TABLE OF CONTENTS

NOTICE........................................................................................................................................................................ 7
   Some Things You Must Understand.......................................................................................................................... 7

CONFIDENTIAL INFORMATION................................................................................................................................... 7

OVERVIEW OF AMERICAN FINANCIAL NETWORK, INC......................................................................................... 7
   Background................................................................................................................................................................. 7
   What You Can Expect From AFN.............................................................................................................................. 7
   What AFN Expects From You................................................................................................................................... 7

HOW YOU WERE SELECTED....................................................................................................................................... 8
   Employee Background Check..................................................................................................................................... 8
   Credit Investigation..................................................................................................................................................... 8
   Immigration Law Compliance................................................................................................................................... 8

NEW EMPLOYEE ORIENTATION................................................................................................................................. 8
   Introductory Period.................................................................................................................................................... 8
   Anniversary Date....................................................................................................................................................... 8
   Outside Employment................................................................................................................................................ 8
   Open Communication Policy..................................................................................................................................... 9
   Suggestions................................................................................................................................................................... 9
   Arbitration Policy....................................................................................................................................................... 9
   Confidential Information............................................................................................................................................. 9
   Customer Relations.................................................................................................................................................... 10
   Equal Employment Opportunity.................................................................................................................................. 10
   Drug-Free Workplace................................................................................................................................................. 10

STANDARDS OF CONDUCT........................................................................................................................................ 10
   Unacceptable Activities.............................................................................................................................................. 10
   Disciplinary Actions.................................................................................................................................................... 11
   Disciplinary Procedures............................................................................................................................................. 11
   Step One: Verbal Reminder....................................................................................................................................... 11
   Step Two: Written Warning 1.................................................................................................................................. 11
   Step Three: Written Warning 2.................................................................................................................................. 11

EMPLOYMENT................................................................................................................................................................. 11
At-will Employment.......................................................... 11
Termination of Your Employment.......................................... 12

ANTI-HARRASSMENT POLICY.............................................. 12
What is Harassment.......................................................... 12
What is Sexual Harassment................................................ 12
Responsibility...................................................................... 12
Reporting........................................................................... 12
Personal Liability............................................................. 12

WORK SCHEDULE............................................................... 12
Business Hours............................................................... 12
Attendance......................................................................... 12
Absence or Lateness.......................................................... 13
Meal and Break Periods...................................................... 13

EMPLOYMENT..................................................................... 13
Full-Time Employees.......................................................... 13
Part-Time Employees.......................................................... 13
Temporary Employees......................................................... 13
Exempt and Non-Exempt Employees...................................... 14

PERSONNEL RECORDS AND ADMINISTRATION...................... 14
Your Personnel File........................................................... 14
Your Medical Records........................................................ 14

COMPENSATION................................................................. 14
Compensation Philosophy.................................................. 14
Basis for Determining Pay................................................... 14
Pay Schedule...................................................................... 14
Direct Deposit................................................................... 15
On Call Pay........................................................................ 15
Mandatory Deductions....................................................... 15
Overtime Pay..................................................................... 15
Work Performed On Company Holidays............................... 15
Compensatory Time Off...................................................... 15
WELCOME TO AMERICAN FINANCIAL NETWORK, INC.

Dear New Team Member:

Thank you for joining American Financial Network, Inc. (AFN)! We hope you agree that you have a great contribution to make to the mortgage industry by way of AFN, and that you will find your employment at AFN a rewarding experience. We look forward to the opportunity of working together to create a more successful company. We also want you to feel that your employment with AFN will be a mutually beneficial and a gratifying one.

You have joined an organization that has established an outstanding reputation for quality. Credit for this goes to everyone in the organization. We hope you, too, will find satisfaction and take pride in your work here. As a member of the AFN team, you will be expected to contribute your talents and energies to further improve the environment and quality of the company.

This Employee Manual may provide answers to most of the questions you may have about AFN’s benefit programs, as well as company policies and procedures. You are responsible for reading and understanding this Employee Manual. If anything is unclear, please discuss the matter with your immediate Manager.

We extend to you our personal best wishes for your success and happiness at AFN.

Sincerely,

American Financial Network, Inc.
NOTICE

This Employee Manual has been prepared to inform you of AFN’s history, philosophy, employment practices, and policies, as well as the benefits provided to you as a valued employee.

Some Things You Must Understand

The policies in this Employee Manual are to be considered as guidelines.

- With the exception of our at-will employment policy, AFN may change, delete, suspend or discontinue any part or parts of the policies in this Employee Manual at any time without prior notice as business, employment legislation, and economic conditions dictate.
- Any such action shall apply to existing as well as to future employees.
- Employees may not accrue eligibility for monetary benefits that they have not become eligible for through actual time spent at work.
- Employees shall not accrue eligibility for any benefits, rights, or privileges beyond the last day worked.
- No one other than AFN corporate officers may alter or modify any of the policies in this Employee Manual. Any alteration or modification of the policies in this Employee Manual must be in writing and signed by the responsible corporate officer.

No statement or promise by an immediate Manager, or department head, past or present, may be interpreted as a change in policy nor will it constitute an agreement with an employee.

Should any provision in this Employee Manual be found to be unenforceable and invalid, such finding does not invalidate the entire Employee Manual, but only that particular provision.

This Employee Manual replaces (supersedes) any and all other or previous AFN Employee Manuals, or other AFN employment policies whether written or oral. This Employee Manual also supersedes any and all employment contracts, guidelines, or policies that may have existed at any AFN affiliate company prior to the effective date of affiliation with AFN.

CONFIDENTIAL INFORMATION

You are aware that during the course of your employment, confidential information will be made available to you, for instance, marketing strategies, customer lists, pricing policies and other related information. You understand that this information is proprietary and critical to the success of AFN and must not be given out or used outside of AFN’s premises or with non-AFN employees. In the event of termination, whether voluntary or involuntary, you agree to immediately return any such information in your possession to AFN. You further agree not to utilize or exploit confidential information obtained during your employment at AFN to the advantage of any other individual or company.

OVERVIEW OF AMERICAN FINANCIAL NETWORK, INC.

Background

American Financial Network, Inc. started as a mortgage broker in 2001 and became a direct lender in 2006. We funded mostly conventional loans during our first two years as a banker and then the FHA market started to come back around. BY 2009, AFN achieved all approvals necessary for full underwriting authority in-house for all product offerings. Since becoming a non-supervised mortgagee with HUD, about 70% of the loans we fund are FHA. We have never had any change in ownership and have had little change in management. Our corporate office has been in Chino Hills for several years and we have over 50 branches, mostly in southern California. In 2008, we tripled our corporate staff and quadrupled our volume. Furthermore, in 2010 the company commenced its Wholesale Division and added two large purchase money operations.

As of now, AFN has survived over ten years in business and maintains great relationships with lenders, brokers, and investors to prepare for continuous growth. Almost all of our business comes from referrals, which we see as more consistent than marketing. Our plan is to continue to invest our profits in technology and expansion. With an efficient internal system, growth should be smooth and limitless. Once we have a secure position in our current market area, we plan to expand to several states in the southwest and then nationwide eventually.

What You Can Expect From American Financial Network, Inc.

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

- Provide an exciting, challenging, and rewarding workplace and experience.
- Select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to age, sex, color, race, creed, national origin, religious persuasion, marital status, political belief, or a disability that does not prohibit performance of essential job functions.
- Compensate all employees according to their effort and contribution to the success of our business.
- Review wages, employee benefits and working conditions regularly with the objective of being competitive in these areas consistent with sound business practices.
- Provide vacation pay and holidays to all eligible employees.
- Provide eligible employees with health and welfare benefits.
- Take prompt and fair action of any complaint which may arise in the everyday conduct of our business, to the extent that it is practicable.
- Respect individual rights, and treat all employees with courtesy and consideration.
- Maintain mutual respect in our working relationship.
- Provide buildings and offices that are comfortable, orderly and safe.
- Promote employees on the basis of their ability and performance.
- Keep all employees informed of the progress of AFN, as well as the company’s overall goals and objectives.
- Promote an atmosphere in keeping AFN’s vision, mission, and goals.

What American Financial Network, Inc. Expects From You

AFN needs your help in making each working day enjoyable and rewarding. Your first responsibility is to know your own duties and how to perform them promptly, correctly and pleasantly. Secondly, you are expected to cooperate with management and your fellow employees to maintain a good team attitude.
How you interact with fellow employees, business partners to AFN, and our customers, and how you accept direction can affect the success of your department. In turn, the performance of one department can impact the entire service offered by AFN. Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability.

You are encouraged to grasp opportunities for personal development offered to you. This manual offers insight on how you can perform positively and to the best of your ability to meet and exceed AFN's expectations.

We strongly believe you should have the right to make your own choices in matters that concern and control your life. We believe in direct access to management. We are dedicated to making AFN a company where you can approach your immediate Manager, or any member of management, to discuss any problem or question. We expect you to voice your opinions and contribute your suggestions to improve the quality of AFN. (Please take a look at the Suggestions policy below.) We are all human, so please communicate with each other and with management.

Remember, you help create the pleasant and safe working conditions that AFN intends for you. The result will be better performance for the company overall, and personal satisfaction for you.

HOW YOU WERE SELECTED

AFN is confident that as a result of the mutual selection process undertaken, your employment will prove to be beneficial to AFN as well as yourself and we look forward to having you join us.

We carefully select our employees through written applications, personal interviews and reference checks. After all available information was considered and evaluated, you were selected to become a member of our team!

This selection process helps AFN find and employ people who are concerned with their own personal success and the success of AFN; people who want to do a job well; people who can carry on their work with skill and ability; and people who are comfortable with AFN and who can work well with our team.

Employee Background Check

Prior to becoming an employee of AFN, a criminal 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.

Credit Investigation

Following the requirements imposed by the Federal-Truth-In-Lending and the Fair Credit Report Acts, a federal statute that regulates the activities of consumer reporting agencies and users of credit reports, and protects consumers from invasions of privacy by placing certain restrictions on persons who may use or disseminate credit information about consumers, AFN conducts a pre-employment credit check only on those applicants for positions that involve financial responsibility. Employment with us may be conditional upon our review of the information in the credit check. AFN reserves the right to conduct this credit check at any time after you have been employed. Remember, you have certain legal rights to discover and to dispute or explain any information prepared by the credit checking company.

Immigration Law Compliance

AFN is committed to employing only United States citizens and resident aliens who are authorized to work in the United States and it 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. If you are a former employee who is rehired, you must also complete the form if you have not completed an I-9 with AFN within the past three years, or if your previous I-9 is no longer retained or valid.

If you have questions or seek more information on immigration law issues you are encouraged to contact the Bureau of U.S. Citizenship and Immigration Services. You may raise questions or complaints about immigration law compliance without fear of reprisal.

NEW EMPLOYEE ORIENTATION

You will be asked to complete employment paperwork prior to your date of hire. Failure to submit a fully executed employment packet may result in a delay in your date of hire. Depending on your department’s workload, your immediate Manager or designated representative will introduce you to your co-workers and office layout. Please feel free to ask your colleagues any questions not answered during your orientation or simply contact the Human Resources department for further clarification.

