symbols, or apparatus found to be offensive and which exist in the workspace of an employee. This behavior does not necessarily link improved working conditions in exchange for sexual favors. USHydrations prohibits the downloading or retention of inappropriate pictures or materials on its computer systems.

USHydrations prohibits any employee from retaliating in any way against anyone who has raised any concern about sexual harassment or discrimination against another individual. USHydrations will

investigate any complaint of sexual harassment and will take immediate and appropriate disciplinary action if sexual harassment has been found within the workplace.

Types of Harassment and our Responsibility

Workplace harassment can take many forms. It may be, but is not limited to, words, signs, offensive jokes, cartoons, pictures, posters, e-mail jokes or statements, pranks, intimidation, physical assaults or contact, or violence. Harassment is not necessarily sexual in nature. It may also take the form of other vocal activity including derogatory statements not directed to the targeted individual but taking place within their hearing. Other prohibited conduct includes, but is not limited to written material such as notes, photographs, cartoons, articles of a harassing or offensive nature, and taking retaliatory action against an employee for discussing or making a harassment complaint.

All USHydrations employees, and particularly managers, have a responsibility for keeping our work environment free of harassment. Any employee who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, is expected to report the incident to their shift supervisor, plant manager or other Management personnel.

When Management becomes aware of an alleged report of sexual or other forms of harassment, they are obligated to take prompt and appropriate action, including filing a report, conducting an investigation and informing other managers of the alleged parties involved in the harassment. This course of action must be followed on all alleged claims whether or not the victim wants the company to do so. The Company will keep the circumstances of all such claims confidential, to the extent possible, while conducting investigations and dealing with the outcome and course of action whether discipline or termination of one or more parties is decided. One or more managers or their representatives shall conduct the investigation and collaborate on action necessary.

Reporting Harassment

While USHydrations encourages you to communicate directly with the alleged harasser, and make it clear that the harasser's behavior is unacceptable, offensive or inappropriate, it is not required that you do so. It is essential, however, to notify your shift supervisor or plant manager immediately even if you are not sure the offending behavior is considered harassment. Any incidents of harassment must be immediately reported to a supervisor. If you feel that the situation has still not been resolved, please contact Human Resources for further assistance. Appropriate re-investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. Any employee found to have harassed a fellow employee or subordinate will be subject to severe disciplinary action up to and including termination. USHydrations will also take any additional action it considers necessary to appropriately remedy the situation. Retaliation of any sort against employee victim or witness or alleged harasser will not be permitted. No adverse employment action will be taken for any employee making a good faith report of alleged harassment.

USHydrations accepts no liability for harassment of one employee by another employee. The individual who makes unwelcome advances, threatens or in any way harasses another employee is personally liable for such actions and their consequences. USHydrations may or may not provide legal, financial or any other assistance to an individual accused of harassment if a legal complaint is filed. Regardless of company policy, any claim that seems to have crossed the ethical boundaries of decency or may have violated state or federal laws will also be reported to the local law enforcement authorities.

Violence in the Workplace Policy

USHydrations has adopted a policy prohibiting workplace violence. Consistent with this policy, acts or threats of physical violence, including intimidation, harassment, and/or coercion, which involve or affect USHydrations or which occur on USHydrations property will not be tolerated. Acts or threats of violence

include conduct which is sufficiently severe, offensive, or intimidating to alter the employment conditions at USHydrations, or to create a hostile, abusive or intimidating work environment for one or several employees. Examples of workplace violence include, but are not limited to the following:

- All threats or acts of violence occurring on USHydrations premises, regardless of the relationship between USHydrations and the parties involved.
- All threats or acts of violence occurring off USHydrations premises involving someone who is acting in the capacity of a representative of USHydrations.

Specific examples of conduct which may be considered threats or acts of violence include, but are not limited to, the following:

- Hitting or shoving an individual.
- Threatening an individual or his/her family, friends, associates, or property with harm.
- Intentional destruction or threatening to destruct USHydrations property.
- Making harassing or threatening phone calls.
- Harassing surveillance or stalking (following or watching someone).
- Unauthorized possession or inappropriate use of firearms or weapons.

