WELCOME TO...

BIG 5
SPORTING GOODS

EMPLOYEE HANDBOOK
INTRODUCTION

Welcome to Big 5 Sporting Goods!

Big 5 is a leading retailer of sporting goods and accessories, with hundreds of locations throughout the western United States. When you join the Big 5 team, you’ll find both challenges and opportunities, and you’ll be provided with the tools to reach your true potential.

When our story began in 1955, the original founders felt that “Big 5” was a fitting name because we had five store locations. We’ve come a long way since then, and the Big 5 name has become synonymous with quality sporting goods, friendly and efficient service and value.

The responsibility for providing quality products and services is shared among each and every member of the Big 5 team. Whether you work in one of our store locations, in the field, or at the corporate office or distribution center, your contribution and commitment are essential to our continued success. Congratulations on becoming an important part of a championship team!
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HOW TO USE THIS HANDBOOK

Unless otherwise indicated, this Handbook and the policies herein apply to all store employees, field employees (including district and regional supervision), corporate office employees and office and management distribution center employees of Big 5 Sporting Goods (the “Company”). In some instances where specifically noted, a policy in this Handbook (or any provision within a policy) may apply only to employees working in a certain state or only to certain classes of employees (for example, store employees or full-time employees). If you have any questions about any of the policies in this Handbook, or whether a certain policy may apply to your position with the Company, please contact your supervisor or the Human Resources Department.
EMPLOYMENT POLICIES & RULES OF CONDUCT

AT-WILL EMPLOYMENT

Unless a contract signed by the President of the Company provides otherwise, employment with the Company is “at-will.” This means that both the Company and the employee have the right to terminate the employment relationship at any time, for any reason, with or without prior notice or cause. Thus, nothing in this Handbook or any other Company document should be understood as creating guaranteed or continued employment, employment for any specific duration of time, a requirement that “cause” exist before termination, or any other guaranteed or continued benefits. This at-will relationship cannot be changed by any person, statements, acts, series of events, or pattern of conduct, but only by an individual express written employment agreement signed by the President of the Company and by the employee which expressly changes this “at will” relationship.

ACCURATE EMPLOYMENT DATA

The Company relies upon the accuracy of employee information provided in the employment application, as well as the accuracy of other employee data provided throughout the hiring process and during employment. Please promptly notify the Human Resources Department of any change in status. Any misrepresentations, falsifications, or material omissions in any of this information or data submitted by any applicant or employee may result in the Company’s exclusion of the individual from further consideration for employment or, if the person has been hired, may result in disciplinary action up to and including termination of employment.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

It is the Company’s policy to provide equal employment opportunity for all applicants and employees. The Company does not unlawfully discriminate on the basis of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, sexual orientation, national origin, age, disability, medical condition, marital status, military or veteran status, or any other status or basis protected under federal, state, or local law.

This policy applies to all areas of employment, including recruitment, hiring, training, promotion, demotion, transfer, layoffs, discharge, compensation, social and recreational programs, and any other employment benefit. It is the responsibility of every employee to follow this policy conscientiously and to immediately report any violations. Employees who believe that there has been a violation of this policy – with regard to themselves or others – must report the violation to their supervisor or the Human Resources Department or make a report on the Company’s confidential “We Care” line (800) 274-BIGS or (800) 274-2445; also see “We Care Program” section of this Handbook. The Company absolutely prohibits retaliation against any employee who, in good faith, makes a report under this policy.

HARASSMENT AND DISCRIMINATION POLICY

The Company is committed to providing a workplace free of unlawful harassment and discrimination. This includes not only sexual harassment, but also harassment on the basis of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, sexual orientation, national origin, age, disability, medical condition, marital status, military or veteran status, or any other status or basis protected under federal, state, or local law. The Company strongly disapproves of and will not tolerate harassment of employees by managers, supervisors or co-workers. Similarly, the Company will not tolerate harassment in the workplace of its employees by customers or non-employees or by its employees of customers or other non-employees with whom the Company has a business, service, or professional relationship.

Sexual harassment is a type of harassment and is defined as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when (a) submission to the conduct is made either an explicit or implicit condition of employment, (b) refusal to or rejection of the conduct is used as the basis for an employment decision, or (c) conduct occurs that is unwelcome and is sufficiently severe or pervasive as to interfere with an employee’s work performance or create an intimidating, hostile, or offensive work environment. Examples of the types of conduct that may be unwelcome and are prohibited by this policy include, but are not limited to, the following:

- Touching, such as rubbing or massaging someone’s neck or shoulders, stroking someone’s hair, or intentionally brushing against another’s body;
- Sexually suggestive gesturing or whistling;
- Grabbing, groping, kissing, fondling;
- Invading someone’s “personal space”;
- Lewd, off-color, sexually oriented comments or jokes;
- Foul or obscene language;
- Leering, staring, stalking;
- Display of suggestive or sexually explicit pictures, posters, calendars, graffiti, cartoons, and the like;
- Unwanted or offensive letters, notes, or poems;
- Offensive e-mail and/or voice-mail messages;
- Repeated and unwanted requests for dates;
• Sexually oriented or explicit remarks, including written or oral references to sexual conduct, gossip regarding one’s own or another person’s body or sexual activities;
• Questions about another person’s sexual activities or experiences;
• Solicitation or coercion of sexual favors in return for employment rewards, or threats if sexual favors are not provided;
• Sexual assault; and
• Intimidating, hostile, derogatory, or otherwise offensive remarks, whether or not sexual in nature, that are directed at men or women generally where the remarks cause discomfort or humiliation and interfere with the performance of an employee’s duties.

