



CALIFORNIA AVOCADO COMMISSION
GOVERNING DOCUMENTS, POLICIES & PROCEDURES

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Adopted by CAC Board November 17, 1988
Approved by CAC Board March 17, 2016

MISSION STATEMENT

“To maximize grower returns by enhancing premium brand positioning for California avocados and improving grower sustainability.”

VISION STATEMENT

“To be recognized as the most-desired avocado in the world by fostering a vibrant industry.”

Adopted by the CAC Board October 15, 1998
Approved by CAC Board March 17, 2016

SUMMARY DEFINITION OF CONFLICT OF INTEREST

It is each member's and alternate's responsibility to determine whether they have a conflict of interest and whether they should excuse themselves from a particular discussion or vote during a meeting. To assist you in this evaluation, the following Summary Definition of Conflict of Interest may be helpful.

A Commission member or employee has a conflict of interest in a decision of the Commission if it is reasonably foreseeable that the decision will have a material financial effect, financial or otherwise, on the member or employee or a member of his or her immediate family that is distinguishable from its effect on all persons subject to the Commission's jurisdiction.

No Commission member or employee shall make, or participate in making, any decision in which he or she knows or should know he or she has a conflict of interest.

No Commission member or employee shall, in any way, use his or her position to influence any decision in which he or she knows or should know he or she has a conflict of interest.

CONFLICT OF INTEREST CODE

I. **Adoption**

In compliance with the Political Reform Act of 1974, California Government Code Sections 81000, et seq., the California Avocado Commission (hereinafter referred to as Commission) hereby adopts this Conflict of Interest Code, which shall apply to all designated employees of the Commission. This Conflict of Interest Code shall become effective thirty (30) days after filing with the Secretary of State.

II. **Definitions**

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs Sections 18100, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

III. **Designated Employees**

The persons holding positions listed in Appendix A are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

IV. **Disclosure Categories**

This Code does not establish any disclosure obligation for those designated employees who are also specified in Government Code Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their financial interests pursuant to Article 2 of Chapter 7 of the Political Reform Act, Government Code Section 87200, et seq. In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

- A. The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;
- B. The disclosure assigned in the code of the other agency is the same as that required under Article 2 of Chapter 7 of the Political Reform Act, Government Code Section 87200; and
- C. The filing officer is the same for both agencies.⁹⁹ Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix B specify which kinds of financial interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those financial interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in Appendix B. It has been determined that the financial interests set forth in a designated employee's disclosure categories are the kinds of financial interest which he or she foreseeably can affect materially through the conduct of his or her office.

V. **Statements of Economic Interests**

Place of Filing

The Fair Political Practices Commission, as the code reviewing body for the California Avocado Commission, requests that all designated employees file their statements with the California Avocado Commission who will make the statements available for public inspection and reproduction. (Gov. Code Section 81008.)

Upon receipt of the statements for the members of the Commission and their Alternates, the agency shall make and retain a copy and forward the original of these

⁹⁹ Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under Article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code Section 81004.

statements to the Fair Political Practices Commission. Original statements for all other designated employees shall be retained by the agency.¹⁰⁰

VI. **Time of Filing**

- A. **Initial Statements.** All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.
- B. **Assuming Office Statements.** All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.
- C. **Annual Statements.** All designated employees shall file statements no later than April 1.
- D. **Leaving Office Statements.** All persons who leave designated positions shall file statements within 30 days after leaving office.

VII. **Statements for Persons Who Resign 30 Days After Appointment**

Persons who resign within 30 days of initial appointment are not deemed to have assumed office or left office provided they did not make or participate in the making of, or use their position to influence any decision and did not receive or become entitled to receive any form of payment as a result of their appointment. Such persons shall not file either an assuming or leaving office statement.

VIII. **Contents of and Period Covered by Statements of Economic Interests**

- A. **Contents of Initial Statements.** Initial statements shall disclose any reportable investments, interests in real property and business positions held on the

¹⁰⁰ See Government Code Section 81010 and 2 Cal. Code of Regs. Section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

effective date of the code and income received during the 12 months prior to the effective date of the code.

- B. Contents of Assuming Office Statements. Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.
- C. Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later.
- D. Contents of Leaving Office Statements. Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

IX. Manner of Reporting

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

- A. Investments and Real Property Disclosure. When an investment or an interest in real property¹⁰¹ is required to be reported,¹⁰² the statement shall contain the following:

¹⁰¹ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

¹⁰² Investments and interests in real property which have a fair market value of less than \$1,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

1. A statement of the nature of the investment or interest;
 2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
 3. The address or other precise location of real property;
 4. A statement whether the fair market value of the investment or interest in real property exceeds one thousand dollars (\$1,000), exceeds ten thousand dollars (\$10,000), or exceeds one hundred thousand dollars (\$100,000).
- B. Personal Income Disclosure. When personal income is required to be reported,¹⁰³ the statement shall contain:
1. The name and address of each source of income aggregating two hundred fifty dollars (\$250) or more in value or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
 2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), or greater than ten thousand dollars (\$10,000);
 3. A description of the consideration, if any, for which the income was received;
 4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
 5. In the case of a loan, the annual interest rate and the security, if any, given for the loan.

¹⁰³ A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

- C. Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,¹⁰⁴ the statement shall contain:
1. The name, address, and a general description of the business activity of the business entity;
 2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).
- D. Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.
- E. Acquisition or Disposal During Reporting Period. In case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

X. **Disqualification**

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

- A. Any business entity in which the designated employee has a direct or indirect investment worth one thousand dollars (\$1,000) or more;
- B. Any real property in which the designated employee has direct or indirect interest worth one thousand dollars (\$1,000) or more;

¹⁰⁴ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregated a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

- C. Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;
- D. Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or
- E. Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$250 or more in value provided to; received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

XI. **Legally Required Participation**

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

XII. **Disqualification of State Officers and Employees**

In addition to the general disqualification provisions of Section X, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

- A. Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

- B. Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling the value one thousand dollars (\$1,000) or more.

XIII. **Manner of Disqualification**

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act must be accompanied by disclosure of the disqualifying interest. In the case of a voting body, this determination and disclosure shall be made part of the agency's official record; in the case of a designated employee who is head of an agency, this determination and disclosure shall be made in writing to his or her appointing authority; and in the case of other designated employees, this determination and disclosure shall be made in writing to the designated employee's supervisor.

XIV. **Assistance of the Commission and Counsel**

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code Section 83114 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

XV. **Violations**

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code Section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code Section 91003.

XVI. **Prohibition On Honoraria**

State Agency Prohibition on Receipt of Honoraria. No member of a state board or Commission, and no designated employee of a state agency, shall accept any

honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (b), (c), (d), and (e) of Government Code Section 89502 shall apply to the prohibitions in this section.

XVII. **\$250 Limit On Gifts**

State agency Prohibition on Receipt of Gifts of \$250 or More. No member of a state board or Commission, and no designated employee of a state agency, shall accept gifts with a total value of more than two hundred fifty dollars (\$250) in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subsection (b), (c), (d), and (e) of Government Code Section 89504 shall apply to the prohibitions in this section.

CONFLICT OF INTEREST CODE (CONTINUED)

APPENDIX A

Designated Positions

Persons occupying the following positions are designated employees and must disclose all financial interests set forth in Appendix B - Disclosure Categories.

1. Members of the Commission
2. Alternate members of the Commission
3. President
4. General Legal Counsel
5. Consultants⁷

⁷ Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The President may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The President’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

CONFLICT OF INTEREST CODE (CONTINUED)

APPENDIX B

Disclosure Categories

Designated employees in Appendix A must report:

1. Investments and business positions in any business entity which during the reporting period:
 - a. Was awarded a research contract or engaged in the delivery of the type of advertising or promotional services utilized by the California Avocado Commission; or
 - b. Was a producer or handler of Avocados subject to the jurisdiction of the Commission.
2. Interest in real property which during the reporting period:
 - a. Was acquired by, leased, or otherwise used by the California Avocado Commission for any consideration and the specific location of such property; or
 - b. Was owned by a business entity subject to an assessment of the California Avocado Commission, provided, only the county in which such property is located and not its specific location must be reported.
3. Each source of income directly related to avocado production or handling, including brokerage service income, provided the income was furnished by, or on behalf of, any person or business entity furnishing real or personal property or services to the California Avocado Commission as stated in paragraphs 1. or 2. above, or any gift from such person.
4. Any business position held in any business entity, which, during the reporting period, is a grower or handler of avocados subject to the jurisdiction of the California Avocado Commission.

Adopted by CAC Board March 21, 2013
Approved by CAC Board March 17, 2016

BOARD COMMUNICATIONS POLICY

This Communications Policy is intended to ensure that communications by the California Avocado Commission Board of Directors and its committees (Board) are handled appropriately and in a manner that best serves the California Avocado Commission (Commission). The Commission recognizes that potential problems and conflicts can be avoided by having a clear policy that addresses both internal and external communications. It is also important that the roles and responsibilities of the Board and staff are outlined to facilitate effective communication between and among the Board, staff and other interested parties. Board members are expected to be courteous in all communications.

Communications between Board Members at Meetings of the Board

Board members should communicate in an open and constructive manner during meetings of the Board and committees. Board members shall not use inappropriate language, body language, or verbal tone during their debate of the issues. Any actions or comments designed to insult, demean, or attack any member of the Board or staff shall be strictly prohibited. Board members shall not discuss confidential proceedings of the Board outside the Board room.

Because the Commission is an agency of the State, Board members must act in accordance with California's Bagley-Keene Open Meeting Act ("Open Meeting law") when discussing Commission business. The Open Meeting law states that when a quorum of the Board or a committee of the Board meets and discusses Commission business, the meeting must be open to the public and held only after proper notice is given, and must be recorded with proper minutes. The Board may conduct certain business in closed session in accordance with the Open Meeting law.

Board members owe a special duty of civility to the Commission's constituents (avocado growers and handlers) and shall be particularly courteous to constituents at all times during official functions of the Commission.

Purely social gatherings of Board members, and third party functions at which Commission Board members happen to be present, are not considered meetings of the Board and as such

are not subject to the Open Meeting law or this policy provided Commission business isn't discussed.

Communications between Board Members Outside of Meetings of the Board

Any Board member may contact the Commission Chairperson, or in his or her absence, the Vice-Chairperson, regarding issues of Commission interest or concern. Board members are to contact the Board Chairperson or Commission President if they wish to have specific issues discussed by the Board so that these items can be added to the Board meeting agenda.

Board members must not engage in mass or sequential e-mail exchanges with other Board members relating to Commission business. Governmental bodies are strongly discouraged from using electronic mail to communicate about issues within the body's realm of authority because of the risk of conducting a "meeting" in violation of the Open Meeting law.

Communications between Board Members and Commission Staff

Open communication exists between the Board and Commission staff. The Commission President is supervised by the Chairperson and if the President is experiencing problems with a Board member, the President should immediately alert the Chairperson, unless the Chairperson is the problem, in which case the President may alert the Vice-Chairperson.

If a Board member needs substantive information or assistance, their primary contact is the Commission President. Board members may contact other members of the Commission management team directly, but only if the President is not readily available. Board members may contact the appropriate Commission staff directly regarding non-substantive issues such as meeting schedules, travel arrangements, reimbursements or other administrative matters.

Notice and information packets for all special and regularly scheduled Board meetings will be sent to all Board members prior to meetings through regular mail and/or e-mail. The Commission President will communicate with the Board Chairperson between meetings if and when issues arise that require immediate attention.

Communications between a Board Member and an External Third Party

The Commission President and the Board Chairperson are the only two individuals authorized to speak on behalf of the Commission or the Board. Unless designated as an authorized spokesperson of the Board, Board members should not contact Commission vendors, researchers, or other business partners with regard to Commission business. A Board member

wishing to discuss Commission business with these parties should submit communications directly to the Commission President, who will handle these accordingly.

If a Board member is asked to make a presentation to external groups, the Board member must indicate that he or she is not speaking on behalf of the Board or Commission, unless the Board member has specifically been authorized to do so by the Board. Board members shall be respectful of the Board, its policies, and its decisions in all external communications, even if the Board member disagrees with the Board's decision. The Board should speak with a single voice on Commission issues for the benefit of the California avocado industry.

To ensure accuracy of materials related to the Commission which are prepared by Board members for publication or general distribution, and to ensure the Commission is not inadvertently placed at risk, Board members are encouraged to provide such materials to the Commission President for review prior to distribution or publication.

Communications between Board Members and the Media

In general, the Commission President and the Board Chairperson are the only two individuals authorized to speak on behalf of the Commission or the Board. The primary media contact for the Commission is the President. However, the President may designate another staff person as spokesperson, depending on the topic of inquiry by the press. When a statement from the Board is required, the Board Chairperson will serve as the spokesperson for the Commission. If the Board Chairperson is unavailable, the Vice-Chairperson will serve as the spokesperson.

Should the media inquiry be regarding a crisis of any sort, Board members should follow the protocols outlined in the Commission's Crisis/Issues Management Guidelines and refer all media inquiries to the Commission President.

GRIEVANCE PROCEDURES

Commission law (California Food and Agricultural Code Section 67112) requires that the Commission establish procedures for the purpose of according individuals aggrieved by its actions or determinations an informal hearing before the Commission or before a committee of the Commission designated for that purpose. The established procedures shall be as follows:

Any producer or handler subject to Commission law who is aggrieved by the actions or determinations of the Commission may file a grievance and request an informal hearing before a special Grievance Committee of the Commission in accordance with the following:

1. Any grievance against the Commission shall be directed in writing to the Commission office and contain the name and mailing address of the aggrieved producer or handler (the “aggrieved party” or “grievant”), and a statement describing the action or determination that is the basis for the grievance. The written grievance must also state that the aggrieved party has tried other avenues to resolve his/her complaint before filing the grievance. Specifically, the written grievance must include evidence that the grievant, prior to filing, made an earnest attempt to resolve the matter by first conferring with their commissioner and if unsuccessful, then with the Commission Chairperson, and if still unsuccessful, with the Commission President. If none of the stated avenues resolve the complaint, the Commission shall accept the written grievance.
2. The grievance must be filed with the Commission within ninety (90) days after the date the claim first arose or, in assessment matters, within ninety (90) days after the assessment report and/or payment at issue was due pursuant to the Commission's established assessment policy and procedures.
3. Within fifteen (15) days after receiving written notice of a grievance, the Chairperson of the Commission shall appoint a person to act as Chairperson of

a special Grievance Committee. The Chairperson of the Grievance Committee shall be a member or alternate member of the Commission. With recommendations from the Grievance Committee Chairperson, the Commission Chairperson shall appoint at least two (2) but no more than four (4) additional individuals to serve on the special Grievance Committee. The Grievance Committee may include Commission members, alternates, or any other producer or handler who is subject to Commission law.

4. The Grievance Committee shall have up to sixty (60) days after its members are appointed in which to investigate, or cause to be investigated, the grievance. The investigation may include, but is not necessarily limited to, talking to the grievant and any witnesses or other interested parties, and asking the grievant and any witnesses or interested parties to submit written evidence and/or statements.
5. Upon completion of the investigation, the Grievance Committee shall inform the grievant of his/her right to an informal hearing. The grievant must respond in writing within fifteen (15) days after receiving the request from the Committee as to whether he/she wants a hearing.

If a hearing is requested by the grievant, the Grievance Committee shall conduct an informal hearing within forty-five (45) days after the request and shall notify the aggrieved party of the date, time, and place of the hearing at least ten (10) days prior to the date of hearing.

6. The Grievance Committee shall receive and consider oral and written evidence from the aggrieved party, witnesses, and any other interested parties, including but not limited to Commission members, alternates, and staff, either before or during the hearing (if any), or both. The hearing, if held, shall either be tape recorded or shall be memorialized by a certified court reporter.
7. Within sixty (60) days after the hearing date (or within 60 days after the date on which the Commission received notice that the grievant did not want a

hearing), the Grievance Committee shall submit its findings and recommendation(s) to the Commission.

8. The Commission shall review (in closed session) the Grievance Committee's findings and recommendations at the Commission's next regularly scheduled meeting and approve, modify and approve, or deny the recommendation(s) of the Grievance Committee. The final decision of the Commission shall be reflected in the minutes of the regular meeting and communicated in writing to the aggrieved party within thirty (30) days after the meeting.
9. The aggrieved party may appeal the final decision of the Commission to the Secretary of the Department of Food and Agriculture within ninety (90) days after receiving notice of the Commission's final decision.
10. The determination of the Secretary shall be subject to judicial review upon petition filed with the appropriate Superior Court.
11. If a grievance includes claims relating to the reporting or payment of assessments, penalties, and/or interest, the aggrieved party shall not be relieved of his or her obligation to file assessment reports and pay assessments, penalties and interest to the Commission as required by Commission law or procedures during the grievance process. In the event the aggrieved party prevails in all or part of the grievance, he or she shall receive a refund equal to the amount of any assessment payments, penalties and/or interest which were paid to the Commission in error.

VOTER ACCESS PROCEDURES

Pursuant to Food and Agricultural Code Section 67091, the Commission has adopted these procedures.

Commission law (Food and Agricultural Code §67104) provides that all proprietary information obtained by the Commission or the Secretary from handlers is confidential and shall not be disclosed except when required in a judicial proceeding. The list of avocado producers maintained by the Commission is obtained from handlers and is the handlers' proprietary information.

To enable any handler or producer of avocados subject to the provisions of Commission law to contact producers on the Commission's List of Producers regarding an election, referendum, or any act or determination of the Board of Directors, the Commission will, upon request as provided by these procedures, conduct an informational mailing.

1. The person making a request for mailing (Applicant) shall file a Request for Mailing (Request) on a form provided by the Commission (Attachment "A"). A Request regarding an election or referendum shall be filed by the applicant during the same marketing season as the election or referendum. A Request regarding an act or determination of the Board of Directors shall be filed by the applicant not more than sixty (60) days before, nor less than thirty (30) days after the act or determination.
2. The Request shall include a Statement of Compliance and Non-Commercial Use (Statement) completed and signed by the Applicant. The Statement shall include the Applicant's:
 - a. Acknowledgement of receipt and understanding of these voter access procedures.
 - b. Agreement to abide by these procedures.
 - c. Declaration that the mailing is for a non-commercial use associated with a Commission election referendum or any act or determination of the Board of Directors.

- d. Declaration that the proposed mailing contains no defamatory, false, misleading or obscene language.
- e. Declaration that he or she is a handler or producer of avocados subject to the provisions of Commission law.

The Applicant shall also acknowledge that the Statement of Compliance and Non-Commercial Use is a Statement required by the Commission as set forth in Food and Agricultural Code Section 67111 and that willfully providing false information is subject to the penalties provided therein.

- 3. Upon receipt of the completed Request and Statement, the Commission shall, within three (3) working days, notify the Applicant of the number of persons on the list (or in the category or district designated in the Applicant's request) to enable the Applicant to prepare the appropriate number of mailings. The Commission shall verify the Applicant's status as a handler or producer of avocados subject to the provisions of Commission law by checking the Applicant's name against the Commission's list of handlers and producers.
- 4. The Applicant shall prepare the mailings by placing them in plain, stamped, sealed envelopes and delivering them to the Commission. All mailings shall include a statement that clearly identifies the Applicant as the individual responsible for the mailing. The Applicant's name and address shall not appear on the outside of the envelopes. The Applicant shall provide 29 additional stamped envelopes that will be mailed to the Commission Board Members and Alternates. If the mailings are regarding an election or referendum vote, the mailings must be delivered to the Commission not less than twenty (20) calendar days prior to the date on which ballots are to be mailed to producers for the applicable election or referendum.
- 5. Upon receipt of a properly prepared mailing, the Commission shall, within five (5) working days, place a mailing label on each envelope and deposit the envelopes in the U.S. Mail. In addition, the Commission shall affix a disclaimer to each envelope as follows:

"The material contained in this envelope is not endorsed by, nor does it necessarily reflect the views of, the California Avocado Commission. All costs for this mailing were paid by the author."