USHydrations prohibition against threats and acts of violence applies to all persons involved in USHydrations operation, including but not limited to personnel, contract, and temporary workers and anyone else on USHydrations property. Violations of this policy by any individual on USHydrations property will lead to disciplinary action, up to and including termination and/or legal action as appropriate. Every employee is encouraged to report incidents of threats or acts of physical violence of which he/she is aware. The report should be made to your supervisor.

Possession of Weapons or Firearms

In order to ensure a safe environment for employees and customers, our Company prohibits the wearing, transporting, storage, or presence of firearms or other dangerous weapons in our facilities or on our property. Any employee in possession of a firearm or other weapon while on our facilities/property or while otherwise fulfilling job responsibilities may face disciplinary action including termination. A client or visitor who violates this policy may be removed from the property and reported to police authorities. Possession of a valid concealed weapons permit authorized by the Commonwealth of Pennsylvania is not an exemption under this policy.

Any employee concerned about personal safety may request an escort (e.g., to a parking lot off premises) or other appropriate intervention by staff or law enforcement personnel.

Personal Relationships Policy

This policy is intended to provide guidance to all employees of the Company regarding personal relationships within the Company. For purposes of this policy, a personal relationship is one where the relationship is more than friendship.

The Company recognizes that, where personal relationships develop at work, there is a potential for conflict between professional and personal interests. Accordingly, employees are strongly advised not to enter into sexual/romantic relationships with employees they supervise.

If a romantic/sexual relationship exists or does develop between two employees, and one employee is or will be responsible for managing, evaluating, or authorizing the work of the other, each employee should declare the relationship, without delay, to the CEO. If an employee discloses a personal relationship, the information will be treated with due respect to the individuals' private life. However,

the Company reserves the right to make arrangements to discontinue the situation of an employee being responsible for managing, evaluating, or authorizing the work of an employee with whom he/she has a personal relationship. Failure to declare such a personal relationship may result in disciplinary action, up to and including termination.

Personal relationships among employees within the Company, so long as they do not represent a conflict of professional and personal interests, do not have to be communicated to the CEO. The Company reminds all employees that the personal aspects of relationships must be conducted with the utmost discretion, and outside the professional environment.

Alcohol and Drug Free Workplace Policy

It is the policy of the Company to create an alcohol and drug free workplace in keeping with the spirit and intent of the Drug Free Workplace Act of 1988. The use of alcohol and/or controlled substances is inconsistent with acceptable behavior, subjects others to safety risks, and undermines our ability to operate effectively and efficiently. The unlawful manufacture distribution, dispensation, possession, sale, or use of alcohol and/or controlled substances in the workplace or while engaged in the Company business off company premises is strictly prohibited. Use of illegal drugs is also prohibited during nonworking time to the extent that in the opinion of the Company, it impairs an employee's ability to perform on the job.

To educate employees on the dangers of alcohol and drug abuse, the Company has established an alcohol and drug free awareness program. Periodically, employees will be required to attend training sessions at which the dangers of drug abuse, the company policy regarding drugs and the availability of counseling. Employees convicted of controlled substance related violations in the workplace, including pleas of nolo contendere (i.e., no contest), must inform the Company within five days of such conviction or plea. Employees who violate any aspect of this policy may be subject to disciplinary action up to and including termination of employment. Although this list is not exhaustive, The Company reserves the right to drug test employees under these and other circumstances:

1. On a pre-employment basis following the acceptance of a job offer and before work begins.
2. After any on the job accident, near miss or serious incident where injury or property damage did or may have occurred regardless of whether first aid was required.
3. After any vehicle accident while performing company business or on company property.
4. After any period of repeated tardiness or absence from work, return from lay-off status or return from leave of absence.
5. If there is any reasonable suspicion of alcohol and/or drug use while on Company time, or
6. Random drug testing of two or more employees at a time in demonstrating our policy

Management has the responsibility to send employees for drug and alcohol testing. The employees will either drive themselves or be driven to the testing facility chosen by the Company. Blood, urine or hair samples may be taken by the medical personnel at the Clinic for purposes of conducting tests. Test results are only disclosed to the individual or contact persons named on the service contract with the testing agency.

