Equality
Gnomengen Corporation is an equal opportunity employer. As a responsible business organization, we practice equal employment opportunity in the conduct of all our business activities without regard to an individual’s age, color, race, national origin, religion, marital status, citizenship, ancestry, age, pregnancy, sex, sexual orientation, mental or physical disability, medical condition or any other characteristic protected by state or federal law. This principle of equal employment opportunity is articulated in all programs throughout the organization.

Citizenship and Alien Status Verification
As an equal opportunity employer, we employ persons legally entitled to work in the United States without regard to citizenship, ethnic background, or place of national origin. Gnomengen is committed to full compliance with the federal immigration laws. These laws require that all individuals pass an employment verification procedure before they are permitted to work. This procedure has been established by law and requires that every individual provide satisfactory evidence of their identity and legal authority to work in the United States no later than three business days after they begin to work. Accordingly, all new hires must go through this procedure.

Americans with Disabilities Act
Gnomengen is committed to providing equal employment opportunities to otherwise qualified individuals with disabilities, which may include providing reasonable accommodation where appropriate. In general, it is your responsibility to notify your manager of the need for an accommodation. Upon doing so, your manager may ask you for your input or the type of accommodation you believe may be necessary, or the functional limitations caused by your disability. Also, when appropriate, we may need your permission to obtain additional information from your physician or other medical or rehabilitation professionals.

At Will Employment
You are free to terminate your employment with Gnomengen at any time, with or without cause or advance notice, and Gnomengen has the right to terminate your employment at any time, with or without cause or advance notice. This is called “at will” employment.

No one, other than the CEO, can commit the Company to an agreement for employment for a specified period of time, or make any agreement or representations contrary to this policy of at-will employment. Further, any such agreement must be in writing, approved by the CEO and signed by you and an approved Gnomengen designee. Accordingly, employment at Gnomengen is for no specific length or term.
**Business Ethics**
We strive to maintain the highest standard of business ethics. You are expected to act at all times in a way that reflects favorably on yourself, the company and your co-workers and to avoid anything that may interfere with the company’s operation or with the rights of others. Our standard of business ethics demands honesty and fairness when it comes to dealing with employees, visitors, customers, vendors, potential investors and competitors. You are required to sign and understand Gnomengen’s Proprietary Information and Inventions Agreement. Your compliance with this agreement is a condition of employment at Gnomengen.

**Standard of Business Conduct**
As a member of the Gnomengen team, you are expected to accept certain responsibilities, adhere to acceptable business principles in matters of personal conduct, and exhibit a high degree of personal integrity at all times. This not only involves sincere respect for the rights and feelings of others, but also demands that in your business life you refrain from any behavior that might be harmful to you, your co-workers and/or Gnomengen, or that might be viewed unfavorably by current or potential customers or by the public at large. Some of these “common sense” business principles are included here:

1. Unexcused and/or repeated absenteeism or tardiness;
2. Mishandling, misappropriation or unauthorized removal or possession of the funds or property of Gnomengen or any co-worker;
3. Insubordination;
4. Possessing or bringing unauthorized hazardous materials on Gnomengen property;
5. Falsifying, making a material omission from or destroying any record of the company;
6. Use or possession of illegal drugs while on Gnomengen premises or while on duty;
7. Unlawful harassment, including sexual harassment, of other employees;
8. Carelessness or negligence when performing duties;
9. Misusing, destroying or damaging property of Gnomengen, a co-worker, a customer or a visitor;
10. Use or disclosure of confidential information (including client and/or employee rosters), belonging to Gnomengen or otherwise, that would violate your *Proprietary Information and Inventions* Agreement;
11. Violating safety or health rules or practices or engaging in conduct that creates a safety or health hazard; and
12. Unsatisfactory work performance and/or work attitude.
Of course it must be noted that the types of problems described above are examples of unacceptable business conduct and do not constitute a complete list of inappropriate behavior or conduct. Also, while the Company reserves the right to terminate any employee’s employment at will, unacceptable business conduct could lead to disciplinary action up to and including discharge. If you are ever in doubt about whether certain conduct is permitted, please consult with your manager or Human Resources.

**Conflict of Interest**

You should refrain from activities that may lead to, constitute, or give the appearance of an actual or potential conflict of interest. It is your responsibility to inform your manager at Gnomengen of any actual or potential conflict of interest. Failure to do so may result in disciplinary action, up-to-and-including termination of your employment. If you are in doubt as to whether or not a conflict of interest exists, you should check with your manager.

Types of conflicts of interest might include: investments in significant supplier companies; investments in competing companies; borrowing from or lending to supplier companies; acceptance of employment as consultant or part-time employee at firms that have a business relationship with Gnomengen or are competitors; acceptance of substantial gifts or excessive entertainment; posting comments about Gnomengen on web chat rooms; misuse of privileged information; dating another Gnomengen employee who is in the same “chain-of-command” (i.e., if one employee has direct or indirect supervisory responsibility for the other employee) or revealing confidential information to outsiders.

**Outside Employment**

Many Gnomengen employees are considered experts in their respective fields. Because of that expertise, other companies may ask you to perform consulting or other activities for them. While such requests may be granted under certain circumstances, you should be aware of the potential problems associated with such activities.

First, when presented with such a request, you should consider whether the outside activities would in any way conflict with your duties and obligations as a Gnomengen employee. Also, consider whether you might be placed in circumstances that might lead, or might appear to others to be likely to lead, to improper disclosure of Gnomengen confidential or proprietary information. If so, decline the request. If you believe the requester is soliciting unauthorized disclosure of Gnomengen confidential information, then consider these requests improper – and under some circumstances illegal – and report them to an officer of the Company.

Second, if you believe the request of outside consulting or employment is proper and would not conflict with your duties and obligations to Gnomengen, speak with your manager about the request. If your manager agrees that your conduct would not present an actual or potential conflict of interest, before engaging in such conduct (e.g., granting the request), you must obtain prior written authorization from an officer of the Company.

And third, even after written permission has been granted, you must continue to assess whether your conduct (e.g., outside activities) presents a potential or actual conflict of interest with your duties
and obligations to Gnomengen. If such a conflict does arise, then terminate the relationship and inform an officer of Gnomengen of the termination.

Confidentiality
The protection of confidential, sensitive, and proprietary information is of critical importance to Gnomengen. During work, valuable information is acquired or generated which the Company may choose to protect either by way of patents or by keeping it secret. To protect and preserve its rights in such information, Gnomengen requires all employees, as a condition of their employment, to sign the Proprietary Information and Inventions Agreement.

Our success ultimately depends on our competitive edge and efforts to safeguard sensitive and confidential information. Therefore, we consider it to be one of your most important responsibilities not to reveal or divulge such information except as permitted by the terms of the Proprietary Information and Inventions Agreement.

Dealing in Securities
In the course of performing your duties, you may receive information about the Company, which, if known to the public, could affect a decision to buy, sell or hold the company’s stock. This kind of information is often referred to as “inside information.” Inside information includes confidential information about Gnomengen and information about any other company to which you may be exposed in your work.

You are strictly prohibited from using inside information about Gnomengen and its business plans in connection with the purchase or sale of company stock for your personal account or any other person’s account. This includes securities of an unaffiliated company in which Gnomengen is considering an investment or some other business arrangement. You are also prohibited from disclosing confidential information to persons outside of Gnomengen, in any form including an Internet chat room. Any such use or disclosure of information may constitute a violation of the Securities Exchange Act of 1934 and subject the employee to civil and criminal penalties. For further details, refer to the Insider Trading Policy, which is given to all employees during orientation.

Interaction with the Press
On occasion, members of the press (i.e., TV news anchors, radio commentators, journalist, and others, requesting information about Gnomengen or its activities) have contacted employees of Gnomengen. Respond by obtaining the name, affiliation, and contact information from the requester and then politely decline the interview. This response should then be followed by an offer to have an officer of Gnomengen contact the requester as promptly as possible. Interactions with the press merit special consideration because of the potential impact on Gnomengen. Carefully review the Gnomengen Publication and Public Disclosure Policy you were given during orientation before disclosing any information about Gnomengen.

Electronic Security
All information stored on Gnomengen’s systems, including but not limited to, computers, networks, voice mail, electronic mail and telephone records, is considered Gnomengen property and authorized staff members may have access to them. This means that you will want to use Gnomengen’s systems
for their intended business purpose and confidentiality should not be expected.