Introductory Period

Your first ninety (90) days of employment at AFN are considered an Introductory or Probationary Period. This Introductory Period is a "getting acquainted" time for both you, as an employee, and AFN, as an employer. This will be a time for you to get to know your fellow employees, your immediate Manager, and the tasks involved in your job position, as well as becoming familiar with AFN's products and services. Your immediate Manager will work closely with you to help you understand the needs and processes of your job.

During this Introductory Period, AFN promotes an atmosphere in keeping with AFN's vision, mission, and goals and will evaluate your suitability for employment, and you can evaluate AFN as well. Please understand, however, that completion of the Introductory Period does not guarantee continued employment, as employment is always at-will. You are free to terminate your employment at any time, with or without reason, and AFN may choose to terminate your employment at any time, with or without reason.

A former employee who has been rehired after a separation from AFN for more than one (1) year is considered an introductory employee during their first ninety (90) days following rehire. Depending on your initial date of hire, you may be required to complete a new employment packet upon being hired.

Anniversary Date

Your date of hire is your anniversary date and is used to compute various conditions and benefits described in this Employee Manual.
Outside Employment

Employees may not take outside jobs, either for pay or as donation of their personal time, with any AFN customer or competitor; nor may they do work on their own if it competes and in any way with the sales of products or services we provide for our customers.

If your financial situation requires you to hold a second job, part-time or full-time, or if you intend to engage in a business enterprise of your own, you are encouraged to discuss your plans with your immediate Manager. Your immediate Manager can help you determine whether the intended second job or independent business enterprise would violate this Outside Employment policy. All additional jobs must be in an industry other than mortgage or real estate.

Open Communication Policy

AFN encourages you, whenever possible, to discuss any issue you may have with a co-worker directly with that person. We recognize, however, that many problems (e.g., harassment or discrimination) require management intervention. If you face a problem that cannot be resolved through direct communication, it is your responsibility to arrange a meeting with your immediate Manager to discuss the problem. If you are unable or unwilling to discuss your problem with a particular Manager, you should arrange a meeting with another Manager with whom you feel comfortable. AFN will not retaliate against any employee for discussing a problem or raising any issue of concern in an Open Communication meeting.

This Open Communication policy is designed to give employees an outlet to resolve workplace problems without resorting to counterproductive rumors or office gossip. Please remember that it is always more constructive for an employee to consult his/her immediate Manager immediately with any questions. We expect all employees to make their best efforts to maintain a harmonious workplace.

Suggestions

We encourage all employees to bring forward their suggestions and good ideas about how our company can be made a better place to work, our products improved, and our service to customers enhanced. When you see an opportunity for improvement, please talk it over with your immediate Manager. He/she can help you bring your idea to the attention of the people in the company who will be responsible for possible implementation.

All suggestions are valued and listened to. When a suggestion form an employee has particular merit, we provide for special recognition of the individual(s) who had the idea.

Arbitration Policy

It is in the interest of AFN and its employees that, whenever possible, disputes relating to employment matters be resolved quickly and fairly through informal direct discussions and/or Open Communication meetings. AFN’s employees are required to exhaust the Open Communication meeting process outlined in this Employee Manual prior to initiating arbitration under this policy. Any and all employment-related disputes that cannot be resolved through Open Communication are subject to binding arbitration.

Your employment at AFN is conditioned on your agreement to this arbitration policy.

Final and binding arbitration is the exclusive remedy for any dispute arising out of the employment at AFN, including disputes related to recruitment or hire, claims of discrimination or harassment, or termination of employment, except to the extent emergency injunctive relief is required by either party pending arbitration. For example, if an employee is terminated and contends that the termination violates any statute, term of employment, or public policy, the employee must submit the claim to final and binding arbitration for resolution, in lieu of any court or jury trial to which the employee might otherwise be entitled. This agreement covers all common law and statutory claims, including, but not limited to, any claim for breach of contract and/or violation of laws forbidding discrimination on the basis of race, color, religion, gender, age, national origin, disability or any other protected characteristic. This agreement does not cover claims for Worker’s Compensation or Unemployment Compensation benefits or charges filed with government agencies.

This agreement does not require that any employee give up any substantive rights, or that AFN waive any legal defenses it may have. Rather, it simply requires that all employment-related disputes must be submitted to a neutral arbitrator for a final and binding decision.

Arbitration under this agreement will take place before a single arbitrator in the county in which the dispute arose and will be administered in accordance with the employment arbitration rules of the American Arbitration Association (AAA), and its procedures then in effect. If the arbitration is initiated by claims raised by an employee, the employee must pay the AAA filing fee in an amount not to exceed what the employee would pay to file a complaint in a civil action. AFN will pay the administrative fees and costs of the arbitrator, and each party will pay its own costs and attorney fees, if any, unless the arbitrator rules otherwise. If the parties cannot agree on an arbitrator, the AAA rules will govern selection. The arbitrator’s award is to be in writing, with reasons given and evidence cited for the award. Any court of competent jurisdiction may enter judgment upon the award, either by (i) confirming the award or (ii) vacating, modifying, or correcting the award (a) on any ground referred to in the Federal Arbitration Act, (b) where the findings of fact are not supported by substantial evidence, or (c) where the conclusions of law are erroneous. This agreement shall not be construed to create any contract of continued employment and in no way alters AFN’s express at-will employment policy.

AFN encourages all employees to consult with an attorney if they have questions or concerns about this arbitration agreement. By acknowledging receipt of this Employee Manual, you will also acknowledge your acceptance of this agreement. Your acceptance of this agreement constitutes a knowing and voluntary waiver of the right to a court trial and trial by jury for any dispute subject to the terms of this agreement.

Confidential Information

Upon accepting employment with AFN, you may have been asked to sign a Confidentiality Agreement, which generally provides that you will not disclose or use any of AFN’s confidential information, either during or after your employment. We sincerely hope that our relationship will be long-term and mutually rewarding. However, your obligation to maintain confidentiality will continue even after the termination of your employment relationship with AFN.

Additionally, our customers and suppliers entrust AFN with important information relating to their businesses. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, AFN earns the respect and further trust of our customers and suppliers.
If you are questioned by someone outside the company or your department and you are concerned about the appropriateness of giving them certain information, you are not required to answer. Instead, as politely as possible, refer the request to your immediate Manager connected with the job, provided that any accommodations made do not impose undue hardship on the company. No one is permitted to remove or make copies of any of AFN’s records, reports or documents without prior management approval. Disclosure of confidential information could lead to termination, as well as other possible legal action.

Customer Relations

The success of AFN depends upon the quality of the relationships between AFN, our employees, customers, suppliers and the general public. Our customers’ impression of AFN and their interest and willingness to bring their business to us is greatly formed by the people who serve them. In a sense, regardless of your position, you are AFN’s ambassador. The more good will you promote, the more our customers will respect and appreciate you, AFN and AFN’s products and services.

Below are several things you can do to help give customers a good impression of AFN. These are the building blocks for our continued success.

1. Act competently and deal with customers in a courteous and respectful manner.
2. Communicate pleasantly and respectfully with other employees at all times.
3. Follow up on orders and questions promptly, provide businesslike replies to inquiries and requests, and perform all duties in an orderly manner.
4. Take great pride in your work and enjoy doing your very best.

Equal Employment Opportunity

AFN is an equal employment opportunity employer. Employment decisions are based on merit and business needs, and not on race, color, national origin, ancestry, gender, sexual orientation, sexual identity, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law. AFN complies with the law regarding reasonable accommodation for handicapped and disabled employees. AFN’s President has issued the following policy stating AFN’s views on this matter.

It is the policy of AFN to comply with all the relevant and applicable provisions of the Americans with Disabilities Act (ADA). AFN will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person’s physical or mental disability. AFN will also make reasonable accommodations wherever necessary to allow an otherwise qualified individual with a legal disability to safely perform the essential duties and assignments. Accommodations made do not impose an undue hardship on the company.

Equal employment opportunity notices are posted near employee gathering places as required by law. Additionally, they are posted on lunchroom bulletin boards. These notices summarize the rights of employees to equal opportunity in employment and list the names and addresses of the various government agencies that may be contacted in the event that any person believes he or she has been discriminated against.

Management is primarily responsible for seeing that

AFN’s equal employment opportunity policies are implemented, but all members of the staff share in the responsibility for assuring, by their personal actions that the policies are effective and apply uniformly to everyone.

Any employees, including immediate Managers, involved in discriminatory practices will be subject to disciplinary action up to and including termination of employment.

Drug-Free Workplace

AFN is a community in which responsibilities and freedoms are governed by policies and codes of behavior, including penalties for violations of these standards as stated in your Employee Manual. AFN has a standard of conduct which prohibits the unlawful possession, use, or distribution of illicit drugs and alcohol by employees on AFN’s site and/or client sites or as a part of AFN’s activities. AFN will impose disciplinary sanctions on employees ranging from educational and rehabilitation efforts up to and including expulsion or termination of employment and referral for prosecution for violations of the standards of conduct. Each situation will be looked at on a case-by-case basis.

It is the goal of AFN to maintain a drug-free workplace. To that end, and in the spirit of the Drug-Free Workplace Act of 1988, AFN has adopted the following policies:

- The unlawful manufacture, possession, distribution, or use of controlled substances is prohibited in the workplace.
- Employees who violate this prohibition are subject to corrective or disciplinary action as deemed appropriate, up to and including termination.
- As an ongoing condition of employment, employees are required to abide by this prohibition and to notify, in writing and within five (5) days of the violation, her/his immediate Manager of any criminal drug statute conviction they receive.
- If an employee receives such a conviction AFN shall take appropriate personnel action against the employee, up to and including termination.

STANDARDS OF CONDUCT

Your rules of conduct are needed to help everyone work together efficiently, effectively, and harmoniously. By accepting employment with us, you have a responsibility to AFN 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 immediate Manager for an explanation.

As an at-will employer, AFN retains the right to terminate the employment relationship for any reason, or no reason, and in the absence of any violation of its work rules. However, the following are a few examples of the types of activities AFN deems unacceptable in the workplace:

- Falsifying an employment application, timecard, personnel document, or other document, or otherwise providing
Disciplinary Procedures

Unacceptable performance or behavior which does not lead to immediate dismissal may be dealt with in the following manner (though not necessary with at-will employment):

- Unauthorized possession of Company property, gambling, carrying weapons or explosives, or violating criminal laws.
- Fighting, throwing objects, horseplay, practical jokes, or other conduct which may endanger the wellbeing of any employee on Company premises.
- Engaging in acts of dishonesty, fraud, theft, or sabotage.
- Threatening, intimidating, coercing, using abusive or vulgar language, or interfering with the performance of other employees.
- Insubordination, refusal to comply with instructions, or failure to perform duties which are assigned.
- Unauthorized use or misuse of Company material, time, equipment, or property.
- Damaging or destroying Company property due to careless or willful acts.
- Conduct that the Company determines reflects adversely on the employee or the Company.
- Performance which, in the Company's judgment, does not meet the requirements of the position, including excessive absences or tardiness.
- Engaging in such other practices as the Company determines may be inconsistent with the conduct necessary to the welfare of the Company, its employees, or clients.
- Negligence in observing fire prevention and safety rules.
- Other circumstances for which the Company determines that corrective action is warranted.