Safety Policy

Our policies are aimed at minimizing or eliminating all recognized health or safety risks as well as workplace injuries. To accomplish this objective, all employees are expected to work diligently to maintain safe and healthful working conditions and to adhere to proper operating practices and procedures designed to prevent injuries and illnesses. Supervisors/Managers and Safety Committee

members shall insist that employees observe and obey every rule, regulation, and order necessary to the safe conduct of the work, and shall take such action necessary to obtain compliance.

The responsibilities of all employees in regard to safety include but are not limited to:

1. Exercising maximum care and good judgment to abide by safety rules and regulations at all times to prevent accidents and injuries;
2. Horseplay and practical joking can result in serious injuries, or death. Therefore, engaging in horseplay or practical joking will not be tolerated;
3. Due to the Clean Air Act, no smoking is permitted in the facility or on the premises;
4. Walk, don't run, watch your step. Employees must use recognized safe passages when moving throughout the building;
5. Report to supervisor all accidents, injuries, near misses and injuries, regardless of how minor;
6. Reporting unsafe conditions, working hazards and unsafe equipment, or practices to supervisory personnel immediately;
7. Use proper lifting techniques when moving materials. Use your legs, not your back. For heavier loads, employees are required to ask for assistance and/or use designated tooling or lift devices particular to that operation;
8. Employees must use compressed air only for the job for which it is intended. Do not spray on or near skin, eyes, clothing, or point towards another person;
9. Handle all cleaning and workplace chemicals or concentrates with gloves and/or face protection and never dispense chemicals into unlabeled containers;
10. Use a ladder for climbing purposes, not chairs, boxes, etc.;
11. Report any use of fire extinguishers to supervisor immediately;
12. Familiarize yourself with any material safety data (MSD) sheets for products you work with;
13. Keep all unauthorized individuals away from equipment requiring authorization or special training;
14. Only licensed personnel shall operate forklifts and other vehicles. Operators must obey the established forklift or vehicle operations procedures. Caution must be exercised when operating any Company vehicle. Seatbelts must be worn at all times if an employee is driving or is a passenger while on company business or property. Drive slowly and safely;
15. Employees should not operate any equipment until they have been properly trained;
16. Employees are required to perform the machine specific safety checks;
17. Employees should never tamper, alter, bypass or damage safety guards or equipment. It is the employees responsibility to ensure that all guards are in place and functional prior to the beginning of operation;
18. Employees should never leave a machine running unattended without prior Supervisory approval;
19. Employees should not tamper with, or attempt to remove tags or locks applied for lockout/tagout of equipment;
20. Workers shall not handle any electrical equipment, machinery, or air or water lines in a manner not within the scope of their duties, unless they have received instructions from their Supervisor;
21. Always use and properly maintain company provided and mandatory personal protective equipment such as safety glasses, ear plugs, footwear and gloves, where required;
22. Stack materials, skids, boxes or other equipment in a way that does not block entrances/exits, fire extinguishers, power panels, light switches or fire access doors;
23. Trash receptacles which are easily accessible are located throughout the building. Please place litter from all lunches, scrap materials, etc. in these receptacles. Employees in all departments are asked to keep the surroundings as neat and orderly as possible. A clean work area makes for a more pleasant, as well as safer place to work;

24. Return all equipment to the proper place when finished working;
25. Participate in ongoing and specialized training and safety exercises;
26. Notify the supervisor before the beginning of the workday of any medication they are taking that may cause drowsiness or other side effects that could lead to injury to them and their coworkers.
27. Anyone found to be over .05 blood alcohol level while being paid to work or anyone under the influence of drugs shall be dealt with according to the company policy on Drug and Alcohol Use.
28. No one shall knowingly be permitted to work while his or her ability or alertness is impaired by fatigue, non-prescribed drugs, illness, or other causes that might expose the individual or others to injury.
29. Wash with soap and hot water before eating and after using the restroom, coughing or sneezing;
30. Employees must not consume food and/or drink while operating equipment if it poses a health or safety hazard. Appropriate break and lunch periods are provided for these purposes.
31. Cell Phone use is strictly prohibited while operating ANY piece of equipment, fork truck, lifts, or machinery on the production floor.