Internet access and e-mail through company systems are property of Gnomengen, and their purpose is to facilitate company business. Each employee is responsible for the content of all text, audio, and images that they place into or send over Gnomengen’s systems. No electronic communication may be sent that hides the identity of the sender or indicates or implies that the sender is someone else or is from another company.

To ensure that the use of electronic communication systems is consistent with Gnomengen legitimate business interest, Gnomengen reserves the right to monitor and/or search the use of such equipment for legitimate business reasons. Employees should know that abusing the system might, at Gnomengen’s discretion, result in disciplinary action up-to-and-including termination. However, an employee may review any information collected by electronic monitoring.

**Solicitation**

In order to avoid disruption of company operations, the following rules shall apply to solicitations, distribution and posting of literature on company property.

1. Persons who are not employed by Gnomengen may not solicit, distribute or post literature on company property at any time for any purpose.

2. During work time, employees of Gnomengen may not solicit (whether in person, by e-mail or by voice-mail) for any purpose, and may not distribute literature. Employees may post appropriate materials on the internal designated bulletin board, but should check with Human Resources before posting anything. Human Resources reserves the right to monitor all postings and may remove inappropriate materials at its discretion.

3. “Work time” includes the working time of both the employee doing the soliciting or distributing and the employee to whom the soliciting or distributing is being directed. Work time does not include break periods, meal periods, or any other specified periods during the workday when employees are properly not engaged in performing their work tasks.

**Gifts**

In order to maintain a high standard of integrity, you or members of your immediate family may not accept any gratuities from customers, vendors or visitors. Likewise, if you represent the Company before service groups or trade associations, expense reimbursement can be accepted, but “fee for services” should be declined. In cases where accepting the “honorarium” cannot be avoided, you should request that the honorarium be contributed to a charity or other non-profit organization.
Health and Safety

Health and Safety
We are committed to promoting safety awareness and to provide a safe workplace for all employees. Safety is an integral part of your job. You are responsible for being aware of potential hazards, learning and following safety practices and rules, using the safety devices and protective equipment required on the job, and correcting or reporting all safety, health, and fire hazards promptly to your manager. If you experience an accident at work, no matter how minor it may seem at the time, you must advise your manager immediately.

Safety Training
You will receive an orientation on our health and safety policies shortly after you start working at Gnomengen. This orientation will include a review of the Safety Manual and the Illness and Injury Prevention Program. If you work in the laboratory area you will receive additional training in the identification and control of workplace hazards.

Safety First
You are responsible for helping the Company promote safety and to prevent accidents to yourself, as well as to co-employees, vendors and visitors by observing the following common-sense rules.

1. Observe and abide by all established safety rules and practices. Learn the company’s fire rules, the location of fire bullhorns, and your own duties in case of a fire.

2. Promptly report all unsafe or potentially hazardous conditions to your manager, the Environment Health and Safety Specialist, the Associate Director, Facilities and EH&S or to Human Resources. Such conditions include, but are not limited to:
   a. Wet or slippery floors.
   b. Equipment left in halls or in walkways.
   c. Exposed wiring.
   d. Careless handling of equipment.
   e. Defective equipment.

3. Assist and encourage other staff members to work safely.

4. Know the location of safety and first aid equipment. Report all injuries immediately to your manager.

5. Use proper lifting techniques to avoid injuries. Exercise caution when moving about the office, lab areas or other common areas of the facility.

6. When not in use, keep file drawers and desk drawers closed. Be careful when closing file and desk drawers to avoid hand injuries. Remember to only open one file cabinet drawer at a time to avoid the cabinet from tipping over.
7. Use ladders and step stools to reach high files and storeroom shelves.

8. Use caution when unplugging electrical cords. You should remember to grasp the plug and not the wire. Cords should also be arranged so that they don’t present a tripping hazard.

9. Always be on the alert for safety hazards.

10. Use care when approaching doors without windows and always open such doors slowly.

**Safety Committee**
A committee made up of employees representing all departments and a senior management representative has been established to provide a forum for discussing and communicating health and safety issues. Some of the responsibilities of this committee include:

1. Promoting and implementing various safety programs, policies and methods to ensure a safe working environment.

2. Organizing the Gnomengen Emergency Response Team (GERT) to provide first aid in the event of accidents, injuries or illness.

3. Preventative health and well-being education.


5. Conducting and reviewing periodic safety inspections.

6. Reviewing all investigations of accidents, injuries, safety incidents and exposures along with recommending measures for future prevention.

7. Creating and posting minutes of the Safety Committee meetings.

**Security**
We are committed to provide a secure workplace and ensure the protection of corporate assets and company proprietary information. Security is an integral part of your job responsibility. We ask that you be cognizant of employees and visitors identification. You should be sensitive to information you generate or have access to, protect corporate assets such as hardware, software and office supplies, secure your work area when left unattended, and report security related issues to your manager or the Associate Director, Facilities and Environment Health & Safety. Also, to ensure the safety of all of our employees the Security department opens all incoming mail and x-rays packages from unauthorized vendors.

For security (and safety) reasons, it is important not to leave any visitors unattended and to make sure the building is secure when you leave at night and on the weekends.

**Prevention of Workplace Violence**
It is our goal to provide a workplace free from violence. Violence by anyone against an employee,
vendor, customer or guest will not be tolerated. Acts of violence may include conduct occurring on or off Gnomengen’s premises.

Conduct constituting acts or threats of violence include, but are not limited to: threatening or aggressive physical contact; threatening an individual, their family or friends with physical harm; the intentional destruction or threat of destruction of property; harassing or threatening phone calls or correspondence; stalking; or any veiled threat of physical harm.

You should report immediately any act or threat of violence to Human Resources or the Associate Director, Facilities and Environmental Health & Safety. Failure to report a violent act or fully cooperate in the company’s investigation may result in disciplinary action, up to and including termination.

**Visitors**
Visitors are welcome. In order to ensure that visitors’ activities are supervised, to ensure visitors’ safety, and to see that Gnomengen’s confidential information is protected, all visitors must enter the Company through the front lobby, sign in, be escorted at all times when on company premises and sign out in the lobby when their visit ends.

**Smoking**
To promote a healthy environment, we have made Gnomengen a smoke-free workplace. Smoking is allowed outside the building only.

**Event of an Emergency Situation: Call 9-911**
In the event of an emergency, you should dial 9-911 on your company telephone. Once called, you should be prepared to give the operator your name, Gnomengen’s address, the nature of the emergency, location of the incident or injury and the extension of the phone you are using. Then, if time permits contact the front desk so that they can page the Gnomengen Emergency Response Team.

**Evacuations**
In the event of an emergency, you should be familiar with the evacuation routes for your area. Should an evacuation occur, the Associate Director, Facilities and Environmental Health & Safety, or their designee, will advise employees when it is safe to return to work or if you need to leave the premises.

**Fires and Explosions**
In order to ensure the safety of yourself and others in the event of a fire or explosion, you are responsible to become familiar with the emergency evacuation routes for your work area. You should also know the location of fire extinguishers and follow all instructions for evacuation procedures. **Fires and explosions should be immediately reported by calling 9-911.**

**Drug and Alcohol**
Any drug or alcohol use, which imperils the health and well being of Gnomengen employees or interferes with their work, will not be tolerated.
**Drugs**
The illegal use, manufacture, possession, distribution, purchase or sale of narcotics, drugs, or controlled substances while on the job or on Gnomengen property will result in immediate termination. Conviction for the illegal use, sale, or possession of narcotics, drugs or controlled substances off duty or off Gnomengen property may also result in termination.

The legal use of controlled substances, such as prescription drugs prescribed by a licensed physician, or over-the-counter medication that you buy at the store, is allowed. However, if you cannot perform your job satisfactorily because you are taking prescription or over-the-counter medicine, Gnomengen may require you to see a doctor, at the company’s expense. You may be obliged to take a leave of absence if the doctor concludes that you cannot perform your job safely and efficiently because of your medication.

**Alcohol**
The unauthorized use, possession, distribution, purchase, or sale of alcohol by any person while on Gnomengen premises is prohibited. Any use of alcohol, which impairs job performance, is also prohibited. Any person under the influence of alcohol is prohibited from entering the premises of Gnomengen or engaging in Gnomengen business.

Moderate use of alcohol is permitted at Gnomengen sponsored business meetings and social functions outside of the company’s normal work hours. Any employee who is under the influence as a result of consuming alcohol at a Gnomengen function is prohibited from driving, and is responsible for obtaining safe, alternate transportation. Gnomengen will arrange and pay for other forms of transportation at the request of an employee or if Gnomengen determines that such assistance is required. Violation of this guideline by an employee may lead to termination.