Any of the conduct described above, or other offensive conduct that denigrates or shows hostility or aversion toward an individual or is directed at an individual because of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, sexual orientation, national origin, age, disability, medical condition, marital status, military or veteran status, or any other status or basis protected under federal, state, or local law, is also prohibited. Such prohibited conduct includes, but is not limited to, the following:

• Epithets, slurs, jokes, negative stereotyping, or threatening, intimidating or hostile acts that relate to any of the protected statuses described above;
• Hostile acts or communication directed toward another employee with the intention of threatening or intimidating that individual; and
• Written, electronic or graphic material that denigrates or shows hostility or aversion toward an individual or group because of any of the protected statuses described above, which are displayed, posted, circulated, shared, e-mailed or communicated in any way in the workplace or in connection with the employment relationship.

All managers and supervisors are responsible for creating an atmosphere free of discrimination and harassment, sexual or otherwise. All employees are responsible for respecting their co-workers’ rights to be free of harassment and discrimination.

Any employee who experiences or observes any job-related harassment or discrimination based on race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, sexual orientation, national origin, age, disability, medical condition, marital status, military or veteran status, or any other status or basis protected under federal, state, or local law should immediately report the matter. All instances of alleged harassment or discrimination, including those that occur outside of Company facilities or off-hours, should be reported to the Human Resources Department or on the Company’s confidential We Care line (800) 274-BIG5 or (800) 274-2445 (also see the “Care Program” section of this Handbook). If, as a supervisor or member of management, you have been informed of a potential harassment or discrimination claim, you must notify the HR Department at your first possible opportunity.

The Company will promptly investigate any complaint of harassment or discrimination under this policy and then take any appropriate remedial action. If the Company determines that an employee has engaged in inappropriate conduct, appropriate discipline will be imposed, up to and including immediate termination. The discipline imposed for harassment or discrimination will depend upon the circumstances surrounding and seriousness of the incident, not the status of the offender. The Company likewise will take appropriate remedial action should it learn that a non-employee has harassed or discriminated against a Company employee during the course of their employment.

The Company’s management will strive to create an environment in which all complaints or concerns may be discussed without fear of retaliation. The Company absolutely prohibits retaliation against any employee who, in good faith, reports harassment or discrimination or who assists in good faith in the Company’s investigation of a report of harassment or discrimination.

**REASONABLE ACCOMMODATION**

The Company provides reasonable accommodation to qualified individuals with disabilities in accordance with the Americans with Disabilities Act (ADA) and applicable state laws. Consistent with applicable law, the Company also may provide reasonable accommodation to employees who have special needs due to religion or pregnancy.

If you feel that you need reasonable accommodation in order to perform your job due to disability, religion, or pregnancy, you must inform your supervisor and the Human Resources Department. If you do so, the Company will evaluate your request and work with you to come to a reasonable solution where undue hardship would not result in accordance with applicable law.

**“OPEN DOOR” POLICY**

The Company encourages “open door” communication between all employees and management. If you have any questions or concerns about Company policy, or if you feel that you have not been treated in accordance with Company policy, we encourage you to promptly bring the matter to the attention of your supervisor or the Human Resources Department or make a report on the Company’s “We Care” line (also see the “We Care Program” section of this Handbook).
“WE CARE” PROGRAM

To further support our policies and create the best working environment for our employees, the Company maintains a program called “We Care.”

This program allows all employees the opportunity to give information regarding theft, dishonesty, drug and alcohol abuse, harassment or discrimination of any kind, or any violation of Company policies over the telephone, 24 hours a day. Employees can record a voice-mail message by dialing the toll-free number listed below. Any employee who records a message may remain anonymous (if he or she chooses). **All calls will be handled in strict confidence to the extent permitted by law.** Further, the Company will investigate, if necessary, and appropriately address information provided on the “We Care” line.

The Company absolutely prohibits retaliation against any employee who, in good faith, reports harassment or discrimination or who assists in good faith in the investigation of a harassment or discrimination claim.

Toll-free “We Care” Number: (800) 274-2445 ((800) 274-BIG5

DATING AND RELATIVE RELATIONSHIPS

For purposes of this policy only, a “relative” is any person who is related by blood, adoption or marriage, including stepchildren and stepparents, as well as registered domestic partners. A “dating relationship” is defined as a relationship that is, or may be reasonably expected to lead to the formation of, a consensual romantic or sexual relationship.

To avoid actual or perceived conflicts of interest based on the employment of relatives or individuals involved in a dating relationship in the same area of an organization, the Company reserves the right to prohibit an employee from holding a position in which he or she supervises a relative or an employee with whom he/she is involved in a dating relationship. The Company also reserves the right to take action if an actual or potential conflict of interest arises involving relatives or individuals involved in a dating relationship who occupy positions at any level (higher or lower) in the same line of authority that may affect the review of employment decisions, employee morale, and potential claims of favoritism or harassment.

If a relative relationship is created or a dating relationship begins between a manager or supervisor and his or her subordinate after the start of the working relationship, it is the responsibility and obligation of the employees involved to immediately disclose the existence of the relationship to their supervisor or the Human Resources Department. The Company will evaluate what action is necessary, if any, to eliminate the fact or appearance of a conflict of interest.

ATTENDANCE

The Company relies on its employees to contribute productively to the Company's success and profitability. Employees who do not report for work on time, or who miss all or part of a day’s work, place an extra burden on their fellow employees. Therefore, regular attendance and punctuality are essential functions of all jobs and are expected of all employees. Attendance and punctuality are considered when the Company determines promotions, merit increases, and transfers, to the extent permitted by state and federal law.