The Commission shall not have access to the contents of the mailing prior to deposit of the entire mailing in the U.S. Mail.

6. The Commission shall require payment of a fee to cover the costs of handling a requested mailing. The fee shall not exceed the Commission's actual cost.
7. Upon completion of the Applicant's mailing, the Commission shall send written confirmation to the Applicant certifying that the mailing was conducted in accordance with these procedures.
8. The Applicant shall bear all responsibility for insuring that envelopes used meet postal regulation requirements and carry sufficient postage.
9. The Applicant shall be solely responsible for the contents of the mailing and for any claims arising from the mailing. The Applicant shall further agree to indemnify and hold harmless the Commission against any and all claims, actions, losses, disputes, debts, obligations, liabilities, and/or reasonable attorney's fees and court costs arising from the contents of the mailing.
10. Any Applicant claiming to be aggrieved by the actions of the Commission under these procedures may file a grievance pursuant to the Commission's established grievance procedures.

VOTER ACCESS PROCEDURES (CONTINUED)

REQUEST FOR MAILING/STATEMENT OF COMPLIANCE AND
NON-COMMERCIAL USE
(VOTER ACCESS PROCEDURES)

I hereby request the California Avocado Commission to conduct a mailing of my statement regarding (mark one) in accordance with the Commission's Voter Access Procedures:

- an election
- a referendum
- an act or determination of the Board

My mailing is directed to: (mark one)

- all producers
- producers in district(s) _____

I understand that within five working days of approval of this request the Commission will provide me with the number of producers who will receive my statement so that I may prepare the mailing.

I have received, read, understand and agree to comply with the Commission's Voter Access Procedures and certify that my proposed mailing:

1. Is for a non-commercial use associated with a Commission election, referendum, or an act or determination of the Board.
2. Contains no defamatory, false, misleading or obscene language.

I further certify that I am a: (mark all that apply)

- producer of avocados subject to the provisions of Commission law.
- handler of avocados subject to the provisions of Commission law.

I agree to indemnify and hold harmless the Commission for any claims, actions, losses, disputes, debts, obligations and/or liabilities arising from the contents of my proposed mailing.

I understand that this document is a statement required by the Commission within the purview of Food and Agricultural Code Section 67111 which provides that willfully furnishing a false statement is a misdemeanor punishable by imprisonment in the county jail not exceeding six months or a fine not exceeding \$5,000.00, or both.

Name/Business Name Date

Signature City, State

ELECTION PROCEDURES

Pursuant to Food and Agricultural Code §67082, the California Avocado Commission establishes the following Election Procedures.

I. Voter Eligibility

- A. Each legal entity, whether as a sole proprietorship, partnership or corporation, shall be entitled to one (1) vote for each nominee for which it is eligible to vote.
- B. The right to vote is retained by the legal entity that pays assessments on the property's fruit production.
- C. All producers of record may vote for producer members and alternate producer members in the district in which they are eligible to vote.
- D. All handlers of record may vote for handler members and alternate handler members.
- E. A voter shall be eligible to vote in only one district. Voters who grow or handle avocados in more than one district must select one district in which they wish to vote. Voters who are eligible as both a grower and a handler must declare in writing prior to each election whether they will be voting as a grower or a handler.
- F. There shall be no proxy voting.

II. Nominations

- A. Any producer may be nominated for election to the Commission if he or she presents to the Commission a petition with the signatures of five (5) eligible producers (refer to Voter Eligibility and Qualifications for Nomination sections for clarification) in the district in which the person is seeking election. The petition must be received by the Commission by a date specified by the Commission annually. A producer already serving on the Commission may simply notify the Commission of his or her intention to run for re-election without providing a petition signed by five other producers of the same affiliation in the same district.

B. Handlers shall be nominated for election to the Commission when they present to the Commission a petition with the signatures of five (5) eligible handlers. The petition must be received by the Commission by a date specified annually by the Commission. A handler already serving on the Commission may simply notify the Commission of his or her intention to run for re-election without providing a petition signed by five other handlers.

C. All persons nominated to serve on the Commission must sign a statement of willingness to serve on a form prescribed by the Commission.

III. Voter Access Regulations

A. Candidates may request that the Commission conduct an informational mailing to producers eligible to vote pursuant to Voter Access Regulations established by the Commission.

IV. Qualifications for Nomination as Commission Member and Alternate

A. General Qualifications

1. **Good Standing.** Any person nominated shall be in compliance with all the requirements of the Commission Code of Conduct and Ethics and Commission law including, but not limited to, the prompt and timely payment of assessments, and the delivery to the Commission of assessment reports and records as prescribed by the Commission.

2. Limitations of Eligibility

a) Except as provided in subsection (b), not more than two individuals on the Commission and not more than one individual from any district shall be employed by or represent the same corporation, firm, partnership, association, or business organization. This limitation shall apply during each individual's entire term of office.

b) Not more than one individual shall represent the same handler on the Commission.

c) An individual may not run for more than one affiliation, producer or handler, on the Commission at a time. If an individual is nominated for more than one affiliation during an election, the nominee must declare in writing the affiliation, producer or handler, for which he or she will run.

- d) An individual currently seated on the Commission as a member or alternate may not run for another seat on the Commission without first resigning from their existing seat except as follows: an alternate desiring to run for his or her corresponding member's seat shall not be required to first resign his or her alternate seat.
- e) A member who resigns from the Commission shall not be re-seated by a majority vote of the Commission unless at least one year has elapsed since the date of the member's resignation. For the purposes of Paragraph VII.A of these Procedures, such individuals shall not be considered "qualified" persons during that one-year period.

B. Producers

1. Any person nominated as a producer shall certify to the satisfaction of the Commission that he or she is engaged, within the state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, etc.) which is not also involved in the handling of avocados. "Producer" does not include any person who has an average annual production of less than 10,000 pounds of avocados in the three preceding marketing years.
2. To be eligible to represent a district, a person must currently be an assessment-paying producer of avocados in that district.
3. A person shall be nominated in only one district. Producers who grow avocados in more than one district must select one district in which they wish to be nominated.
4. Any producer elected to the Commission shall maintain his or her qualifications during the entire term of office.

B. Handlers

1. Any person nominated as a handler shall certify to the satisfaction of the Commission that he or she has a financial interest in handling avocados for market either through ownership, employment or membership in a legal entity which is actively and directly engaged in the handling of avocados. For the purpose of qualifying for nomination, the term "actively and directly engaged in the handling of avocados" shall be defined as follows:

- a) Direct involvement (not through an agent) in the selling, marketing, distributing, receiving, grading, packing, canning, extracting, preserving, grinding, crushing or changing the form of avocados for the purpose of preparing avocados for market; and
 - b) Retaining ultimate control over the handling of avocados and liability for payment of CAC assessments.
2. To be eligible to serve in a handler seat, a handler or alternate handler shall handle no less than 1 percent of the total industry volume of avocados in the preceding marketing year.
3. Any handler elected to the Commission shall maintain his or her qualification during the entire term of office.

C. Disclosure of Affiliations

1. Any person nominated for a seat on the Commission shall submit to the Commission on a form provided by the Commission a Declaration disclosing all affiliations the nominee has within the avocado industry. The purpose of the disclosure is to insure that voters are fully informed of any such affiliations prior to the election of members and alternates to the Commission.
2. Persons elected to the Commission as members and alternates must submit an updated disclosure form to the Commission each time that person has a change of circumstances regarding their affiliations within the avocado industry. The updated disclosure must be submitted within 30 days of the change of circumstances.
3. For purposes of these election procedures, “affiliation” means any involvement with a producer or handler as an owner, director, officer, employee, representative, consultant, independent contractor, or other interest holder.
4. For purposes of these election procedures, a “change of circumstances” means any added or terminated affiliation, and any expanded or reduced affiliation by a Commission member or alternate.

5. Any person who claims to be aggrieved by misstatements or omissions in a Disclosure of Affiliations may petition the Commission for a hearing in accordance with established grievance procedures.

V. Balloting

A. On or about July 15 of each year, the Commission shall mail nomination/petition forms which identify the available seats for the next election to all eligible growers and handlers.

B. The Commission shall set a date by which all nomination forms/petitions and other required documents must be postmarked or returned to the Commission. Said date shall not be later than 45 days from the date on which the nomination/petition forms were mailed.

C. The names of all eligible nominees will be placed on a ballot and mailed to all growers and handlers, as appropriate, approximately the last week of September of each year. The ballots shall make it clear that write-in candidates are permitted. However, if a write-in candidate wins the election, within 30 days, that person must verify eligibility and provide all disclosure forms, signed nomination petition and other required documents to the Commission prior to being seated.

D. The Commission shall set a date by which all ballots will be postmarked or received by the California Department of Food and Agriculture (“Department”). The deadline set for postmark or receipt of ballots at the Department shall occur during the last week of October of each year, but in no event shall the deadline be less than 20 days from the date ballots were mailed to growers and handlers.

E. The Department will count the ballots and send written notice of the results of the election to the Commission within 15 days after the close of the balloting period.

F. Upon conclusion of the balloting period, individuals receiving the highest number of votes within each district and/or affiliation shall be offered his or her choice of the available seats, with the individual receiving the second highest votes offered choice of the remaining seats, and so on, until all seats within each district and/or affiliation have been filled.

G. In the event of a tie for any available seat, there shall be a drawing of lots to determine who shall be offered first choice of available seats.

H. The Commission will announce the results of the election and seat new members and alternates at the next Board meeting after receiving the results from the Department.

VI. Term Limits

A. Terms of office of each member shall be limited to four consecutive terms. Terms of office of each alternate shall be limited to four consecutive terms. However, if one or more partial terms occur (due to filling a vacancy or redistricting) consecutively with one or more full terms, the “four consecutive terms” shall be calculated (by example) as follows:

Member A serves a full term from November 1998 through October 2000, another full term from November 2000 through October 2002, then a partial term due to redistricting from November 2002 through October 2003. If elected again for the term beginning in November 2003, Member A will be starting his “third term” in November 2003 for purposes of term limits. He can then serve another full term from November 2005 through October 2007 before terming out of office.

B. Once an individual has served four consecutive terms as a member, he or she is not eligible to serve on the Commission as a member or alternate until at least one year has elapsed since the end of his or her last term. Once an individual has served four consecutive terms as an alternate he or she is not eligible to serve another term as an alternate until at least one year has elapsed. However, he or she is eligible for election as a member, and can serve another four consecutive terms as a member.

VII. Filling Vacant Seats on the Commission

A. A vacancy of any seat, member or alternate, on the Commission shall be filled, by a qualified person, for the unexpired portion of the term, by a majority vote of the Commission. Per Section IV.A.(2).(e), a member who resigns from the Commission is not qualified to be re-seated by a majority vote of the Commission until at least one year has elapsed since the date of the member’s resignation.

B. Nominations for appointment to a vacant seat may be solicited by the Commission prior to the meeting at which the appointment will take place and from the floor

at the meeting. All candidates for appointment to a vacant seat must meet the qualifications for that seat, and submit a qualification form, disclosure statement, and any other documents required by the Commission. Appointments to fill a vacant seat shall be conducted at a regularly scheduled Commission meeting as soon as practicable after the vacancy occurs.

C. Nominees for appointment to a vacant seat shall have the option to be present during any vote to fill vacant seats on the Commission. Such voting may not be conducted by secret ballot.

Adopted by CAC Board August 20, 1998
Approved by CAC Board March 17, 2016

**DECLARATION OF PRODUCER ELIGIBILITY AND
DISCLOSURE OF AFFILIATIONS
PRODUCER**

I declare that I am engaged, within this state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, or other) which is not also involved in the handling of avocados, and that my *grove* is located in California Avocado Commission District No. _____ (Refer to enclosed *Grove District Zip Code List*)

I **own** the following number of planted avocado acres in California _____ and derive _____% of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s)_____.

I **manage** the following number of planted avocado acres in California _____ and derive _____% of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s)_____.

I **pack** my fruit with the following handlers: _____; _____; _____; _____

In addition, I am involved in the avocado industry (*check and circle all that apply*):

- ___ No other involvement
- ___ Handler (owner/partner/officer/director/employee/stockholder)
- ___ Farm Manager/Consultant
- ___ Ag Researcher
- ___ Farm Supplies
- ___ Farm Equipment
- ___ Farm Services
- ___ Real Estate Services
- ___ Other interests from which I derive income that is in any way related to the avocado industry.
- ___ Holder of a personal financial interest in the production of avocados outside of California;
- ___ Holder of a personal financial interest in a handling operation (a) outside of California or (b) inside California that handles fruit produced outside of California.

Please briefly describe that financial interest and specify the location of the out-of-state/out-of-country operation:_____

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of *each* of my affiliations with the avocado industry. I understand that this form shall be reproduced and included with election information mailed to eligible voters.

SIGNATURE:_____ DATE:_____

Adopted by CAC Board August 20, 1998
Approved by CAC Board March 17, 2016

**DECLARATION OF HANDLER ELIGIBILITY AND
DISCLOSURE OF AFFILIATIONS
HANDLER**

I, _____, hereby declare that I have a financial interest in handling avocados for market primarily for producers.

I **own** the following number of planted avocado acres in California _____ and derive _____% of my gross avocado industry income from producing or causing to be produced avocados.

I **manage** the following number of planted avocado acres in California _____ and derive _____% of my gross avocado industry income from producing or causing to be produced avocados.

In addition, I am involved in the avocado industry (*check and circle all that apply*):

- ___ No other involvement
- ___ Producer (owner/partner/officer/director/employee/stockholder)
- ___ Farm Manager/Consultant
- ___ Ag Researcher
- ___ Farm Supplies
- ___ Farm Equipment
- ___ Farm Services
- ___ Real Estate Services
- ___ Other interests from which I derive income that is in any way related to the avocado industry.
- ___ Holder of a personal financial interest in the production of avocados outside of California.
- ___ Holder of a personal financial interest in a handling operation (a) outside of California or (b) inside California that handles fruit produced outside of California.

Please briefly describe that financial interest and specify the location of the out-of-state/out-of-country operation: _____

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of *each* of my affiliations with the avocado industry. I understand that this form shall be reproduced and included with election information mailed to eligible voters.

SIGNATURE: _____ DATE: _____

Adopted by CAC Board November 19, 2015
Concurred in by the Secretary February 25, 2016
Approved by CAC Board March 17, 2016

REDISTRICTING PROCEDURES

California Avocado Commission (Commission) law (California Food and Agricultural Code Section 67042) requires that the Commission establish procedures for the purpose of redistricting. The established procedures shall be as follows:

1. Composition.

As defined in law, the Commission shall be composed of no fewer than three (3) and no more than five (5) districts within the state, each representing a relatively equal percentage of the avocado production in California.

2. Reapportionment.

Districts shall be reapportioned every fifth year in accordance with the following redistricting procedures:

- A. The Commission shall review production data, collected for the five preceding fiscal years, to determine if existing district lines continue to equitably represent the California avocado industry.
- B. If the Commission determines that the existing district composition does not best serve the California avocado industry, it shall utilize the most relevant production and industry statistical data available, including acreage inventories, to draw new district boundaries.
 - 1. The production data used by the Commission to support the need for redistricting shall be the same production data used to draw new district boundaries.
- C. The Commission shall configure new districts in a manner that equitably represents its constituents and consisting of no fewer than three and no more than five

districts, each representing a relatively equal percentage of the avocado production in California.

1. The redrawn districts shall strive to:
 - i. Represent a relatively equal percentage of the avocado production, with a variance goal of no more than 10 percent.
 - ii. Be composed of avocado producing areas that are as contiguous as practicable.

D. The Commission shall complete the reapportionment process and approve redrawn district boundaries, by a two-thirds vote, no later than March 31 of the fiscal year prior to the new districts' effective date. New district boundaries shall become effective with the commencement of the new fiscal year, November 1, and remain in effect for a period of five years.

E. In the event that the Commission is unable to agree upon district boundaries by a two-thirds vote, by March 31, the Commission shall notify the secretary who shall, within 10 days of receiving the notification, appoint an arbitrator. The arbitrator shall, within 80 days, reapportion existing districts to comply with the reapportionment procedures outlined above.

POLICY ON CASH RESERVES BALANCE

The purpose of the California Avocado Commission’s Reserves Policy is to ensure the stability of the mission, programs, and ongoing operations of the organization. It is intended to provide a source of internal funds to support organizational priorities included within strategic and operational plans.

The target minimum fiscal year-end Operating Reserve balance is equal to six months of average operating costs, or an amount not less than five million dollars. The calculation of average monthly operating costs includes all recurring expenses such as administrative and contracted professional services, and also incorporates estimated Marketing program expenses and research project costs.

The Reserve balance is intended to provide funding for organizational costs from the beginning of the fiscal year to first receipts of assessment revenue. Additionally, the reserve balance can be utilized for unforeseen opportunities that arise during the year, to mitigate the imprecise nature of production estimates made prior to the start of a season, which directly affects revenue projections, to respond to crises that may occur during the year, and to avoid utilizing borrowed funds from the line of credit.

The amount of the Operating Reserve target minimum will be adjusted each year in conjunction with approval of the annual budget and will be reviewed by the Finance Committee and Board of Directors.

Adopted by CAC Board July 18, 1985
Approved by CAC Board March 17, 2016

PROCEDURES FOR ESTABLISHING ANNUAL ASSESSMENT RATE

The Commission shall adhere to the following procedures in establishing the annual assessment rate prior to the beginning of each marketing season.

1. The Finance Committee of the Commission shall annually recommend to the Commission an assessment rate for the marketing season (November 1 through October 31).
2. The Commission shall adopt an assessment rate at its October meeting which shall take effect on November 1 of each year. The assessment rate adopted by the Commission shall not exceed six and one-half percent (6 ½ %) of the gross dollar value of the sale of avocados.
3. All interested parties shall be immediately notified of the decision of the Commission.

Adopted by CAC Board July 18, 1985
Approved by CAC Board May 18, 2017

AFFIDAVIT OF NONCOMMERCIAL PRODUCER

Pursuant to provisions of the California Avocado Commission (CAC) law (Sections 67039 and 67102 of the Food and Agricultural Code) noncommercial avocado producers are exempt from payment of CAC assessments. While the Commission makes every attempt to properly classify noncommercial producers, producers from whom assessments are collected may apply for the refund of assessment payments following the close of any marketing season in which payments have been made. The Commission shall refund assessment payments if the producer demonstrates to the satisfaction of the Commission that the avocados were produced for noncommercial purposes.

I hereby declare that I produced avocados on a noncommercial basis and that:

I produced avocados only for my own home use; or

My avocado trees are used only for ornamental purposes; or

My average annual production was less than 10,000 pounds of avocados in the three preceding marketing years.

I swear (affirm) under penalty of perjury that the foregoing statements and declarations are true and accurate to the best of my knowledge and belief.

Date: _____

Signature

(Printed Name)

My legal residence is:

Street Address or P.O. Box Number

City

County

Zip Code

Grove Address (if different)

County

City

Zip Code

ASSESSMENT POLICY

1. GENERAL INSTRUCTIONS

California Avocado Commission law (Food & Agricultural Code Section 67001 et seq.) requires handlers to deduct assessments from monies paid or credited producers from whom avocados were received, and to pay such monies (which are held in trust) to the California Avocado Commission.