**Employee Assistance**
Gnomengen wishes to assist employees who recognize that they have a problem with drugs or alcohol that may interfere with their ability to perform their job in a satisfactory manner. Employees who have a problem with substance abuse and who decide to enroll voluntarily in a rehabilitation program will be given unpaid time off to participate in the program unless it would result in an undue hardship to provide the time off. If the employee requests time off to participate in such a program, the Company will also make reasonable efforts to keep the enrollment in the program confidential.

You may use any accrued vacation benefits while on leave. The leave will be subject to the same provisions and rules as apply to medical leaves.

**Harassment**
Gnomengen is committed to maintaining a working environment free of unlawful harassment for all of its employees, visitors, consultants and contractors. To that end, Gnomengen prohibits sexual harassment, and harassment based on pregnancy, childbirth or related medical conditions, race, religious creed, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other basis protected by federal, state or local law or ordinance or regulations. In order to provide a productive and pleasant working environment, it is important that we at Gnomengen maintain an atmosphere characterized by mutual respect. The
following provides a non-exhaustive list of conduct characterized as harassment. Such conduct will not be tolerated.

**Conduct Prohibited at Gnomengen**

Sexual Harassment (including but not limited to):

1. Unwelcome conduct of a sexual nature;
2. Unwanted sexual advances;
3. Offering employment benefits in exchange for sexual favors;
4. Sexual gestures;
5. Displaying sexually suggestive objects, pictures, or calendars, or sending suggestive or pornographic correspondence or electronic mail; or
6. Making or using derogatory comments, abusive words, slurs and jokes.
   a. Unflattering or mocking names;
   b. Derogatory graffiti;
   c. Offensive humor; or
   d. Displaying pictures, flags or other materials, which state or imply prejudicial attitudes or which are offensive to co-workers.

8. Other Prohibited Conduct (including but not limited to):
   a. Harassing co-workers away from the work-site, even during non-working hours, or
   b. Retaliating in any way against employees who report harassment.

**Responsibilities of Employees**

Speak out if you feel you’ve been harassed or if you witness harassment (even though you are not the subject of the harassment).

1. At any time, you are encouraged to use the Open Door process to present your concerns to your manager, any member of the senior management team or to Human Resources.
2. You may consider simply telling the offending employee to stop the harassment. If you need help on how to approach the person, you can go to the Human Resources Department.
3. Remember that Gnomengen will not retaliate against you for reporting harassment, and will not tolerate or permit retaliation by management or other employees.

**Responsibilities of Management**

Act as role models of respectful, appropriate conduct.

1. Prevent harassment by not tolerating inappropriate, potentially offensive conduct in your work group and assure that your work group is aware of Gnomengen’s policies and procedures regarding harassment.
2. If an employee complains of harassment, immediately report the matter to Human Resources. Work together with Human Resources to investigate the matter and implement an appropriate action plan.

3. Check back with the employee who has reported harassment to ensure they have not experienced retaliation or further harassment.

**Gnomengen Takes Harassment Complaints Seriously**
Be assured that all complaints will be promptly investigated and addressed. Some complaints, after investigation, may lead to the termination of the offending party. Information disclosed will be disclosed only on a need-to-know basis in order to investigate and resolve the matter.

If you, as an employee, are found to have engaged in sexual harassment, or if you, as a manager, know about the conduct and condone or ratify it, you may be personally liable for monetary damages.

You may also contact the California Department of Fair Employment and Housing (“DFEH”), which has responsibility for monitoring harassment in the workplace. The DFEH may seek an administrative hearing before the California Fair Employment and Housing Commission (“FEHC”) or file a lawsuit in court. Both the FEHC and the courts have the authority to award damages to compensate employees for injuries incurred because of harassment. Information regarding how to contact the DFEH and the FEHC is posted in the workplace.

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**Employment**

**Job Duties**
Your supervisor will help you to understand your job responsibilities, goals, work procedures and work standards. You will be expected to show you are capable of performing your work and establishing productive work relationships. Your job responsibilities may change at any time during your employment. From time to time, we may ask you to work on special projects or to assist with other work necessary and important to the operation of your department or Gnomengen.

**Personnel Records**
It is necessary to maintain a certain amount of information about you in your personnel file. This file is available to the Human Resources staff and management for legitimate business reasons. You can review your file, make copies of any document, which bears your signature by contacting Human Resources. It is your responsibility to be sure that your records are kept up to date. Changes of address, telephone number, family status such as births, marriage, death, divorce, emergency contact information should be reported to Human Resources.

**Employment Classification**
Positions are classified in compliance with applicable federal, state and local laws. Such laws describe the criteria for jobs to be classified as “exempt” or “non-exempt.” Non-exempt employees will be paid overtime, in situations required by law. Exempt employees are paid a salary that covers all hours worked and are not eligible for overtime compensation. The Human Resources Department
utilizes information contained in job requisitions and other relevant information to make the determination of whether a position should be classified “exempt” or “non-exempt.”

**Employee Status**

**Regular full-time employees**
Regular full-time employees are scheduled to work 40 hours a week on a continuing basis and are eligible for all benefits as described in this employee guidebook.

**Regular part-time employees**
Regular part-time employees are scheduled to work less than 40 hours but at least 20 hours a week. Regular part-time employees are eligible only for some employee benefits offered by Gnomengen. Some benefits (e.g., holiday, and vacation accrual) are prorated based on hours worked.

**Temporary employees**
Temporary employees hold jobs of limited duration, for example only during the summer months or those jobs arising out of special projects, unusual workloads or emergencies. Temporary assignments are usually for a period of three months or less. Employees who are considered temporary are not eligible for employer-sponsored benefits except where mandated by applicable laws.

**Payment of Wages**
Payroll distributes paychecks twice a month, on the 15th and the last day of the month. If the payday falls on a weekend day or a company holiday, paychecks will be distributed the preceding workday.

Each paycheck is in the amount of your salary for regular hours worked in the given pay period, less social security/medical taxes, withholding taxes and other authorized deductions. Overtime hours will be reflected one pay period in arrears. You may have your pay automatically deposited in one or more financial institutions. It can take up to two pay periods from the date of the initial request before the automatic deposit becomes effective.

**Work Week Definition**
The workweek begins on Monday and ends the following Sunday and the workday begins at midnight and ends 24 hours later. However, official business hours for Gnomengen are 8:00 a.m. to 5:00 p.m. The standard workweek for full time employees is a minimum of 40 hours, usually worked as five eight-hour days, exclusive of the meal period. On Monday through Friday, the workday normally begins between 7 a.m. and 10 a.m. Flexible time in work schedules is available to some employees depending on the nature of the job, the department or business needs of the Company and the employee’s work performance. You should discuss your work schedule with your manager. Once your schedule is established, you will need to follow it unless you make other arrangements with your manager.

**Working Hours**
Your time at work should be based on your enthusiasm and commitment to Gnomengen. Various factors, such as workloads, operational efficiency, and staffing needs may require variations in an
employee’s starting and quitting times and total hours worked each day or each week. Gnomengen reserves the right to assign employees to jobs other than their usual assignments when required. In addition, employees may be required to work overtime or hours other than those normally scheduled whenever necessary.

**Core Hours**
Because most of our company, departmental and project meetings are usually scheduled between 10:00 a.m. and 3:00 p.m. we ask that all employees plan their work schedules around these core hours.

**Pay Records**
Non-exempt employees are required to keep a time sheet indicating the daily hours worked. The time sheet must be approved by your manager and submitted to Payroll at the end of each pay period. Exempt employees must submit a time sheet, which is signed by your manager, at the end of each month to Payroll.

**Attendance**
A dependable work force is important to our success. You are expected to be conscientious about punctuality and attendance. If you are going to be late to work or absent because of illness or for any other reason you must contact your manager, as soon as possible, prior to the start of your workday. Ultimately, attendance is your responsibility and you owe it to your co-workers to fulfill your commitments.

**Doctor’s Statement**
Gnomengen is concerned about the well being of all its employees. In keeping with this concern, you should not return to work following an extended absence necessitated by an illness or injury without your doctor’s approval. If you are absent from work for five or more days due to an illness or injury you must provide a satisfactory doctor’s statement before returning to work and resuming your duties. The doctor’s statement must verify that you are able to return to work without presenting an immediate and significant risk to your health or safety or to the health or safety of others.

**Job Abandonment**
Except as required by law, if you are absent from work for three days without properly reporting the absence to your manager, you will be deemed to have abandoned your job and to have resigned your employment with Gnomengen. Your pay will cease to be effective the first day of your absence.