Disciplinary Actions

AFN reserves the right to terminate or otherwise discipline its employees for any violation of its practices, rules and standards of conduct without the use of progressive discipline. For example, many types of misconduct will always result in immediate termination regardless of previous disciplinary record. Examples of workplace misconduct include:

- Theft
- Falsification of AFN's records
- Failure to follow safety practices
- Breach of Confidentiality Agreement
- Threat of, or the act of, doing bodily harm. Willful or negligent destruction of property
- Unauthorized use or possession of intoxicants, drugs or narcotics

AFN also reserves the right to prosecute any employee for any of the above infractions. Only in those circumstances in which AFN determines that progressive discipline is warranted will the company use the Discipline Procedure guidelines outlined in this Employee Manual. The decision whether to use progressive discipline lies exclusively within the discretion of AFN.

In addition, please remember that particular situations may warrant the omission of some or all of the steps set forth in the Discipline Procedure. Likewise, AFN may choose to repeat a disciplinary step. The Discipline Procedure does not modify or alter AFN's at-will employment policy, and does not create any contractual obligations or entitlement to progressive discipline as outlined in the Discipline Procedure.

Step One: Verbal Reminder

The Verbal Reminder is the first step of the Discipline Procedure. The immediate Manager may meet with an employee to discuss the problem or violation, making sure that the employee understands the nature of the problem or violation and the expected remedy. The purpose of this conversation is to remind the employee of exactly what the rule or performance expectation is and also to remind the employee that it is his/her responsibility to meet AFN’s expectations. The immediate Manager must document the Verbal Reminder and notify Human Resources in writing. Although documentation of the incident does not require an employee signature, it remains in effect for three (3) months and in the employee’s personnel file.

Step Two: Written Warning 1

If the employee’s performance and/or conduct does not improve within the three (3) month period, or if the employee is again in violation of AFN’s practices, rules or standards of conduct, the immediate Manager will discuss the problem with the employee, emphasizing the seriousness of the issue and the need to immediately remedy the problem. The immediate Manager will advise the employee that he/she is now at the second formal level of disciplinary action and a first Written Warning must be completed. The Written Warning must be signed by the employee and the Manager and be immediately sent to Human Resources to be placed in the employee’s personnel file.

Step Three: Written Warning 2

If the employee's performance and/or conduct does not improve within the three (3) month period following the first Written Warning, or if he/she is again in violation of AFN’s practices, rules or standards of conduct, he/she will be given a second Written Warning. If the employee is unwilling to make such a commitment at the time of the second Written Warning, the employee may either resign or be terminated. If another disciplinary problem occurs within the next three (3) months, the employee will be immediately terminated.

EMPLOYMENT

At-will Employment

Your employment with AFN is “at-will” which means that neither you nor AFN can enter into any contract regarding the duration of your employment at AFN. You are free to terminate your employment at any time, with or without reason. Likewise, AFN has the right to terminate your employment, or otherwise discipline, transfer, or demote you at any time, with or without reason, at its sole discretion.
No employee can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without the express written approval of the President or CEO of AFN.

**Termination of Your Employment**

AFN will consider you to have voluntarily terminated your employment if you do any of the following:

1. Resign from AFN, whether verbally or in writing;
2. Remove sponsorship in NMLS that no longer shows AFN as your employer (approved Loan Originators only)
3. Fail to return from an approved leave of absence on the date specified by AFN, or to inform your immediate Manager of an acceptable reason for not returning as scheduled;
4. Fail to report to work or call in for two (2) or more consecutive workdays.

If an employee should choose to end their employment with AFN, a two-week resignation notice to the immediate Manager is encouraged to ensure that all final wages and paperwork are presented to the employee on their final day. Failure to resign with proper notice may cause a delay in finalizing and presenting final wages and paperwork to the employee.

The employee may be terminated for poor performance, misconduct, excessive absences, tardiness, discrimination, harassment, or other violations of AFN’s policies. However, the employment is at-will, and you and AFN have the right to terminate your employment for any other reason.

**ANTI-HARRASSMENT POLICY**

AFN 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 - verbal, physical, visual - on the basis of race, color, religion, sex, age, sexual orientation, sexual identity, national origin or ancestry, disability, medical condition, marital status, veteran status, or any other legally protected status will not be tolerated. Any violation of AFN’s anti-harassment policy is grounds for disciplinary action, up to and including termination of employment.

**What Is Harassment?**

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 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.

**What Is Sexual Harassment?**

Sexual harassment is a subcategory of the harassment prohibited by this policy, which may include unwelcome sexual advances, requests for sexual favors, or any other verbal or physical contact of a sexual nature (e.g., showing offensive pictures or telling offensive jokes to another employee). The term sexual harassment also encompasses any employment decision (e.g., a promotion) that is conditioned on an individual's acceptance or rejection of sexual advances.

Sexual harassment, as prohibited by this policy, crosses age and gender boundaries and cannot be stereotyped. Among other perceived unconventional situations, sexual harassment may even involve two women or two men. AFN will not tolerate sexual harassment of any type in its workplace. Any instance of sexual harassment will be grounds for disciplinary action, up to and including termination of employment.

**Responsibility**

All AFN employees, and particularly immediate 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, should immediately schedule an Open Communication meeting with his/her immediate Manager or another Manager with whom he/she feels comfortable. AFN will promptly investigate any allegation of harassment in the workplace, and, if the allegation is substantiated, AFN will take prompt and appropriate action.

**Reporting**

AFN encourages its employee to resolve their differences through direct, professional communication. It is essential, however, that you promptly report any incidents of harassment to an immediate Manager or another Manager with whom you are comfortable. All reports will be promptly investigated with due regard for the privacy of everyone involved.

AFN cannot legally guarantee the confidentiality of any report of harassment as defined by this policy. AFN guarantees, however, that it will not tolerate retaliation against any employee for making a good faith report of workplace harassment.

**Personal Liability**

Each employee should also understand that he/she may be subject to personal liability for harassment directed at a co-worker. Although AFN takes all reasonable steps to provide a work environment that is pleasant, professional, and free from intimidation, AFN will accept no liability for harassment of one employee by another employee. AFN may or may not choose to provide legal, financial or any other assistance to an individual accused of harassment if a legal complaint is filed.

**WORK SCHEDULE**

**Business Hours**

Our regular operating hours are from 8:00 a.m. to 6:00 p.m., Monday through Friday. The normal workweek for a regular full-time employee consists of five (5) days, each eight (8.0) hours long, Monday through Friday.

Your particular hours of work and the scheduling of your meal period will be determined and assigned by your immediate Manager. Most employees are assigned to work a 40 hour workweek. Should you have any questions concerning your work schedule, please ask your immediate Manager.

**Attendance**

AFN would like you to be ready to work at the beginning of your
assigned daily work hours, and to reasonably complete your projects by the end of your assigned work hours. Please let your immediate Manager know if you will be away from your work station for an extended period of time and when you expect to return.

**Absence or Lateness (Does Not Apply to Loan Officers)**

From time to time, it may be necessary for you to be absent from work. AFN is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside your work hours may arise. AFN will handle these situations on a case-by-case basis. If you are permitted to take an unscheduled absence, it is essential that you stay in contact with your immediate supervisor. You should also be able to document the reason for your absence if asked to do so. If you are unable to report to work, or if you will arrive late, please contact your immediate Manager immediately. If you know in advance that you will need to be absent, you must request the time off, in writing, directly from your immediate Manager.

When you call in to inform AFN of an unexpected absence or late arrival, simply ask for your immediate Manager. Make an effort to contact your Manager directly, as opposed to leaving a voice mail. If you are arriving to work late, please let your immediate Manager know when you expect to arrive for work. If you are unable to call in yourself for any reason, be sure to have someone call on your behalf.

For administrative employees and managers, absence from work for two (2) consecutive days without notifying the immediate Manager or the personnel administrator will be considered a voluntary resignation. Loan officers and other outside salespersons will be deemed to have resigned if they cannot be reached by telephone or e-mail for two (2) consecutive days and have not notified their immediate Manager.

If you are absent because of an illness for three (3) or more successive days, your immediate Manager may request that you submit written documentation from your doctor stating you are able to resume normal work duties before you will be allowed to return to work. If you are absent five (5) or more days because of an illness or injury, you could be eligible for the state disability program.

With the exception of approved leaves under this policy and those forms of leave protected by law (e.g., family and medical leave), a consistent pattern of absences can be considered excessive, and may be cause for concern. In addition, excessive lateness or leaving early without letting your immediate Manager know will be considered a “lateness pattern” and may carry the same weight as an absence. Other factors, such as the degree and reason for the lateness, will be taken into consideration.

Your immediate Manager will make a note in your personnel file of any absence or lateness, and the reason(s). In appropriate circumstances, excessive absences, lateness or leaving early may lead to disciplinary action, up to and including termination of employment.

**Note:** Information on the types of leaves offered and their qualification criteria are included in the Leaves section of this Employee Manual and can be found in HR & Accounting section on the AFN intranet.

**Meal and Break Periods**

Employees are entitled to paid rest breaks and unpaid meal breaks accordingly. You are requested not to perform any work during your regularly scheduled break periods. It is important to return to work on time at the end of your break periods.

Regular full-time employees are entitled to two 10-minute paid rest breaks and one unpaid meal break of at least 30 minutes in an eight-hour work day. These breaks will be scheduled at two different intervals, one prior to your meal period and one after your meal period. You will not be allowed to work for a period of more than five hours without taking a minimum of one thirty 30-minute unpaid meal period. If you work in a department where breaks are not directly assigned, please coordinate with your immediate Manager and co-workers to maintain adequate coverage at all times. You are requested not to perform any work during you regularly scheduled meal period. It is important to return to work on time at the end of your meal period.

Part-time employees working less than eight-hour work days are entitled to one 10-minute paid rest break and one 30-minute unpaid meal break. An exception to a 30-minute unpaid meal break is if the employee’s full work day is less than six (6) total hours. If an employee is scheduled to work less than a six (6) hour work day, they are entitled to one 10-minute paid break.

**EMPLOYMENT CLASSIFICATIONS**

At the time you are hired, you are classified as either full time, part time or temporary. In addition, you are classified as either non-exempt or exempt. All other policies described in this employee manual and communicated by AFN apply to all employees, with the exception of certain wage, salary and time off limitations applying only to “non-exempt” employees. If you are unsure of which job classification your position fits into, please ask your immediate manager.

**Full-Time Employees**

An employee who works at least thirty (30) hours per week is considered a regular full-time employee. Unless otherwise specified, the benefits described in this Employee Manual apply only to full-time employees.

If you are a full-time employee and have been on an approved leave of absence, upon return you will be considered a full time employee, provided you return to work as agreed in the provisions of your leave.