2. DEFINITIONS

The following definitions apply to this Policy:

- A. **“Handler”** means any person who engages, in this state, in the operation of selling, marketing, or distributing avocados which he or she has produced or purchased or acquired from a producer, or which he or she is marketing on behalf of a producer, whether as owner, agent, employee, broker, or otherwise. “Handler” also includes any person engaged as a processor in the business of processing avocados. “Handler” does not include a cooperative bargaining association that recommends that its members market their avocados through specified handlers and which otherwise is not involved in the sale of avocados. “Handler” also does not include a retailer, except for a retailer who purchases or acquires from any producer, or handles on behalf of any producer, avocados which were not previously subjected to regulation by the Commission.

- B. **“Producer”** means any person who is engaged, within this state, in the business of producing, or causing to be produced, avocados for market. “Producer” does not include any person who has an average annual production of less than 10,000 pounds of avocados in the three preceding marketing years, as determined by the Commission.

3. CALCULATING ASSESSMENTS

- A. The assessment is set annually by the Commission. The Commission may use any reasonable method of calculation which will result in an assessment that does not exceed 6-1/2 percent of the gross dollar value of the year's sales of avocados by all producers to handlers, or which are sold by handlers on behalf of growers.
- B. If the assessment rate in effect was set as a percent of gross dollar value, the following will apply to the assessment calculation:
 - 1. The costs of picking or grove care performed by the handler which are deducted from the amount paid to the Producer must be added back into the amount paid to the producer for the purpose of calculating the assessment.
 - 2. Hauling allowances credited to producers for delivery of avocados to the handler's dock are to be itemized on the handler's purchase statements and deducted from the price paid to the producer before computing assessments.

4. REPORTING AND PAYMENT

Assessment reports are to be filled out monthly, reporting the monthly volume received and price assigned, of avocados received for handling. Assessment reports and payments are due and payable on the last day of the month following the month in which avocados were received for handling. The assessment rate applied shall be that rate which was in effect at the time avocados were received for handling.

5. PENALTY AND INTEREST

- A. Assessments which are not paid by the last day of the month following the month in which avocados were received for handling are considered delinquent and a TEN PERCENT (10%) late payment charge will be added at that time. The postmark (Post Office cancellation date) on the envelope containing the payment shall be considered as date of payment, regardless of the date entered on the assessment form.
- B. In addition to the 10% late payment charge, interest at the rate of ONE AND ONE-HALF PERCENT (1.5%) per month will be charged on the unpaid balance. Interest begins accruing on the first day after the assessment payment is delinquent.

6. PRODUCER OBLIGATIONS

The producer is obligated to pay the assessments and determine that appropriate amounts have been deducted from payments made or credited to him by the handler.

7. HANDLER OBLIGATIONS

The handler is required to:

- A. Collect assessments and hold such funds as a trustee;
- B. File assessment reports and remit collected assessments to the Commission in a timely manner;
- C. Keep complete and accurate reports (as described below) of all avocados received, which shall be preserved for two years and made available to the Commission on demand; and
- D. All assessments shall be paid to the Commission by the handler first handling the avocados. Every handler shall be primarily and personally liable for the payment of any such assessment, and failure of a handler to collect the assessment from any producer shall not exempt a handler from liability.

8. PRODUCERS ACTING AS HANDLERS

- A. A producer who sells his avocados directly to a buyer who is not a handler is a handler and must also fulfill the assessment collection and reporting obligations of a handler.
- B. When the producer is also the handler, the assessment is based on the following, less amounts described in C, below, if applicable:
 - 1. The price received by the producer from buyers who are not handlers, or the pounds sold, marketed, or distributed by the producer to buyers who are not handlers (depending on the assessment method used by the Commission for that marketing season).

- C. If the assessment rate in effect was set as a percent of gross dollar value, the producer acting as a handler may deduct the following sales and packing costs from the basis determined pursuant to B above before computing the assessments owed: containers, packing labor, hauling, and brokerage fees.

9. **RECORDS TO BE MAINTAINED BY HANDLERS**

- A. A monthly summary containing the date avocados were received, producer name, field receipt numbers, total pounds and varieties collected less any tare and cull weight, net pounds for which the producer was paid or credited, handler picking costs deducted from amounts paid to the producer, amounts paid to the producer, date producer was paid, and the assessment rate and amount related to each pack out.
- B. All field receipts, pack out reports and any other relevant information used to compile assessment reports.

10. **VIOLATIONS**

It is a misdemeanor to willfully furnish false reports, statements or records required by the Commission; to willfully fail to render or furnish a report, statement, or record required by the commission; or to secrete, destroy, or alter records required by the Commission.

11. **QUESTIONS**

In the event you have any questions regarding the payment of assessments, submission of assessment reports or other obligations under Commission law, please contact the Commission office.

INTERNAL CONTROL POLICY

The California Avocado Commission (CAC) uses a system of internal controls to safeguard its assets and ensure the integrity and reliability of its financial information, compliance with laws and regulations as well as performance efficiency to meet its objectives. CAC's management is responsible for developing, maintaining and implementing adequate internal control over financial reporting. It is the responsibility of all employees to understand and comply with the internal controls set by management. CAC's Board of Directors (Board) reviews and monitors the internal controls implementation and management is required to inform the Board or its designee (e.g. Finance Committee) of any changes made to the internal controls in a timely manner. CAC's internal controls shall be adequately documented in the *CAC Internal Control Policies and Procedures*.

CAC Internal Control Policies and Procedures shall address or contain the following measures:

1. Authorization, recording, custody of asset, reconciliation or audit functions shall be segregated whenever possible.
2. When segregation of duties is not implemented, applicable compensating controls shall be established.
3. Internal control measures to deter and detect fraud and mistakes shall be implemented.
4. Review of compliance with laws and regulations shall be conducted periodically.
5. Internal controls shall incorporate applicable guidelines set by the United States Department of Agriculture (USDA) and California Department of Food and Agriculture (CDFA).
6. Assessment shall be collected based on the Assessment Policy set by the Board.
7. Late assessment payment collection procedures shall be established.
8. Material and applicable purchases require proper advance authorization and conformance with an adopted bidding process.
9. Cash disbursements and their source documents shall be processed after proper authorization.

10. Adequate internal controls shall be designed to ensure proper coding and period of transactions and accurate reporting.
11. Management is responsible for the proper recording of acquisition, amortization/depreciation and disposal of fixed assets.
12. Management shall perform periodic inventory count of all material assets of CAC.
13. Management shall provide monthly financial reports to CAC Board or Finance Committee for review.
14. CAC Board approves the budget on an annual basis. Management is required to inform Finance Committee of any tactical adjustments to the budget. Any major inter-departmental budget changes as well as significant new money request shall be pre-approved by the Board.
15. Board members shall have access to CAC's non-confidential records at any time to conduct a review or audit.
16. Establishing or renewing line of credit or bank account requires CAC Board's approval.
17. CAC Board or its designee shall review all contracts in the amount of \$25,000 and above.

Adopted by CAC Board January 18, 1990
Amended by CAC Board May 16, 1991
Amended by CAC Board August 16, 2007
Amended by CAC Board March 17, 2011
Approved by CAC Board March 17, 2016

ANTI-THEFT REWARD PROGRAM

A. PERSONS ELIGIBLE TO RECEIVE A REWARD (CLAIMANTS)

Any individual who:

1. Provides information directly leading to the arrest and/or conviction of another for the unlawful taking, transporting, selling, or possession of California avocados;
2. Provides information directly leading to the confiscation and/or return of stolen avocados to the rightful owner; or
3. Provides information leading to the prevention of an avocado theft in progress.

The Following individuals are not eligible to receive a reward:

1. Current members and alternate members of the Commission Board of Directors and their immediate families;
2. Commission employees, staff, and their immediate families;
3. Avocado Inspection Program inspectors and their immediate families; and
4. Persons having any financial interest in the stolen avocados and their immediate families.

B. AMOUNT OF REWARD

Rewards will be presented to claimants according to the chart below in amounts up to \$2,500, payable upon the arrest of a suspect, and/or recovery of stolen fruit (exceeding 50 pounds), plus up to \$2,500 payable upon conviction for an avocado related crime.

CRIME	ARREST and/or RECOVERY	CONVICTION
Infraction	\$250	\$250
Misdemeanor	\$500	\$500
Felony	\$2,500	\$2,500

Rewards deemed payable shall be divided equally among all eligible claimants. Only one reward shall be presented for each occurrence, regardless of the number of perpetrators involved in the occurrence. Only one reward shall apply for each arrest and/or conviction of a perpetrator regardless of the number of theft occurrences which lead to that arrest/conviction. A claimant who provides information leading to a subsequent arrest/conviction of the same perpetrator may be eligible to receive a subsequent reward. Rewards exceeding the combined total of \$5,000 may be given under special circumstances upon a majority vote of the Commission Executive Committee.

C. PROCEDURE

Claimants for anti-theft rewards, or other interested persons, should notify the Industry Affairs Department of the California Avocado Commission that an arrest, conviction, confiscation of fruit, or other eligible event has taken place. Claimants must submit the following documents and information:

1. Claimants' full name(s);
2. Claimants' social security number(s);
3. Claimants' current mailing address(es);
4. Names and address of current employer;
5. Copies of all crime incident reports or other law enforcement summaries of the occurrence. These documents must clearly reflect the claimants' involvement and eligibility for a reward, otherwise the claimants should provide Industry Affairs staff with a letter from the investigating law enforcement agency verifying their involvement and eligibility.

6. Copies of clerks' dockets, or other court documents clearly indicating a conviction for avocado related crimes.

Staff will verify the claimants' eligibility to receive a reward and determine the amount of the reward based on the criteria set forth above. Staff will not contact law enforcement agencies or the court to gather additional information. Claimants' will have the entire burden of providing staff with supporting documents. Staff will complete its review and decision on rewards within ten (10) days from receipt of the claim and all necessary supporting documents and information.

If special circumstances exist to support a reward exceeding \$5,000 staff will prepare a brief, written summary of the case and a reward recommendation for review by the Commission Executive Committee. A majority of the Executive Committee members must approve staff's recommendation, either by written correspondence or at a regularly scheduled Commission meeting, before a reward may be presented to the claimant in excess of \$5,000. It will be the responsibility of the claimant to notify the Industry Affairs Department of further developments in the case (such as additional arrests or convictions) which would make the claimant eligible for additional rewards.

AVOCADO MARKETING RESEARCH INFORMATION CENTER (AMRIC) **PROCEDURES**

Pursuant to provisions of law (California Avocado Commission) beginning with Food and Agricultural Code 67001, the Commission is authorized to adopt procedures to implement AMRIC. Food and Agricultural Code 67094 requires that the Secretary of the Department of Food and Agriculture approve these procedures prior to the collection and dissemination of market price information.

AMRIC PROCEDURES

- A. All handlers of California and non-U.S. avocados doing business in California who are not otherwise exempt from this requirement shall report the following information to the Commission for each day they handle avocados.
1. **Shipments:** All California and non-U.S. avocado volume shipped shall be reported in 25-pound lug equivalency by destination, variety, type, grade and size including handler FOB market price information on sales that have occurred.
 - (a) **Destination** shall be reported as the “ship-to” U.S. five-digit postal zip code or export country code (ISO 3166).
 - (b) Avocado **origin** shall be specified by country or U.S. state. Where origin is not specified the origin will be recorded as California.
 - (c) Avocado **varieties** shall be reported separately for Hass, Fuerte, Bacon, Pinkerton, Lamb-Hass. All other avocado varieties will be reported as “Other”. Where variety is not specified variety will be recorded as Hass.
 - (d) Avocado **type** shall be specified as either conventional or organic and reported on each report entry.
 - (e) Avocado **grade** shall be specified as either #1s or #2s and reported on each report entry.
 - (f) Avocado **sizes** 20, 24, 28, 32, 36, 40, 48, 50, 60, 70, 84, 96 shall be reported on each report entry.

(g) Handler FOB market price information based on sales which have occurred. FOB market price does not include freight, brokerage fees, transfer fees, pre-conditioning fees, or any other fees added to the price. Unpriced sales at the time of shipment or consigned sales shall be reported with a zero-dollar price.

(h) Shipments that should NOT be reported include:

1. #3 or cull avocado sales
2. avocados sold in bins to other handlers
3. sales of packed California avocados purchased from parties other than growers, including fruit purchased from brokers or other handlers

2. **Inventory:** On hand packed California and non-U.S. avocado inventory in 25-pound lug equivalency in storage or in-transit within U.S. borders, by country of origin, variety, type, grade and size. On hand unpacked California avocado inventory volume in pounds by variety.

(a) Import avocado supply should not be reported as inventory until it has cleared U.S. Customs.

3. **Sold:** Pre-booked California and non-U.S. avocado sales volume in 25-pound lug equivalency by country of origin, variety, type, grade and size. Pre-booked sales include committed inventory which has a written order, and is expected to ship within the next 72-hours.

4. **Bin Count:** A California avocado bin count of bins received from the previous day by variety, grade and growing region for an early morning inventory summary.

B. The information shall be reported by each qualified handler to the Commission for the previous day's sale by 12:00 p.m. on the day following the sale, except for sales occurring on Fridays, weekends or holidays shall be reported on the next occurring weekday.

C. The Commission shall release the aggregate data on or about 5:00 p.m. on the day the information is reported in a pre-approved report format. The Commission shall release the cumulative early morning inventory before 8:15 a.m. on the day the information is reported in a pre-approved report format.

- D. The identity of each handler and the information reported shall be kept confidential and not made public under any circumstances. However, aggregate figures which do not identify a handler may be disclosed by the Commission. In the case of FOB market price information, the Commission shall only report the computed industry average prices paid.
- E. The Commission shall provide all handlers who handled a minimum of one percent (1%) of the previous years' total California crop volume with necessary technical support for reporting the above described information. Handlers who annually handle less than one percent (1%) of the previous year's total California crop volume are exempt from the reporting requirements of these procedures. Handlers who handle less than one million pounds of non-U.S. fruit from all sources are exempt from reporting their non-U.S. fruit under these procedures.
- F. Avocado handlers, growers, or other industry members shall have daily access to the aggregate data through the AMRIC web site provided by the Commission. Any interested persons may request additional detail information by calling the Commission office.
- G. It is a misdemeanor to willfully render or furnish a false report, statement or record required by the Commission. The Commission also may commence civil actions and utilize all remedies provided in law or equity to obtain injunctive relief or specific performance with respect to the collection and dissemination of information specified in these procedures.
- H. A change in Commission law is required before AMRIC can be discontinued.

AUDIT PROCEDURES

To insure the accuracy of data reported to AMRIC, the Commission shall periodically audit handler records in accordance with the following procedures:

- A. Commission staff or designated representative will visit handlers and check specific AMRIC reports against the handler's actual invoice.
- B. The Commission will choose the day to be audited and receive permission from the handler at least 24 hours in advance of the audit.

- C. All information will be kept confidential and will not be published.

CONFIDENTIALITY PROCEDURES

Commission law requires that all handler information be kept confidential. To insure handler confidentiality, the Commission has adopted the following procedures:

- A. The individual handler reports are only seen by the AMRIC system administrator and Commission management, as determined by Commission President.
- B. Unless approved by Commission President, any other Commission staff or Board members do not have access to the individual handler information.
- C. The computer that generates and stores the individual handler reports is off-site and printed copy is only seen by Commission management, as approved by Commission President.
- D. The computer hosting the AMRIC database utilizes technological security features that have been approved by Commission management.

TELECONFERENCE OR WEB-BASED APPLICATION MEETING GUIDELINES

These policies are adopted pursuant to FAC Sections 58853 and 63906. These Sections were added to the FAC by Assembly Bill 1976 (Chapter 451) passed by the Legislature on September 9, 2016 and signed into law by Governor Brown on September 22, 2016.

For the purpose of these policies, “Commission” means the California Avocado Commission, including any committee established by the Commission. “Members” means members and alternate members of the Commission’s board of directors and any committee established by the Commission consisting of three or more persons.

Section 1

Teleconference Meetings are Public Meetings

In order to ensure transparency in the conduct of State business, all Commission meetings are open for the public to attend and to comment on any matter within the Commission’s purview. All meetings are subject to, and shall comply with, the Bagley-Keene Open Meeting Act (reference Sections 11120 through 11132 of the California Government Code and FAC Sections 58853 and 63906). All meetings shall be noticed at least ten days in advance and include an agenda of the topics to be discussed and/or acted upon.

Section 2

Teleconference Meeting Notices

Teleconference meeting notices shall comply with all notice requirements for meetings of a state body as those requirements are modified in FAC Sections 58853 and 63906. The meeting notice shall:

- a. Include the conference telephone number and the participant passcode prominently displayed in proximity to the date and time at which the meeting will be held;
- b. If an internet site will be used as a resource or location, the URL must be included on the meeting notice;

- c. Designate a primary physical meeting location at which at least one member of the state body will be present during the meeting and at which the public may attend;
- d. Documents made available to members shall be posted to the Commission's and CDFA's meetings webpages at the same time as they are distributed to the members.

Section 3
Member Notification of Intent to Participate by Teleconference

Any member who intends to participate in a meeting by telephone or Web-based application must notify the Commission office at least 24 hours prior to the start of the meeting. To ensure compliance with this requirement:

- a. The meeting notice shall include the name of the staff person whom members must contact to notify of their intent to participate electronically.
- b. The person to whom notification is provided shall maintain a record of those members providing such notice, along with the written notification, or in the case of notification by phone, a phone log shall be maintained.
- c. The published notice and agenda shall be amended to include the names of the members attending by teleconference at least 24 hours prior to the meeting.
- d. If a member does not provide 24-hour notice of participation, there will be no remedial action for the first occurrence. Upon a second occurrence, where the member participates by teleconference but does not meet the 24-hour notice requirement, the member will be allowed to participate in the meeting but will not be allowed to vote on any agenda items.

Section 4

Minutes of Teleconference Meeting

The minutes to a teleconference meeting shall indicate the members who participated electronically. The minutes shall also note any member who participated electronically but did not meet the requisite notice requirement pursuant to Section 3.

Section 5

Procedures for Canceling and Rescheduling Meetings

If a teleconference meeting is canceled, the designated call-in number shall provide a voice message for callers alerting them to the cancellation and a notice of the cancellation shall be provided as soon as possible on the Commission's and Department's meetings webpages.

A teleconferencing or internet-based service with the ability to manage caller interaction may be used, as needed, to assist the Commission in managing the meeting.

AVOCADO INSPECTION PROGRAM (AIP)
ACCOUNTING PROCEDURES

I. REVENUES

A. Agreements

1. General

- a. Each handler of avocados shall pay to the Avocado Inspection Program (AIP) an inspection and certification fee each month. The fee is set at the beginning of each California Food and Agriculture (CDFA) fiscal year on July 1st and shall be based on the number of pounds certified. The CDFA Branch Chief of Standardization sends a letter to all handlers indicating the current fee, which cannot be greater than \$0.25 per hundredweight of pounds prepared for market.
- b. If fruit to be certified is below 200,000 pounds per month a fee for hours and miles will be charged if travel by an AIP Inspector to the handler is performed. A handler has the option to present their avocados for inspection and certification on a date, time, and district office location specified and pay only the prevailing hundredweight fee. If fruit to be certified is more than 200,000 pounds per month the prevailing hundredweight fee will be charged regardless of whether travel for certification is performed.
- c. Certification fees are due and payable on or before the 10th day of the month following the month in which avocados are certified. If a handler has a fixed facility and a good payment record they may pay once a month on or before the 10th. If a handler does not have a fixed facility and/or presents avocados for certification at a district office at irregular times, they must pay the certification fee at the time fruit is certified. If a handler does not have a good payment record they must pay at the time the fruit is certified.