An absence is the failure to report for a scheduled shift or work period, and is defined as lost time (partial or full-day) due to illness, injury, personal business, or other similar reasons. Repeated tardiness or absenteeism may result in disciplinary action. If at all possible, employees must notify their supervisor in advance of any absence (partial or full-day) and no later than 30 minutes before their scheduled starting time. In the sole discretion of the Company, any employee who is absent without notifying his or her supervisor in advance when such notification was possible may be considered to have voluntarily quit. If it becomes necessary for an employee to leave work during his or her working hours, the employee must notify his or her supervisor of the necessity to leave and, if the employee is normally required to clock in and out, he or she must clock out prior to leaving.

DISCIPLINE AND RULES OF CONDUCT

The Company expects all employees to accept certain responsibilities, adhere to acceptable business principles and practices in matters of personal conduct, and exhibit personal integrity at all times. Employees must comply with Company policies and procedures and observe the highest standards of professionalism. When an employee violates the Company’s rules, it is cause for concern and action.

How the Company chooses to administer employee discipline in particular cases in no way alters or limits the at-will employment relationship defined in this Handbook. The Company may choose to exercise its discretion to use forms of discipline that are less severe than termination, depending on the circumstances. Less severe forms of discipline include, but are not limited to, verbal counseling and
reprimands, written counseling and reprimands, involuntary transfers or demotions, and unpaid suspensions. Although one or more of these types of discipline may be used in connection with a particular employee, no particular order or system is required, and the Company may or may not adhere to a "progressive" series of disciplinary actions. The Company has the discretion to use whatever form of discipline it believes is appropriate under the circumstances, including immediate termination.

Certain acts are considered so serious that they normally will result in termination of employment for a single offense. Such actions include, but are not limited to, the following:

- insubordination (e.g., refusal to carry out assigned job duties or work-related directives given by a supervisor);
- deliberate or reckless action that causes either actual or potential loss to the Company or employees, damage to Company or employee property, or physical injury to another person;
- fighting or disorderly conduct on Company premises, engaging in violence or making threats of violence in the workplace, or using obscene, abusive, or threatening language or gestures;
- unauthorized use or disclosure of confidential or proprietary information relating to the Company or its business;
- dishonesty or misrepresentation, including falsification of application materials, reports, records or Company documents, or deliberate failure to accurately complete reports, records or Company documents;
- stealing, misappropriating or misusing the Company’s funds or other assets;
- stealing or misappropriating money or property from coworkers or customers of the Company;
- possessing firearms or other weapons on the Company premises or while on Company business;
- violation of firearms sales or recordkeeping laws or procedures;
- use, sale, purchase, transfer, possession or being under the influence of an illegal drug on Company property or during the employee’s working time;
- use or being under the influence of alcohol on Company property or during the employee’s working time;
- violation of Company policies, including, but not limited to, the policy against harassment;
- discrimination in hiring, firing, pay, promotion, transfer, discipline, development, or establishment of terms and conditions of employment of any employee, or retaliation against an employee who has complained about discrimination or harassment;
- failing to cooperate with an internal investigation, or making deliberately false statements or omissions during an internal investigation;
- serious violations of safety standards;
- violation of security practices;
- leaving work without authorization or failing to report to work without providing advance notice of the absence; and
- being convicted of a crime - felony or misdemeanor - that indicates unfitness for the job (including unfitness for the sale of firearms) or raises a threat to the safety or well-being of the Company, its employees, customers, or property.

The above list is illustrative only and is not intended to cover every possible situation that may arise. If you have any questions about whether a particular situation or behavior would violate the Company’s policies, you should immediately discuss it with your supervisor or the Human Resources Department.
CODE OF ETHICS

The Company depends on the judgment and high personal standards of its employees in order to conduct its business with integrity and in full compliance with the law. In addition to the other rules and policies contained in this Handbook, the Company has established a Code of Business Conduct and Ethics (the “Code of Ethics”) that applies to all directors, officers, and employees of the Company for the purpose of deterring wrongdoings and promoting:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and other public communications made by the Company;
- Compliance with applicable governmental laws, rules, and regulations;
- The prompt internal reporting to an appropriate person or committee of violations of the Code of Ethics; and
- Accountability for adherence to the Code of Ethics.

The Code of Ethics is regularly distributed to employees and also is posted on the Company’s intranet and internet sites. All employees are responsible for reading, understanding and following the Code of Ethics. Any violation of the Code of Ethics will result in disciplinary action, up to and including termination of employment. If you have any questions regarding the Code of Ethics, please contact the Legal Department.

COMPLAINTS ABOUT ACCOUNTING, INTERNAL CONTROLS OR AUDITING MATTERS

The Company has established the following procedures for making and responding to complaints about accounting, internal accounting controls or auditing matters:

- The Company has established a toll-free number, (800) 589-9336, and an e-mail address, ethics@big5corp.com, for the submission of complaints and concerns regarding accounting, internal accounting controls or auditing matters. Submissions through the toll-free number or e-mail address listed above are transmitted directly to the Company’s outside legal counsel.
- Submissions through the toll-free number or e-mail address will be promptly reviewed by the Company’s outside legal counsel. In addition, any complaints or concerns received by Company management regarding accounting, internal controls or auditing matters will be submitted promptly to the Company’s outside legal counsel for review.
- The Company’s outside legal counsel will provide periodic reports to the Company’s Audit Committee regarding any submissions received and counsel may, at its discretion, bring any submission immediately to the attention of the Chair of the Audit Committee.
- The Company’s Audit Committee will determine the appropriate response to any submissions received and may delegate the investigation of and response to any submissions to Company management, outside legal counsel or other advisers, who shall report to the Audit Committee.
- If a person has made a submission on the toll-free number or e-mail address and believes that the Company has not made an appropriate response to that submission, he or she may report the matter directly to the Chair of the Audit Committee.
- Retaliation against any employee of the Company who submits a complaint or concern in good faith and on a reasonable basis is prohibited.