**Part-Time Employees**

An employee who works less than thirty (30) hours per week is considered a part-time employee. If you are a part-time employee, please understand that you are not eligible for benefits described in this Employee Manual unless specifically stated, or to the extent required by the provision of state and federal laws. The time when meal periods are scheduled varies among departments, depending on the needs of each department.

**Temporary Employees**

From time to time, AFN may hire employees for specific periods of time or for the completion of a specific project. An employee hired under these conditions will be considered a temporary employee. The job assignment, work schedule and duration of the position will be normally, a temporary position not to exceed six (6) months in duration, unless specifically extended by a written agreement. Summer employees, interns and seasonal employees are
considered temporary employees.

Temporary employees are not eligible for benefits stated described in this Employee Manual unless specifically stated or required by the provision of state and federal laws. Those temporary employees classified as “non-exempt” (see the section titled “Non-Exempt and Exempt Employees” below) who work more than forty (40) hours during any workweek, or eight (8) hours a day will receive overtime pay.

**Exempt and Non-Exempt Employees**

Exempt employees are not eligible for overtime as they are paid for the job. Exempt employees include executives, professional staff, loan officers, outside sales representatives, officers, directors, owners and others whose duties and responsibilities allow them to be “exempt from overtime pay provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. Upon hire, transfer, or promotion, you will be advised if you are an exempt employee.

Non-Exempt employees paid by the time worked and are subject to all minimum-wage and overtime provisions of the Federal Fair Labor Standards Act (FLSA), based on their defined duties and compensation. By law, employees in certain types of jobs are entitled to overtime pay for hours worked in excess of eight (8) hours per day or forty (40) hours per work week. Non-Exempt employees are not exempt from (and therefore should receive) overtime pay. Upon hire, transfer, or promotion, you will be advised if you are a non-exempt employee.

**Note:** See Wage and Salary Policies in the Compensation section of this Employee Manual for a full description of overtime payment policies.

All AFN loan originators (including branch managers) are exempt as outside salespersons. This means that the primary duty of these employees is the sale of mortgage loans to customers. Loan originators are expected to spend at least 60-70 percent of their time engaged in the sale of mortgage loans and related activities outside the workplace. If, at any time, a loan originator finds that he or she is actually spending more than 30-40 percent of his or her time on tasks unrelated to the sale of mortgage loans outside the workplace, the loan originator should notify AFN Human Resources for immediate assistance in a workload adjustment.

**PERSONNEL RECORDS AND ADMINISTRATION**

The task of handling personnel records and related personnel administration functions at AFN has been assigned to the Human Resource Department. Questions regarding your employment, benefits, and interpretation of policies may be directed to the Human Resource Department.

**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 immediate Manager and the Human Resources Department as soon as possible.

- Legal name;
- Marital status;
- Home address;
- Home telephone number;
- Person to call in case of an emergency;
- Driving record or status of driver’s license, if you operate any AFN vehicles;
- Military or draft status;
- Training Certificates and/or professional license.

Changes to your home address, home telephone number, emergency contacts, filing status and total number of allowances can all be made through our self-serve site. Instructions to enroll with the self-serve site will be provided to you during new hire orientation.

Upon experiencing a family status change, please notify your immediate Manager within thirty (30) days for benefit modifications, if necessary.

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 Resource Department.

**Your Medical Records**

All medical records, if any, will be kept in a separate confidential file. AFN maintains this information in the strictest confidence and may not use or disclose medical information about an employee without the employee first having signed an authorization form permitting such use or disclosure.

**COMPENSATION**

The goal of AFN’s compensation program is to attract potential employees, meet the needs of all current employees and encourage well-performing employees to stay with our organization. With this in mind our compensation program is built to balance both employee and AFN’s needs.

**Compensation Philosophy**

It is AFN’s 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. AFN applies the same principles of fairness to all employees, regardless of organizational level, race, color, 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.

**Basis for Determining Pay**

Several factors may influence your rate of pay. Some of the items AFN considers are the nature and scope of your job, what other employers pay their employees for comparable jobs (external equity), what AFN pays their employees in comparable positions (internal equity), what AFN considers is the nature and scope of your job, what other employers pay their employees for comparable jobs (external equity), what AFN pays their employees in comparable positions (internal equity), and individual as well as AFN performance. It is AFN’s goal to have a current Job Description on hand which broadly defines your job responsibilities.

**Pay Schedule**

The semi-monthly pay schedule is made up of twenty-four (24) pay periods per year. Payday is normally on the 15th and the 31st (or the last working day of the month) of every month for services performed during the period ending five to seven (5-7) days previously.
Changes will be made and announced in advance whenever AFN holidays or closings interfere with the normal pay schedule.

**Direct Deposit**

Enrollment in direct payroll deposit is mandatory as it is the automatic deposit of your pay into the financial institution accounts of your choice. You may enroll in direct deposit upon hire through our self-serve site. Instructions will be provided to you during new hire orientation. You may also change your direct deposit at any time by visiting the self-serve site. Please allow up to one (1) – two (2) pay periods for direct deposit enrollment or changes to take effect.

If you do not wish or have the option of enrolling for automatic deposit to the financial institution of your choice, we also offer an Aline ADP Debit Card. Please contact the Payroll or HR department for further information.  
Note: If you do not set up your Direct Deposit by your fourth (4th) paycheck, you will automatically receive an Aline ADP Debit Card.

**On Call Pay**

Occasionally, your department may ask you to return to work after you have left the premises for the day, or you may even be asked to work on weekends or holidays. If this occurs, you will be guaranteed a minimum of four (4) hours of pay, or the actual time worked, whichever is greater. On-call hours will be paid at regular time unless it represents overtime pay for a non-exempt employee.

**Mandatory Deductions**

AFN is required by law to make certain deductions from your paycheck each time one is prepared. 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. If you wish to modify this number, please request a new W-4 form from your Manager immediately. Only you may modify your W-4 form. Verbal or written instructions are not sufficient to modify withholding allowances. We advise you to check your pay stub to ensure that it reflects the proper number of withholdings.

You will be notified of any other mandatory deductions to be made from your paycheck, such as court-ordered garnishments. Employees will be charged a $3 fee for each garnishment that AFN is ordered to make for that employee. AFN acts in accordance with the federal Consumer Credit Protection Act, which places restrictions on the total amount that may be garnished from your paycheck.

The W-2 form you receive annually reflects how much of your earnings were deducted for these purposes. W-2 forms are mailed to employee’s home address so please be sure to update your home address through the self-serve HRO/Paychex site.

**Overtime Pay**

If you are a non-exempt employee, you will be eligible to receive overtime pay of one and one-half (1 1/2) times your regular hourly wage for hours worked more than eight (8) hours in one (1) day or forty (40) hours in one (1) workweek, depending on the state rules for the state you are employed in. If, during that workweek, 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 eligibility for 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. All flexible work arrangements must be in writing and approved by the responsible corporate officer and the Human Resources Manager.

All overtime must be approved in advance by your immediate Manager.

Please refer to the Overtime Pay specific to your state for additional information.

**Work Performed on Company Holidays**

Those employees who are eligible for overtime pay in accordance with the Fair Labor Standards Act (FLSA) and any applicable state laws, who work on a company holiday are considered to have worked straight time on that day, and will receive regular pay plus holiday pay for hours worked, regardless of the number of hours worked during that same work week.

Note: Please see the Holiday policy in the Paid Leaves section of this Employee Manual for further information.

**Compensatory Time Off**

AFN gives employees the option of working additional time to "compensate" for normal hours previously missed, or anticipated to be missed ("comp time"). Comp time must be worked/exchanged within the same work week. Comp time scheduling will be done on a prior approval basis, and must be approved in advance by the Human Resources Department. Comp time will be scheduled to meet both the needs of the employee and AFN.

California Employees please refer to the Makeup Time section in the California Addendum for additional information.

**Promotion and Transfer Policy**

AFN has a policy of providing our employees with opportunity for advancing to other positions within the company. Approval of postings, promotions and transfers are primarily dependent on business needs. As such, active or passive recruiting from branches or loan teams within production branches is considered an unauthorized activity. Any posting, transfer or promotion involving an employee working in a branch requires approval from the Branch Manager and the origination team leader (if applicable). To qualify for a promotion or transfer, you must have held your current position for a minimum of twelve (12) months, unless the needs and growth of the business dictate otherwise. Promotions and transfers are made without regard to race, color, 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, AFN will continue to look outside the company for potential employees as well.
Any request for promotion or transfer consideration must first be submitted to your immediate Manager. If approved, a Personnel Action Notice must be fully executed and submitted to the HR Department.

Error in Pay

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, tell your immediate Manager. He/she will take the necessary steps to research the problem and to assure that any necessary correction is made promptly.

BENEFITS

AFN 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 program described in this Employee Manual represents a very large investment by AFN.

A good benefits program is a solid investment in AFN’s employees. AFN will periodically review the benefits program and make modifications as appropriate to the company’s condition. As with all policies stated in this Employee Manual (with the exception of the at-will employment policy), AFN reserves the right to modify, add or delete the benefits it offers.

Eligibility for Benefits

If you are a regular full-time employee (30+ scheduled hours a week), you will enjoy 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 the benefits summary plan descriptions.

If you are a part-time employee, you will enjoy only those benefits specifically indicated or as required by law, provided that you meet the minimum requirements set forth by law and in the benefit plan(s).

Temporary employees are not eligible for insurance.

According to the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, in the event of termination of your employment with AFN or loss of eligibility to remain covered under our group health insurance program, you and your eligible dependents may have the right to continue coverage under our health insurance program for a limited period of time at your own expense. Please make sure to provide your Human Resources Department with your current address at all times.

Benefits Options

AFN is dedicated to the health and well-being of both you and your family. A comprehensive, quality insurance program is available to you and your family. The following benefits are provided, as defined and limited in the literature provided by our insurance company:

- Medical Care Coverage (per ACA Regulations)
- Voluntary Dental Care Coverage
- Voluntary Vision, Life and more
- Flex Spending Account (FSA)
- Supplemental Colonial insurance including Short-Term Insurance, Long-term Insurance, Vision and more.
- 401K Plan (with no wait period)

Health and Dental Insurance

Today’s many insurance plans and options can be confusing and complicated. That is why AFN has taken the time to carefully review the coverage and plans available. We have selected the plans we feel provide the best coverage and options for our employees. Refer to the literature provided to you by our insurance companies for details on your coverage plan choices.

You and your eligible dependents may begin enjoying health and dental insurance on the 1st of the month immediately following your 30 days of employment, from date of hire. To ensure that you are properly enrolled, we require that you complete enrollment online through the ADP system immediately following 30 days of employment, from date of hire. Failure to enroll during this time will require you to enroll during regular companywide open enrollment. Open enrollment is scheduled to begin the month of May for a June 1st effective date.

AFN reserves the right to change, amend or discontinue the benefits it offers to its employees at any time. The company’s right to make these changes is not limited by your length of service, or by your reliance on the availability of these benefits in deciding whether to accept, continue, or retire from employment with AFN. If there is any conflict between the terms of this manual and provisions of the official plan document, the plan document prevails.