- d. A late payment penalty of 10% will be charged on any certification not paid on or before the 10th of the month in which the fee becomes due and payable.
- e. An interest charge of 1 1/2% is added for each 30 days the delinquent balance is unpaid.

2. Monthly Certification Reports

- a. Certification Reports are distributed to all handlers by the AIP Supervisor to be filled out. The Certification Report requests the following information:
 - 1) Name and address of handler.
 - 2) Number of pounds and variety of avocados which were certified.
 - 3) Per hundredweight charge calculated by number of pounds reported or calculated mileage and hourly charge.
 - 4) Total amount of certification to be remitted.
 - 5) Signature of inspector and date certification was completed.
 - 6) Signature of handler or representative and date certification was completed.
- b. Certification Reports are confidential and are not available for examination.

3. Receipts, Deposits and Recording

- a. Certification Reports and fees are to be mailed to the AIP bank lock box by all handlers who have had more than 200,000 pounds of fruit certified that month. Other handlers may use this same process or pay directly to the AIP Inspector upon certification and inspection.
- b. Certification Reports are checked for accuracy and processed by the California Avocado Commission's (CAC) accounting assistant.

- c. A cash receipts journal is posted daily by CAC's accounting assistant when deposits are received. The journal includes the following information:
 - 1) Date of deposit.
 - 2) Amount of deposit.
 - 3) Name of handler.
 - 4) General ledger accounts affected (cash, revenue, penalties, misc.).
 - 5) Description of payment.
- d. Certification Reports and deposits are filed by CAC's accounting assistant in month and in date order.

4. Monthly Reports

- a. A Pounds Packed report is prepared each month by the AIP Supervisor and sent to CAC's accounting assistant that includes the following information:
 - 1) Handler name.
 - 2) Handler district.
 - 3) Number of pounds reported and/or calculated mileage and hourly charge.
 - 4) Total amount of certification to be remitted.
- b. The Pounds Packed report is used to compare pounds and dollars reported to CAC against what was certified by AIP. If pounds are certified but fees have not been paid to CAC, the AIP Supervisor is notified and the CAC accounting assistant follows up on the delinquent payment. If fees have been paid to CAC but they are not included in the Pounds Packed report, the report is corrected and returned to the AIP Supervisor.

- c. Late notices are sent out if a delinquent payment is not received by CAC or AIP by the 18th of the month in which the assessment became due and payable. A second notification letter is sent within two weeks and by the last day of the month. A third letter is sent by certified mail within 15 days after the second letter. The AIP Supervisor also notifies the handler by phone. If payment has still not been resolved, legal action may be taken to obtain payment.

II. EXPENDITURES

- A. All certification moneys received shall be used only for the AIP approved administration and enforcement programs.
- B. All expenditures shall be approved by the AIP Supervisor or the CAC Financial Officer.
- C. All invoices shall be sent to the CAC accounting department where they will be checked for accuracy and proper approvals before payment is made.
- D. Disbursement checks shall have one signature required for amounts under \$1,000, and two signatures for amounts \$1,000 and above.
- E. Checks shall be mailed by the CAC accounting department.

III. PAYROLL

- A. The employees of the AIP are paid semi-monthly.
- B. A Payroll Summary report and AIP employee timesheets are sent to the Cooperative Agricultural Support Services Authority (CASS) by the AIP Supervisor and CASS processes the payroll through their in-house payroll department.
- C. Payroll is checked for accuracy by CASS and checks are distributed by CASS.
- D. Employees may elect to have their checks deposited directly to their bank account.
- E. CASS submits an invoice for payroll expense reimbursement to the CAC Human Resources department (HR).

IV. GENERAL ACCOUNTING

A. Bank Reconciliations

1. Bank reconciliations are prepared by the CAC Financial Officer or as designated.

B. Fixed Assets

1. All office equipment, furniture, etc. are entered on an inventory listing of fixed assets.
2. A physical inventory is made by the end of each year and the listing is updated.

C. Investments

1. Funds in excess of current operating requirements may be invested in eligible securities as prescribed by CAC.
2. The CAC Financial Officer is primarily responsible for investing excess funds. The CAC President is also an authorized investment signer.

D. Financial Statements

1. The CAC Financial Officer prepares a monthly statement of income and expenditures.
2. The statement of income and expenditures is distributed to the AIP Supervisor. This information is available to the Avocado Inspection Committee upon request.



CALIFORNIA AVOCADO COMMISSION

Employee Handbook

Effective March 17, 2016

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INTRODUCTION

Welcome to the California Avocado Commission (“CAC”). CAC is a California state government agency charged with the development and management of a national and international advertising program which will ensure that the California avocado industry can compete successfully in the marketplace and increase revenues to avocado producers. CAC’s activities include but are not necessarily limited to: advertising; promotion; production, nutrition, and marketing research; quality and maturity standards; the collection and dissemination of crop volume and related statistics; and public education.

This Employee Handbook is intended to help acquaint you with our policies. This handbook describes in general terms some of our employment guidelines and applies to all CAC offices. This handbook is not intended to be a contract of employment (express or implied). This handbook supersedes and replaces any and all prior handbooks that may have previously been in effect. CAC reserves full discretion to add to, modify, or delete provisions of this handbook and/or benefits, or the policies and procedures on which they may be based, at any time, with or without advance notice. This handbook applies to all CAC employees, whether the employee is working at a CAC-maintained office or from a home office.

This handbook is the property of CAC, and it is intended for your personal use and reference as an employee of CAC. Circulation of this handbook outside of CAC requires the prior approval of CAC’s President.

After reviewing the handbook, please sign the acknowledgment forms provided at the back of the handbook and return them to Human Resources. This will provide CAC a record that you received the handbook and are aware of its policies.

REQUIRED POLICIES

EQUAL EMPLOYMENT OPPORTUNITY POLICY

It is CAC’s policy to provide equal employment opportunity for all job applicants and employees. CAC does not unlawfully discriminate on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, veteran status, marital status, sex, age, sexual orientation, gender identity expression, or any other basis protected by federal, state, or local law, ordinance, or regulation. CAC also makes reasonable accommodations for disabled employees to the extent required by law. CAC prohibits the harassment of any individual on any of the bases listed above. This policy applies to all areas of

employment including recruitment, hiring, training, promotion, compensation and benefits.

EMPLOYMENT AT WILL

Your employment with CAC is not for any particular or definite term or duration. During the course of your employment, you are free to quit CAC at any time for any reason or no reason, and CAC reserves the right to terminate you in the same manner. Thus, both you and CAC will have the right to terminate your employment at any time, with or without advance notice, and with or without cause. Employees also may be re-assigned, demoted or disciplined, and the terms of their employment may be altered at any time, with or without advance notice and with or without cause, at the discretion of CAC. This is called “employment at-will” and no one other than the CAC Board of Directors has the authority to alter this arrangement, or to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to this policy.

POLICY AGAINST HARASSMENT

I. Purpose Of Policy

CAC is committed to providing a workplace free of unlawful harassment. This includes sexual harassment (which includes harassment based on pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions) and harassment based on sex, gender, gender identity, gender expression, transgender status, sex stereotype, as well as harassment based on such factors as race, color, religion, religious creed (including religious dress and religious grooming), national origin, ancestry, citizenship, age, physical or mental disability, legally-protected medical condition or information (including genetic information), family care or medical leave status, military caregiver status, military status, veteran status, marital status, domestic partner status, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, or any other basis protected by federal, state, or local laws. CAC strongly disapproves of and will not tolerate harassment of applicants, employees, unpaid interns, or volunteers by managers, supervisors, or co-workers. Similarly, CAC will not tolerate harassment by its employees of non-employees with whom CAC employees have a business, service, or professional relationship. CAC also will attempt to protect employees from harassment by non-employees in the workplace.

II. Harassment Defined

Harassment includes verbal, physical, and visual conduct that creates an intimidating,

offensive, or hostile working environment or that interferes with an employee's work performance. Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

Harassing conduct can take many forms and may include, but is not limited to, the following (when based upon an employee's protected status as noted above: slurs, jokes, statements, gestures, assault, impeding or blocking another's movement or otherwise physically interfering with normal work, pictures, drawings, or cartoons, violating someone's "personal space," foul or obscene language, leering, stalking, staring, unwanted or offensive letters or poems, offensive email or voicemail messages.

Sexually harassing conduct in particular may include all of these prohibited actions, as well as other unwelcome conduct, such as requests for sexual favors, conversation containing sexual comments, and other unwelcome sexual advances. Sexually harassing conduct can be by a person of either the same or opposite sex. Sexually harassing conduct need not be motivated by sexual desire to be violate of this policy.

III. Reporting And Investigating Harassing Conduct

CAC understands that victims of harassment are often embarrassed and reluctant to report acts of harassment for fear of being blamed, concern about being retaliated against, or because it is difficult to discuss sexual matters openly with others. However, no employee should have to endure harassing conduct, and CAC therefore encourages employees to promptly report any incidents of harassment so that corrective action may be taken. Any incidents of harassment, including work-related harassment by any CAC personnel or any other person, should be reported immediately to the President, who is responsible for investigating harassment complaints. An employee is not required to complain to the President if that person is the individual who is harassing the employee, but may instead report the harassment to his or her immediate supervisor or any other member of management, including the Board Chairperson. Supervisors and managers who receive complaints or who observe harassing conduct should immediately inform the President or other appropriate CAC official so that an investigation may be initiated.

Every reported complaint of harassment will be investigated thoroughly and promptly.

Typically, the investigation will include the following steps: an interview of the employee who lodged the harassment complaint to obtain complete details regarding the alleged harassment; interviews of anyone who is alleged to have committed the acts of harassment to respond to the claims; and interview of any employees who may have witnessed, or who may have knowledge of, the alleged harassment. The President, or other CAC official designated by the President for the investigation, will notify the employee who lodged the harassment complaint of the results of the investigation. The investigation will be handled in as confidential a manner as possible consistent with a full, fair, and proper investigation.

In addition to notifying CAC about harassment or retaliation complaints, affected employees may also direct their complaints to the California Department of Fair Employment and Housing ("DFEH"), which has the authority to conduct investigations of the facts. The deadline for filing complaints with the DFEH is one year from the date of the alleged unlawful conduct. If the DFEH believes that a complaint is valid and settlement efforts fail, the DFEH may file a lawsuit in court. The courts have the authority to award monetary and non-monetary relief in meritorious cases. Employees can contact the nearest DFEH office at the locations listed in CAC's DFEH poster or by checking the State Government listings in the local telephone directory.

IV. Corrective Action

CAC will not tolerate retaliation against any employee for making a good faith complaint of harassment or for cooperating in an investigation. If harassment or retaliation in violation of this policy is established, CAC will take corrective action. Corrective action may include, for example: training, referral to counseling, or disciplinary action ranging from a verbal or written warning to termination of employment, depending on the circumstances. With regard to acts of harassment by third parties or vendors, corrective action will be taken after consultation with the appropriate management personnel.

V. Anti-Harassment Training

Every CAC employee is required to undergo Sexual Harassment training within his/her first three (3) months of employment and at least once every two (2) years thereafter. In addition, all employees hired as or promoted to a supervisory or management position must undergo at least two (2) hours of interactive sexual harassment training within the first six (6) months of assuming a new supervisory or management position. Additionally, all supervisors and managers must complete at least two (2) hours of interactive sexual harassment training at least once

every two (2) years thereafter. An employee who fails to comply with this section may be subject to disciplinary action, up to and including termination of employment.

HIRING AND WAGES

EMPLOYMENT APPLICATIONS

CAC relies upon the accuracy of information provided in the employment application, as well as the accuracy of other data presented by the employee throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions may result in CAC's exclusion of the individual from further consideration for employment, or, if the person has been hired, termination of employment.

PROOF OF RIGHT TO WORK

Under federal law, all new hires must produce original documentation establishing their identity and right to work in the United States, and complete the required federal forms, swearing that they have a right to work in the United States.

EMPLOYEE CLASSIFICATIONS

Throughout this handbook, employees are classified in various ways, as set forth below.

I. By Number of Hours Worked

A. Full-Time Employees

Full-time employees are all those having a regular work schedule of 30 or more hours per week. Non-temporary full-time employees are eligible for all benefits.

B. Part-Time Employees

Part-time employees are all those having a regular work schedule of less than 30 hours per week. Part-time employees are eligible for some, but not all, CAC-sponsored benefits.

II. By Length of Employment

A. Temporary Employees

Temporary employees are those employees hired to work for CAC on special assignment with the specific understanding that such work will be completed within a short period of time. Temporary employees may be part-time or full-time. Individuals hired as temporary employees do not become non-temporary employees after any particular period of time, but remain temporary employees unless and until notified in writing of a change of status. Temporary employees are not eligible for most CAC-sponsored benefits.

III. By Method of Payment

A. Salaried Employees

Salaried employees are all those who are paid a fixed salary and not by the hour. The method of payment does not determine eligibility for overtime pay.

B. Hourly Employees

Hourly employees are all those who are paid by the hour. The method of payment does not determine eligibility for overtime pay.

IV. By Eligibility for Overtime Pay

A. Non-exempt Employees

Non-exempt employees are all those who are entitled to overtime pay under state and/or federal law.

B. Exempt Employees

Exempt employees are all those who are not entitled to overtime pay under state and/or federal law.

HOURS OF WORK, OVERTIME, AND PAY DAY

I. Hours of Work

CAC's regular business hours are 8 am to 5 pm. Employee work hours vary depending on the nature of your job. Your supervisor will inform you of your expected work hours and break times.

II. Meal and Rest Periods

A. Rest Periods

CAC authorizes and permits non-exempt employees working at least three and one-half hours in a day to take a ten-minute, off-duty paid rest period for each four hours worked or major fraction thereof. The 10 minutes do not include the reasonable time it takes to walk to and from a break area. Non-exempt employees who work more than six hours in a day may take a second rest period. Non-exempt employees who work more than 10 hours in a day may take a third rest period. Employees should take their rest periods in the middle of each work period to the extent it is practicable to do so, and not combine them with meal periods or skip them to leave work early.

B. Meal Periods

CAC provides employees who work more than five hours in a day with an unpaid 60-minute, uninterrupted meal period starting no later than the end of the fifth hour of work. CAC provides employees who work more than 10 hours in a day with a second unpaid 30-minute, uninterrupted meal period starting no later than the end of the 10th hour of work. Employees who work no more than six hours in a day may waive the first meal period. Employees who work no more than 12 hours in a day may waive the second meal period if they took their first meal period. Employees are entitled, encouraged, and expected to take all meal periods provided under this policy and not waived. During meal periods, CAC will relieve employees of all duty and will not exercise control over employees' activities. Employees are free to spend their meal period time as they choose (consistent with any other CAC policies that may apply during off-duty time) and are free to leave the worksite. No supervisor or manager may impede or discourage employees from taking meal periods provided under this policy.

III. Overtime

All non-exempt employees who work more than eight (8) hours in one workday or more than forty (40) hours in one workweek will receive overtime pay computed as follows:

- (1) Overtime at the rate of 1-1/2 times the employee's regular rate of pay for all hours worked in excess of forty (40) in any one workweek.
- (2) Overtime at the rate of 1-1/2 times the employee's regular rate of pay for the hours worked in excess of eight (8) hours in any one workday up to twelve (12) hours, and for the first eight (8) hours worked on the seventh day of work in any one workweek.
- (3) Overtime at the rate of double the employee's regular rate of pay for all hours worked in excess of twelve (12) in one workday, and for all hours worked in excess of eight (8) on the seventh day of work in one workweek.

Overtime will be computed on actual minutes worked, adjusted to the nearest 15-minute increment. Only those hours that are actually worked are counted to determine an employee's overtime pay. Compensated holidays, for example, are not hours worked and therefore are not counted in making overtime calculations.

Non-exempt employees must obtain prior authorization from their supervisor before working any overtime. **Working unauthorized overtime may result in discipline or termination of employment.**

IV. Workweek and Workday

Unless otherwise provided:

1. The workweek on which overtime calculations will be based begins each Sunday at 12:00 a.m. and ends Saturday at 11:59 p.m.; and
2. Each workday on which daily overtime calculations will be based begins at 12:00 a.m.

Only actual hours worked count toward computing daily and weekly overtime.

V. Pay for Mandatory Meetings and Training

CAC will pay non-exempt employees for their attendance at meetings, lectures, and training programs under the following conditions:

- Attendance is mandatory;
- The meeting, course, or lecture is directly related to the employee's job; and
- The employee who is required to attend such meetings, lectures, or training programs will be notified of the necessity for such attendance by his or her supervisor.

VI. Pay Days and Payroll Deductions

Paydays are on the 15th day and the last day of each month. If a regular payday falls on a weekend or holiday, employees will be paid on the preceding workday.

CAC will deduct required state and federal withholdings from your pay, as well as any court-ordered garnishments or attachments. Any errors in your paycheck should be immediately brought to the attention of your supervisor.

VII. Timekeeping

All non-exempt employees must record their time worked on CAC's approved timesheet form.

Time records should be prepared daily, for each pay period, and must be submitted to the appropriate office staff at the end of each pay period. It is important for you to keep accurate time records and to turn in timesheets when they are due.

Accuracy in timekeeping is essential. Falsification of any information on time records is a serious offense that will result in disciplinary action, up to and including immediate termination.

VIII. Expense reimbursements/Travel and Other Expenses

Reasonable authorized expenses incurred at CAC's specific request will be reimbursed by

CAC. Examples of such expenses are: meals, lodging, and transportation costs associated with business trips undertaken at CAC's request; and incidental purchases of supplies, tools, and equipment undertaken at CAC's request. Only reasonable, previously authorized expenses will be reimbursed. Employees using personal automobiles for travel at CAC's request will be reimbursed for mileage at the current IRS approved rate. All requests for travel reimbursement will be documented on the approved mileage/travel reimbursement form and in accordance with any then-adopted CAC policy regarding such reimbursements. Copies of receipts are required to be submitted for all travel and other expenses reimbursements. If you have any questions about what expenses are authorized and what expenses will be reimbursed, please direct them to your supervisor before you incur the expense.

IX. Advances

CAC does not permit advances against paychecks or against un-accrued paid vacation or paid sick leave.

EMPLOYEE BENEFITS

VACATION POLICY

CAC has established a vacation plan to provide eligible employees with time away from the workplace without loss of pay or benefits.

A. Eligibility and Accrual

All non-temporary full-time employees are eligible to accrue vacation benefits based on their continuous length of service. Eligible employees begin accruing vacation on their date of hire. Vacation accrues according to the following schedule:

Years of Continuous Service	Vacation Accrual
First day of employment through end of third year of continuous employment	6.67 hours per month up to a maximum of 80 hours per year (10 days ¹ per year).
Beginning of fourth year through end of tenth year of continuous employment	10 hours per month up to a maximum of 120 hours per year (15 days per year).
Beginning of eleventh year of continuous employment and thereafter	13.33 hours per month up to a maximum of 160 hours per year (20 days per year).

B. Part-time and Temporary Employees

Part-time and temporary employees do not accrue vacation benefits.