If you have any questions regarding the procedures for making complaints about accounting, internal accounting controls or auditing matters, please contact the Legal Department.

INSIDER TRADING POLICY

In order to prevent unfair, manipulative or illegal trading of the Company’s securities by anyone who may possess material information about the Company that is not available to the public, the Company has established a Policy on Insider Trading and Unauthorized Disclosures (the “Insider Trading Policy”). This policy applies to all employees, officers or directors of, or consultants to, the Company. In summary, the Insider Trading Policy states that it is illegal to (a) trade in the Company's securities if you are in possession of Inside Information, or (b) pass on to others inside information about the Company or those with whom the Company has a business relationship. “Inside information” means any information (either positive or negative) that a reasonable investor would consider important in deciding whether to buy or sell the Company’s securities that has not been publicly disclosed by means of a press release or a Securities and Exchange Commission filing.

Information on the Insider Trading Policy is regularly distributed to employees. All employees are responsible for understanding and following the Insider Trading Policy. Any violation of the Insider Trading Policy is a very serious matter and may constitute grounds for disciplinary action, up to and including termination of employment. If you have any questions regarding the Insider Trading Policy, please contact the Legal Department.
DRUG AND ALCOHOL-FREE WORKPLACE AND TESTING POLICY

It is the Company’s policy to maintain a drug and alcohol free workplace. Employees shall not use, purchase, sell, transfer, or possess any form of illegal drugs or any type of drug paraphernalia on Company property or during work hours. Employees shall not dispense, sell or transfer any form of prescription drug they may have in their possession to any other person on Company property or during work hours. Employees also shall not possess or consume alcoholic beverages on Company property or during work hours, including meal and break periods, except in connection with Company functions where alcohol consumption has been authorized by the corporate office for specific events, if any. In addition, employees shall not report for work under the influence of drugs or alcohol.

Where a violation of this policy is suspected, an employee may be asked to submit to drug and alcohol screening and/or allow a search of his or her locker, work area, lunch box, personal belongings, or vehicle. An employee’s cooperation with such a drug or alcohol screening test and/or search is required as a condition of employment. The employee’s refusal to cooperate with such a request is grounds for termination where there is reason to believe that the employee has violated this policy and the employee’s refusal to cooperate has prevented a medical determination of his or her condition or otherwise impeded the Company’s investigation.

1. Reasonable Suspicion Testing
   If the Company has reasonable suspicion to believe that the employee is working in an impaired condition or otherwise engaging in conduct that violates this policy, he or she may be requested to take a drug or alcohol test in accordance with the procedures outlined below. Reasonable suspicion includes an injury or accident at work where there is a reason to believe that the employee’s impairment may have been a factor in the injury or accident.

2. Procedures for Drug and Alcohol Testing
   The Company will refer the employee to an independent, National Institute on Drug Abuse (NIDA)-certified medical clinic or laboratory, which will administer the test. The Company will pay the cost of the test and reasonable transportation costs to the testing facility. The employee will have the opportunity to alert the clinic or laboratory personnel to any prescription or non-prescription drugs that he or she has taken that may affect the outcome of the test. The employee will be asked to sign a form acknowledging the procedures governing testing, and consenting to (1) the collection of a urine, blood or hair sample for the purpose of determining the presence of alcohol or drugs, and (2) the release to the Company of medical information regarding the test results.

   The clinic or laboratory will inform the Company as to whether the employee passed or failed the drug or alcohol test. If an employee fails the test, he or she will be considered to be in violation of this policy and will be subject to discipline, up to and including termination of employment.

3. Confidentiality
   All drug and alcohol testing records will be treated as confidential to the extent permitted by law.

PERSONAL RESPONSIBILITIES AND CONDUCT – INTERNAL THEFT

Because employees are entrusted with handling the Company’s money, merchandise, and other assets, employees must conduct themselves in an honest manner at all times. It is your obligation and responsibility to handle the Company’s assets as directed and protect them as if they were your own.

Examples of dishonesty include, but are not limited to, the misappropriation of any Company asset, unauthorized or improper use of employee discount privileges, and falsifying time punches or records or any other Company document.

Employees who engage in theft or other dishonest acts not only subject themselves to disciplinary action, up to and including termination of employment, but also subject themselves to serious consequences, including:
   • Criminal prosecution and incarceration; and
   • Court-ordered restitution of all amounts taken.

The Loss Prevention Department utilizes many tools to detect theft or other dishonest activity. A few examples of such tools used in the stores and/or distribution center include:
   • Hidden and plain-view camera systems;
   • Remote video monitoring;
   • Data mining tools that uncover dishonest POS activity;
   • Shopping services to periodically monitor employee courtesy, efficiency, and adherence to established procedures; and
   • Supervised alarm reporting that detects irregular or unauthorized store access.

For additional information about Security and Video Surveillance, please see the “Security and Video Surveillance” section of this Handbook.
If you suspect a fellow employee of taking money or merchandise, hear them planning to take money or merchandise, or observe them behaving in a way that appears suspicious, it is your responsibility to report it immediately in one of the following ways:

- Report the incident to your supervisor;
- Report the incident to your supervisor’s supervisor (such as a District Supervisor, Regional Supervisor or Department Head);
- Report the incident to the Loss Prevention Manager in your area or the Loss Prevention Department at the Corporate Office;
- Leave a message on the Company’s confidential “We Care” line at (800) 274-BIG5 or (800) 274-2445 (also see “We Care” program section); or
- Contact the Company’s Human Resources Department or Operations Department.