Personal Protective Equipment (PPE)

In order to protect employees from known hazards and continue in the tradition of safe workplace practices, the Company has set standards for using personal protective equipment (PPE). At the start of each workday, employees should reflect on the training they received regarding the usage, maintenance, and disposal of PPE as well as where to locate an eyewash station, first aid kit and evacuation point.

Each employee is expected to obey safety rules and exercise caution and common sense in all work activities. This includes wearing the proper safety gear when required such as steel-toed boots, safety glasses, ear plugs, gloves and other protective gear. The Company may reimburse employees for their own out of pocket expenses for the purchase of steel toe boots. Ask the Accounting office for details on how to get reimbursed. Explicit specifications for PPE are outlined in the Material Safety Data Sheets (MSDS) located in the main office and in each work area MSDS binder.

Employees must immediately report unsafe work conditions to their supervisor. This makes the Supervisor aware of issues that may require immediate attention and documents the issue for discussion with the Safety Committee. Employees who violate safety standards, cause hazardous or dangerous situations, or fail to report, or where appropriate, remedy such situations, may be subject to disciplinary action including termination of employment.

Accidents / First Aid / Near Miss

All injuries to employees or visitors, regardless of the extent of injury, must be reported immediately to the Accounting Office or other authority on duty and in extreme cases no longer than 24 hours from the initial incident. Failure to report incidents promptly and completely can result in disciplinary action or could affected workers' compensation coverage. The supervisor or person in charge will assist in completing the incident report and follow facility policy on work related injuries for all employees. All information gathered from incident reports will be forwarded to the Workers' Compensation insurance carrier and get reported on the OSHA incident log if required.

Workplace Injuries and Workers' Compensation

The Company complies with Workers' Compensation insurance laws and provides payment for employee medical treatment and expenses resulting from income loss while recovering from an on the job illness or injury. Specific benefits are prescribed by law depending on the circumstances of each case. It is against the law for a Company to terminate or punish an employee for reporting an accident or injury. All reports of first aid, accidents, illness (due to work) and injury must be reported within 24 hours of incident. Statistics show when an incident is reported quickly, the long term expense is less to all parties involved. Questions regarding workers' compensation insurance should be directed to the Human Resources department.

Panel of Physicians

According to the Pennsylvania Workers Compensation Act, in the event of a work-related injury, all reasonable, necessary and related medical and surgical expenses including medicine, supplies, orthopedic appliances and prostheses including training in their use, will be paid for the employee when approved medical providers are used for treatment during the first 90 days following initial treatment. This list is posted at the worksite with other mandatory postings.

Your rights and duties under section 306(f.1)(1)(i) of the act (77 P. S. § 531(1)(i)) provide that if you suffer a work-related injury, you may switch between and treat with any combination of the approved health care providers for ninety (90) days from the date of your first visit. If, following this ninety (90) day period, the provider decides you require additional reasonable and necessary medical care; you may continue to treat with the health care provider from the list or change to the provider of your choice and all treatment will continue to be paid for you. However, if during the first 90 days of treatment you choose to seek medical treatment from a provider not listed, these medical services will be at the employee's own expense. If you choose to visit a non-designated medical provider during the first 90 days, you must advise your employer within five (5) days of this decision. The employer may not be required to pay for your treatment if a timely notice is not given and if the medical treatment you receive is found to be unreasonable by a URO. All health care providers must provide your employer with an initial medical report within ten (10) days following your first visit and on a monthly basis so long as treatment continues.

In the event emergency treatment is required, you may treat with the health care provider of your choice. However, subsequent treatment must be obtained from one of the employer's designated health care providers for the first ninety (90) days from the date of first treatment by that designated provider. If one of the listed health care providers refers you to another licensed health care provider, reasonable bills for these services will also be paid.