Flex Spending Account

The Flex Spending Account Section 125 Plan is a pretax benefit that allows eligible employees to set aside a specific pretax dollar amount for unreimbursed medical, dental, vision, over-the-counter items, and dependent care expenses.

Eligible employees can enjoy the FSA pretax option on the 1st of the month immediately following the first 30 days of employment, from date of hire. Failure to enroll for FSA during this time will require you to enroll during regular companywide open enrollment. Open enrollment for FSA will coincide with Medical Open Enrollment, which will begin the month of May for a June 1st effective date.

Retirement Plan 401K

AFN acknowledges that you have dreams and goals for your future. In an effort to support and help you further those dreams and goals AFN offers a 401K Retirement Plan. The sooner you begin saving or contributing to a retirement savingsplan, the better your chance of growing your investment over time. Therefore, there is no waiting period and all eligible employees can begin contributing to their 401K plan immediately upon date of hire.

To encourage all employees to plan for their retirement, all employees will automatically be enrolled at a 1% deduction rate to encourage your savings.

GOVERNMENT REQUIRED COVERAGE

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. 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 insurance is paid for by AFN. If you cannot work due to a 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 injuries or illnesses arising out of the scope of your employment must be reported to your immediate Manager immediately.

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.

Although AFN will pay for the time lost because of a work-related accident during the remainder of the normal workday in which the accident occurs, Workers’ Compensation payments for lost wages are not made for the first three (3) days you are unable to work (including weekends). However, if you are hospitalized or off work more than three (3) days, you will receive income equal to two-thirds of your average weekly pay, up to a legal maximum per week. If your injury results in a permanent disability which decreases your ability to work, additional payments will be provided.

Participation in any off-duty recreational, social or athletic activity sponsored by AFN is strictly voluntary. The company does not require your participation in these activities, and your employment is in no way conditioned upon or connected to your participation in these activities. Consequently, neither AFN nor their workers’ compensation insurance carrier shall be liable for the payment of Workers’ Compensation benefits for injuries that occur during an employee’s voluntary participation in any off-duty recreational, social or athletic activity sponsored by the employer.

Employees returning to work after being absent due to a work-related injury must report to their immediate Manager or Human Resource Department prior to beginning work and must bring a doctor’s clearance for returning to work.

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, AFN is required to deduct this amount from each paycheck you receive. In addition, AFN 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. You 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 U.S. Social Security Administration by calling 1-800-772-1213 or you may even access them on-line at www.ssa.gov.

LEAVES

Both paid and unpaid time off may be granted to eligible employees, according to the following leave policies. Please consult your Human Resource Department for further information.

Holidays

Regular full-time non-sales employees are eligible for holiday pay. The following holidays are recognized by AFN as paid holidays:

<table>
<thead>
<tr>
<th>Holiday</th>
<th>OBSERVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year’s Day</td>
<td>January 1st</td>
</tr>
<tr>
<td>Presidents Day</td>
<td>Third Monday in February</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>Last Monday in May</td>
</tr>
<tr>
<td>Independence Day</td>
<td>July 4th</td>
</tr>
<tr>
<td>Labor Day</td>
<td>First Monday in September</td>
</tr>
<tr>
<td>Thanksgiving</td>
<td>Last Thursday in November</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>December 25th</td>
</tr>
</tbody>
</table>

Holiday Policies

All national holidays are scheduled on the day designated by common business practice. In order to qualify for holiday pay, you must work the scheduled workday immediately before and after the holiday. Only excused absences will be considered exceptions to this policy. To avoid abuse, AFN requires that the employer provide a doctor’s note for any sick days taken on the scheduled workday immediately before or after the paid holiday.

If a holiday occurs during your scheduled vacation, you are eligible for the holiday pay. Similarly, you are not eligible to receive holiday pay when you are on an unpaid leave of absence.

Paid Time off Policy – Corporate Employees Only

AFN’s Corporate PTO policy combines vacation, sick time and personal time into a single bank of days for employee paid time off. AFN’s PTO policy creates a pool of days that an employee may use at their discretion. When an employee needs to take time off from work, the PTO policy enables this time off. PTO days may be rolled over from year to year. Employees may not take more than two consecutive weeks of PTO. To guarantee proper coverage is found for an employee’s PTO day(s), and to ensure excellent customer service, all employees must request PTO through the ADP system at least 1 week prior to taking PTO, unless the employee is truly sick. This request must be approved by your immediate supervisor.

If you are absent longer than three (3) days due to illness, medical evidence of your illness and/or medical certification of your fitness to return to work satisfactory to AFN will be required before AFN honors any PTO request.

PTO is available to regular full time (30+ hours) non-sales employees. PTO begins to accrue after ninety (90) days of employment with AFN and accrues, thereafter, on a semi-monthly basis. PTO accrual is based on full-time equivalent years of service as outlined in the following chart:

<table>
<thead>
<tr>
<th>Full-Time Equivalent Years of Service</th>
<th>Pay Period Accrual (Hours)</th>
<th>Total Days Accrued</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months - 1 Year</td>
<td>3.11</td>
<td>7</td>
</tr>
<tr>
<td>2-4 Years</td>
<td>3.67</td>
<td>11</td>
</tr>
<tr>
<td>5+ Years</td>
<td>5.00</td>
<td>15</td>
</tr>
</tbody>
</table>

Employees who have been with the company for less than five (5) years will stop accruing PTO once they have accumulated eighty (80) hours of PTO. These employees may carry over a maximum of eighty (80) hours of PTO from one year to the next.

Employees who have been with the company for five (5) years and longer will stop accruing PTO once they have accumulated one hundred twenty (120) hours of PTO. These employees may carry over a maximum of one hundred twenty (120) hours of PTO from one year to the next.
AFN will allow an employee to cash-out up to seven (7) days of employee's accrued PTO either thirty (30) days before, or thirty (30) days after employee's anniversary date.

Sales employees will accrue three (3) sick days per year, payable at the employee's current salary rate or minimum wage for the state they work in if not designated. (A doctor's note may be required at the discretion of the branch manager.)

PTO is not accrued by most sales positions unless otherwise noted in their contract. PTO is also not accrued during unpaid leaves of absence or during any temporary part-time employment status. It is important that the Human Resources Department be notified when an employee changes from full-time to part-time status or part-time to full-time status.

Sick & Vacation Time Off Policy - Branch Employees

AFN's Branch Time Off policy does not combine vacation and sick time into a single bank of days for employee paid time off. AFN's Branch Time Off policy creates two separate categories of days that a branch employee may use at their discretion. When a branch employee needs to take time off from work, the employee may use their accrued vacation time off. Vacation days may be rolled over from year to year. Employees may not take more than two consecutive weeks of Vacation Time. To guarantee proper coverage is found for an employee's Vacation day(s), and to ensure excellent customer service, all employees must request Vacation Time Off through the ADP system at least 1 week prior to taking their vacation. This request must be approved by your immediate supervisor.

Sick and Vacation Time Off is available to regular full time (30+ hours), branch employees. Sick and Vacation Time Off begins to accrue after ninety (90) days of employment with AFN and accrues, thereafter, on a semi-monthly basis. Sick and Vacation Time accrual is based on full-time equivalent years of service as outlined in the following charts:

<table>
<thead>
<tr>
<th>Full-Time Equivalent Years of Service</th>
<th>Pay Period Accrual (Hours)</th>
<th>Total Sick Days Accrued (Per Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months - 1 Year</td>
<td>1.55</td>
<td>3.5</td>
</tr>
<tr>
<td>2 - 4 Years</td>
<td>1.83</td>
<td>5.5</td>
</tr>
<tr>
<td>5+ Years</td>
<td>2.5</td>
<td>7.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Full-Time Equivalent Years of Service</th>
<th>Pay Period Accrual (Hours)</th>
<th>Total Vacation Days Accrued (Per Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months - 1 Year</td>
<td>1.55</td>
<td>3.5</td>
</tr>
<tr>
<td>2 - 4 Years</td>
<td>1.84</td>
<td>5.5</td>
</tr>
<tr>
<td>5+ Years</td>
<td>2.5</td>
<td>7.5</td>
</tr>
</tbody>
</table>

NOTE: Branch employees’ accrual will be split in half between Vacation Time and Sick Time earned. Example: If Branch employee has been with AFN for three (3) years, said employee will accumulate five and one-half (5 ½) days of Vacation Time and five and one-half (5 ½) days of Sick Time in a year.

Branch employees who have been with the company for less than five (5) years will stop accruing Vacation Time once they have accumulated forty (40) hours of Vacation Time. These employees may carry over a maximum of sixty (60) hours of Vacation Time from one year to the next. Branch employees who have been with the company for five (5) years or longer do not have a cap (maximum limit) on Sick Time accumulation.

Branch employees who have been with the company for five (5) years or longer will stop accruing Vacation Time once they have accumulated sixty (60) hours of Vacation Time. These employees may carry over a maximum of sixty (60) hours of Vacation Time from one year to the next. Branch employees who have been with the company for five (5) years or longer do not have a cap (maximum limit) on Sick Time accumulation.

Sick Time Off is to be used when an employee is sick or an employee must take off to take care of an immediate family member whom is sick.

AFN will allow a branch employee to cash-out up to seven (7) days of employee’s accrued Vacation Time either thirty (30) days before, or thirty (30) days after employee's anniversary date.

Sales employees will accrue three (3) sick days per year, payable at the employee's current salary rate or minimum wage for the state they work in if not designated. (A doctor’s note may be required at the discretion of the branch manager.)

Vacation Time is not accrued by most sales positions unless otherwise noted in their contract. Vacation Time is also not accrued during unpaid leaves of absence or during any temporary part-time employment status. It is important that the Human Resources Department be notified when an employee changes from full-time to part-time status or part-time to full-time status.

OTHER PAID LEAVES

Election Day

We encourage you to exercise your voting privileges in local, state, and national elections. However, since the polls are open for long periods, you are encouraged to vote before or after regular working hours. If your work schedule makes it necessary, you may take up to two (2) hours leave from work to vote in a governmental election or referendum. You will be expected to notify your immediate Manager at least one (1) week in advance.

Funeral (Bereavement) Leave

With an immediate Manager's approval, up to three (3) working days of leave with pay (not charged to other leave time) shall be granted to regular, full-time employees upon request to make arrangements for and attend funeral services of the employee's immediate family. Immediate family includes: spouse, domestic partner, child, brother, sister, parent, parent-in-law, grandparent, grandchildren, legal guardian, and any relative living in the household of the employee. An employee must physically attend the funeral services to be eligible for funeral leave pay, and the funeral leave must be taken on consecutive days either before or after the date of the funeral services.

An employee may take up to four (4) hours or unpaid time off with pay to attend funerals of other relatives and friends. If you prefer to take longer than four (4) hours, unused vacation pay may be used for this purpose.