C. Maximum Accrual

Eligible employees may carry over accrued but unused vacation from one year to the next but accrual may not exceed 40 days (320 hours). We encourage employees to use their vacation time, but we recognize that due to the nature of some employees' jobs, it is difficult to schedule a vacation each year. Therefore, if an employee accrues 40 days of unused vacation time, CAC will compensate the employee for 10 days of vacation time at the employee's current rate of pay, thereby lowering their accrued total to 30 days. Any payment for 10 days of vacation upon reaching 40 accrued but unused days shall occur within 15 business days after the employee's accrual reaches 40 days.

¹ For purposes of this section on vacation leave and other paid days of leave, including but not limited to sick leave, bereavement leave, etc., a "day" for both accrual and use of leave is defined as 8 hours for full-time employees.

D. Vacation Accrual During Periods of Leaves of Absence

Unless required by law, no vacation accrues during an unpaid leave of absence. Vacation accruals recommence when the employee returns to work.

E. Vacation Pay on Termination

On resignation from or termination of employment, the employee is paid all accrued but unused vacation at the employee's base rate of pay at the time of his or her resignation or termination.

F. Vacation Approval

All vacations must be approved in advance by your supervisor.

G. Vacation Scheduling

Scheduling of vacations is to be done in a manner consistent with CAC's operational requirements. If practical, vacation requests should be submitted by employees to their supervisor for approval at least two weeks prior to the commencement of a vacation period. Vacation requests must be submitted in writing on an approved form. In the event that two or more employees have requested vacations covering the same period and may not be absent simultaneously, supervisors will make every effort to approve requests in a fair manner, including alternating approval of vacation requests between such employees. However, seniority will be considered in such cases.

H. Vacation Advances

An employee may not borrow or take vacation time before an employee accrues the vacation.

I. Holidays Occurring During Vacation

If an observed holiday (see guideline entitled "Holidays") occurs during an employee's scheduled vacation and the employee is eligible for holiday pay, no deduction from accrued vacation will be made for the holiday period.

J. "Working" while on vacation

There is no general expectation that employees are to work or “check in” while on vacation. Days away from work for vacation will not be considered “time worked” just because you voluntarily check your email or voicemail or perform work that was not requested by your supervisor. Time away from work for vacation that would normally be deducted from your accrued vacation leave (or deducted from your pay if no accrued vacation leave is available) will only be considered “time worked” if the activity performed during your vacation period was specifically and expressly requested by your supervisor.

HOLIDAYS

A. Recognized Holidays

CAC provides full-time employees the following paid holidays each year at the employee’s regular rate of pay. Part-time and temporary employees are not eligible for paid holidays.

1. New Year’s Day
2. Martin Luther King Jr. Day
3. President’s Day
4. Good Friday
5. Memorial Day
6. Independence Day (July 4)
7. Labor Day
8. Veterans’ Day
9. Thanksgiving Day
10. Day After Thanksgiving
11. December 24 and 25

Additional holidays may be provided by CAC in its sole discretion. Paid time off for holidays is not counted as hours worked for the purpose of calculating overtime compensation. Religious holidays not listed above may also be granted in the President’s sole discretion.

B. Weekends and Vacations

Generally, when a scheduled holiday falls a weekend, it will be observed on the following Monday. However, the President has the discretion to change the preceding and will notify employees ahead of time should a change be made. Holidays that occur during an eligible employee’s vacation will not be counted as vacation days.

C. Holidays Occurring During Periods of Leaves of Absence

Unless required by law, no holiday pay is provided during an unpaid leave of absence. Paid holidays recommence when the employee returns to work.

SICK LEAVE

In order to help prevent loss of earnings that may be caused by accident or illness, CAC has established paid sick leave for employees.

A. Eligibility and Accrual

All non-temporary full-time employees are eligible to accrue sick leave benefits at the rate of 6.67 hours per month (10 days per year) beginning on their date of hire. Non-temporary full-time employees may carry over accrued but unused sick leave from year to year and may accrue up to 90 days of paid sick leave. Once this 90 day maximum is reached, all further accruals will cease until some sick leave has been used and the total drops below the 90 day maximum.

Beginning on July 1, 2015, part-time and temporary employees shall receive 3 days/24 hours of paid sick leave on July 1, 2015 or on their date of hire, whichever is later, and shall receive another 3 days/24 hours each year thereafter (either on July 1 of each year or on the anniversary date of their hire, as applicable). Unused days/hours of paid sick leave may be carried over from one year to the next so long as the total does not exceed 6 days/48 hours. Once the 6 day/48 hour maximum is reached, all further accruals will cease until some sick leave has been used and the total drops below the 6 day/48 hour maximum.

B. Use

1. Sick leave may be taken for the employee's personal illness, emergency, or disability, or for an illness, emergency, or disability in the employee's immediate family. "Immediate family" is defined as the employee's spouse (including a registered domestic partner), children, parents, grandparents, brothers, sisters, and parents of the employee's spouse. If practical, sick leave requests should be submitted by employees to their supervisor for approval in advance of the absence. In no event should an employee report a sick leave absence to his/her supervisor more than 2 hours after the start of the workday on which the sick day is taken.

2. Medical and dental appointments will be treated as sick leave and deducted from your accrued sick leave hours.

3. CAC retains the right to request verification from a licensed medical practitioner for any absence due to illness or disability. Sick pay may be withheld if a satisfactory verification is not received.

C. Pay in Lieu of Sick Leave

No employee will receive pay in lieu of sick leave under any circumstances, and employees will not receive pay for unused sick leave upon resignation from or termination of employment.

D. Sick Leave Accrual During Periods of Leaves of Absence

Unless required by law, no sick leave accrues during an unpaid leave of absence. Sick leave accruals recommence when the employee returns to work.

E. “Working” While on Sick Leave

There is no general expectation that employees are to work or “check in” while on sick leave. Hours or days away from work for illness or injury will not be considered “time worked” just because you voluntarily check your email or voicemail or perform work that was not requested by your supervisor. Time away from work for illness or injury that would normally be deducted from your accrued sick leave (or deducted from your pay if no accrued sick leave is available) will only be considered “time worked” if the activity performed during your sick leave was specifically and expressly requested in writing by your supervisor.

MEDICAL INSURANCE

CAC pays the premium for comprehensive major medical benefits for regular full-time employees. CAC also pays the majority of the premium for eligible dependents. (Please see Human Resources for the current Summary Plan Description).

Effective Date of Coverage

Non-temporary full-time employees are eligible for coverage on the first day of the calendar month following the completion of 30 continuous days of service.

The Plan Document

You may refer to the Summary Plan Description for a general overview of coverage. In the event of a conflict of information with this policy, the Summary Plan Description, or the Plan Document, the Plan

Document is the final authority.

Continuation Rights

Upon termination of your employment or upon other disqualifying events, you and/or your eligible dependents may be entitled to elect to continue coverage under our group health insurance program(s) or convert to individual coverage by paying the cost of the premium(s) directly to our insurance carrier. Information on this important benefit may be obtained by calling our insurance carrier directly.

DENTAL INSURANCE

CAC provides dental insurance for non-temporary full-time employees and their eligible dependents. The information provided above in regard to the effective dates of coverage, the plan document, and insurance continuation rights for medical insurance applies to your dental benefits as well. (Please see Human Resources for the current Summary Plan Description).

VISION INSURANCE

CAC provides vision insurance for non-temporary full-time employees and their eligible dependents. The information provided above in regard to the effective dates of coverage, the plan document, and insurance continuation rights for medical insurance applies to your vision benefits as well. (Please see Human Resources for the current Summary Plan Description).

LIFE INSURANCE

CAC provides group life insurance to non-temporary full-time employees. The information provided above in regard to effective date of coverage, the plan document, and insurance continuation rights for medical insurance applies to your life insurance benefits as well.

SHORT-TERM DISABILITY INSURANCE

CAC provides short-term disability insurance to all non-temporary full-time employees. The entire cost of the short-term disability insurance is paid by CAC. Refer to the Plan Document

for details.

LONG-TERM DISABILITY INSURANCE

CAC provides long-term disability insurance to all non-temporary full-time employees. The entire cost of the long-term disability insurance is paid by CAC. Refer to the Plan Document for details.

Effective Date of Coverage

Coverage begins after the employee has been disabled for 90 days.

PENSION PLAN

CAC has established a Profit Sharing Pension Plan which provides for employer contributions for regular full-time employees who work at least 1,000 hours per year. Refer to the Summary Plan Description for details.

Eligibility

You will become a Plan participant on the semiannual entry date following your completion of one year of employment with at least 1,000 hours of service. Entry dates are November 1 and May 1. You will not become a Plan participant until the entry date after you have reached age 21.

TRAVEL INSURANCE

CAC pays for travel insurance for all regular full-time employees, effective upon the hire date. Refer to the Plan Document for details.

EDUCATIONAL ASSISTANCE

CAC encourages you to continue your education as part of your personal and professional growth. To promote this policy, CAC may provide educational assistance and education reimbursement to regular full-time employees who have completed six months of continuous employment and who meet a Criteria for Educational Assistance. Discuss eligibility with your supervisor.

Eligibility Requirements

- Complete an Education Reimbursement Form. If you wish to pursue an undergraduate degree, you must have the course of study and number of units approved by your immediate supervisor and the President before enrollment. If you wish to pursue a graduate degree, you must obtain the prior approval from the President and the Executive Committee.
- You must also get prior approval from the President for courses whose hour's conflict with CAC's business hours. Your work schedule may need to be adjusted accordingly.
- Enroll at an accredited institution in courses related to your present job or a job to which you aspire and can be expected to transfer to within the foreseeable future.
- Complete the course with a grade of "C" or better.
- Remain employed by CAC at least one year following the time of course completion.

Payment

If approved for educational assistance, you will be reimbursed for registration costs, tests, books, lab fees, and school-required course items. Tuition will be reimbursed, at the discretion of CAC, up to a maximum of \$250 per unit for undergraduate degrees and \$500 per unit for graduate degrees.

If you voluntarily leave CAC prior to completing an approved course, you will not be reimbursed for the tuition and expenses associated with the course. Furthermore, as a condition of obtaining educational assistance, you must agree in writing to repay CAC in full for all reimbursements paid to you by CAC during the one-year period immediately preceding the effective date of your resignation from CAC.

Time of Payment

Reimbursement will be made after you complete the course and submit a complete statement of expenses and original transcript indicating the requisite grade to your supervisor. Final approval and payment will be made by the President. Reimbursement may be made prior to the completion of a course, in the sole discretion of CAC President.

However, if reimbursement is made prior to course completion, and subsequently the course is not completed or is not completed with the required grade of “C” or better, you must notify CAC immediately and repay CAC in full within thirty (30) days.

Seminars, Conferences, Lectures, etc.

You may be reimbursed for other types of educational programs by receiving your approval from your supervisor and the President prior to attendance.

SOCIAL SECURITY

All employees are covered by the federal Social Security Act. Under the law you pay a certain percentage of your compensation up to a maximum base rate, and CAC matches this amount. The combined payments are sent to the federal government and credited to your account. The payments you and CAC make to the government are intended to provide the means by which the government, under Social Security, can provide you with future benefits of retirement, disability, survivor, and Medicare.

STATE DISABILITY INSURANCE

As an additional benefit, you are covered under the State Disability Insurance plan which provides benefits in the event you need to miss work due to a non-work-related accident or illness. A small percentage of your wages will be deducted each pay period for disability insurance. Benefits will begin from the day you are hospitalized or after the seventh day of illness or accident if you are not hospitalized. You must file a claim to receive any payment. You may get additional information from the Employment Development Department (EDD).

Eligibility

All categories of employees are eligible for a disability leave of absence provided they have earned a certain minimum amount during a certain past 12-month period known as the “Base Period.”

WORKERS COMPENSATION

On-the-job injuries are covered by Workers' Compensation Insurance. We ask for your assistance in alerting management to any condition that could lead or contribute to an employee accident. (See also Section 8 under "Accidents.")

What to Do if You Are Injured at Work

- If your injury is life threatening, call 911 immediately.
- Report the incident immediately to your supervisor or the President, no matter how slightly you think you're injured.
- Drive or ask to be driven to the local medical facility posted on the Safety Bulletin Board. Tell the receptionist you've been hurt on the job. She will call CAC to verify your employment and coverage.
- Complete an "Employee's Claim for Workers' Compensation Benefits" form within one working day of the injury and return it to your supervisor or the President who will send the original to the current policy company office, make a copy for CAC, and give you a copy.

If your injury prevents you from coming back to work, it is your responsibility to call CAC and advise your supervisor or the President of your injury. Immediate reporting will ensure accurate and timely coverage of your benefits.

Voluntary Recreational Activities

CAC or its insurance carrier will not be liable for the payment of workers' compensation benefits for any injury which arises out of your voluntary participation in any off-duty, recreational, social or athletic activity which is not part of your work-related duties.

Workers' Compensation Fraud

Workers' compensation fraud is illegal in California. Any person who files or contributes to the filing of a false workers' compensation claim is committing a crime punishable by a prison sentence of up to five years and/or a penalty fine up to \$50,000.

Here are examples of activities for which you can be prosecuted:

- **Filing a claim for a non-existing injury**
If you file a claim for an injury or illness that does not exist, you are guilty of workers' compensation fraud.
- **Filing a claim for a non-work-related injury**
If you are injured off the job, but pretend it happened at work so you can collect workers' compensation benefits, you are committing a felony.
- **Aiding a coworker in filing a false claim**
If you make a false statement to support a fellow employee's claim for benefits, you are participating in a crime.

UNEMPLOYMENT INSURANCE

Another part of the benefits program for financial security of all employees is unemployment compensation insurance, which is paid by CAC. This insurance may provide you with a weekly income should you be temporarily unemployed through no fault of your own. You may contact your local Unemployment office for information concerning this benefit.

LEAVES OF ABSENCE

I. Introduction

CAC provides (1) family care, medical, and military family leave for up to 12 or 26 weeks per year, depending on the reason, see section II(D), in accordance with California's Family Rights Act ("CFRA") and the federal Family and Medical Leave Act of 1993, as amended ("FMLA"); (2) pregnancy leave for up to four months in accordance with the California Fair Employment and Housing Act ("FEHA"); (3) disability leave as required to reasonably accommodate employees with a workplace injury or a qualified disability under the

Americans with Disabilities Act ("ADA") or the FEHA; and (4) leave for other legally required absences as set forth below. Employees having any questions regarding this policy should contact their supervisor.

II. Family Care, Medical and Military Family Leave

A. Eligibility

To be eligible for family care, medical, and military family leave, an employee must (1) have worked for CAC for at least twelve months prior to the date on which the leave is to commence; and (2) have worked at least 1,250 hours in the twelve (12) months preceding the leave.

An employee returning from fulfilling his or her National Guard or Reserve military obligation will be credited with the hours of service that would have been performed but for the period of military service in determining the 1,250 hours of service.

In the case of a pregnancy disability or other legally protected disability or medical condition or work-related injury, an employee may not need to satisfy all of the above requirements. In such circumstances, the employee should contact his/her supervisor for clarification about his or her rights for other types of leave.

B. Permissible Uses

"Family care and medical leave" may be requested for (1) the birth or adoption of an employee's child; (2) the placement of a foster child with the employee; or (3) the serious health condition of an employee's child, registered domestic partner, spouse, or parent; or (4) an employee's own serious health condition.

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

least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

"Military exigency leave" may be requested when there is a qualifying military exigency arising out of the fact that an employee's spouse, child, or parent is on covered active duty (or has been notified of an impending call or order to covered active duty) in the Armed Forces outside of the United States. Qualifying military exigencies include the following:

- *Short-notice deployment* where the employee may take leave to attend any issue that arises from the fact that a military member (whether in the Regular Armed Forces, National Guard, or Reserves) is notified of an impending call or order to active duty seven or less calendar days prior to the date of deployment. Leave taken for this purpose can be used for a period of seven calendar days beginning on the date the covered service member receives the notification.

- *Military events and related activities* where the employee may take leave to attend to any official ceremonies, programs or events related to the call to active duty and to attend to family support, assistance programs, or informational briefings related to the call to active duty.

- *Childcare and school activities* where the employee may take leave to arrange for alternative childcare or to provide childcare on an urgent, immediate need basis when the need arises from the call to active duty, to enroll or transfer a child to a new school, to attend meetings with school or daycare facility staff regarding disciplinary measures, parent-teacher conferences, or meetings with school counselors.

- *Financial and legal arrangements* where the employee may take leave to make or update financial or legal arrangements related to the covered servicemember's absence, such as preparing powers of attorney, wills, transferring bank accounts, and the like, or appearing or acting on behalf of the absent servicemember in matters related to military benefits.

- *Counseling* where the employee may take leave to attend counseling, the need for which arises from the call to active duty of the covered servicemember.

- *Rest and recuperation* where the employee may take up to fifteen days of leave to spend time with a covered servicemember each time the servicemember is on short-term rest and recuperation leave during the period of deployment.

- *Post-deployment activities* where the employee may take leave for a period of up to 90 days following the termination of the deployment to attend arrival ceremonies, reintegration briefings and events, and other official ceremonies or programs provided by the military, or to address issues that arise out of the death of a covered servicemember.

- *Parental leave* where the employee may take qualifying leave to care for the parent of a military member, or someone who stood in loco parentis to that military member, when the parent is incapable of self-care. To qualify as parental leave, the need for the leave must arise out of the military member's call to active duty. Further, the leave must be for one of the following purposes: (1) to arrange for alternative care for the parent; (2) to provide care for the parent on an urgent, immediate need basis; (3) to admit or transfer the parent of the military member to a care facility; or (4) to attend a meeting with staff at a care facility for the parent.

- *Additional activities* where the employee may take leave to address other events that arise out of the call to active duty as CAC and the employee may agree as to both timing and duration.

"Military caregiver leave" may be requested to care for a covered servicemember if the employee is the covered servicemember's spouse, child, parent, or next of kin. For purposes of this leave, a covered servicemember is a current member of the Armed Forces, including a member of the National Guard or Reserves who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness, or a covered veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness.

C. Substitution of Paid Leave

In general, the leaves described above are unpaid. Unless the employee is receiving disability payments or Paid Family Leave, employees are required to substitute accrued vacation time and other paid personal leave (except sick leave) for all family care, medical leaves, and military leaves. Employees are required to substitute sick leave only for the employee's own medical leaves. Employees may elect to substitute sick leave to attend to an illness of a child, parent, spouse or domestic partner of the employee or for other types of family care leave.

D. Amount of Leave

1. Family Care, Medical, and Military Caregiver Leave

Provided all the conditions of this policy are met, an employee may take a maximum of 12 weeks of family care, medical, and military exigency leave in a rolling 12-month period measured backwards from the date the employee's leave commences.

Employees who are unable to work due to pregnancy disability will be granted the greater of 12 weeks leave or the amount of leave to which the employee may be entitled under California state law for a pregnancy-related disability or in connection with childbirth. Family care leaves for the birth, adoption, or foster care placement of a child must be concluded within one year of the birth, adoption, or placement.

2. Military Caregiver Leave

Provided all the conditions of this policy are met, an employee may take a maximum of 26 weeks of military caregiver leave in a single 12-month period, inclusive of the time the employee takes for a family care, medical, or military exigency leave during that period. This 12-month period will be measured forward from the first day leave is taken.

Spouses who are both employed by CAC may take a maximum combined total of 26 weeks in the 12-month period for the care of the servicemember and the birth, adoption, or foster care of their child or to care for an ill parent, provided that no more than 12 weeks of this combined 26-week period may be taken for reasons other than to care for the servicemember.