**Position Announcements**
Gnomengen supports internal promotions and transfers for qualified employees. Many positions within Gnomengen, up through the managerial level, will be announced internally. Generally, to be eligible to apply for an open position that is announced internally, it is necessary that you meet the specified minimum qualifications of the open position, be in your current position for a minimum of one year, and have a solid performance rating.
If you wish to apply for a posted position, you must complete an internal transfer form and submit it to Human Resources.
**Employee Referrals**
We believe that our employees are a good source to identify candidates for employment. Therefore, Gnomengen maintains an employee referral bonus program, which rewards employees who formally refer applicants. A bonus of $2,000 is paid to current employees who refer a successful placement for a current open position. The referring employee will also be given 500 shares of stock that will become fully vested one-year after the placement. All employees are eligible to participate in this award program except officers, those directly involved in the hiring process, Human Resources and relatives of the referral.

**Review of Employee Personnel File**
The files and records about your employment are the property of Gnomengen. You may review your personnel file, with the exception of letters of reference, by giving reasonable notice to the Human Resources Department. You may also obtain copies of any documents you have signed.

**Federal New Employee Registry**
The federal law requires all employers to report certain information on their newly hired employees to a designated state agency within 20 days of hire. This information is used to match the reports against child support records to locate parents, establish a new support order or enforce an existing one. To comply with this law, Gnomengen reports all new employee’s first name, middle initial and last name; Social Security number; home address; and start-of-work date to California’s EDD’s “New Employee Registry.”

**Release of Employee Information & Employee References**
We are concerned about the accuracy of any information provided to individuals outside Gnomengen regarding current or former employees. No employee may provide (either on or off-the-record) any information regarding current or former employees to any non-employees without the specific approval from Human Resources, except where such release is authorized by law. This includes letters of reference. All employment verifications should be directed to Human Resources. Human Resources will release only your dates of employment, your position title and workplace location. Salary information will be disclosed only if you authorize disclosure in writing.

**Employment of Relatives**
Gnomengen permits the employment of qualified relatives of employees as long as such employment does not, in the opinion of the Company, create a conflict of interest. Gnomengen will not place a relative in a position of supervising, having supervisory influence or grievance adjustment control over a relative, or in a position of being subject to such influence/authority exercised by a relative due to their position. If two employees marry, neither shall be required to resign as long as they are not in any direct or indirect supervisory relationship to each other. For purposes of this guideline, “relative” is defined as a spouse, domestic partner, child, parent, sibling, grandparent, grandchild, aunt, uncle, first cousin, or corresponding in-law or “step” relation.

**Re-Employment**
Employees who have resigned from Gnomengen will be considered for rehire with other applicants, if they apply. Their prior record with the Company will be considered. Former employees who are hired within less than a year of their termination date are considered reinstated. Reinstated
employees retain their original service date for benefit purposes. Former employees who are hired after a year of their termination date are considered rehired. Rehires will not receive credit for any prior service that affects benefit calculations such as vacation and length of service. In all cases of re-employment, determinations of length of service under the 401(k)-retirement savings plan are made according to the provisions of that plan.

Orientation
Gnomengen has established an orientation program to help you make a satisfactory adjustment to your new work situation. As close to the first day of employment as possible, you will be scheduled to attend an orientation session. During orientation you will complete necessary paperwork and receive general information regarding the Company, policies, and benefits programs. In addition, you will receive safety orientation and orientation to your departmental procedures.

Badges
All Gnomengen employees are given a picture identification badge upon hiring which they may be required to wear at certain times. These badges also give access into our buildings. Some work areas have restricted access, which requires authorization prior to receiving access. If you lose your badge you should contact someone in Facilities immediately. Contractors, consultants and temporary employees are assigned similar badges.

Professional Appearance
Good taste and neatness in dress and grooming create a favorable impression and promote the professional image Gnomengen wishes to maintain. You should dress in a manner that is consistent with your responsibilities. Attention should be paid to safety. You should avoid extremes in style and personal grooming that distract or adversely impact others in the business environment. Your manager will advise you of any specific dress requirements.

Compensation and Pay Practices

Compensation Program
Pay for performance is the basis of our compensation program. Our programs are designed to attract, retain, motivate and reward a quality work force. Our compensation strategy is to pay at a level that is competitive with companies and industries seeking comparable skills and talents as Gnomengen. The compensation program is designed to recognize job contribution and reward performance relative to individual, team, department and company objectives.

To ensure internal consistency, all jobs are ranked based on the knowledge, creativity, freedom to act and impact on the organization that is required for the position to function effectively. This ranking focuses on the job, not the individual in the job. Each job is evaluated in objective terms to ensure equity with jobs requiring similar skills, effort and responsibility.

While Gnomengen retains the right to set compensation as it sees fit, Gnomengen typically surveys the compensation practices of comparable companies (same industry, location and size). The Gnomengen Operating Committee (GOC) determines the desired level of competitive position
within the marketplace. Generally, the process of conducting and analyzing surveys continues throughout the year and is one major aspect of Gnomengen’s efforts to pay competitive salaries. Considering numerous factors, including the competitive salary practices of our industry, the corporate goals and objectives and the company’s ability to pay, a Salary Budget is presented each year to the Board of Directors. Based on the approval of the Board, individual merit increases are planned by each department during the focal review process.

**Components of Compensation**

**Base Pay**
The greatest component of your total compensation is base salary, which generally recognizes applied skills, competencies, and demonstrated results.

**Discretionary Bonus Pay**
At the end of the year, you may be eligible to receive bonus pay for your individual achievement and Gnomengen’s successful attainment of business objectives. The decision to award bonuses in a particular year, and the formula for awarding bonuses, is within Gnomengen’s discretion. If paid, bonuses are typically a percentage of your base salary and are an additional financial incentive for excellent performance. To be eligible for a bonus, you must be employed by Gnomengen on the day the bonus is awarded.

**Stock Options**
Regular, full time employees of Gnomengen have the opportunity to acquire an equity interest in Gnomengen through our stock option program, permitting each of us to share in the future success of the Company. Employees are granted stock when they join the company and additional stock may be awarded for significant achievement.

**Performance Evaluations**
Performance evaluations are an important part of Gnomengen. This process includes setting goals, providing feedback and coaching, and reviewing our performance against goal achievement and overall job performance.

At the beginning of each year, Gnomengen defines its focus and determines its direction for the year ahead by setting company goals. These goals are cascaded to project teams, departments and then to each individual employee. This way, each of us understands how what we achieve contributes to Gnomengen’s overall success. At the end of the year, we measure our progress in the focal review process. Our contributions are evaluated on what we accomplished in three key areas: overall achievement of our corporate goals; overall achievement of our project goals; and overall performance of each manager and employee.

**Promotions**
Gnomengen’s practice is to encourage promotions from within the company when possible. Promotions to positions of higher responsibility are based on factors such as an individual ability to perform the job. In determining ability, consideration will be given to past performance and conduct, training, education, skills and related experience. You should discuss your career goals
with your manager to ensure you understand what standards you must meet to be eligible for consideration for a promotion.

**Overtime**

Often times, non-exempt employees will be expected to work hours in addition to those regularly scheduled. The need for such overtime work sometimes arises with little or no advance notice. Accordingly, Gnomengen appreciates the willingness of non-exempt employees to maintain flexibility in order to be available for overtime assignments. Your manager must approve all overtime in advance. Overtime will be paid to eligible non-exempt employees in accordance with applicable Federal and state laws. Accordingly:

1. Hours worked in excess of eight hours in one day, hours worked in excess of 40 hours in one workweek, and the first eight hours worked on the seventh day of work in a given workweek will be compensated at one-and-one-half the regular hourly rate.

2. Any work in excess of 12 hours in a workday, or in excess of eight hours on the seventh day of work, shall be compensated at twice the regular rate of pay.

3. Employees must actually work eight hours in a day, or forty hours in a week, before becoming eligible for overtime pay. Time missed from work during the week due to illness, vacation, early departures or tardiness will not be counted as hours worked toward overtime.

**“Make-up Time”**

If a non-exempt employee would like to make up work time lost due to personal obligations that would usually be unpaid, the following steps should be followed:

1. Submit a written request for each occasion you wish to make up work time that would be lost as a result of a personal obligation;

2. A manager must approve each request;

3. The make-up time must be performed in the same seven-day workweek in which the work time was lost; and

4. Total hours may not exceed 11 hours of work in one day, or 40 hours in one workweek. Any hours that do exceed the above maximums will be counted towards overtime, as required by applicable law.