Funeral leave pay is available only for actual time spent away from work for the funeral or its arrangements. If the employee is on unpaid leave at the time he or she is arranging and attending the funeral, the employee is not entitled to funeral leave pay. If a holiday or part of your vacation occurs on any of the days of absence, you may not receive holiday or vacation pay in addition to paid funeral leave.
Jury Duty

It is your civic duty as a citizen to report for jury duty whenever called. Time taken off for Jury Duty is not compensated by AFN, however, compensation received from the courts may be retained by the employee. If you are called for jury duty, you must notify your immediate Manager within forty-eight (48) hours of receipt of the jury summons. Should the court release the employee early enough on any given day to allow the employee to return to work by no later than 4:00 p.m., the employee is expected to do so.

UNPAID LEAVES

Occasionally, for medical, personal, or other reasons, you may need to be temporarily released from the duties of your job with AFN. It is the policy of AFN to allow its eligible employees to apply for and be considered for certain specific leaves of absence.

Time off for any reason during a working day will count first against your allotted vacation or sick pay in hourly, half day or full day increments. Once you have used all of your accrued vacation or sick pay, any time off will be without pay.

Failure to return to work as scheduled from an approved leave of absence or to inform your immediate Manager of an acceptable reason for not returning as scheduled will be considered a voluntary resignation of employment.

There are several types of unpaid leaves for which you may be eligible. All requests for leave of absence shall be submitted in writing to your immediate Manager and submitted to the Human Resources Department. Each request shall provide sufficient detail such as the reason for the leave, the expected duration of the leave, and the relationship of family members, if applicable.

Family/Medical Leave of Absence (FMLA)

AFN will not discriminate against employees as a result of the approved use of FMLA or a proper request for such leave. Requests for FMLA will be considered without regard to race, color, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status or veteran status.

In general, a leave of absence is an official authorization to be absent from work without pay for a specified period of time. Eligible employees may be entitled to job-protected FMLA if they are unable to come to work due to pressing medical concerns as described within this Family/Medical Leave of Absence Policy, which shall be administered in accordance with applicable federal laws as follows:

1. Employees are eligible if they have been actively employed for twelve (12) months, and worked at least one thousand two hundred and fifty (1250) hours (an average of twenty-five (25) hours per week) during those twelve (12) months. This twelve (12) month period “rolls back” from the date of leave to the prior twelve (12) month period.

2. Employees may request one (1) or more family medical leaves, however, the total amount of leave taken cannot exceed twelve (12) workweeks in any twelve (12) month period. You may request an intermittent leave or reduced schedule leave to care for a seriously ill family member of if you have a serious health condition that warrants such a request.

3. A family leave shall be granted upon the birth or adoption of a child of the employee, or upon the serious health condition of the employee’s child, spouse, or parent.

4. A medical leave shall be granted upon the employee’s own serious health condition.

5. In appropriate circumstances, we may require you to be examined by a company designated physician, at AFN’s expense.

6. In the event of a serious health condition to the employee or his/her child, spouse, or parent, creating a need for unforeseeable family or medical leave, the employee must provide us with notice, as soon as practical, of any needed time off, and a written doctor’s certificate. The certification must include the date on which the health condition occurred, the probable duration of the condition, an estimate of the amount of time you need to be off work to care for the family member or for your own health condition, and confirmation that the nature of the condition warrants you to be away from work to care for yourself or your dependent.

7. Employees shall be required to give thirty (30) days advance notice in the event of a foreseeable medical treatment. To assist us in arranging work assignments during your absence, we ask that you give us prior notice, to the extent possible, of an expected birth or adoption, as well as an indication, to the extent known, of your expected return date. To facilitate your return to work, we also ask that you provide us with two (2) weeks advance notification of your intended return date. Failure to do so may delay your return date.

8. For purposes of this policy, a child is defined as a natural, adopted, or foster child, a stepchild or a legal ward, or a child of a person standing in loco parentis who is either under 18 years of age, or 18 or older and incapable of self-care because of a mental or physical disability.

9. A parent is defined as the employee’s or his/her spouse’s natural, adoptive, or foster parent, stepparent, or legal guardian.

10. A spouse is a husband or wife as defined or recognized in the state where the employee was married and includes individuals in a same-sex marriage or common law marriage.

11. A serious health condition is defined as a disabling physical or mental illness, injury, impairment, or condition involving: 1) inpatient care in a hospital, nursing home, or hospice; or 2) outpatient care requiring continuing treatment or supervision from a health care professional.

12. Leave of absence rights available to you under other sections of our policy shall be counted towards the total time off available under this section.

13. A Family Medical Leave that relates to the birth or adoption of a child must be completed within twelve (12) months of the birth or adoption. Both the mother and father are entitled to FMLA leave for the birth or placement of the child and/or to be with the healthy child after the birth or placement.

14. Your job status will be protected in that we will make every effort to hold your position open, or return you to a similar position if one is available, for which you may be qualified.

15. If, due to your own medical circumstances, you are no longer able to perform your original job, we will attempt to transfer you to alternate suitable work, if available.

16. You must use any accrued vacation pay and sick leave during your family care or medical leave.
17. While on a leave of absence provided for under this policy, we will continue your group health insurance benefits under the same terms as provided to other employees, for up to a maximum of twelve (12) weeks. Leave of absence for extended periods will be approved only upon the condition of the employee to work on a limited basis, as determined by the immediate supervisor. The pay allowances while on disability leave are based on an employee's length of service, as well as the state in which she/he is employed. Disability laws may vary from state to state, and at all times our disability leave policy will be in compliance with the laws of the state in which you are employed.

18. The pay allowances while on disability leave are based on an employee's length of service, as well as the state in which she/he is employed. Disability laws may vary from state to state, and at all times our disability leave policy will be in compliance with the laws of the state in which you are employed.

19. During a period of disability, you may be eligible for disability pay benefits. Please refer to the applicable plan documents for details on eligibility, benefit amounts, and other particulars.

20. If additional family care or medical leave is required you must prior to expiration of the family care or medical leave, submit additional certification to AFN.

Employees who develop an illness or physical condition which requires medical treatment or restrictions and precautions will be required to submit a physician's statement. This statement must give approval that continued full-time employment in his/her present position will not jeopardize his/her health or the safety of others, in the event she/he continues to work. A similar statement is required upon return from a disability leave.

Should your attendance or job performance suffer during the period preceding and/or following a disability leave, we will accommodate you to the extent provided by the law.

**Please refer to state-specific rules for additional information.**

**Disability (Including Pregnancy) Leave of Absence**

AFN may grant an unpaid leave of absence for illness, disability or pregnancy. To request a disability leave of absence from your immediate Manager, you should submit, or have someone submit for you, a statement of ill health or disability from your doctor. (Pregnancy is treated, for the purposes of this policy, the same as an illness or disability.) An approved disability leave may be granted for up to ninety (90) days. If necessary, you may request extensions in thirty (30) day increments for a maximum of one (1) year. Whenever possible, you are required to give as much notice as possible of your pending need for a disability leave of absence.

If additional family care or medical leave is required you must prior to expiration of the family care or medical leave, submit additional certification to AFN.

You may also be entitled to additional pregnancy disability leave under applicable state law. Please consult with the Human Resource Department Representative for more information.

In the case of pregnancy, please inform your immediate Manager as soon as possible of the date you and your doctor anticipate that you will begin your leave. Your job status will be protected in that we will make every effort to hold your position open, or return you to a similar position if one is available, for which you may be qualified. At the time the disability leave begins, any accrued vacation pay and sick leave will be used. These benefits do not continue to accrue during a leave of more than thirty (30) days. This policy applies to all employees. Your group insurance booklet should be reviewed to determine your insurance coverage during a leave of absence.

Employees who must remain away from work for more than the allowed period of time stated will be considered terminated from employment. They are welcome to re-apply subject to AFN's usual hiring policies.

**Please refer to state-specific rules for additional information.**

**Military Leave of Absence**

If you are a full-time employee and are inducted into the U.S. Armed Forces, you will be eligible for re-employment after completing military service, provided:

1. You show your orders to your immediate Manager as soon as you receive them.
2. You satisfactorily complete your active duty service.
3. You enter the military service directly from your employment with AFN.
4. You apply for and are available for re-employment within ninety (90) days after discharge from active duty. If you are returning from up to six (6) months of active duty, you must apply within thirty (30) days after discharge.

**Military Reserves or National Guard Leave of Absence**

Employees who serve in U.S. military organizations or state militia groups may take the necessary time off without pay to fulfill this obligation, and will retain all of their legal rights for continued employment under existing laws.

You are expected to notify your immediate Manager as soon as you are aware of the dates you will be on duty so that arrangements can be made for replacement during this absence.

**FMLA Military Family Leave**

The FMLA Military Family Leave provisions include 1.) Qualifying exigency leave, which provides up to 12 workweeks of FMLA leave to help families manage their affairs when a military member has been deployed to a foreign country; and 2.) Military caregiver leave, which provides up to 26 workweeks of FMLA leave to help families care for covered servicemembers with a serious injury or illness.

**Other Leaves Of Absence/Time Off**

**Please refer to state-specific rules for additional information.**

**Personal Leave of Absence**

In special circumstances, AFN may grant an unpaid leave for a personal reason, but never for taking employment elsewhere or going into business for yourself. You should request an unpaid personal leave of absence from your immediate Manager. A personal leave of absence must not interfere with the operations of your department or AFN. Your immediate Manager will submit your request to the appropriate member of management for final approval.
A personal leave of absence may be granted for up to thirty (30) days. If your leave is extended for more than thirty (30) days, vacation and other benefits will no longer continue to accrue. Consult your group insurance booklet to determine your insurance coverage during a leave of absence. Failure to return from a leave at the time agreed will result in termination of employment.

**NOTE:** Personal Leave of Absence does not protect an employee’s position. An employee who is on a Personal Leave of Absence may have their position filled if AFN deems necessary.

### Insurance Premium Payment During Leaves of Absence

AFN may continue to pay its share of insurance premiums for employee coverage and dependent coverage for a maximum of three (3) months while you are on a leave of absence. While you are on any other type of unpaid leave of absence from AFN, you will be responsible for paying the total premiums for your coverage and that of your dependents. Failure to do so may result in loss of coverage and possible refusal by the insurance carrier to allow your coverage to be reinstated. Please consult with your Human Resource Department to set up a payment schedule.

### WORKPLACE SAFETY

To assist in providing a safe and healthy work environment for employees, customers and visitors, AFN has established an Injury and Illness Prevention Program. This program is a top priority for the Company. The Human Resources Department is responsible for implementing, administering, monitoring and evaluating the safety program. Its success depends on the alertness and personal commitment of all.

### General Employee Safety

AFN is committed to the safety and health of all employees and recognizes the need to comply with regulations governing injury and accident prevention and employee safety. Maintaining a safe work environment, however, requires the continuous cooperation of all employees.

AFN will maintain safety and health practices consistent with the needs of our industry. If you are ever in doubt about how to safely perform a job, it is your responsibility to ask your immediate Manager for assistance. Any suspected unsafe conditions and all injuries that occur on the job must be reported immediately.

Compliance with these safety rules is considered a condition of employment. Therefore, it is a requirement that each immediate Manager make the safety of employees an integral part of her/his regular management functions. It is the responsibility of each employee to accept and follow established safety regulations and procedures.