3. Intermittent Leave

Medical leave for the employee's own serious health condition, family care leave for the serious health condition of the employee's spouse, parent, or child, and military caregiver leave may be taken intermittently or on a reduced schedule when medically necessary. Where the intermittent or reduced schedule leave is for planned medical treatment, the employee must make an attempt to schedule the treatment so as not to disrupt unduly CAC's operations. Where the family care leave is to be taken in connection with the birth, adoption, or foster placement of a child, the minimum duration for each period of leave is two weeks, except that the employee may request leave of less than two weeks duration on any two occasions. Exigency leave also may be taken intermittently or on a reduced schedule.

E. Leave's Effect on Pay

Except to the extent that other paid leave is substituted for family care, medical, and military family leave, leave under the FMLA and the CFRA is unpaid. However, employees may be entitled to California State Disability Insurance (SDI) when leave is taking for their own serious health condition.

Employees also may be entitled to Paid Family Leave (PFL) for up to six (6) weeks in any twelve month period during leaves to care for qualifying family members. PFL provides a partial wage replacement for absences from work to care for a seriously ill or injured family member or for bonding with a minor child within one year of the birth or placement of the child in connection with foster care or adoption. Employee contributions provide funding for this program. PFL is administered like SDI by the California Employment Development Department. PFL must be taken concurrently with family care leave and does not entitle an employee to take any additional time off. In addition, an employee must use up to two weeks of any accrued but unused vacation before the employee will be eligible to receive PFL.

F. Leave's Effect on Benefits

During an employee's family care, medical, and military family leave, CAC will continue to pay for the employee's participation in CAC's group health plans to the same extent and under the same terms and conditions as would apply had the employee not taken leave.

Thus, the employee must continue to pay his or her share of the health plan premiums during the leave. If the employee substitutes paid leave for the unpaid leave, such payments will be deducted from the employee's pay through the regular payroll deductions. Otherwise, the employee must make arrangements with CAC for the payment of such premiums. All other benefits will be governed in accordance with the terms of each benefit plan and are the sole responsibility of the employee.

If the employee fails to pay his or her share of the premiums during leave, or if the employee fails to return from the leave at the expiration of 12 weeks (or 26 weeks in the case of a military caregiver leave) for a reason other than the recurrence, continuation, or onset of a serious health condition for which leave under this policy is allowed or other circumstances beyond the employee's control, CAC can recover any health plan premiums paid by CAC on the employee's behalf during any periods of the leave.

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

Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

G. Procedure for Requesting Family Care, Medical and Military Family Leave

1. Notice Requirements

Employees must notify CAC of their request for family care, medical, military exigency, or military caregiver leave as soon as they are aware of the need for such leave. For foreseeable family care, medical, and military caregiver leave, the employee must provide 30 calendar days' advance notice to CAC of the need for leave. For events that are unforeseeable 30 days in advance, the employee must notify CAC as soon as is practicable and generally must comply with CAC's normal call-in or notice procedures. If the leave is requested in connection with a planned, non-emergency medical treatment, the employee must make an attempt to schedule such treatment so as to avoid unduly disrupting CAC operations, and may be requested to reschedule the treatment so as to minimize disruption of CAC's business.

If an employee fails to provide the requisite 30-day advance notice for foreseeable events without any reasonable excuse for the delay, CAC reserves the right to delay the taking of the leave until at least 30 days after the date the employee provides notice of the need for family care or medical leave.

All requests for family care, medical, military exigency, and military caregiver leave should include enough information to make CAC aware that the employee needs qualifying leave, and the anticipated timing and duration of the leave, if known. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform CAC if the requested leave is for a reason for which FMLA leave was previously taken or certified.

Any requests for extensions of leave under this policy must be received as soon as is practicable and must include the revised anticipated date(s) and duration of the leave. To the extent permitted by law, CAC reserves the right to deny requests for extensions or deny reinstatement to an employee who exceeds the leave amounts provided by this policy or fails to provide requested medical certification.

Once CAC is aware of the employee's need for leave, it will inform the employee whether he or she is eligible under the FMLA. If the employee is eligible, the notice will specify any additional information required as well as the employees' rights and responsibilities. If the employee is not eligible, CAC will provide a reason for the ineligibility.

2. Certification

Any request for medical leave for an employee's own serious health condition, for family care leave to care for a child, spouse, domestic partner or parent with a serious health condition or for a serious injury, or for military caregiver leave must be supported by medical certification from a health care provider. For military caregiver leave, the employee must provide confirmation of a family relationship to the seriously ill or injured servicemember. Employees generally must provide the required certification within 15 calendar days after CAC's request for certification. For foreseeable leaves, employees must provide the required medical certification before the leave begins. When this is not possible, employees must provide the required certification within 15 calendar days after CAC's request for certification, unless it is not practicable under the circumstances to do so, despite the employee's good faith efforts.

The medical certification for a child, spouse, domestic partner or parent with a serious health condition or for the serious injury or illness of a qualifying service member must include (a) the date on which the serious health condition or serious injury or illness commenced; (b) the probable duration of the condition or injury or illness; (c) the health care provider's estimate of the amount of time needed for family care; (d) the health care provider's assurance that the health care condition or injury or illness warrants the participation of the employee to provide family care; and (e) in the case of intermittent or reduced schedule leave where medically necessary, the probable duration of such a schedule.

The medical certification for leave for the employee's own serious health condition must include (a) the date on which the serious health condition commenced; (b) the probable duration of the condition; (c) a statement that, due to the serious health condition, the

employee is unable to perform the essential functions of his or her position; and (d) in the case of intermittent leave or reduced schedule leave where medically necessary, the probable duration of such a schedule. In addition, the certification may, at the employee's option, identify the nature of the serious health condition involved.

Failure to timely provide the required certification may result in the denial of foreseeable leave until such certification is provided. In the case of unforeseeable leaves, failure to timely provide the required certification may result in a denial of the employee's continued leave. Where the employee's need for leave due to the employee's own serious health condition, or the serious health condition of the employee's covered family member, lasts beyond a single leave year, CAC may require the employee to provide a new medical certification in each subsequent leave year. Any request for an extension of the leave also must be supported by an updated medical certification.

It is the employee's responsibility either to furnish a complete and sufficient certification or to furnish the health care provider providing the certification with any necessary authorization from the employee or the employee's family member in order for the health care provider to release a complete and sufficient certification to CAC to support the employee's leave request.

If CAC has reason to doubt the validity of the medical certification provided by the employee, CAC may require the employee to obtain a second opinion from a doctor of CAC's choosing at CAC's expense. If the employee's health care provider providing the original certification and the doctor providing the second opinion do not agree, CAC may require a third opinion, also at CAC's expense, performed by a mutually agreeable doctor who will make a final determination. It is the employee's responsibility to furnish his or her health care provider with the necessary authorization for the disclosure of medical information to the doctor(s) who will provide the second and third opinions. If the employee fails to provide the necessary authorization, the request for leave may be denied, in accordance with applicable law.

H. Designation of Protected Leave

Once CAC has enough information to determine whether the leave is FMLA-qualifying, CAC will inform the employee if leave will be designated as FMLA-protected and, if known at that time, the amount of leave that will be counted against the employee's leave entitlement. If CAC determines that the leave is not protected, CAC will notify the employee.

I. Recertification

The employee taking leave because of his or her own serious medical condition or the serious medical condition of a family member may be required, except in cases of military caregiver leave, to provide CAC with recertification at appropriate intervals. For purposes of recertification, the employer may request the same information as allowed by law for the original certification. As part of that request, CAC may provide the health care provider with a record of the employee's absence pattern to confirm whether such a pattern is consistent with the need for leave. The employee must provide the requested recertification within 15 calendar days of such a request, unless it is not practicable to do so despite the employee's diligent, good faith efforts.

J. Return to Work Certification

Where the leave is for the employee's own serious health condition, CAC requires employees to provide medical certification that he or she is fit for duty and able to return to work. CAC may delay restoring the employee to employment or terminate the employee without such certificate.

K. Leave's Effect on Reinstatement

Employees timely returning from a leave covered under this policy are entitled to reinstatement to the same or equivalent position consistent with applicable law. CAC may deny reinstatement to employees who are among the highest paid ten percent of all employees employed by CAC within 75 miles of the employees' worksite and whose reinstatement would cause substantial and grievous economic injury to CAC's operations. An employee has no greater right to reinstatement than if he or she had been continuously employed rather than on leave. CAC will comply with all applicable laws pertaining to reinstatement of employees, including where required, the reasonable accommodation of employees who have been on an approved leave.

CAC complies with applicable family care, medical leave, and military family leave laws. Under the FMLA it is unlawful for any employer to: interfere with, restrain, or deny the exercise of any right provided under the FMLA; or discharge or discriminate against any person for opposing any practice made unlawful by the FMLA or for involvement in any proceeding under or relating to the FMLA. The FMLA does not affect any federal or state law prohibiting discrimination, or supersede any state or local law that provides greater family or medical leave

rights. If you have questions, or would like further clarification about your rights under the FMLA or other types of leave, please ask your supervisor.

III. Pregnancy-Related Disability Rights

A. Leaves of Absence, Accommodations, and Transfers

Any employee who is disabled on account of pregnancy, childbirth, or related conditions may take a pregnancy-related disability leave for the period of actual disability of up to four months, in addition to any family care or medical leave to which the employee may be entitled under the FMLA. Pregnancy-related disability leaves may be taken intermittently, or on a reduced-hours schedule, as medically necessary.

Moreover, an employee is entitled to a reasonable accommodation for pregnancy, childbirth, or related medical conditions if she so requests and provides CAC with medical certification from her health care provider. In addition to other forms of reasonable accommodation, a pregnant employee is entitled to transfer temporarily to a less strenuous or hazardous position or to less hazardous or strenuous duties if she so requests, the transfer request is supported by proper medical certification, and the transfer can be reasonably accommodated.

B. Substitution of Paid Leave for Pregnancy-Related Disability Leave

An employee taking pregnancy-related disability leave must substitute any available sick pay for her leave and may, at her option, substitute any accrued vacation time for her leave. The substitution of paid leave for pregnancy-related disability leave does not extend the total duration of the leave to which an employee is entitled.

C. Leave's Effect on Benefits

During an employee's family care, medical, and military family leave, CAC will continue to pay for the employee's participation in CAC's group health plans, to the same extent and under the same terms and conditions as would apply had the employee not taken leave.

Thus, the employee must continue to pay his or her share of the health plan premiums during the leave. If the employee substitutes paid leave for the unpaid leave, such payments will

be deducted from the employee's pay through the regular payroll deductions. Otherwise, the employee must make arrangements with CAC for the payment of such premiums.

All other benefits will be governed in accordance with the terms of each benefit plan and are the sole responsibility of the employee.

CAC may recover from the employee the premium that CAC paid to maintain coverage for the employee under the group health plan if the employee fails to return from leave after the period of leave has expired and the employee's failure to return is for a reason other than: (i) the employee is taking leave under the California Family Rights Act; (ii) the continuation, recurrence, or onset of a health condition that entitles the employee to leave for pregnancy disability or other circumstances beyond the employee's control.

Employees on Pregnancy-Disability leave will accrue employment benefits, such as sick leave, vacation leave, and seniority only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual.

Employee benefits may be continued during the unpaid portion of the Pregnancy-Disability leave according to the provisions of CAC's various employee benefit plans.

D. Other Terms and Conditions of Leave

The provisions of CAC's Family Care, Medical and Military Family Leave policy regarding the leave's effect on pay and reinstatement also apply to all pregnancy-related disability leaves. However, for pregnancy-related disabilities, there is no process for obtaining more than one medical opinion, and there is no reinstatement exception for key employees. For the purpose of applying those provisions, an employee's pregnancy-related disability is considered to be a serious health condition.

IV. Other Disability Leaves

In addition to medical or pregnancy-related disability leaves described above, employees may take a temporary disability leave of absence if necessary to reasonably accommodate a workplace injury or a disability under the ADA or the FEHA. Any disability leave under this section will run concurrently with any medical leave to which the employee is entitled above.

Disability leaves under this section will be unpaid.

Employees taking disability leave must comply with the Family Care, Medical and Military Family Leave provisions regarding substitution of paid leaves (Section II(C)), notice (Section II(G)(1)), and medical certification (Section II(G)(2)). For the purpose of applying these provisions, a disability leave will be considered to be a medical leave.

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

The duration of a leave under this section shall be consistent with applicable law, but in no event shall the leave extend past the date on which an employee becomes capable of performing the essential functions of his or her position, with or without reasonable accommodation. Employees with additional questions about disability leaves should ask their supervisor.

V. Other Leaves Of Absence

CAC also grants eligible employees leaves of absence for military leave, jury or witness duty, certain court appearances, appearances at school or daycare activities, emergency duty as a volunteer firefighter, a reserve peace officer, or emergency rescue personnel, to vote in a statewide election, for bereavement leave, for leave related to domestic violence, crime victims leave, or leave for the donation of an organ or bone marrow. Unless otherwise required by law, employees will not be paid for such leaves of absence.

Employees wishing to take a leave of absence for one of these reasons should refer to the procedures outlined below or contact their supervisor.

A. Military Leave Of Absence

CAC will grant employees a military duty leave of absence to the extent required by applicable federal and state law.

B. Military Spouse Leave

Qualifying employees will be given up to 10 days leave during that time in which the employee's spouse or domestic partner is on leave from deployment in a combat zone with the active duty or reserve military or national guard during a period of military conflict. Employees may use accrued vacation time to cover this absence. If the employee has no accrued vacation, the employee must request time off without pay.

Qualifying employees are employees who work an average of 20 hours per week and have a spouse or domestic partner who is serving as (1) a member of the U.S. Armed Forces and who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States or (2) a member of the Armed Forces Reserve Components or the National Guard and has been deployed during a period of military conflict.

Qualifying employees who wish to request this leave must provide CAC with a written request for such leave within two business days of receiving official notice that the military spouse or domestic partner will be on leave from deployment. The employee must also provide written documentation to CAC certifying that the military member will be on military leave from deployment.

C. Jury and Witness Duty

CAC will provide employees time off to serve, as required by law, on a jury or grand jury if the employee provides reasonable advance notice. CAC will also provide employees with time off to appear in court or other judicial proceedings as a witness to comply with a valid subpoena or other court order.

Leaves under this section will be unpaid.

However, exempt employees who work any portion of a workweek in which they also serve on jury duty or appear as a witness will receive their full salary for that workweek. Employees may elect to substitute accrued vacation during any unpaid leave due to jury duty or a witness appearance.

Employees are required to provide reasonable advance notice of the need for jury/witness leave. Employees also are expected to report to work each day or portion of a day they are not performing jury/witness duty.

D. Leave For Educational/Daycare Purposes

Employees will be granted time off without pay for up to 40 hours per calendar year, but no more than eight hours in any calendar month, to participate in the activities of schools or licensed child daycare facilities attended by their children. Employees must substitute accrued vacation for purposes of a planned absence under this Section.

Employees wishing to take time off under this Section must provide their supervisors with reasonable notice of the planned absence. If both parents of a child are employed by CAC at the same worksite, the request for time off under this Section will be granted to the first parent to provide notice of the need for time off. The request from the second parent will be accommodated if possible.

CAC reserves the right to request that the employee furnish written verification from the school or daycare facility as proof that the employee participated in school or daycare activities on the specific date and at a particular time. Failure to provide written verification is grounds for disciplinary action.

E. Volunteer Firefighter, Reserve Peace Officer, and Emergency Rescue Personnel

Non-exempt employees will be granted time off without pay to perform emergency duties as a volunteer firefighter, reserve peace officer, or emergency rescue personnel. Employees who are volunteer firefighters also are eligible for leave of up to 14 days per calendar year for fire or law enforcement training. Exempt employees who work any portion of a workweek in which they also perform such emergency duties or training will receive their full salary for that workweek. Otherwise, exempt employees will be granted time off without pay.

Employees may substitute vacation pay for any unpaid portion of leave to perform such emergency duties or training.

F. Voting Time Off

Employees who do not have sufficient time outside of their regular working hours to vote in a statewide election may request time off to vote. If possible, employees should make their request at least two days in advance of the election. Up to two hours of paid time off will be provided, at the beginning or end of the employee's regular shift, whichever will allow the most free time for voting and the least time off work.

G. Bereavement Leave

Employees will be allowed up to three consecutive working days off to arrange and attend the funeral of an immediate family member. For purposes of this policy an employee's immediate family is defined to include the employee's current spouse, domestic partner, father, mother, sister, brother, children, current parent in-law, grandparents, and grandchildren. Employees will be paid their regular base rate of pay for each day of absence.

If an employee requires more than three days off for bereavement leave, the employee may request additional unpaid leave or may request the opportunity to use any accrued vacation time. Such additional leave is granted in the discretion of the President.

H. Leave Related To Domestic Violence, Sexual Assault or Stalking

CAC will provide unpaid time off to an employee who has been the victim of domestic violence, sexual assault or stalking to seek any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or his or her child. This includes time off for court proceedings, services from a domestic violence shelter, program or rape crisis center, counseling, medical attention, and participation in safety planning programs. CAC requires reasonable advance notice of the leave when feasible. If time off is taken due to an emergency, the employee must, within 15 days of the absence, provide CAC with certification of the need for the leave such as a police report, court order, documentation from a healthcare provider, victims advocate, or counselor.

I. Crime Victims' Leave

CAC will provide unpaid time off to an employee to attend judicial proceedings related to a crime, if that employee is a victim of crime, an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a

victim. CAC requires that where feasible, in advance of taking leave, the employee provide it with a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice. If advance notice is not possible, the employee is required to provide CAC with a copy of the notice within a reasonable time.

MANAGEMENT

OPEN DOOR

The purpose of the Open Door policy is to implement CAC's philosophy that employees should be encouraged to raise their work-related concerns informally with their supervisor. CAC will attempt to keep all such expressions of concern, the investigation, and the terms of any resolution confidential. However, in the course of investigating the concerns, some dissemination of information to others may be appropriate and therefore CAC cannot promise complete confidentiality.

Employees are encouraged to raise work-related problems with their supervisor promptly after the concern has arisen. However, if you believe that your supervisor is part of your concern and feel uncomfortable talking with him or her, you may contact the President to discuss your concern. If the President is the problem, you may contact the Chairman of the Board to discuss your concern.

You are encouraged to pursue discussion of your work related concerns until the matter is fully resolved. It may not always be possible to achieve the result you want, but if not, CAC will attempt in each case to explain why. CAC believes that employee concerns are best addressed through informal and open communication. No employee will be disciplined or otherwise penalized for raising a good faith concern.

PERFORMANCE EVALUATIONS

CAC reserves the right to periodically review your performance and discuss the review with you in private. Performance evaluations may include factors such as the quality and quantity of the work you perform, your knowledge of the job, your initiative, your work attitude, and your attitude toward others. The performance evaluation is designed to help you become aware of the progress you are making and of the areas in which you need to improve. Generally, your review will be conducted by your immediate supervisor, but another manager may be involved as well, depending on your position.

Nothing in this section shall require that an employee's salary/wages be adjusted based upon his or her review. While salary/wage adjustments are in part determined by employee performance, CAC, in its full discretion, may award, or not award, salary/wage adjustments.

New employees receive a performance evaluation after the first 6 months of employment. The purpose of this review is to mutually evaluate the employee's performance and fit for the position. If the evaluation is satisfactory, future annual performance reviews will be scheduled on that 6-month anniversary date.

WHISTLEBLOWER POLICY

If any employee of CAC reasonably believes that some policy, practice, or activity of CAC is in violation of a law, a written complaint shall be filed by that employee with the President (or the Chairman of the Board if the President's conduct is at issue).