**Call-In/Call-Back Pay**

There may be times when a non-exempt employee is called in to work on a day other than their normal work schedule. If the number of hours a non-exempt employee is schedule to work was not specified, that employee will be paid at least two hours pay at the then-applicable rate based on the reporting time pay requirements.
If a non-exempt employee is called back to work, they will receive at least two hours of pay. Call back time will be paid the same as regular hours worked, and the regular or agreed wage for this period, as well as applicable overtime, will be paid.

**Compensatory Time off**

Exempt employees are paid a fixed salary that is intended to cover all of the compensation to which they are entitled. Because they are exempt, such employees are not entitled to additional compensation for extra hours of work or time off in lieu of additional compensation. The Company does not maintain any compensatory time off plan or arrangement. Accordingly, any additional time off that is provided an exempt employee is done on an informal basis. Neither extra compensation nor compensatory time off will, under any circumstances, be owed or payable to an exempt employee upon separation from the company’s employ for any reason.

Non-exempt employees are entitled to overtime pay. Gnomengen does not permit those employees to take time off in lieu of receiving overtime pay.

**Rest and Meal Time**

If you are a non-exempt employee and work an eight-hour shift you are provided two 10-minute rest periods, one in each four-hour period. Because rest periods are provided on employer-paid time, your manager may require you to take scheduled breaks. For refreshment during these periods, coffee, tea and hot-chocolate are provided without charge.

Meal periods are not compensated. If you are hourly or non-exempt, you are required to take a meal period of at least 30 minutes if you work more than six (6) hours. You are also required to record the beginning and end of your meal period daily on your time sheet.

Rest and meal periods are intended to provide you an opportunity for rest and relaxation. Accordingly, they should be enjoyed away from your work areas. An on-duty meal period will be paid as time worked and must be approved by your manager.

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**Components of Your Benefits**

**Health Programs**

The offered benefit programs at Gnomengen are an essential component of the total compensation program. All programs are reviewed annually to ensure that they meet our business objectives and financial resources. We also review them to make sure that the particular provisions chosen for inclusion under the Gnomengen-sponsored plans are those felt to be of greatest value to Gnomengen employees and their dependents.

To qualify for the health benefits, you must be a full-time employee working a minimum of 32 hours per week. You will receive plan booklets, with detailed information, at your orientation. These plans are offered by the Company voluntarily and may be amended or terminated at any time. The information in this section is intended as a general guide only. For specific information you should
refer to the Plan Document of each program which will prevail. Currently, our health benefits include:

**Medical**
Our medical program gives you the opportunity to select a health plan that best serves you and your family’s needs. Both the HMO and PPO plans provide comprehensive coverage including physician office visits, hospitalization, laboratory and x-ray services, outpatient services, physical exams plus more. Also under all of the medical plans you will receive a Pharmacy Card. This card will allow you to purchase prescriptions at a reduced cost. Currently employees make no contribution for the medical program for themselves or their dependents. If you are covered under another medical program and can provide evidence you have such coverage you may elect not to participate in our medical program.

**Dental**
You have to be enrolled in the medical program to participate in our dental program. Based on usual and customary charges, the program covers 100% of covered diagnostic preventive services; 80% of covered expenses for basic services; and 50% coverage for major services such as crowns, jackets, inlays, onlays, cast restoration and prosthodontic benefits.

Orthodontic benefits which is considered any procedure using appliances or surgery to straighten or realign teeth, which otherwise would not function properly are covered at 50%.

**Vision**
Vision care is offered if you are enrolled in the medical program. Under the current program you may have an eye examination once every 12 months; receive new lenses or contacts every 12 months; and receive new frames every 24 months. There is a minimum co-payment with this program. Laser Vision Correction Surgery is also available under our current program.

**Life Insurance and AD&D**
Life and Accidental Death and Dismemberment (AD&D) insurance is equivalent to two times your annual salary to a maximum of $515,000. Currently, the company also provides $10,000 life insurance for your spouse, $1,000 for your children, 14 days to 6 months and $5,000 for your children 6 months to 19 years unless they are a full-time student then they are covered up to 25 years of age.

**Short Term Disability**
If you become disabled you may qualify for STD on your 31st day of disability. This pays 60% of your monthly salary up to $3,000 per week.

**Long Term Disability**
You may qualify for LTD on your 181st day of disability. This benefit provides you with income protection of 60% of your basic monthly earnings to a maximum benefit of $13,000.

**Business Travel Accident**
As a regular full-time employee you are protected if you accidentally die or are dismembered while on a covered work assignment through this program. The amount payable depends on the extent of loss.
Travel Assistance Services
When you’re traveling on company or personal business, you may experience medical difficulties. Finding the proper medical help can be confusing and even daunting. With Worldwide Assistance Services, Inc., one phone call connects you to the following services: consultation and evaluation, medical referrals and medical monitoring.

Employee Assistant Program (EAP)
The Employee Assistance Program is a free, confidential counseling and referral service designed to help employees and their household members resolve personal problems – problems that may be interfering with their work or home life. As an EAP member, you have access to PacifiCare 24 hours a day, 365 days a year.

Transportation Reimbursement Program
An employee may be reimbursed up to $65.00 per month for costs incurred by using public transportation to come to work. You must submit a reimbursement request with proof of the expense. Reimbursement will be reflected on your next paycheck with pre-tax dollars.

COBRA
COBRA is a federal law, which requires that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called “continuation coverage”) at group rates in certain instances where coverage under the plans would otherwise end.
If you are an employee covered by our medical health plans, you will have a right to choose this continuation coverage if you lose your group health coverage. Loss of health coverage could be because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part).

Financial Programs
Gnomengen offers a variety of programs and services designed to assist you and your family in planning short and long-term financial security. Used carefully, these programs can become an important part of the portfolio you develop for your future. Detailed information about these programs is made available during your orientation. Because any investment includes risk of loss, you may wish to consult an independent financial advisor to assist you in evaluating your alternatives.

401(k) Plan
You may defer from 1% to 20% of your (pre-tax) pay to the 401(k) plan. The maximum contribution currently is $10,500 and is subject to cost-of-living adjustments from time to time. Contributions into the plan are made only through payroll deductions. Each employee can decide the investment funds in which to invest their contributions. There are other components in this program such as loans, early withdrawals and rollovers. For details you should refer to the 401(k) handbook given to you during orientation.

Employee Stock Purchase Plan (ESPP)
The ESPP is a payroll deduction plan that provides you the opportunity to share in the future of Gnomengen through participation. You may choose to allocate up to 10% of your post-tax salary through payroll deduction for the purchase of Gnomengen common stock. You are eligible to participate on the first day of each purchase interval and the purchase of the stock at a discount occurs at the end of the offering period. Details are in the ESPP Handbook each employee is given during orientation.

Section 125 (Flex Election)

Health Care Reimbursement Account Up to $2,000 to be deducted from your pay on a pre-tax basis to be used to reimburse you for health care expenses that are not covered by health care plan(s).

Dependent Care Reimbursement Account Up to $5,000 of salary may be set-aside on a pre-tax basis for reimbursement for the purpose of covering qualified dependent care expenses.

Long Term Disabilities Premium To avoid paying tax on STD and/or LTD payments should you become disabled, you can, on a post-tax basis, elect to pay taxes on the premium paid by the Company to provide this insurance.

State Disability Insurance
You may be eligible for State Disability Insurance when an illness, injury or pregnancy-related disability prevents you from working and you meet all the eligibility requirements. These benefits are calculated as a percentage of your salary, up to a weekly maximum as specified by law, for the duration of up to 52 weeks. You are responsible for filing your claim and other forms promptly and accurately with the Employment Development Department. A claim form may be obtained from any office of the Employment Development Department by telephone, letter or in person. An employee’s SDI compensation will be augmented to ensure that they receive 100% of their base salary for up to four months within a 12-month period. You will need to work with Human Resources to determine how this will be done.

Social Security
Social Security is a plan to replace lost income, under certain circumstances, if you become disabled or retire. You and Gnomengen contribute an equal amount to your Social Security taxes.

Workers’ Compensation Insurance
In the event of a work-related accident or illness, you are covered by workers’ compensation insurance. The amount of benefits payable and the duration of payment will depend on the nature of your injury or illness. In general, however, if you provide the Company with proper notice, your medical expenses incurred in connection with the injury or illness are paid in full, and partial salary payments are provided normally beginning with the fourth consecutive day of your absence from work.