Safety is everyone’s responsibility. Remind your co-workers about safe work methods. Immediately report any suspected hazards and all accidents to your immediate Manager. AFN strongly encourages you to communicate with your immediate Manager regarding safety issues.

### Reporting Safety Issues

All accidents, injuries, potential safety hazards, safety suggestions and health and safety related issues must be reported immediately to your immediate Manager. If you or another employee is injured, you should contact outside emergency response agencies, if needed. If an injury does not require medical attention, a Supervisor and Employee Report of Accident Form must still be completed in case medical treatment is later needed and to insure that any existing safety hazards are corrected. The Employee’s Claim for Workers’ Compensation Benefits Form must be completed in all cases in which an injury requiring medical attention has Occurred.

Federal law (Occupational Safety and Health Administration) requires that we keep records of all illnesses and accidents which occur during the workday. The California State Workers’ Compensation Act also requires that you report any workplace illness or injury, no matter how slight. If you fail to report an injury, you may jeopardize your right to collect workers’ compensation payments as well as health benefits. OSHA also provides for your right to know about any health hazards which might be present on the job. Should you have any questions or concerns, contact your immediate Manager for more information.

### Security Checks

AFN reserves the right to inspect desks, as well as any contents, effects or articles that are in desks. Such an inspection can occur at any time, with or without advance notice or consent. Such an inspection may be conducted during, before or after working hours by any Supervisor, Manager or security personnel designated by AFN.

AFN may also exercise its right to inspect all packages and parcels entering and leaving our premises.

### Parking Lot

You are encouraged to use the parking areas designated for our employees. Remember to lock your car every day and park within the specified areas. Courtesy and common sense in parking will help eliminate accidents, personal injuries, and damage to your vehicle and to the vehicles of other employees. If you should damage another car while parking or leaving, immediately report the incident, along with the license numbers of both vehicles and any other pertinent information you may have, to your immediate Manager.

AFN cannot be and is not responsible for any loss, theft or damage to your vehicle or any of its contents.

### Working After Hours

In the event that you are working in the office after regular business hours, you are responsible for taking necessary precautions to ensure your safety. Please move your vehicle as close to the front entrance as possible as early as you can. Ensure that all the doors to the building are securely locked. When you leave the building, arrange to have another person see you safely to your vehicle. Your safety and well-being is of utmost concern to AFN.
Safety Rules

Safety is everybody’s business. Safety is to be given primary importance in every aspect of planning and performing all of AFN’s activities. We want to protect you against industrial injury and illness, as well as minimize the potential loss of production.

Below are some general safety rules to assist you in making safety a regular part of your work. Your Human Resource Department or your immediate Manager may post other safety procedures in your department or work area.

Preventing Injuries

Workplace injuries can occur, however, there are several precautions that can prevent or reduce injuries in the workplace.

- Keep aisles, stairways, exits, electrical panels, fire extinguishers, and doorways clear and well lighted at all times.
- Clean up spills and pick up debris immediately.
- Walk, do not run, and always watch your step.
- Keep cabinet doors and file and desk drawers closed when not in use. Open only one drawer at a time.
- Remove or pad torn, sharp corners and edges
- Keep sharp objects and dangerous substances out of the trash can. Items that require special handling should be disposed of in approved containers.
- Do not stand on a wet floor while using any electrical apparatus.
- Keep extension cords in good repair and do not make unauthorized connections or repairs or overload outlets.

Neatness and good housekeeping are not only signs of efficiency but also effective safety precautions. Please report anything that needs repairing or replacing to your immediate Manager immediately. Also be sure to report all injuries, no matter how slight, to your immediate Manager.

Lifting

Ask for assistance when lifting heavy objects or moving heavy furniture. Bend your knees, get a firm grip on the object, hold it close to your body and space your feet for good balance. Lift using your stronger leg muscles, not your weaker back muscles.

Ask Questions

If you are ever in doubt regarding the safe way to perform a task, please do not proceed until you have consulted an immediate Manager. Employees will not be asked to perform any task which may be dangerous to their health, safety or security. If you feel a task may be dangerous, inform your immediate Manager at once.

The success of the safety program relies on the participation of all employees. Though it is AFN’s responsibility to provide for the safety, health and security of its employees during working hours, it is the responsibility of each employee to abide by the rules, regulations and guidelines set forth. Failure to adhere to these rules will be considered serious infractions of safety rules and will result in disciplinary actions.

Weapons

AFN believes it is important to establish a clear policy that addresses weapons in the workplace. Specifically, AFN prohibits all persons who enter company property from carrying a handgun, firearm, knife, or other prohibited weapon of any kind regardless of whether the person is licensed to carry the weapon or not. The only exception to this policy will be police officers, security guards or other persons who have been given written consent by AFN to carry a weapon on the property.

Any employee disregarding this policy will be subject to immediate termination.

Fire Prevention

Know the location of the fire extinguisher(s) in your area and know how to use them. Make sure they are kept clear at all times. Notify your immediate Manager if an extinguisher is used or if the seal is broken. Keep in mind that extinguishers that are rated ABC can be used for paper, wood, or electrical fires. Make sure all flammable liquids, such as alcohol, are stored in approved and appropriately labeled safety cans and are not exposed to any ignition source.

In Case of Fire

If you are aware of a fire, you should:

- Dial 911 or the local fire department
- If possible, immediately contact your immediate Manager. Evacuate all employees from the area.
- If the fire is small and contained, locate the nearest fire extinguisher. This should only be attempted by employees who are knowledgeable in the correct use of fire extinguishers.
- If the fire is out of control, leave the area immediately. No attempt should be made to fight the fire.
- When the fire department arrives, direct the crew to the fire. Do not re-enter the building until directed to do so by the fire department.

Emergency Evacuation

If you are advised to evacuate the building, you should:

- Stop all work immediately.
- Contact outside emergency response agencies, if needed.
- Shut off all electrical equipment and machines, if possible.
- Walk to the nearest exit, including emergency exit doors.
- Exit quickly, but do not run. Do not stop for personal belongings.
- Proceed, in an orderly fashion, to a parking lot near the building. Be present and accounted for during roll call.

Do not re-enter the building until instructed to do so.
Security

Maintaining the security of AFN’s buildings and vehicles is every employee’s responsibility. Develop habits that ensure security as a matter of course. For example:

- Cash is not to be accepted from customers under any circumstances. It is the policy of AFN to accept checks only for payment of fees, etc.
- Know the location of all alarms and fire extinguishers, and familiarize yourself with the proper procedure for using them, should the need arise.
- When you leave AFN’s premises make sure that all entrances are properly locked and secured.

Smoking

AFN maintains a non-smoking building and work environment. Smoking is restricted to outside only. Please be courteous and concerned about the needs of your fellow employees and others by disposing of your cigarette butts properly and safely. Please do not smoke in restricted areas.

Please remember to conform to our customers’ smoking policies when working at a customer’s site. All employees are expected to abide by this policy while at work.

SEPARATION OF EMPLOYMENT

Termination

AFN operates under the principle of at-will employment. This means that neither you nor AFN has entered into a contract regarding the duration of your employment. You are free to terminate your employment with AFN at any time, with or without reason. Likewise, AFN has the right to terminate your employment, or otherwise discipline, transfer, or demote you at any time, with or without reason, at the discretion of AFN.

Insurance Conversion Privileges

According to the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, in the event of termination of your employment with AFN or loss of eligibility to remain covered under our group health insurance program, you and your eligible dependents may have the right to continued coverage under our health insurance program for a limited period of time at your own expense.

At your exit interview or upon termination, you will learn how you can continue your insurance coverage and any other benefits you currently have as an employee who is eligible for continuation. Consult your Human Resource Department Representative for additional details.

Exit Interviews

In a termination situation, AFN’s management would like to conduct an exit interview to discuss your reasons for leaving and any other impressions that you may have about AFN. During the exit interview, you can provide insights into areas for improvement that AFN can make.

Return of Company Property

Any AFN property issued to you, such as reference tools, computer equipment, keys, or company credit card must be returned to AFN at the time of your termination.

Reduction in Workforce

We at AFN hope that a reduction in workforce never becomes necessary. However, if it is determined that it is warranted because of reorganization, lack of work, or other considerations, the following procedures will apply. Before resorting to an involuntary layoff, the Company may respond in several ways, including a voluntary reduction of hours or days of work or reducing hours or days of work.

If a voluntary approach is not sufficient to meet the Company’s needs, AFN may implement an involuntary reduction in personnel. Employees will be selected for layoff carefully so as to be fair and consistent. All personnel policies, including AFN’s policy against discrimination, will be followed. Layoffs may be implemented on a Company-wide basis or in one or more departments, work groups or job classifications.

Employees who are laid off can reapply for employment when positions become available.

Former Employees

Depending on the circumstances, AFN may consider a former employee for re-employment. Such applicants are subject to AFN’s 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 AFN.

Post-Employment Inquiries

AFN does not respond to oral requests for references. Please note that a request for references is a voluntary act left solely to the discretion of the company. No AFN employee may provide a reference for any employee without written authorization from the Human Resources Department. Do not under any circumstances respond to requests for information regarding another employee unless it is part of your assigned job responsibilities. If it is not, please forward the information request to your Human Resource Department for appropriate response.

ADDITIONAL WORKPLACE POLICIES

This Employee Manual is designed to answer many of your questions about the practices and policies of AFN. Feel free to consult with your immediate Manager for help concerning anything you do not understand.

Communications

Successful working conditions and relationships depend upon successful communication. Not only do you need to stay aware of changes in procedures, policies and general information, you also need to communicate your 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, make certain you are aware of and utilize all AFN methods of communication, including this Employee Manual, bulletin boards, discussions with your immediate Manager, memoranda, staff meetings, newsletters, training sessions, and company e-mail.

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.

**Company and Department Meetings**

On occasion, we may request that you attend a company sponsored meeting. If this is scheduled during your regular working hours, your attendance is required.

**Computers, Electronic Mail, and Voice Mail Usage Policy**

AFN makes every effort to provide the best available technology to those performing services for AFN. In this regard, AFN has installed, at substantial expense, equipment such as computers, electronic mail, and voice mail. This policy is to advise those who use our business equipment on the subject of access to and disclosure of computer-stored information, voice mail messages and electronic mail messages created, sent or received by AFN's employees with the use of AFN's equipment.

This policy also sets forth policies on the proper use of the computer, voice mail, and electronic mail systems provided by AFN. electronic mail messages created, sent or received by AFN's employees with the use of AFN's equipment.

This policy also sets forth policies on the proper use of the computer, voice mail, and electronic mail systems provided by AFN. AFN's property, including computers, electronic mail and voice mail, should only be used for conducting company business.

Incidental and occasional personal use of company computers and our voice mail and electronic mail systems is permitted when the use does not:

a) Interfere with the user's work performance;
b) Interfere with any other user's work performance;
c) Unduly impact the operation of the computer system;
d) Violate any other provision of this policy or any other policy, guideline or standard of AFN.

**Note:** Information and messages stored in these systems will be treated no differently than business-related information and messages, as described below. At all times, users have a responsibility to use the computer resources in a professional, ethical, and lawful manner.