Should invasive surgery be prescribed by an employer-designated provider, the employee shall be permitted to obtain a second opinion from a provider of the employee's own choice, at the expense of the insurer. If the second opinion differs from the opinion of the employer-designated provider, the employee may choose which course of treatment to follow, provided the second opinion provides a specific and detailed course of treatment. However, if the employee chooses to follow the procedures recommended by the second opinion, such procedures shall be performed by one of the employers designated providers for a period of ninety (90) day from the date of the visit to the provider of the employee's choice.

Medical Restrictions

It is the responsibility of the employee to notify management and provide medical verification for any restrictions placed on the employee's normal job performance due to medical reasons, doctors orders, personal illness, physical limits or mental condition. The Company will work with the employee and

their physician in accordance to regulations found in the ADA, FMLA, Workers' Compensation in building a limited or restricted employment opportunity. The idea of a limited duty or restricted duty employment opportunity allows the employee to work jointly with their doctor or the Company's doctor to provide a suitable offer of limited employment for the employee as they recover from their injury.

Limited Duty Work Offer

Employees who are unable to perform their normal job for any work or non-work related reasons will be offered a limited duty position at the Company if possible. Limited duty assignments help employees maintain their employment status and recover at the worksite rather than at home for otherwise non-serious illnesses or injuries. Limited duty opportunities are typically offered to an employee following the advice and approval of their treating physician.

The employee's Supervisor or the Human Resources Department will cooperate with the employee's attending physician or licensed caregiver to proactively build a safe and customized limited duty job for the employee to perform until they can return to full duty without restrictions. The employee may refuse such offers of limited work, however doing so may affect their ability to continue to collect against workers' compensation, disability or unemployment benefits.

Guidelines for requesting or receiving a limited duty job are as follows and may be adjusted on a non-discriminatory case by case basis:

1. Following the initial onset and treatment by a medical professional or a caregiver, the employee must contact the Accounting Office and provide copies of the medical diagnoses including the scope and frequency of work that can be performed by the employee as per doctors' orders.
2. During the period of leave or limited duty, the employee must proactively communicate their return-to-work status, and other factors of their circumstance as related to the timeframe on their ability to perform either limited duty or full duty.
3. In the event an employee is permitted to work, but needs a light duty modification to their current job or a special new job, the employee must notify the Accounting Department and their Supervisor. Their Supervisor will work with Management to construct an appropriate assignment and obtain approval from the employee's Doctor for documentation of their work restrictions being within the proposed work and recovery plan.
4. All modified duty assignments must be documented on the proper form.
5. If an employee is returning from leave and has no work restrictions, a Doctor's note is suitable as a release indicating such. If there will be work restrictions, they have to be continuously documented until the employee is released to regular full duty without restrictions.
6. Once the form is received, the Human Resources Department and Supervisor will determine if the light duty request can be accommodated. Modified duty assignments may be assigned outside of the employee's normal scope of work expertise or department.
7. Both the Supervisor and employee will receive a copy of the work restrictions and it is both their responsibilities to ensure they are followed. Disciplinary actions will result in the event an employee is working outside their restriction or a Supervisor assigns work outside of the restriction.
8. Overtime is strictly prohibited while on modified duty if required by doctors orders.
9. Assignments of light duty and their time frames will be determined on a case-by-case basis depending on the operational needs of the Company, medical needs of the employee and availability of work.

Technology Policy

The Company provides employees with a host of electronic technologies and services, including computers, E-Mail, Voice Mail and Internet services. These technologies and services are intended to be used for business purposes only and are meant to assist employees in completing job responsibilities as effectively as possible. Personal use of these technologies and services is prohibited.

It is imperative that employees not abuse or misuse these technologies and services. Employees must ensure that only business related information is contained or maintained on the Company's systems or devices. This is particularly important when using e-mail, the World Wide Web, or any other part of the Internet. At a minimum, employees must be guided by common sense when using the computer technologies. Given the ever-changing nature of these technologies, it is impossible to catalogue all possible abuse or misuse. Nevertheless, employees are strictly prohibited from using any technology to view, listen to or communicate offensive, defamatory or disruptive content. Such content includes, but is not limited to, material of a sexual or sexually suggestive nature, racial, ethnic or gender-specific slurs, or any other visual/audio/verbal content that offends or is intended to offend someone because of his or her age, sex, religion, national origin, disability or other lawfully protected trait.