If you are injured or become ill on the job, you must immediately report such injury (no matter how small) and illness to your manager and the Environmental Safety & Health Specialist.
Unemployment Compensation
Gnomengen contributes each year to the federal and state unemployment insurance funds for you. The fund provides for partial financial protection if you are out of work and meet certain qualification requirements.

Other Programs

Continuing Education
Educational reimbursement is available for you when the courses are related to career growth. To be reimbursed for tuition and books, you must attain a grade “B” or better. The maximum amount of reimbursement for tuition is $1,000 per employee, per calendar year. In addition, Gnomengen will reimburse $50.00 per course for required books.

Gnomengenable Mentions
At times, Gnomengen recognizes the need for a program to reward employees, individually or as a team, for the exceptional contributions toward helping their coworkers, department, project team or the Company succeed. Accordingly, at its discretion, Gnomengen sometimes awards “Gnomengenable Mentions,” to employees for extraordinary accomplishments (e.g., reached a significant milestone, put forth an incredible effort or suggested cost savings.)

Credit Union
We are affiliated with Golden Bay Federal Credit Union. If you choose to join the Credit Union, you may become eligible for services such as:
1. Low-cost checking accounts with no minimum balance requirement;
2. High-Yielding Asset Management (Money Market) Accounts;
3. Individual Retirement Accounts with the ability to use payroll deductions to deposit a portion of your paycheck automatically in your IRA;
4. Visa Classic credit cards with no annual fee;
5. Auto loans, other types of vehicle loans, including boats, personal watercrafts, new motorcycles, and RVs;
6. Unsecured personal loans; and
7. Mortgage program including Home Equity Lines of Credit.

Health Club Membership
Gnomengen has established a discount corporate membership rate for its employees with Basic Training. Basic Training is located only two blocks away from Gnomengen. Employees are responsible for any and all costs associated with such membership.

Pets
In its discretion, Gnomengen may allow employees who do not work in the laboratory environment to bring their dogs to work. Owner employees are responsible to ensure that their dog is well behaved and does not disrupt their work or the work of others. All dogs must be kept in areas away from the laboratories, and must be confined to the employee’s office during the workday. All employees who bring their dog to work agree to accept liability for any acts committed by their dog, including but not limited to, personal injuries and property damage. In addition, employees who bring their dog to work agree to indemnify and hold harmless Gnomengen for any claims or actions...
against the Company arising from acts committed by their dogs while on Gnomengen property. This policy does not apply to employees who require the use of a seeing-eye dog. No other pets are allowed.

Social Events
Throughout the year, Gnomengen sponsors voluntary social activities, open to employees and, in some cases, their families. We believe that the better we get to know one another personally, the more effectively we can work together professionally. The social activity schedule often includes:

1. Winter Ski Trip or Summer Weekend
2. Spring Brunch, Summer Picnic, Halloween Party, Potlucks, etc.
3. Gnomengenimos, which are planned by the employees
4. Annual Dinner/Dance
5. Softball Team

Many recreational activities also go on behind the scenes at Gnomengen. Many of our employees run, bike or walk on trails during lunch or after work. Some of our employees get together informally to sail, bike, hike or go to dinner. The Tribal Record located on the Gnomengen Intranet is a great place to look for employees who share your interest.

Corporate Directory
Gnomengen’s Corporate Directory is an on-line account of all employees, which gives you an opportunity to quickly get to know everyone at Gnomengen. Anyone can look up an employee record to see a picture of the person and read a brief biography, which includes educational background, schools attended, and information about family and recreational/hobby interests. If you’d like to get a group together to go skiing, hiking, biking, play chess, etc., the directory is a great reference tool.

Opportunities for Communicating

Commitment
Gnomengen believes that the most effective way of continually improving performance for both the Company and the individual employee is through open channels of communication at all levels of the organization. In the spirit of willingness to effectively communicate, the management team has committed to the above methods to share information within the Company.

Gnomengen is also committed to maintaining a work environment, which supports free and open exchange of information and discussion of problems and complaints. We believe that in order to have effective communication, an employee must feel free to express their ideas, concerns and feelings and at the same time must be willing to listen to others. Employees may find that a
discussion with their supervisor is usually the easiest and most effective way to deal with most questions or problems. However, they are free to talk to any level of management.

**Time Away From Work**

**Vacation**

Vacation accrues during the first year of employment at the equivalent of 10 days per year. For each additional year, you will receive one more day of vacation up to a maximum of 20 days. You can carry over your vacation into the following year and will continue to accrue up to 20 days (160 hours). After accrual reaches this cap, no further vacation will be earned until you use enough vacation to fall below the cap. Your manager must approve all vacations in advance and a signed *Time Off Request* should be forwarded to Payroll. As an advance, you may take up to one week of vacation before you are actually eligible. However, in the event you leave Gnomengen before accruing the entire amount of vacation advanced, you must repay Gnomengen the difference. Gnomengen encourages you to schedule and take your earned vacation to rest and relax, so we do not “cash out” or pay you for unused vacation while you are employed. At the conclusion of your employment with Gnomengen, however, we will pay you for all accrued, unused vacation.

**Sick Leave and Sick Leave for Kin Care**

Each full-time, regular employee receives eight days of sick leave per year. Unused sick leave does not carry-over to the following year, and there is no “cash-out” for unused sick leave, at any time. Sick leave is available for absence due to illness or injury. Absences extending beyond eight consecutive days (first day if hospitalized) through the 30th day of disability will be coordinated with State Disability Insurance. Employees may use one half of their annual sick days to care for a sick child, parent or spouse.

**Holidays**

A list of the actual dates of the holidays is published annually. If you are a regular full-time or part-time employee you observe 9 paid holidays per year. One of the 9 days is a “floater holiday” designated by you. Part-time employees who are regularly scheduled to work at least 20 but fewer than 40 hours per week will be paid for Gnomengen holidays at a rate equal to 50% of their regular pay rate. Employees working fewer than 20 hours per week or temporary employees are not eligible for holiday pay.

If a holiday falls during an approved vacation, you will be paid for the holiday and will not be charged with a vacation day. Otherwise, you must work the scheduled workday before and the scheduled workday after the holiday to be eligible for holiday pay.

If you are a non-exempt employee and are required to work on an observed holiday, you will be paid 2.5 times your normal base pay to cover the actual hours worked and the holiday pay.

**Winter Break**

Each year Gnomengen gives the employees a paid winter break between December 25th and New Year’s Day.
**Time Off**

Gnomengen recognizes that employees may occasionally need time away from work to fulfill certain civic obligations, because of employees’ medical conditions, to provide family care or due to compelling personal reasons. The following types of leaves are available to eligible employees:

1. Witness Duty Leave
2. Jury Duty Leave
3. Military Leave
4. Voting Time Leave
5. Family Care Leave
6. Paternity Leave
7. Medical Leave
8. Long-term Medical Disability Leave
9. Alcohol/Drug Rehabilitation Leave
10. Bereavement Leave
11. School Participation Leave
12. Literacy Assistance Leave
13. Personal Leave

It is important to recognize that the eligibility requirements, benefits, and reinstatement rights differ from one type of leave to another. As a result, it is important that employees read this policy carefully.

Below is a discussion of general practices and procedures applicable to most leaves, followed by a description of the practices and procedures applicable to each particular type of leave.

**Compensation during a Leave**

With few exceptions, leaves of absence are unpaid, although employees may request to use accrued vacation during a leave period. Employees away from work on an unpaid leave(s) of more than 30 days in a year are eligible for that year’s merit and company bonus only on a prorated basis.

**Prior to Beginning a Leave**

Any employee desiring to take any leave of absence must complete a *Leave of Absence Request* form. These forms are available from the Human Resources Department. Except as otherwise noted, failure to complete this form and get approval for a leave of absence will mean that the absence from work will be unauthorized. This could subject the employee to disciplinary action up to and including immediate termination. Unauthorized absence from work for three consecutive days will result in the termination of the employee’s employment.
Whenever possible, an employee must complete the *Leave of Absence Request* form and obtain approval for a leave prior to the commencement of the leave. The more notice an employee can give to Gnomengen of the need for a leave, even if all of the specifics are not yet known, the better management will be able to prepare for the employee’s possible absence. If a medical emergency or other similar circumstances make this impossible, then the employee should notify the company of their absence and then complete and submit a *Leave of Absence Request* form as soon as practicable (generally, within three days after the employee is absent from the office).