Personal use of AFN's electronic resources is a privilege.

Although AFN provides certain codes to restrict access to computers, voicemail and electronic mail to protect these systems against external parties or entities obtaining unauthorized access, employees should understand that these systems are intended for business use, and all computer information, voice mail and electronic mail messages are to be considered as company records.

AFN also needs to be able to respond to proper requests resulting from legal proceedings that call for electronically-stored evidence. Therefore, AFN must, and does, maintain the right and the ability to enter into any of these systems and to inspect and review any and all data recorded in these systems. Because AFN reserves the right to obtain access to all voice mail and electronic mail messages left on or transmitted over these systems, employees should not assume that such messages are private and confidential or that AFN or its designated representatives will not have a need to access and review this information. Individuals using AFN's business equipment should also have no expectation that any information stored on their computer - whether the information is contained on a computer hard drive, computer disks or in any other manner - will be private.

**Prohibited Activities**

A. **Objectionable Material**

Material that is fraudulent, harassing, sexually explicit, obscene, intimidating, defamatory, or otherwise unlawful, inappropriate, or offensive may not be sent by email or other form of electronic communication (e.g., bulletin board systems, newsgroups, chat groups) or displayed on or stored in AFN's computers. The sole exception is where it is necessary to transmit, display, or store such material for a legitimate business purpose.

B. **Wasteful Acts**

Users may not deliberately perform acts that waste computer resources. These acts include, but are not limited to, sending mass mailings or chain letters, spending excessive personal time on the Internet or playing games, and/or engaging in online "chat groups" that are not work related.

C. **Software**

Any software or other material downloaded into AFN's computers may be used only in ways that are consistent with the licenses and copyrights of the vendors, authors, or owners of the material. Prior written authorization from AFN's IT Management is required before introducing any software into AFN's computer system. To prevent computer viruses from being transmitted through the system, you are not authorized to download any software to your computer or any driver in that computer. This includes any entertainment software or games. If you are interested in obtaining software from the Internet you should receive appropriate authorization from AFN's IT Management.

D. **Downloading**

Because audio, video, picture and executable files may require significant storage space, these types of files may not be downloaded unless they are business related. All downloaded files must be scanned for viruses and other destructive programs.

Any employee who violates this policy or uses the electronic communication systems for improper purposes may be subject to discipline, up to and including termination.

**Expense Reimbursement**

You must have your immediate Manager's authorization prior to incurring an expense on behalf of AFN. To be reimbursed for all authorized expenses, you must submit an expense report or voucher accompanied by original receipts and it must be approved by your immediate Manager. In order for AFN to keep records and accounting accurate and current, expense reports or vouchers older than three (3) months old may not be honored.

If you are asked to conduct company business using your personal
vehicle, you will be reimbursed at the legal per mile rate as established and regularly adjusted by the IRS. Please submit this expense on your weekly expense report or voucher.

AFN employees are not required or expected to maintain cellular telephones, and AFN does not reimburse employees for personal cellular telephone charges. If you choose to use a cellular telephone for work-related purposes, you are responsible for taking all necessary precautions to ensure your safety and the safety of others.

**Violence in the Workplace Policy**

AFN 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 AFN or which occur on AFN’s 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 AFN, 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:

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

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

1. Hitting or shoving an individual.
2. Threatening an individual or his/her family, friends, associates, or property with harm.
3. Intentional destruction or threatening to destruct AFN’s Property.
4. Making harassing or threatening phone calls.
5. Harassing surveillance or stalking (following or watching someone).
6. Unauthorized possession or inappropriate use of firearms or weapons.

AFN’s prohibition against threats and acts of violence applies to all persons involved in AFN’s operation, including but not limited to personnel, contract and temporary workers and anyone else on AFN’s property. Violations of this policy by any individual on AFN’s 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 Immediate Manager.

**Romantic Relationship Policy**

Social relationships between employees, including dating and "romantic" relationships, are normally a matter of personal privacy and not the concern of AFN. However, when a supervisor/manager is dating (or attempting to date) a subordinate employee, the relationship becomes disruptive of the workplace. For this reason, AFN prohibits supervisors and managers from dating subordinate employees.

AFN recognizes the ambiguity of the term "romantic." It is assumed, or at least hoped, that the supervisor/manager will use common sense and act in a manner consistent with this policy. AFN does not discourage routine interaction (e.g., group lunches, attendance at entertainment events) that are an extension of the working environment. Nor should this policy be relied upon as a justification for a supervisor’s/manager’s refusal to engage in routine interaction with employees.

If a supervisor or manager is dating a subordinate employee, the supervisor/manager must disclose the relationship to the AFN or Manager Director. Failure to disclose the relationship is grounds for discipline, up to and including termination of employment. Once the relationship is disclosed, AFN will take steps appropriate steps to resolve the problem. At a minimum, the employee and the supervisor/manager will not be permitted to work together on the same files (including files that are open at the time disclosure of the relationship is made), and the supervisor/manager must withdraw from activities or decisions (including, but not limited to, hiring, evaluations, promotions, compensation, work assignments and discipline) that may reward or disadvantage the subordinate employee. In addition, any co-worker who feels that he or she has been adversely affected by the existence of the relationship must be encouraged to make his or her views about the matter known to a member of the management team.

**DRESS CODE AND PERSONAL APPEARANCE**

As an AFN employee, you are expected to dress and groom yourself in accordance with accepted social and business standards, particularly if your job involves dealing with customers or visitors in person. You are responsible for arriving to work properly attired and groomed along with maintaining that appearance during all working hours. A good, clean appearance bolsters your own poise and self-confidence and greatly enhances our company image. Additionally, a neat, tasteful appearance not only contributes to the positive impression you make on customers, but fellow colleagues as well.

Personal appearance should be a matter of concern and personal pride for each employee. If your immediate Manager or Management feels your attire and/or grooming is out of place, you may be asked to leave your workplace until you are properly attired and/or groomed. If you are unsure of the proper dress code, please contact your immediate Manager.

Although AFN grants each office the freedom to select its own dress code, the AFN Corporate office adheres to Business Casual attire. Please keep this in mind when visiting the AFN Corporate office for training, meetings, temporary or permanent employment. The following guide is specific to the AFN Corporate office, however, AFN strongly encourages all offices to adopt this written dress code.

**Guide to Business Casual Attire**

Business Casual attire is expected to be worn Monday through Thursday. Friday is considered a casual day, unless otherwise noted by AFN management. This is a general overview of appropriate Business Casual attire along with items deemed not appropriate for the office. No dress code can cover all contingencies so employees must exert a certain amount of judgment in their choice of clothing to wear to work. If you experience uncertainty about acceptable, professional Business Casual attire for work, please ask your immediate Manager/Supervisor or your Human Resources Department.

**Slacks, Pants, and Suit Pants**

Slacks or pants similar to Dockers and other makers of cotton or
synthetic material pants including wool pants, corduroy pants, twill pants, and other synthetic dress pants are acceptable. Slacks and pants should be no higher than calf-length. Inappropriate pants include jeans, shorts of any kind, bib overalls, sweatpants, and any form-fitting exercise pants or spandex.

**Skirts, Dresses, and Skirted Suits**

Casual dresses and skirts that are split at or below the knee are acceptable. Dress and skirt lengths should be at a length that allows you to sit comfortably in public. Short, tight skirts that ride halfway up the thigh are inappropriate for work. Mini-skirts, skirts, sun dresses, beach dresses, and spaghetti-strap dresses are inappropriate for the office.

**Shirts, Tops, Blouses, and Jackets**

Dress or button-up shirts, sweaters and sweater vests, cardigans, polo shirts, and turtlenecks are acceptable attire for work. Most suit jackets or sport jackets are also acceptable attire for the office. Neck ties and suits are preferred for work. Inappropriate attire for work includes tank tops, midriff tops, halter tops, tops with bare shoulders, sweatshirts or hoodies and t-shirts unless worn under another blouse, shirt, jacket, or dress. Clothing that has the company logo is encouraged.

**Shoes and Footwear**

Dress shoes, dress heels, boots, flats, dress heels, loafers, and leather deck-type shoes are acceptable for work. Athletic shoes, thongs, flip-flops and slippers, are not acceptable in the office.

**Jewelry, Makeup, Perfume, and Cologne**

Jewelry, makeup, and perfume/cologne should be in good taste. Remember that some employees are allergic to the chemicals in perfumes and make-up, so wear these substances with restraint.

**Tattoos and Body Piercings**

Tattoos and body piercings are not prohibited. However, visible body piercings and tattoos should be limited. Camouflaging or covering tattoos and body piercings is highly encouraged.

**Hats and Head Covering**

Hats are not appropriate in the office. Head Covers that are required for religious purposes or to honor cultural tradition are allowed.

**Casual Dress Code Guidelines**

Casual Dress is only to be worn on Fridays or on days specified by AFN management. In a casual work setting, employees should wear clothing that is comfortable and practical for work, but not distracting or offensive to others. Because all casual clothing is not suitable for the office, the following guidelines will help you determine what is unacceptable to wear to work.

- Clothing that works well for the beach, yard work, dance clubs, exercise sessions, and sports contests.
- Clothing that reveals too much cleavage, your back, your chest, your stomach or your under garments.
- Torn, dirty, or frayed clothing.
- Sweats, pajamas and athletic clothing.
- Clothing with potentially offensive words, terms, logos, pictures, cartoons, or slogans.

**Conclusion**

If clothing fails to meet these standards, as determined by the employee’s supervisor and Human Resources Department, the employee will be asked not to wear the inappropriate item to work again. If the problem persists, the employee may be sent home to change clothes and will receive a verbal warning for the first offense. All other policies about personal time use will apply. Progressive disciplinary action will be applied if dress code violations continue.
ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE MANUAL

By my signature below, I acknowledge that I have received a copy of this Employee Manual and a copy of each of the state mandated Pamphlets entitled, Disability Insurance Provisions, Your Rights to Worker’s Compensation Benefits and How to Obtain Them, Paid Family Leave insurance program and Sexual Harassment Hurts Everyone, on the date indicated below. I also acknowledge that I have read and understand the contents of the Employee Manual and the pamphlets, and I (check one) do_______ do not_______ want to discuss the handbook or any particular policies, benefits or procedures described in it with my Supervisor or another Company official. I also acknowledge that this Employee Handbook supersedes and replaces any other Employee Manual or similar document that may have previously been distributed by the Company.

I also acknowledge that this Employee Manual is a general description of many important policies of the Company that may affect my employment, and that it is not intended to be an exhaustive listing of all such policies or procedures. I understand that the Company reserves the right to make changes to the policies, procedures and practices described in this Employee Manual at any time. However, there is one exception, and that concerns the essential at-will status of my employment. I understand and agree that my employment is not guaranteed to continue for any specified time, is completely consensual, and may be terminated by either me or by the Company at any time, with or without cause, with or without notice. This essential at-will employment status may not be modified or changed in any way, including by any statement or conduct of any Company official or employee, except by a written notice signed by the President of the Company.

Employee’s Name - PLEASE PRINT

Employee’s Branch

Employee’s Signature

Date

Employee’s Email