It is the intent of CAC to adhere to all laws that apply to the organization, and the underlying purpose of this policy is to support the organization's goal of legal compliance. Employees are protected from retaliation when the individual brings the alleged unlawful activity, policy, or practice to the attention of CAC and provides CAC with a reasonable opportunity to investigate and correct the alleged unlawful activity.

CAC will not retaliate against an employee who in good faith has made a protest or raised a complaint against some practice of CAC, or of another individual or entity with whom CAC has a relationship, on the basis of a reasonable belief that the practice is in violation of a law.

CAC will not retaliate against an employee who discloses or threatens to disclose any activity, policy, or practice of CAC that the individual reasonably believes is in violation of a law.

INSPECTIONS AND SEARCHES FOR PROHIBITED MATERIALS AND FOR CAC PROPERTY ON CAC PREMISES

In order to assure access at all times to CAC property, and because employees properly in possession of CAC property or information related to CAC's business may not always be available to produce the property or information when needed in the ordinary course of CAC's business, CAC reserves the right to conduct a routine inspection or search at any time for CAC property on CAC premises. In addition, CAC reserves the right to access at all times

information and communications stored in CAC computer files and on disk-drives, and in employee voice mail boxes and electronic mail systems. Because even a routine search for CAC property might result in the discovery of an employee's personal possessions or personal information, all employees are encouraged to refrain from bringing into the workplace any item of personal property or information that they do not wish to reveal to CAC.

Inspections or searches for illegal or dangerous items in or on CAC premises will also be conducted whenever CAC has reasonable suspicion to believe that a particular employee or group of employees may be in possession of such items. Inspections or searches for illegal or dangerous items may be conducted by an independent security service or by CAC with its own personnel. In instances in which the inspection or search is conducted because there is reasonable suspicion that a particular employee or group of employees may be in possession of prohibited items or may be using CAC's property in an unauthorized manner, and in instances in which an item of the employee's personal property will be searched, the inspection or search will be approved in advance by the President, or by legal counsel if the President is not available.

EMPLOYMENT OF RELATIVES

Relatives of present employees may be hired by CAC only if (1) the individuals concerned will not work in a direct supervisory relationship, (2) the employment will not pose difficulties for supervision, security, safety, or morale, and (3) approved by the President. "Relatives" are defined as spouses, domestic partners, children, sisters, brothers, mothers, or fathers, and persons related by marriage or domestic partner relationship. Present employees who marry or have a domestic partnership or who become related by marriage or domestic partnership will be permitted to continue employment with CAC only if they do not work in a direct supervisory relationship with one another, or otherwise pose difficulties for supervision, security, safety, or morale. If employees who marry or who become related by marriage do work in a direct supervisory relationship with one another, CAC will attempt to reassign one of the employees to another position for which he or she is qualified, if such a position is available. If no such position is available, then one of the employees will be required to resign from CAC. The decision as to which employee resigns will be left solely to the spouse/employees. In the event that no alternative position is available and neither employee voluntarily resigns, the employee with lesser seniority will be terminated.

NON-FRATERNIZATION

In order to promote the efficient operation of CAC and to avoid misunderstandings, complaints of favoritism, other problems of supervision, security, and morale, and possible claims of sexual harassment, managers and supervisors are forbidden to date or pursue romantic or sexual relationships with employees whom they supervise, directly or indirectly. Employees who violate this guideline will be subject to discipline, up to and including termination of employment.

TELECOMMUTING

Telecommuting is the practice of working at home or at a site near the home instead of physically traveling to a central workplace. It is a work alternative that CAC may offer to some employees when it would benefit both the organization and the employee.

Employee compensation, benefits, work status, work responsibilities, performance standards, and the typical amount of time you generally work per day or per pay period will not change due to telecommuting.

The decision to approve a telecommuting arrangement will be based on factors such as position and job duties, performance history, related work skills, and the impact on the organization. Employees' at-home work and project deadlines will conform to a schedule agreed upon by the employee and his/her supervisor.

During working hours, an employee's at-home workspace will be considered an extension of CAC's workspace. Employees allowed to telecommute agree to maintain safe conditions in the at-home workspace and to practice safety habits. In the case of an injury while working at home, employees must immediately report the injury to their supervisor or to the President to get instructions for obtaining medical treatment.

Telecommuting is an alternative method of meeting the needs of the organization and is not a universal employee benefit. As such, CAC has the right to refuse to make telecommuting available to an employee and to terminate a telecommuting arrangement at any time.

EMPLOYEE CONDUCT

DRESS AND GROOMING STANDARDS

It is in CAC's best interests to present a professional image to the industry, vendors, government contacts, and to the public. Accordingly, while CAC has no formal dress code, it is expected that all employees will dress in a manner consistent with good hygiene, safety, and good taste, especially when interacting with others on behalf of CAC.

CONFIDENTIALITY

Each employee is responsible for safeguarding the confidential and proprietary information obtained during employment with CAC. Proprietary information includes all information obtained by CAC employees during the course of their work. This handbook, for example, contains proprietary information. Confidential information is any CAC information that is not known generally to those outside CAC. Producer and handler information, personnel files, and financial data are examples of confidential information. Employees may not disclose or use proprietary or confidential information except as their jobs require. Anyone who violates this guideline will be subject to discipline up to and including termination, and possible legal recourse. Employees' duty of confidentiality applies during employment and for three years after resignation or termination of employment with CAC.

CONFLICTS OF INTEREST

CAC employees are expected to devote their best efforts and attention to the full-time performance of their jobs. Employees are expected to use good judgment, to adhere to high ethical standards, and to avoid situations that create an actual or potential conflict between the employee's personal interests and the interests of CAC. A conflict of interest exists when the employee's loyalties or actions are divided between CAC's interests and those of another, such as a producer or handler, outside organization, or a supplier. Both the fact and the appearance of a conflict of interest should be avoided. Employees unsure as to whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss it with his/her supervisor. Any exceptions to this guideline must be approved in writing by the President.

This guideline does not attempt to describe all possible conflicts of interest that could develop. Some of the more common conflicts from which employees must refrain, however, include the

following:

- A. Accepting personal gifts or entertainment from producers/handlers, suppliers, or potential suppliers without the express consent of your supervisor;
- B. Using proprietary or confidential CAC information for personal gain or to CAC's detriment;
- C. Using CAC assets or labor for personal use;
- D. Acquiring any interest in property or assets of any kind for the purpose of selling or leasing it to CAC.

An employee may engage in outside employment, provided that 1) he or she discloses this fact to his or her supervisor, and 2) the outside employment does not in any way interfere or conflict with the employee's duties at CAC.

Failure to adhere to this guideline, including failure to disclose any conflicts or to seek an exemption, may result in discipline, up to and including termination of employment.

SOCIAL MEDIA POLICY

A. Use

Social media are powerful communications tools that have a significant impact on organizational and professional reputations. Social media is a set of Internet tools that aid in the facilitation of interaction between people online. Examples include but are not limited to LinkedIn, Twitter, Facebook, and YouTube. Both in professional and organizational roles, employees need to follow the same behavioral standards online as they would in real life. The same laws, professional expectations, and guidelines for interacting with co-workers, producers/handlers, vendors and the general public apply online as in the real world. Employees are responsible for anything they post to social media sites. All CAC policies with respect to computers, electronic media, discrimination, harassment, confidentiality, conflict of interest and record retention apply to social media activity.

B. Prohibition Against Disclosing Proprietary and Confidential Information

CAC's policies regarding the nondisclosure of proprietary, confidential and personal information applies to online blogging or postings. As such, employees must not post information on a blog or website that in any way discloses confidential or proprietary information of CAC, its producers/handlers, or any third party. The posting of copyrighted materials is also prohibited.

C. Other Prohibitions

Employees may not use CAC-sponsored social networking sites to promote or solicit participation in any activity that is unrelated to their work at CAC. Employees also may not use CAC-sponsored blogs or social media for any illegal purpose, violation of any CAC policy, in a manner contrary to the best interests of CAC, or for personal or financial gain.

D. Non-CAC Blogs/Social Networking

Employees are free to create or participate in non-CAC blogs and other forms of online publishing and discussion/social networking during non-working hours, provided that such participation does not violate CAC policy, is not detrimental to CAC's best interests and does not interfere with an employee's regular work duties. Employees may not engage in personal blogging/social networking during work time. Employees are personally responsible for their postings and online comments. CAC does not assume any liability or risk for an employee's blogging or posting online.

When posting in a non-CAC blog or online forum, employees should not represent or suggest that their opinions or positions are endorsed by CAC or any of its managers or employees. CAC executives should exercise particular care when posting online to ensure their published personal thoughts are not misunderstood to be expressions of official CAC positions. Executives/managers should also assume their subordinates will read their postings, and fully understand that non-CAC blogs and websites are not appropriate forums for communicating CAC policy to CAC employees.

Even when posting on non-CAC blogs/social networking sites, employees must always be in compliance with CAC's policies regarding non-disclosure of proprietary, confidential and personal information. Accordingly, employees are prohibited from revealing any proprietary or confidential information. Employees also must respect copyright and fair use laws when posting and, as a best practice, always credit and/or link to someone else's work when quoting or relying upon it. Additionally, never identify a CAC producer/handler by name, and never discuss a producer's/handler's confidential information online except through proper CAC Technology Resources.

Employees are prohibited from using CAC logos or trademarks without CAC's written permission. Employees likewise may not post any content that is harassing, discriminatory, defamatory, threatening, disparaging, libelous or otherwise illegal or injurious.

Non-CAC blog/social media postings may generate media interest or coverage. If a member of the media contacts an employee about a CAC-related posting or online comment published by the employee, or requests CAC information of any kind, inform your supervisor immediately.

Failure to adhere to CAC policies regarding blogging and online postings will be considered grounds for discipline, up to and including termination.

Any inappropriate blogs and/or postings that violate these guidelines should be reported to CAC management immediately.

CAC PROPERTY

SOLICITATION, DISTRIBUTION AND BULLETIN BOARDS

Employees may engage in solicitation on CAC premises only during their nonworking time or the nonworking time of the employee or employees at whom such activity is directed. Nonworking time means time during meals or breaks and before or after work.

Employees may distribute or circulate non-CAC written materials only during nonworking time and only in non-work areas and only during the nonworking time of the employee or employees at whom such activity is directed. If an employee is not certain whether an area is a work or non-work area, he or she should consult his or her immediate supervisor for clarification.

Solicitation or distribution in any way connected with the sale of any goods or services for profit is strictly prohibited anywhere on CAC property at any time unless approved in advance by the President. Similarly, solicitation or distribution of literature for any purpose by non-employees is strictly prohibited on CAC premises at any time.

CAC has a bulletin board for the purpose of communication with employees. Postings on this board is limited to CAC-related material including statutory and legal notices, safety and disciplinary rules, CAC policies, memos of general interest relating to CAC, operating rules, and other items. All postings require the prior approval of the President.

TECHNOLOGY USE AND PRIVACY

CAC provides various Technology Resources to authorized employees to assist them in performing their job duties for CAC. Each employee has a responsibility to use CAC's Technology Resources in a manner that increases productivity, enhances CAC's public image, and is respectful of other employees and producers/handlers. Failure to follow CAC's policies regarding its Technology Resources may lead to disciplinary measures, up to and including termination of employment. Moreover, CAC reserves the right to advise appropriate legal authorities of any violation of law by an employee.

I. Technology Resources Definition

Technology Resources consist of all electronic devices, software, and means of electronic communication provided by CAC or purchased for employee's use as an employee of CAC including but not limited to the following: personal computers and workstations; lap-top computers; computer hardware; peripheral equipment such as printers, scanners, modems, fax machines, copiers, digital cameras, memory sticks, and hands-free devices; computer software applications and associated files and data, including software that grants access to external services, such as the Internet; electronic mail; telephones; cell phones; smart phones; and voicemail systems.

II. Authorization

Access to CAC's Technology Resources is within the sole discretion of CAC. Generally, employees are given access to CAC's various technologies and systems based on their job functions.

III. Use

CAC's Technology Resources are to be used by employees primarily for the purpose of conducting CAC activities. Employees may, however, use CAC's Technology Resources for the following incidental personal uses so long as such use does not interfere with the employee's duties, is not done for financial gain, does not conflict with CAC's activities, and does not violate any CAC policy:

1. To send and receive occasional personal communications; and
2. To prepare and store incidental personal data (such as personal calendars, personal address lists, and similar incidental personal data) in a reasonable manner.

Provided that CAC assumes no liability for loss, damage, destruction, alteration,

disclosure, or misuse of any personal data or communications transmitted over or stored on CAC's Technology Resources. CAC accepts no responsibility or liability for the loss or non-delivery of any personal electronic mail or voicemail communications or any personal data stored on any CAC property. As such, CAC discourages employees from storing any personal data on any of CAC's Technology Resources.

IV. Improper Use

A. Prohibition Against Harassing, Discriminatory and Defamatory Use

CAC is aware that employees use electronic mail for correspondence that is less formal than written memoranda. Employees must take care, however, not to let informality degenerate into improper use. As set forth more fully in CAC's "Policy Against Harassment," CAC does not tolerate discrimination or harassment based on race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, veteran status, marital status, sex, age, sexual orientation, gender identity expression, or any other basis protected by federal, state, or local law, ordinance, or regulation. Under no circumstances may employees use CAC's Technology Resources to transmit, receive, or store any information that is discriminatory, harassing, or defamatory in any way (e.g., sexually-explicit or racial messages, jokes, cartoons, etc.).

B. Prohibition Against Violating Copyright Laws

Employees must not use CAC's Technology Resources to copy, retrieve, forward or send copyrighted materials unless the employee has the author's permission or is accessing a single copy only for the employee's personal use and reference.

C. Other Prohibited Uses

Employees may not use any of CAC's Technology Resources for any illegal purpose, in violation of any CAC policy, in a manner contrary to the best interests of CAC, in any way that discloses confidential or proprietary information of CAC or third parties, or for personal or financial gain.

V. CAC Access to Technology Resources

All messages sent and received, including personal messages, and all data and information stored on CAC's electronic-mail system, voicemail system, or computer systems are CAC property regardless of the content. As such, CAC reserves the right to access all of its Technology Resources including its computers, voicemail, and electronic-mail systems, at any time, in its sole discretion.

A. No Right of Privacy

Although CAC does not wish to examine personal information of its employees, on occasion, CAC may need to access its Technology Resources including computer files, electronic-mail messages, and voicemail messages. Employees should understand, therefore, that they have **no right of privacy** with respect to any messages or information created or maintained on CAC's Technology Resources, including personal information or messages. CAC may, at its discretion, inspect all files or messages on its Technology Resources at any time for any reason. CAC may also monitor its Technology Resources at any time in order to determine compliance with its policies, for purposes of legal proceedings, to investigate misconduct, to locate information, or for any other purpose.

B. Passwords

Certain of CAC's Technology Resources can be accessed only by entering a password. Passwords are intended to prevent unauthorized access to information. Passwords do not confer any right of privacy upon any employee of CAC. Thus, even though employees may maintain passwords for accessing Technology Resources, employees must not expect that any information maintained on Technology Resources, including electronic mail and voicemail messages, are private. Employees are expected to maintain their passwords as confidential, except that employees must provide any and all CAC-related passwords to the IT Manager, both initially and any time the employee changes a password. Employees must not share passwords, except at their supervisor's request, and must not access coworkers' systems without express authorization.

C. Deleted Information

Deleting or erasing information, documents, or messages maintained on CAC's Technology Resources is, in most cases, ineffective. All employees should understand that any information kept on CAC's Technology Resources may be electronically recalled or recreated regardless of whether it may have been "deleted" or "erased" by an employee. Because CAC periodically backs-up file storage space, files and messages may exist that are thought to have been deleted or erased. Therefore, employees who delete or erase information or messages should not assume that such information or messages are confidential.

VI. The Internet and On-Line Services

CAC provides authorized employees access to on-line services such as the Internet. CAC expects that employees will use these services in a responsible way and for company-related purposes and incidental personal use only. Under no circumstances are employees permitted to use CAC's Technology Resources to access, download, or contribute to the following:

1. Indecent or sexually-oriented materials;
2. Job-search sites;
3. Gambling sites;
4. Illegal drug-oriented sites.

Additionally, employees must not sign “guest books” at Web sites or post messages to internet news groups or discussion groups at Web sites. These actions will generate junk electronic mail and may expose CAC to liability or unwanted attention because of comments that employees may make. CAC strongly encourages employees who wish to access the Internet for non-work-related activities to obtain their own personal Internet access accounts.

Much of the information to which CAC has access is confidential producer/handler information. Employees should be very careful about sending confidential information over the Internet. Ask your supervisor if you are unsure whether information is considered confidential or if it should be sent via the Internet. Employees also should verify email addresses before transmitting any messages.

VII. Software Use

A. License Restrictions

All software in use on CAC’s Technology Resources is officially licensed software. No software is to be installed or used that has not been duly paid for and licensed appropriately for the use to which it is intended, unless authorized in writing in advance by CAC.

VIII. Confidential Information

CAC is very sensitive to the issue of protecting the confidential and proprietary information of CAC, its producers/handlers, its employees, and third parties (“Confidential Information”). Therefore, employees are expected to use good judgment and to adhere to the highest ethical standards when using or transmitting Confidential Information on CAC’s Technology Resources.

Confidential Information should not be accessed through CAC’s Technology Resources in the presence of unauthorized individuals. Similarly, Confidential Information should not be left visible or unattended. Employees’ duty of confidentiality applies during employment and for three years after resignation or termination of employment with CAC.

IX. Security

CAC may install programs and devices to ensure the safety and security of CAC’s Technology

Resources. Any employee found tampering or disabling any of CAC's security devices will be subject to discipline up to and including termination.

X. Audits

CAC may perform auditing activity or monitoring to determine compliance with these policies. Audits of software and data stored on CAC's Technology Resources may be conducted without warning at any time.

PERSONNEL RECORDS

It is important that CAC personnel files contain current information regarding each employee. It is a condition of your employment that you inform your supervisor whenever there are changes in your personal data such as address, telephone number, and person(s) to notify in case of emergency.

You have the right to inspect your personnel file at reasonable times on reasonable notice. You may also obtain copies of any document in your personnel file that you have signed. Personnel files are the property of CAC.

SECURITY, SAFETY AND HEALTH

SECURITY

The security of employees, employee property, and CAC property is of vital importance to CAC. All employees share responsibility to ensure that proper security is maintained. Any breach of security should be reported promptly to your supervisor.

SAFETY PROGRAM

CAC is committed to providing and maintaining a healthy and safe work environment for all employees. Accordingly, CAC has instituted an Injury and Illness Prevention Program designed to protect the health and safety of all personnel. A complete copy of the Injury and Illness Prevention Program is kept by the President/ and is available for your review.

You are required to comply with safe and healthy work practices at all times. You may be subject to discipline for engaging in any unsafe or unhealthy work practice or for violating established safety rules. You also are required to report immediately any potential health or

safety hazards, and all injuries or accidents. Please ask your supervisor where the first aid supplies are located. The location of the nearest doctor and/or medical facility is posted in the CAC break room.

USE OF CELLULAR PHONES WHILE DRIVING

CAC prohibits the use of all hand-held cellular devices for work purposes while operating a motor vehicle or for personal purposes while operating a motor vehicle during work hours or on CAC business.

Employees may use hands-free cellular devices while driving when safe to do so. Special care should be taken in situations where there is heavy traffic, inclement weather or the employee is driving in an unfamiliar area. Employees must adhere to all federal, state, and local rules and regulations regarding the use of cellular phones while driving.