It may seem easier for you not to get involved in what you suspect may be a theft. However, the bottom line is that internal theft affects all employees. Therefore, failure to report such activity may result in disciplinary action, up to and including termination of employment. Prompt reporting of any suspicious activity will help reduce loss and maintain a safer working environment for everyone.

**DRESS AND GROOMING POLICY – SALESFLOOR AND BACKROOM**

We want to present the most credible and professional appearance to our customers; therefore, compliance with our dress and grooming policy is essential. While some individual choices are allowed, guidelines below must be considered. Please note, however, that exceptions to these dress and grooming standards may be granted as part of a medical or religious accommodation. All requests for accommodation should be submitted to the Human Resources Department for handling.

**Salesfloor Attire**

**Appropriate salesfloor attire generally includes:** for male employees, dress or semi-casual slacks (e.g., khakis, Dockers®) worn with a belt and long or short-sleeve tucked in dress shirts, neatly cleaned and pressed, worn with a coordinated tie; for female employees, dresses or skirts of moderate length (knee or below) or skorts or slacks with professional looking blouse or shirt, neatly cleaned and pressed; dress or closed toe casual shoes with practical sole and heel design, safe for the work environment. Hair must be neatly groomed with no unnatural coloring (e.g., fire engine red or purple). Jewelry (e.g., watches, rings), if worn, must be conservative and safe for the work environment.

**Inappropriate salesfloor attire generally includes:** denim clothing (e.g., jeans or jean dresses); distressed look apparel; cargo pants and shorts; hooded garments; t-shirts and sweatshirts; hats and/or caps; licensed product or faddish clothing; athletic shoes; ill-fitting or revealing clothing; tights, midriff and halter tops; unnatural or unusual hairstyles; unusual or unconventional visible body piercings; and visible tattoos.

With the exception of a neatly trimmed moustache, employees must be clean shaven at all times.

**Backroom Delivery Team Attire**

In the interest of practicality, we have adopted a different approach to the dress code requirements of the Backroom Delivery Team. This approach is an attempt to combine safety and comfort without compromising certain standards required of the salesfloor team.

**Appropriate backroom delivery attire generally includes:** casual apparel and comfortable shoes (including athletic shoes); inoffensive licensed products; jeans and cargo pants; weight belts, when necessary; gloves and aprons; caps and sweatbands; once the store is open for business, employees must change into appropriate workplace attire in accordance with this policy for any extended work they perform on the sales floor.

**Inappropriate backroom delivery attire generally includes:** shorts; open toed shoes; offensive licensed products; overtly revealing clothing; you must never be out on the salesfloor in view of customers for extended periods of time without being in compliance with our salesfloor dress code.

The examples above are provided as guidelines as to what constitutes unacceptable clothing and grooming, and should not be considered to be an exclusive list. When evaluating an employee’s adherence to our dress code policy, a manager may use their discretion in determining what is or is not acceptable in applying the guidelines supplied above.

Store employees are required to wear their name badge at all times while working. Store employees are prohibited from eating, drinking, or chewing gum while on the sales floor. Store employees are prohibited from smoking or using smokeless tobacco both on the sales floor and anywhere on the premises or in front of the store.

Employees without an approved accommodation who violate this policy may be sent home, without pay, to change into appropriate attire. In addition, violations of this policy may result in discipline, up to and including termination of employment.

Employees should direct any questions regarding appropriate dress and attire to their manager or supervisor. All requests for accommodation should be submitted to the Human Resources Department for handling.
TECHNOLOGY USE AND PRIVACY

The Company provides various technology resources to authorized employees to assist them in performing their job duties for the Company. Each employee has a responsibility to use the Company's technology resources in a manner that increases productivity, enhances the Company's public image, and is respectful of other employees. Failure to follow the Company's policies regarding its technology resources may lead to disciplinary measures, up to and including termination of employment.

1. Technology Resources Definition

"Technology Resources" consist of all electronic devices, software, and means of electronic communication including, but not limited to, the following: personal computers and workstations; laptop computers; portable and mainframe computers; computer hardware such as disk drives and tape drives; peripheral equipment such as printers, modems, fax machines, and copiers; computer software applications and associated files and data, including software that grants access to external services, such as the Internet (including social media sites); e-mail; telephones; cellular phones; pagers; and voicemail systems.

2. Authorization

Access to the Company's technology resources is within the sole discretion of the Company. Generally, employees are given access to the Company's various technologies based on their job functions. Only employees whose job performance will benefit from the use of the Company's technology resources and who have successfully completed Company-approved training will be given access to the necessary technology, and access is granted solely for that purpose except as stated in this policy.

3. Use

Employees may not use the Company's technology resources for personal use during working hours. Employees may use the Company's technology resources for incidental personal use during non-working hours so long as such use does not interfere with the employee's duties, is not for financial gain, does not conflict with the Company's business and does not violate any Company policy.

The Company assumes no liability for loss, damage, destruction, alteration, receipt, transmission, disclosure, or misuse of any personal data or communications transmitted over or stored on the Company's technology resources. The Company accepts no responsibility or liability for the loss or non-delivery of any personal e-mail or voicemail communications or any personal data stored on any Company property. The Company strongly discourages employees from storing any personal data on any of the Company's technology resources. As stated ahead in subsection 5, technology resources are, and remain, the Company's, even when they are used by an employee for personal purposes.
4. Improper Use

A) Prohibition Against Harassing, Discriminatory and Defamatory Use: The Company is aware that employees use e-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 the Company’s “Policy Against Harassment,” the Company does not tolerate discrimination or harassment. Under no circumstances may employees use the Company’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, or screen savers).