The Company will periodically audit all its systems without notice including phone bills, text message logs, e-mail and Internet access to determine whether there is evidence of abuse or misuse. Employees who abuse or misuse any Company maintained technology will be disciplined, up to and including immediate termination.

Social Media Participation Policy

As a company, USHydrations recognizes the benefit of communication among our employees. Blogs, Facebook, discussion forums, wikis, video, and other social media, such as Twitter, can be a great way to stimulate conversation and discussion.

The USHydrations Social Media Participation Policy applies to : All blogs, wikis, forums, and social networks; Your personal blogs that contain postings about USHydrations business, products, employees, customer, partners, or competitors; Your postings about USHydrations business, products, employees, customer, partner, or competitors on external blogs, wikis, discussion forums or social networking sites such as Twitter; Your participation in any video related to USHydrations business, products, employees, customer, partner, or competitors. Even if your social media activities take place completely outside of work, as your personal activities should, what you say can have an influence on your ability to conduct your job responsibilities, your co-worker's abilities to do their jobs, and USHydrations business interests.

This section describes the requirements that are most relevant to USHydrations employees participating in social media of various kinds. It is extremely important that you follow these requirements. Failure to do so may result in disciplinary action, up to and including termination of your employment.

Protect Confidential Information

You may not use your blog or other social media to disclose USHydrations confidential information, including financial information, strategies, products, policies, and management. Protecting the confidential information of our employees, customers, partners and suppliers is also important. Do not mention them, including USHydrations executives, in social media without their permission, and make sure you do not disclose items such as sensitive personal information of others.

Refrain from Objectionable or Inflammatory Posts

Do not post anything that is false, misleading, obscene, defamatory, profane, discriminatory, libelous, threatening, harassing, abusive, hateful, or embarrassing to another person or entity. Make sure to respect others' privacy. Third party Web sites and blogs that you link to must meet our standards or propriety. Be aware that false or defamatory statements or the publication of an individual's private details could result in legal liability for USHydrations and you.

Do Not Speak for USHydrations

Remember that you are not an official spokesperson for USHydrations. Make it clear that your opinions are your own and do not necessarily reflect the views of USHydrations.

EMPLOYEE MANUAL ACKNOWLEDGEMENT

I acknowledge that I have received a copy of the USHydrations Employee Manual or that it has been made available to me as a resource in the Human Resources Department. I understand that this handbook replaces any and all prior verbal and written communications regarding USHydrations' working conditions, policies, procedures, appeal processes, and benefits. I further understand that the contents of this employee handbook are simply policies and guidelines, not a contract or implied contract with employees, and USHydrations reserves the right to modify, supplement, rescind, or revise any of these guidelines from time to time, with or without notice, as they deem necessary or appropriate.

I understand that the manual provides guidelines and summary information about the USHydrations personnel policies and procedures concerning employment, compensation, workplace guidelines, benefits, performance standards, and salary and wage administration. I also understand that it is my responsibility to read, understand, become familiar with, and comply with the guidelines that have been established.

I understand that if I have questions or concerns at any time about the manual I will consult my immediate supervisor, department manager, or the Human Resources department for clarification.

I also acknowledge that the manual contains an employment-at-will provision that states:

Either USHydrations or I can terminate my employment relationship at any time, with or without cause, and with or without notice;

That this employment-at-will relationship is in effect regardless of any other written statements or policies contained in this handbook, in any other USHydrations documents, or in any verbal statements to the contrary; and

That no one except the President can enter into any differing employment relationship, contract, or agreement. To be enforceable, any such out-of-the-ordinary relationship contract, or agreement must be in writing, signed by the President, notarized, and in the employee file.

I have read and understand the contents of this handbook and will act in accord with these policies and procedures as a condition of my employment with USHydrations.

Employee Signature

Employee Name (Please Print)

Date