Under no circumstances are employees allowed to use text devices to type or review text messages for work purposes while operating a motor vehicle or for personal purposes while operating a motor vehicle during work hours or on CAC business.

VEHICLE USE

This section addresses employees who are required to drive their own or rented vehicles on CAC business. CAC has a separate policy governing the use of CAC-owned vehicles. For more information about that policy, contact the President.

Employees may be required to use their personal vehicle from time to time for conducting CAC activities. Employees will be reimbursed for mileage while on CAC business at the then current IRS mileage reimbursement rate. Employees whose jobs require the use of their personal vehicle are required to have a valid driver's license and carry liability insurance coverage in the following amounts:

- Bodily injury, each person: Minimum \$100,000
- Bodily injury, each accident: Minimum \$300,000
- Property injury, each accident: Minimum \$50,000

The employee's personal auto insurance covers driving for work purposes when using one's personal vehicle. CAC may also require an employee to provide a DMV printout of their Motor Vehicle Record at CAC expense upon hire or at any time during their employment.

Employees who drive a rental car for business purposes are required to purchase the rental agency's CDW/LDW insurance coverage when renting a vehicle. Other forms of insurance should be waived when renting vehicles for CAC use.

Safety Regulations

The safety of the employee, the public, and CAC is paramount, and every attempt must be made to reduce the possibility of accidents. Drivers have a responsibility to themselves, their families, their co-workers, CAC and the general public to exercise safe driver behaviors at all times.

- Employees who drive for CAC business must ensure that the driver and all riders use seat belts at all times and that the number of passengers does not exceed the number of functioning seat belts.
- Using a motorcycle for CAC business is strictly prohibited.
- Employees shall not operate a motor vehicle for CAC business if their ability or alertness is impaired or likely to become impaired through fatigue, illness, alcohol or a controlled substance.
- Drivers must comply with all applicable Federal, State and local laws and regulations.
- Each employee is responsible for ensuring that their automobile is maintained in safe driving condition. Each employee is responsible for carrying safety equipment in their vehicle.
- Employees should exercise extreme caution when driving in inclement weather.
- Any driver on CAC business who is involved in a motor vehicle accident involving personal injury to any party shall notify the President immediately. If the accident involves property damage only, the driver shall notify the President upon return to the work location. Employees will be required to complete a Motor Vehicle Accident Investigation Report.

DRUG-FREE WORKPLACE

I. Purpose of Guideline

To further its interest in avoiding accidents, to promote and maintain safe and efficient working conditions for its employees, and to protect its reputation, property, equipment, and operations, CAC has established this Guideline concerning the use of alcohol and drugs. As a condition of continued employment with CAC, each employee must abide by this Guideline.

It is the intent of CAC to maintain a workplace that is free of drugs and alcohol and to discourage drug and alcohol abuse by its employees. CAC has a vital interest in maintaining

safe and efficient working conditions for its employees. Substance abuse is incompatible with health, safety, efficiency, and success at CAC. Employees who are under the influence of a drug or alcohol on the job compromise CAC's interests, and endanger their own health and safety and the health and safety of others. Substance abuse in the workplace can also cause a number of other work related problems, including absenteeism and tardiness, substandard job performance, increased workloads for co-workers, behavior that disrupts other employees, delays in the completion of jobs, inferior quality in service, and disruption of relations with producers/handlers and suppliers.

II. Employee Cooperation

Early detection of substance-abuse problems benefits everyone. For example, it benefits the employee with the substance-abuse problem because it gives him or her the opportunity to correct the problem before it leads to serious harm to the employee or others; it benefits the employee's co-workers who otherwise might be exposed to serious injury or have to carry an extra burden by "covering" for the substance abuser, and it benefits CAC by providing an opportunity to prevent accidents and avoid the performance problems and other losses associated with substance abuse. Accordingly, all employees should understand that co-workers with substance-abuse problems should be encouraged to seek assistance.

III. Definitions

For purposes of this Guideline:

- (1) "Illegal drugs or other controlled substances" means *any* drug or substance that (a) is not legally obtainable; or (b) is legally obtainable but has not been legally obtained; or (c) has been legally obtained but is being sold or distributed unlawfully.
- (2) "Legal drug" means any drug, including any prescription drug or over-the-counter drug, that has been legally obtained and that is not unlawfully sold or distributed.
- (3) "Abuse of any legal drug" means the use of any legal drug (a) for any purpose other than the purpose for which it was prescribed or manufactured; or (b) in a quantity, frequency, or manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.
- (4) "Reasonable suspicion" includes a suspicion that is based on specific personal observations such as an employee's manner, disposition, muscular movement, appearance, behavior, speech or breath odor; information provided to management by an employee, by law enforcement officials, by a security service, or by other persons believed to be reliable; or a suspicion that is based on other

surrounding circumstances.

- (5) "Possession" means that an employee has the substance on his or her person or otherwise under his or her control.

IV. Prohibited Conduct

A. Scope

The prohibitions of this section apply whenever the interests of CAC may be adversely affected, including any time the employee is:

- (1) On CAC premises;
- (2) Conducting or performing CAC business, regardless of location;
- (3) Operating or responsible for the operation, custody, or care of CAC equipment or other property; or
- (4) Responsible for the safety of others.

B. Alcohol

The following acts are prohibited and subject an employee to discharge:

- (1) The unauthorized use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of alcohol; or
- (2) Being under the influence of alcohol during working hours or at CAC events except as described below.

C. Illegal Drugs

The following acts are prohibited and subject an employee to discharge:

- (1) The use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of any illegal drug or other controlled substance; or
- (2) Being under the influence of any illegal drug, or other controlled substance during working hours or at CAC events.

D. Legal Drugs

The following acts are prohibited and subject an employee to discharge:

- (1) The abuse of any legal drug;
- (2) The purchase, sale, manufacture, distribution, transportation, dispensation, or possession of any legal prescription drug in a manner

- inconsistent with law; or
- (3) Working while *impaired* by the use of a legal drug whenever such impairment might:
 - (a) Endanger the safety of the employee or some other person;
 - (b) Pose a risk of significant damage to CAC property or equipment; or
 - (c) Substantially interfere with the employee's job performance or the efficient operation of CAC's business or equipment.

V. Disciplinary Action

A. Discharge for Violation of Guideline

A first violation of this Guideline will result in *immediate discharge*, whenever the prohibited conduct:

- (1) Caused injury to the employee or any other person, or, in the sole opinion of management, endangered the safety of the employee or any other person;
- (2) Resulted in significant damage to CAC property or equipment, or, in the sole opinion of management, posed a risk of significant damage;
- (3) Involved the sale or manufacture of illegal drugs or other controlled substances;
- (4) Involved the possession, distribution, or dispensation of illegal drugs or other controlled substances or alcohol in a quantity greater than for personal use;
- (5) Involved the failure of an employee to report a criminal conviction, as required below.

B. Discretion Not to Discharge

In circumstances other than those described in Paragraph A, above, CAC, in the discretion of management, may choose not to discharge an employee for a first violation of this Guideline if the employee satisfactorily participates in and completes an approved drug or alcohol abuse assistance or rehabilitation program (at the employee's expense).

C. Effect of Criminal Conviction

An employee who is convicted under a criminal drug statute for a violation occurring in the workplace or during any CAC-related activity or event will be deemed to have violated this

Guideline.

D. Written Warning

An employee who is not discharged for a first violation of this Guideline will receive a written warning and immediate suspension without pay for a period of 10 calendar days.

E. Effect of Second Violation

A second violation of this Guideline at any time will result in immediate discharge.

F. Effect of Discharge on Eligibility for Rehire

Employees who are discharged for a violation of this Guideline will not be eligible for rehire by CAC.

G. Criminal Convictions

Employees must notify CAC management of any conviction under a criminal drug statute for a violation occurring in the workplace or during any CAC-related activity or event. Employees must notify CAC management within five days after any such conviction.

VII. Use of Legal Drugs

CAC recognizes that employees may, from time to time, be prescribed legal drugs that, when taken as prescribed or according to the manufacturer's instructions, may result in impairment. Employees may not work while impaired by the use of legal drugs if the impairment might endanger the employee or someone else, pose a risk of significant damage to CAC property, or substantially interfere with the employee's job performance. If an employee is so impaired by the appropriate use of legal drugs, he or she may not report to work. To accommodate the absence, the employee may use accrued sick leave or vacation time. Nothing in this Guideline is intended to sanction the use of accrued sick leave or vacation time to accommodate absences due to the *abuse* of legal drugs. Further, nothing in this Guideline is intended to diminish CAC's commitment to employ and reasonably accommodate qualified disabled individuals. CAC will reasonably accommodate qualified disabled employees who must take legal drugs because of their disability.

VIII. Unregulated or Authorized Conduct

A. Customary Use of Over-the-Counter Drugs

Nothing in this Guideline is intended to prohibit the customary and ordinary purchase, sale, use, possession, or dispensation of over-the-counter drugs, so long as that activity does not violate any law or result in an employee being impaired by the use of such drugs in violation

of this Guideline.

B. Off-the-Job Conduct

This Guideline is not intended to regulate off-the-job conduct, so long as the employee's off-the-job use of alcohol or drugs does not result in the employee being under the influence of or impaired by the use of alcohol or drugs in violation of this Guideline.

C. Authorized Use of Alcohol

CAC may provide alcohol for consumption at certain events, such as social functions. The responsible consumption of alcohol at these events does not violate this policy.

IX. Confidentiality

Disclosures made by employees to CAC management concerning their use of legal drugs will be treated confidentially and will not be revealed to other managers or supervisors unless there is an important work-related reason to do so in order to determine whether it is advisable for the employee to continue working. Disclosures made by employees to CAC management concerning their participation in any drug or alcohol rehabilitation program will be treated confidentially.

POLICY CONCERNING VIOLENCE IN THE WORKPLACE

I. Statement of Policy

CAC recognizes that workplace violence is a growing concern among employers and employees. CAC is, therefore, committed to providing a safe, violence-free workplace. In this regard, CAC strictly prohibits employees, producers/handlers, vendors, visitors, or anyone else on CAC premises or engaging in a CAC-related activity from behaving in a violent or threatening manner. Moreover, as part of this policy, CAC seeks to prevent workplace violence before it begins and reserves the right to deal with behavior that suggests a propensity towards violence even prior to any violent behavior occurring.

II. Workplace Violence Defined

Workplace violence includes, but is not limited to, the following:

- (1) Threats of any kind;
- (2) Threatening, physically aggressive, or violent behavior, such as intimidation of or attempts to instill fear in others;
- (3) Other behavior that suggests a propensity toward violence, which can include

belligerent speech, excessive arguing or swearing, sabotage, or threats of sabotage of CAC property, or a demonstrated pattern of refusal to follow CAC policies and procedures;

(4) Defacing CAC property or causing physical damage to the facilities; or

(5) With the exception of security personnel, bringing weapons or firearms of any kind on CAC premises, in CAC parking lots, or while conducting CAC business.

III. Reporting

If any employee observes or becomes aware of any of the above-listed actions or behavior by an employee, producer or handler, consultant, visitor, or anyone else, he or she should contact his/her supervisor immediately.

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

IV. Investigation

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

V. Corrective Action and Discipline

If CAC determines that workplace violence has occurred, CAC will take appropriate corrective action and discipline the offending employee(s). The appropriate discipline will depend on the particular facts but may include written or oral warnings, probation, suspension, or termination. If the violent behavior is that of a non-employee, CAC will take appropriate corrective action in an attempt to ensure that such behavior is not repeated.

CAC may, in its discretion, forego disciplinary action on the condition that the employee takes an unpaid medical leave of absence, and/or participates in counseling or special training, either voluntarily or as a condition of continued employment, at the employee's own expense.

TERMINATION OF THE EMPLOYMENT RELATIONSHIP

TERMINATION, DISCIPLINE, AND RULES OF CONDUCT

I. Termination

A. Voluntary Termination

CAC will consider an employee to have voluntarily terminated his or her employment if an employee does any of the following:

- (1) Resigns from CAC;
- (2) Fails to return from an approved leave of absence on the date specified by CAC; or
- (3) Fails to report for work without notice to CAC for two consecutive days.

B. Involuntary Termination

An employee may be terminated involuntarily for reasons that may include, but are not limited to, poor performance, misconduct, or other violations of CAC's rules of conduct as set forth below. **Notwithstanding this list of possible reasons, every CAC employee is "at-will", and as such CAC reserves the right to discharge any employee with or without cause and with or without prior notice.**

C. Termination Due to Reorganizations, Economics, or Lack of Work

From time to time, CAC may need to terminate an employee as a consequence of reorganizations, job eliminations, economic downturns, or lack of work.

II. Discipline and Rules of Conduct

A. Policy

Employees are expected to observe certain standards of job performance and good conduct. When performance or conduct does not meet CAC standards, the employee may be given a reasonable opportunity to correct the deficiency. If, however, the employee fails to make the necessary correction(s), he or she may be subject to disciplinary action up to and including termination. **CAC reserves the right to proceed directly to termination, without resort to prior disciplinary steps, when CAC, in its sole discretion, deems such action necessary or appropriate.**

The rules set forth in this Guideline are intended to provide employees with fair notice of what is expected of them. Such rules cannot identify every type of unacceptable conduct

and performance. Therefore, employees must be aware that conduct not specifically listed below, but which adversely affects the interests of CAC, its employees, or producer/handlers may also result in disciplinary action, and nothing herein mitigates an employee's at-will status.

B. Job Performance

Employees may be disciplined or terminated for poor job performance, including but not limited to the following:

- (1) Unsatisfactory work quality or quantity;
- (2) Poor attitude (for example, rudeness or lack of cooperation);
- (3) Excessive absenteeism (three or more in a 90 day period), tardiness, or abuse of break and lunch privileges;
- (4) Failure to follow instruction or CAC procedures; or
- (5) Failure to follow established safety regulations.

C. Misconduct

Employees may be disciplined or terminated for misconduct, including but not limited to the following:

- (1) Insubordination;
- (2) Dishonesty;
- (3) Theft of any kind;
- (4) Discourtesy;
- (5) Misusing or destroying CAC property or the property of another on CAC premises;
- (6) Violating conflict of interest rules;
- (7) Disclosing or using confidential or proprietary information without authorization from the appropriate management personnel;
- (8) Falsifying or altering CAC records, including but not limited to the application for employment or timecards;
- (9) Interfering with the work performance of others;
- (10) Altercations, arguing, fighting, badgering;
- (11) Harassing, including sexually harassing, employees or others;
- (12) Being under the influence of, manufacturing, dispensing, distributing, using, or possessing illegal or controlled substances on CAC property or while conducting CAC business;
- (13) Gambling on CAC premises or while conducting CAC business;
- (14) Sleeping on the job or leaving the job without authorization;
- (15) Possessing a firearm or other dangerous weapon on CAC property or

while conducting CAC business;

(16) Being convicted of a crime that indicates unfitness for the job or raises a threat to the safety or well-being of CAC, its employees, producer/handlers, or property; or

(17) Failing to report to CAC, within five days, any conviction under any criminal drug statute for a violation occurring in the workplace or during a CAC-related activity.

E. Attendance

In addition to the general rules stated above, employees may be disciplined or terminated for failing to observe the following specific requirements relating to attendance:

(1) Failing to report to work on time, observing the time limits for rest and lunch periods, and obtaining approval to leave work early; and

(2) Failing to notify your supervisor in advance of anticipated tardiness or absence.

F. No Progressive Discipline Procedure

CAC has not instituted, and is not obligated to follow, a progressive discipline policy. CAC reserves the right to proceed directly to termination, without resort to prior disciplinary steps, when CAC, in its sole discretion, deems such action appropriate.

EXTERNAL COMMUNICATIONS

Occasionally, employees may be contacted by outside sources (including but not limited to media) requesting information about CAC matters, including information regarding current or former employees, producer/handlers, CAC projects, or other workplace issues. In order to avoid providing inaccurate or incomplete information to outside sources, employees contacted by an outside source should immediately refer the contact to their supervisor without disclosing any information or making any comment.

EMPLOYEE REFERENCES

Requests for references after an employee leaves CAC will be responded to by disclosing only dates of employment and title of last position held.

EMPLOYMENT AT WILL

This Handbook is not a contract of employment. Nothing in this Handbook or in this section on discipline/termination is intended to alter the at-will status of employment with CAC. Either you or CAC may terminate the employment relationship at any time, with or without cause, and with or without prior notice. CAC reserves the right to terminate the employment relationship, or to demote, discipline, or alter the terms and conditions of employment (including this handbook) without advance notice and without resort to any particular procedures.

ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK

(PLEASE READ THE EMPLOYEE HANDBOOK AND FILL OUT AND RETURN THIS PORTION TO HUMAN RESOURCES WITHIN ONE WEEK OF RECEIPT)

Employee Name: _____

I acknowledge that I have received a copy of the CAC Employee Handbook as adopted by the CAC Board of Directors effective March 17, 2016. I understand that I am responsible for reading the policies and for knowing and complying with the policies during my employment with CAC.

I further understand, however, that the policies are guidelines only and are not intended to create any contractual rights or obligations, express or implied, and shall not be construed to create any type of right to a "fair procedure" prior to termination or other disciplinary action. I also understand that CAC has the right to amend, interpret, modify, or withdraw any of the policies at any time in its sole discretion, with or without notice. Furthermore, I understand that, because CAC cannot anticipate every issue that may arise during my employment, if I have any questions regarding any of CAC's policies or procedures, I should consult my supervisor.

I understand and agree that my relationship with CAC is "at-will," which means that my employment is for no definite period and may be terminated by me or by CAC at any time, for any reason, with or without cause, and with or without advance notice. I also understand that CAC may demote or reassign me or otherwise alter the terms of my employment at any time at its discretion, with or without cause or advance notice. By signing below I also agree with the confidentiality and non-disclosure provisions of this Handbook.

I understand and agree that if I resign or am terminated from my employment with CAC I will immediately return any CAC-owned property to the CAC office, including but not limited to CAC-owned laptops or other computers, phones, printers, electronic storage devices, and documents. With respect to CAC-owned computers, phones, and storage devices, I agree to return such property to CAC without removing any data, documents, software, or applications from the device(s).

I understand and agree that the terms of this Acknowledgment may not be modified or superseded except by a written agreement approved by the CAC Board and signed by me and the Chair of the CAC Board, that no other employee or representative of CAC has the authority to enter into any such agreement, and that any agreement to employ me for any specified period of time or that is otherwise inconsistent with the terms of this Acknowledgment will be unenforceable. If the terms of this Acknowledgment are inconsistent with any policy or practice of CAC now or in the future, the terms of this Acknowledgment shall control.

Finally, I understand and agree that this Acknowledgment contains a full and complete statement of the agreements and understandings that it recites, that no one has made any promises or commitments to me contrary to the foregoing, and that this Acknowledgment supersedes all previous agreements, whether written or oral, express or implied, relating to the subjects covered in this Acknowledgment.

Date:_____

Signed:_____

Signature of Employee

Print Name of Employee

ACKNOWLEDGEMENT OF RECEIPT OF POLICY AGAINST HARASSMENT

(PLEASE READ THE POLICY AGAINST HARASSMENT AND FILL OUT AND RETURN THIS PORTION TO HUMAN RESOURCES WITHIN ONE WEEK OF RECEIPT)

I have received a copy of CAC's Policy Against Harassment contained in the Employee Handbook effective March 17, 2016. I have read and understand the Policy Against Harassment, including the procedures for reporting harassment, and I agree to abide by the provisions contained therein.

Date:_____

Signed:_____

Signature of Employee

Print Name of Employee