Where the employee is able to provide Gnomengen with advance notice of the need for a leave of absence anticipated to last 30 days or more, the employee must meet with a human resource representative before the leave begins. Unless otherwise indicated by management, the employee’s key will be deactivated and access to e-mail and voicemail will be suspended for the duration of any leave.

**Before Returning from a Leave**

Employees who are on a leave of absence that lasts 30 days or more must notify Human Resources in writing of their intent to return to work at least one week prior to the anticipated return date. If Human Resources has not received notice from the employee of their intent to return or need for an extension of the leave at least two business days prior to the expiration of the leave:

1. An overnight letter will be sent to the employee’s last known address giving the employee three business days to contact Human Resources; and

2. Employment will be considered voluntarily terminated if at the end of the third business day following the sending of the telegram or overnight letter the employee has not contacted Human Resources and provided the appropriate documentation.

**Upon Return from a Leave**

Employees returning from a leave of absence will have no guarantee that they will be reinstated with Gnomengen, except as otherwise explicitly set forth in this Policy.

If, during a leave, an employee accepts another job, engages in other employment or consulting outside Gnomengen or applies for unemployment insurance benefits, the employee will be considered to have voluntarily resigned employment with Gnomengen. Employees who fail to abide by the company’s leave policies and procedures and/or the terms of their particular leave or engage in any misconduct related to Gnomengen or its business will be subject to disciplinary action, up to and including immediate termination.

**Witness Duty Leave**

All employees are eligible for witness duty leave in order to provide testimony in a deposition, court or other legal proceeding. Any employee desiring a Witness Duty Leave must complete a *Leave of Absence Request* form and submit it, along with the subpoena or other legal document requiring the employee’s attendance, to their supervisor. Employees who are excused from providing testimony for any reason during their regular workday or scheduled work shift must return to work unless they are explicitly excused from doing so by their manager.
During a witness duty leave, the employee will receive their regular straight-time rate of pay for up to a maximum of three days in any two-year period. Any additional time off will be on an unpaid basis.

Upon return from a witness duty leave, the employee must provide to Human Resources some official record of time during which the employee was needed to provide, or be ready to provide, testimony.

**Jury Duty Leave**
All employees are eligible for jury duty leave. Any employee desiring Jury Duty Leave must complete a *Leave of Absence Request* form and submit it, along with the jury summons, to their manager. Employees who are excused from jury duty for any reason during their regular work day or scheduled work shift must return to work unless they are explicitly excused from doing so by their manager.

During a jury duty leave, the employee will receive their regular straight-time rate of pay for up to a maximum of three weeks in any three-year period.

During a jury duty leave, the employee will continue to participate in the company’s group health plans as if they were actively working. However, stock option vesting and contributions to the Employee Stock Purchase Plan, 401(k) Plan, and flexible spending accounts are suspended for a jury duty leave in excess of three weeks.

Upon return from a jury duty leave, the employee must provide to Human Resources a court receipt or some other official record of the jury duty served. An employee returning to work from a jury duty leave will be reinstated to their former position unless that position was eliminated.

**Military Leave**
All employees are eligible for military service and/or reserve duty leave to the extent permitted by state and federal law. An employee requesting such leave must promptly submit to Human Resources a copy of the employee’s induction papers or orders in addition to a completed *Leave of Absence Request* form.

**Time-Off to Vote**
It is expected that employees who wish to vote in Local, State or Federal elections will take advantage of absentee voting, of the extended voting hours, as well as the company’s flex hour schedule. However, if it is impossible for the employee to vote during non-working hours, a maximum of two hours of time off without loss of pay will be granted.

**Overview for Medical Leav**
All employees are eligible for a medical leave due to a disability caused by pregnancy or a work-related injury or illness. Except as provided by law, employees are only eligible for a family care leave and/or for a medical leave of absence for a “serious health condition” (other than pregnancy or work-related injury or illness) pursuant to state laws and the federal Family and Medical Leave Act of 1993 (“FMLA”) if they:
1. Have a minimum of one year’s service at the Company.

2. Have worked at least 1250 hours during the previous 12 months and

3. Are employed at a work-site where fifty (50) or more employees are employed by the Company within seventy-five (75) miles of that work-site.

**Medical Leave**
Under the FMLA, medical leave is available to eligible employees (as defined above) who are disabled from performing their regular job duties due to a “serious health condition.” Under certain state laws, exceptions may exist to the general eligibility requirements discussed above, and to the 12-week limit, especially for employees who are unable to perform their regular job because of:

1. Pregnancy, childbirth or a related medical condition
2. Work-related illness or injury

**Pregnancy and/or Childbirth-Related Disability Leave**
In California, all employees are eligible for a leave of absence if disabled by pregnancy, childbirth or a related condition for up to a maximum of four months. All absences due to pregnancy or childbirth, including short-term absences, count towards the four-month maximum. This is in addition to 12 weeks in any 12-month period that may be used for family care or for other medical leave, if the employee is eligible for such FMLA leave.

An employee returning from an authorized pregnancy, childbirth or related condition leave will be reinstated to the same or comparable position as provided by state and federal law.

**Paternity Leave**
Gnomengen will give new fathers up to 5 days of paid leave. A *Leave of Absence Request* form should be completed and given to their managers prior to taking the time off.

**Work-related Illness or Injury**
Occupational disability leave is available to any employee whose health care provider certifies that the employee is disabled from performing their job because of a work-related illness or injury. A leave will be granted on an unpaid basis until the earlier of:

1. A health care provider certifies that the employee is released to resume their former or modified duties;
2. A health care provider certifies that the employee’s condition is permanent and stationary and that the employee is unable to resume their former duties; or
3. The employee resigns or otherwise indicates that they are not interested in returning to their former job.

Any leave taken under this provision, which also qualifies as leave under FMLA, will be counted
towards the employee’s twelve (12) week entitlement. An employee disabled from working due to a work-related illness or injury is eligible to apply for workers’ compensation insurance benefits. The employee must complete the appropriate claim forms available in the Environmental and Safety/Facilities Department.

**Family Care Leave**

Family Care Leave is available to eligible employees (as defined above) for:

1. The birth and care of a newborn child,

2. A newly adopted child or placement with the employee of a foster child, or

3. To care for a child, spouse, or parent who has a serious health condition. If the leave is to care for a newborn or a newly adopted or foster child, the leave must be taken within the 12 months following the birth, adoption or placement of the child.

The maximum duration of a family care or medical leave, or any combination of both, is 12 weeks in any 12-month period. The amount of leave available to any employee will be measured backward from the date an employee wishes to use any family care or medical leave. Thus, if an employee who desires to take a leave starting on July 1 has already used more than 12 weeks of leave since July 1 of the preceding year, then they will not have any leave available, unless otherwise provided by law.

Gnomengen reserves the right to deny any request for a family care or medical leave under circumstances where such leave may be denied under the FMLA and any state law relating to family or medical leave.

**Completion of Request Form**

Where the employee has advance notice of the need for family care or medical leave, the employee should submit a complete Leave of Absence Request form to Human Resources as early as possible, which is typically 30 days before the leave is anticipated to start. If the employee cannot provide 30 days notice, the employee is required to submit the completed Leave of Absence Request form to Human Resources as soon as is practicable under the circumstances. Under most circumstances, the employee or someone on behalf of the employee should notify Gnomengen of the need for family care or medical leave within 2 business days after the need becomes known. Then, the employee should complete a Leave of Absence Request form and submit it to Human Resources as soon as practicable thereafter. Normally, this is within three business days after the need for the leave becomes known. Where the need for the leave is entirely unforeseeable (i.e., because it results from a medical emergency, or sudden availability of a child for placement or adoption), the employee or someone on behalf of the employee should notify Gnomengen of the need for family care or medical leave within a reasonable amount of time (normally, this is within 2 business days after the need becomes known). Then, the employee should submit a completed Leave of Absence Request form to Human Resources within a reasonable time (typically, no later than ten (10) business days after the employee’s absence from work begins). If more time is required, please contact Human Resources to discuss your individual situation.
**Certification**
Except where the leave is to care for a newly born, adopted or placed foster child, need for a family care or a medical leave must be certified by a licensed health care provider. A completed *Certification of Health Care Provider* must be submitted with the completed *Leave of Absence Request* form or as soon as practicable under the circumstances. The Company reserves the right to require a second opinion from a medical provider – at its own expense – regarding the need for a leave.