B) Prohibition Against Violating Copyright Laws: Employees must not use the Company’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 reference.

C) Hands-Free Cell Phone Laws: Certain states, including California and Washington, have adopted laws providing that it is illegal to drive a motor vehicle and use a wireless telephone unless the phone is used in a hands-free manner. If any employee (i) has a Company-issued cell phone, (ii) has a Company-issued vehicle, and/or (iii) ever drives any vehicle while using any cell phone in connection with employment by the Company, then that cell phone must be configured to allow hands-free talking and listening and the employee must not use it in violation of applicable law. Any employee who violates this policy regarding cell phones will be personally responsible for any resulting harm (including any governmental fines, property damage and/or injury to third parties). The Company will not be responsible in any way for any of the foregoing. In addition, any violation of this policy may result in disciplinary action, including termination of employment.

D) Other Prohibited Uses: Employees may not use any of the Company’s technology resources for any illegal purpose, in violation of any Company policy, in a manner contrary to the best interests of the Company, in any way that discloses confidential or proprietary information of the Company or third parties, or for personal or pecuniary gain.

5. Company Access to Technology Resources

A) All messages sent and received, including personal messages, and all data and information stored on the Company’s e-mail system, voicemail system, or computer systems, are Company property regardless of the content. As such, the Company reserves the right to access all of its technology resources, including computers, voicemail, and e-mail systems, at any time, in its sole discretion.

B) Privacy: On occasion the Company may need to access its technology resources, including computer files, e-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 the Company’s technology resources, including what might have been thought to be personal information or messages. The Company may, at its discretion, inspect all files or messages on its technology resources at any time for any or no reason. In particular, the Company may 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 business purpose.

C) Passwords: Certain of the Company’s technology resources can be accessed only by entering a password. Passwords are intended to prevent unauthorized access to information and do not confer any right of privacy upon any employee of the Company. 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 and must not share passwords for any reason.

D) Data Collection: The only way for employees to guarantee the privacy of personal information is not to store or transmit it on the Company’s technology resources. Below are examples of information currently maintained by the Company. The Company may, however, in its sole discretion, and at any time, increase the amount and type of information that it retains.

a) Telephone Use and Voicemail: Records are kept of all calls made from and to a given telephone extension. Although voicemail is password protected, an authorized administrator may reset the password and listen to voicemail messages;

b) E-Mail: E-mail is backed up and archived. Although e-mail is password protected, an authorized administrator may reset the password and read e-mail;

c) Document Use: Each document stored on the Company computer server has a history, which shows which users have accessed the document for any purpose; and

d) Internet Use: Internet sites visited, the number of times visited, and the total time connected to each site are recorded and periodically monitored.

E) Deleted Information: Deleting or erasing information, documents, or messages maintained on the Company’s technology resources is, in most cases, ineffective. All employees should understand that any information kept on the Company’s technology resources can possibly be electronically recalled or recreated regardless of whether it may have been “deleted” or “erased.” Employees who delete or erase information or messages should not assume that such information or messages were or are confidential or that they may not be retrieved and viewed by representatives of the Company.
F) The Internet and Online Services: The Company provides authorized employees access to online services such as the Internet. The Company expects that employees will use these services in a responsible way, principally for business-related purposes. Incidental personal use is permissible during non-working hours, as stated earlier in this policy. But under no circumstances, unless permitted in connection with your job, are employees permitted to use the Company’s technology resources to access, download, or contribute to the following:

a) gross, indecent, or sexually oriented materials;
b) job-search sites;
c) gambling sites;
d) illegal drug-oriented sites; or
e) sites devoted to the sharing of information, whether or not confidential or a trade secret, about the Company’s business or industry.

Additionally, during work hours, employees must not sign “guest books” at websites or post messages to Internet news groups, discussion groups or social media websites. These actions may generate junk electronic mail or expose the Company to liability or unwanted attention because of comments that employees may make. The Company strongly encourages employees who wish to access the Internet for non-work-related activities to get their own personal Internet access accounts and use them at home, on their own personal computers.

G) Software Use; License Restrictions: All software in use on the Company’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 being put. No employee may load any software on the Company’s computers, by any means of transmission, unless authorized in writing in advance by the Company’s MIS Department, and thoroughly scanned for viruses.

H) Confidential Information: The Company is very sensitive to the issue of protection of trade secrets and other confidential and proprietary information of both the Company and third parties, including, but not limited to, the use of the Company’s technology resources within the Company’s social media sites or other means. Therefore, employees are expected to use good judgment and to adhere to the highest ethical standards when using or transmitting confidential or proprietary information on the Company’s technology resources.

Confidential and proprietary information should not be accessed through the Company’s technology resources in the presence of unauthorized individuals or left visible or unattended. Moreover, any confidential or proprietary information transmitted via technology resources should be marked with the following or a similar confidentiality legend: “This message contains confidential information. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use, or distribute this information. If you have received this message in error, please advise [sender’s name] immediately at [sender’s telephone number] or return it promptly by mail.”

6. Improper Use of Personal or Company Technology Resources

A) Use of Personal Cell Phones: Except in emergency situations, or unless authorized by their supervisor, employees may not use or carry personal cell phones during working hours.