**Vacation Accrual and Benefits**
During a family care or medical leave, the employee will not earn compensation or accrue vacation or other time off. However, employees may request to use accrued vacation to continue receiving compensation to cover any waiting period not paid by an applicable state-mandated or group disability insurance plan or workers’ compensation, or to supplement any disability insurance payments received. Employees on medical leave may be eligible for workers’ compensation insurance pay if the illness/injury is work-related. If the illness/injury is not work-related, employees may be eligible to apply for short-term disability benefits; they are eligible to apply for long-term disability benefits after 90 days of disability. In cases where short-term or long-term disability is applicable, the employee is responsible for completing the appropriate claim form available in the Human Resources Department.

Health insurance benefits ordinarily provided by the Company, and for which the employee is otherwise eligible, will be continued during the period of family care or medical leave. The employee must continue to pay the share of the health benefit costs that they paid before the beginning of the leave if they wish such coverage to continue during the leave. Other than health insurance benefits, the employee will not continue to participate in any other employee benefit programs and plans during a family care or medical leave. This means, for example, that the employee will not accrue vacation benefits and the vesting of the employee’s stock will be suspended for the duration of a leave in excess of two weeks.

**Reinstatement**
Employees returning to work from a family care or medical leave will be reinstated to their former or an equivalent position to the extent required by law. Upon return to work from a medical leave, an employee must submit to Human Resources a medical certification from a licensed health care provider that the employee is medically released to return to regular job duties or is returned with medical restrictions. The Company – at its own expense – may require the employee to be examined by a doctor that it designates.

**Alcohol/Drug Rehabilitation Leave**
Gnomengen will accommodate any employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program provided that such accommodation will not result in an undue hardship for the Company. If the accommodation requested is time off from work to enter and participate in a rehabilitation program, and the employee is eligible for a FMLA leave pursuant to state and/or federal laws, the first 12 weeks of any Alcohol/Drug Rehabilitation Leave will also be considered to be a concurrent FMLA leave.

**Bereavement**
All employees are eligible for bereavement leave of up to five consecutive business days, which must be taken within two weeks of the death of an immediate family member. An immediate family member for purposes of this leave includes spouse, children, stepchildren, foster children, siblings, parents, parents-in-law, step – or foster – parents, grandchildren, grandparents, grandparents – in – law and domestic partner. An extension of a bereavement leave for up to two additional days may be granted by the employee’s manager in conjunction with consultation with a human resources representative.

During a bereavement leave, the employee will receive their regular straight-time rate of pay for up to a maximum of five workdays. Any bereavement leave approved beyond five days shall be unpaid unless the employee obtains approval to use accrued vacation.

**School Participation Leave**

Any employee who is the parent, guardian or grandparent having custody, or a child enrolled in grades K-12 or a licensed day care facility, may take up to 8 hours off from work in any calendar month but no more than 40 hours off from work per year in order to participate in activities of the child’s school or licensed day care facility provided that the Company employs at least 25 employees at the location where the employee works. If two employees of the Company are the parents, guardians or grandparents or a child, the Company may allow only one employee at a time to take time off from work for school participation.

Time off to attend such a meeting, or to participate in the child’s school or day care activity, shall be taken on an unpaid basis unless the employee elects to use accrued vacation. The employee must provide reasonable notice of the requested time off by submitting a completed Leave of Absence Request form. Upon return to work, the employee is required to submit to Human Resources documentation from the child’s school or day care facility affirming that they participated in the meeting or activity on a specified date and time.

**Literacy Assistance Leave**

Gnomengen will assist any employee who reveals a problem with literacy and who wishes to enroll in an adult literacy education program. Such assistance may take the form of allowing the employee unpaid time off to attend such a program if such time off would not result in an undue hardship for the Company. Such assistance may also take the form of providing the employee with information on local literacy education programs or allowing for a literacy education provider to conduct such education at the workplace during or after regular business hours.

**Personal Leave**

All employees are eligible to apply for a personal leave of absence if the employee:

1. Has a minimum of one year’s service at the Company, and worked at least 1250 hours during the previous 12 months; and

2. Has a satisfactory rating on their most recent performance review.

Gnomengen has complete discretion to deny a personal leave of absence in any circumstance. All requests for personal leave will be evaluated on an individual basis by management and Human
Resources and will include consideration of the following:

1. Company/departmental needs and the impact on the business
2. Reason for requesting the leave
3. Employee’s length of service
4. Employee’s work performance record
5. Employee’s attendance record

During a personal leave, the employee will earn no compensation, vacation or sick time. However, the employee may request, but is not required, to use accrued vacation.

During a personal leave, the employee may continue to participate in the company’s group health plans under COBRA by paying the entire cost of the COBRA payment. However, participation in any and all other employee benefit plans and programs will cease.

Employees taking a personal leave of absence are not guaranteed reemployment. Gnomengen will have complete discretion to fill their position. Only the CEO has authority to commit Gnomengen to any arrangement contrary to this and can only do so in writing.

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If You Sense A Problem

Talk To Us
Suggestions for improving Gnomengen are always welcomed. Therefore, Gnomengen provides an open door for all employees through each level of management. We encourage you to bring your questions, suggestions and complaints to our attention. We will carefully consider each of these in our continuing effort to improve the way we do business.

Differences of opinion occasionally arise between individuals in an organization. It is important and in the best interest of all concerned that such differences be resolved satisfactorily and as early as possible. If you feel you have a difference of opinion, present the situation to your manager so that it can be settled by examination and discussion of the facts. Your manager should be able to satisfactorily resolve most matters.

If a discussion with your manager did not resolve your problem to your satisfaction, request a meeting with the next management level. They will review the issues and meet with you to discuss possible solutions. However, as stated earlier, all levels of management are open to you for resolving your concerns.

The Human Resources Department is available at any time to provide assistance if you feel your concern is not being addressed.

Your suggestions and comments on any subject are important and we encourage you to take every opportunity to discuss them with us. Your job will not be adversely affected in any way because you choose to use this procedure.
**Progressive Discipline**

It is important that all employees perform to the best of their abilities at all time. There may be occasions, however, when employees perform at an unsatisfactory level, violate a policy, or commit an act that is inappropriate.

Gnomengen must retain the ability to discipline employees where it determines that such action is warranted by the circumstances. Although all employment relationships are terminable at will, at any time, either at the employee’s option or at the option of the company, Gnomengen may exercise its discretion to administer a system of progressive discipline in cases where it deems it appropriate to do so. That system may include various forms of discipline, such as verbal counseling, one or more written counseling, and termination. However, progressive discipline is not mandatory or binding. Gnomengen reserves the right, in its discretion, to deviate from any formal system of discipline.

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**Saying Goodbye**

Your employment with us is an at-will relationship. This means that either party may terminate it without notice or cause.

**Voluntary**

Should you decide to leave your employment with us, we ask that you provide your manager with a written resignation with at least two weeks’ advance notice. Your thoughtfulness is appreciated and will be noted favorably should you ever wish to reapply for employment with Gnomengen.

**Involuntary**

Involuntary termination is when Gnomengen chooses to conclude your employment. It is impossible to list every reason why an employee may be disciplined or terminated. However, discipline or termination can result from such reasons as poor performance, misconduct, excessive absences, or other violations of the company’s guidelines. Gnomengen also may need to terminate employment because of reorganization, job elimination, economic downturns, or lack of work. Should Gnomengen decide that such a termination is necessary, we will try to give you as much advance notice as is practical.

**Exit Practices**

All resigning and terminated employees will be asked to complete a brief exit interview prior to leaving. All company property, including this guidebook, must be returned upon termination. Otherwise, the Company may take further action to recoup any replacement costs and/or seek the return of company property through appropriate legal recourse.

Most benefits cease on your last day of work, which is normally your termination date. Your health benefits (medical, dental and vision) end on the last day of the month in which your termination occurred, if applicable. Under COBRA, you and your eligible dependents are entitled to continue your medical, dental and vision coverage at your own expense. Details of COBRA are in the “Policy” section of this guidebook.
You will receive your final paycheck within the time required by law. The final paycheck for employees who resign with at least 72 hours advance notice will be provided on their last day of work. Employees who resign without providing at least 72 hours advance notice, however, will receive their final paycheck within 72 hours of their resignation. Employees who are terminated involuntarily will be provided their final paycheck on their last day of work. Your final paycheck will include your accrued wages, which includes salary earned plus any remaining accrued and unused vacation time.

**Severance**

Gnomengen’s general policy does not include severance pay if your employment with the Company terminates. No person is authorized to give or receive severance pay unless the CEO makes authorization in writing.

**Address Change**

You should notify the Company if your address changes during the calendar year in which termination occurs so that your tax information can be sent to the proper address.