B) Disclosure of Company Information on the Internet: As mentioned in section 5 (H) of this chapter, the Company is very sensitive to the disclosure of confidential or proprietary information relating to the Company and third parties. For this reason, employees may not post, share or disclose any nonpublic information about the Company, its business performance, finances, strategies, internal affairs or business dealings, or any nonpublic information about the Company’s customers, vendors or other third parties that the employee may acquire as a result of his or her employment with the Company, on the Internet, including on any blogs, message boards, chat rooms or social networking sites (e.g., Facebook, Twitter, MySpace etc.). Failure to follow this policy could cause serious harm to the Company and any third parties who may be the subject of the disclosure and, in some cases, also could violate securities laws. Accordingly, violations of this policy may result in disciplinary action, up to and including termination of employment.

C) Blogging on the Internet: Employees are prohibited from making false or deceptive blog postings about Big 5 or Big 5 vendor products or services on any social networking site. Employees who post blogs about Big 5 or Big 5 vendor products or services are legally required to disclose their relationship with the Company and, unless authorized to speak on behalf of the Company, must state that the views expressed are their own. Violations of this policy may result in disciplinary action, up to and including termination of employment.

SOLICITATION AND DISTRIBUTION OF LITERATURE

In order to prevent disruptions in the operation of Company business, the following rules apply to solicitation activities and distribution of literature on Company property:

• Outsiders: Except as required by law, persons not employed by the Company may neither solicit nor distribute literature for any purpose at any time without the express authorization of management; and
• Employees: Employees may not solicit or distribute literature to employees or customers for any reason whatsoever during the working time of either person and may not circulate, distribute, or post notices or other written material of any kind during working time or in working areas. "Working time" is when an employee should be performing his or her job duties. Non-working time includes rest or meal periods, before or after assigned work shifts, and other specified periods, if any, during the work day when employees are not expected to be performing their job duties.

If you have any questions as to the above rules, please contact the Human Resources Department.

SMOKING

As a further demonstration of its commitment to providing a safe and healthful work environment, the Company prohibits smoking or smokeless tobacco in all Company workplaces, including within any Company store, the corporate office or the distribution center. Employees may not gather at the entrance and exit doors to smoke, but rather must find a location that is far enough away from the entrance and exit doors as to not impede the flow of traffic or to allow smoke to enter the building. Employees may smoke only during designated meal and rest periods and will receive no additional break time for this activity.

EMPLOYEE LOCKERS

Store employees are provided with a lock and a locker for the purpose of storing personal items during their scheduled work shift. The lock must be removed and the locker emptied at the end of each shift. Every effort will be made to ensure the security of the locker area; however, lockers are provided only as a convenience and Big 5 accepts no responsibility or liability for lost or stolen property.

• Each employee will be issued a combination lock to be used on their locker during their scheduled shift. This lock may not be removed from the store.
• When an employee arrives for their shift, all personal belongings must be placed into the provided locker and the locker must be secured with the lock provided. Employees may not use their personal lock. Personal items include, but are not limited to, purses, backpacks, keys, cell phones, mp3 players, coats, etc.
• Under no circumstances is an employee permitted to place merchandise that has not been paid for in their locker. Items that have been purchased must be removed from the store and placed in your vehicle immediately following your purchase. (refer to Employee Purchase Policy)
• All employees understand that lockers are not considered private and are subject to inspection at any time, with or without notice, and with or without the employee being present.

PARKING

Employees are asked to park their vehicles in the area(s) specifically designated for employees, and not to park in those areas that are normally designated for handicapped, emergency, customer/visitor, or reserved parking. Please drive carefully in all Company parking areas and remember not to exceed the maximum speed limit. The Company is not at any time responsible for any loss, theft, or damage that may occur to an employee's vehicle while on Company premises or while commuting to and from work.

COMPENSATION POLICIES

EMPLOYMENT CLASSIFICATIONS

For salary administration purposes and to determine eligibility for employee benefits, the Company assigns employees to one of the following two employment categories:

• Full-Time: Employees who work at least 40 hours per week on a regularly scheduled basis.
• Part-Time: Employees who work less than 40 hours per week on a regularly scheduled basis.

In addition to these classifications, all employees are classified as either exempt or non-exempt. This classification is necessary to determine whether employees are entitled to receive overtime compensation under the Fair Labor Standards Act or similar provisions of state law. Exempt employees are not entitled to overtime pay and are paid on a salary basis. Non-exempt employees receive overtime pay and are paid on an hourly basis. Employees should consult with their supervisor or the Human Resources Department if they have any questions regarding their classification as an exempt or a non-exempt employee.
COMPENSATION

All employees are paid biweekly on every other Friday. Each paycheck or ‘advice’ for those with direct deposit, will include earnings for all work performed through the end of the previous payroll period, less any required or authorized deductions. In the event that a regularly scheduled payday falls on a day off (such as a holiday), employees normally will receive pay on the last day of work before the regularly scheduled payday. If a regular payday falls during an employee’s vacation, the employee’s paycheck will be available on the payday or upon his or her return from vacation in the employee’s store location (for store employees) or in the employee’s Payroll Department (for corporate office and Distribution Center employees). For payroll purposes, the Company’s work week runs from Monday to Sunday.

Your paycheck or advice, will have a stub attached that itemizes the various deductions required by law or authorized in writing by you. You should keep these statements for your personal records. If an error should ever occur on your paycheck, report it at once to your supervisor so that action may be taken for review and adjustment. Paychecks and advices will be presented only to the named employee. Requests for special handling of your check in certain cases must be arranged in advance through your supervisor and checks will be issued only with proper, authorized identification. In the event of any irregularity, the paycheck will be retained by the Payroll Department for issuance directly to the employee at a later time.

Since the deductions from your paycheck are based on the information you provide on a Form W-4, it is important that you promptly inform the Human Resources Department of any changes that affect the amount of your deductions (e.g., changes in your marital status or the addition of a dependent).

HOURS OF WORK AND OVERTIME

Scheduled hours for store employees may vary each week to ensure the store is adequately staffed for anticipated business. Store employees’ work schedules will be posted during the week prior to the scheduled work week. Each employee is responsible for knowing his or her posted schedule, and for checking the schedule frequently for any changes.

Applicable meal and rest periods should be coordinated with one’s supervisor. The Company reserves the right to modify employees’ starting and quitting times and the number of hours worked.

Business requirements may result in the need for overtime work. Exempt employees perform this work without additional compensation because they are paid a salary. Non-exempt employees are paid for their overtime. Exempt and non-exempt employees alike are required to assist with overtime work when it is assigned.

Non-exempt employees may not perform overtime work without the prior approval of their supervisor. Working overtime without authorization or refusing to work required overtime may result in discipline, up to and including termination of employment. Working “off the clock” – i.e., unpaid work by a non-exempt employee before or after the employee’s paid shift start and end times, during meal periods or any other unrecorded time worked – is prohibited. Any non-exempt employee who believes he or she has been requested to work “off the clock” should immediately report it to the Human Resources Department.
All non-exempt employees will be paid for overtime work as required by all applicable state and federal laws.\footnote{Accurately recording time worked is the responsibility of every non-exempt employee. Employees must accurately punch in and out for the beginning and end of the workday and any meal periods. Employees are not permitted to punch in or out for other employees. Any inappropriate manipulation of the timekeeping system or failure to provide accurate work time information will result in discipline, up to and including termination of employment. Unless authorized by their supervisor, non-exempt employees are not permitted to perform work prior to or after their scheduled shift and in any case, may not work “off the clock.” Non-exempt employees should stay outside of their work areas when they are not working and during scheduled meal and rest periods. Employees should not request the opportunity to make up hours for time missed if it will result in overtime pay.}

The Company provides all non-exempt employees meal periods and rest periods each day in accordance with applicable law. Employees who work outside of California should contact their supervisor or the Human Resources Department for applicable meal and rest period guidelines.

In California, the Company provides non-exempt employees who work more than five hours in one shift one 30-minute duty-free unpaid meal period. Meal periods must begin no later than the end of the fifth hour of the employee’s shift. For example, employees who begin their shifts at 8 a.m. must start their meal period no later than 1 p.m. California employees who work more than five hours but not more than six hours in one shift may voluntarily waive this 30-minute unpaid meal period by signing a waiver form available through their supervisor or the Human Resources Department. California employees who work more than 10 hours in a day (excluding unpaid meal periods) are entitled to take a second meal period.

California employees who work at least 3.5 hours in a day are authorized and permitted to take a duty-free rest period of 10 minutes for every 4 hours worked or major fraction of 4 hours worked in one day. For example, if a non-exempt employee works a total of 6.5 hours in a day, the employee is authorized and permitted to take two separate 10-minute rest periods. Rest periods may not be combined with one another or added to a meal period. Your supervisor will inform you of your scheduled meal period and rest period times.

All non-exempt employees are required to record when they begin and end their meal periods via the Company’s timekeeping system. Rest breaks are paid and thus are not recorded in the Company’s timekeeping system. Any employee who believes he or she may not be able to take a required meal or rest period at the required time should immediately contact his or her supervisor so that the supervisor may attempt to rearrange schedules. Any employee who believes he or she has been prevented from taking meal or rest periods should promptly contact his or her supervisor or the Human Resources Department. Likewise, any employee who has been required to work during a meal or rest period should promptly notify his or her supervisor or the Human Resources Department.

### MEAL AND REST PERIODS

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### TIME OFF

**Full-time employees are entitled to a number of paid holidays each year. The holidays for which an employee is eligible will depend upon the employee’s position with the Company. Your supervisor will review with you the holidays for which you are eligible.**

To be eligible for holidays, the employee must be actively employed on a full-time basis and must have completed at least ninety (90) days of continuous employment with the Company. Part-time employees and employees who have completed less than ninety (90) days of continuous employment are not eligible for holidays. Employees on a leave of absence on the date of a holiday are not eligible for the holiday.

Certain holidays are subject to blackout periods and other restrictions. Your supervisor will review these with you.

If they are eligible, exempt full-time employees receive pay at their regular salary rate for holidays, and non-exempt full-time employees receive a full day of pay at their regular hourly rate for holidays. If a Company-observed holiday occurs while an employee is on a scheduled vacation, the employee will receive holiday pay for the day and credit will be maintained for another day of paid vacation.
VACATION

The Company recognizes the importance of vacation for rest, recreation and personal activities. Full-time employees are eligible for vacation time, which in the first year of employment begins to accrue on the 91st day of full-time employment. Every year thereafter, vacation will accrue from the employee’s anniversary date of full-time employment. The amount of vacation time a full-time employee receives each year increases with the length of employment as shown in the following schedule:

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Working Days of Vacation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1 (after completion of 90 days)</td>
<td>5 days per year (accrual begins after completion of 90 days)</td>
</tr>
<tr>
<td>Years 2-6</td>
<td>10 days per year</td>
</tr>
<tr>
<td>Years 7-11</td>
<td>15 days per year</td>
</tr>
<tr>
<td>12th year and thereafter</td>
<td>20 days per year</td>
</tr>
</tbody>
</table>

Vacation accrues each day an employee is eligible at the annual rates set forth above.

Vacations must be scheduled in a manner consistent with the Company’s operational requirements. Due to the nature of our retail business, store employees may not take vacations during the last two weeks of November, during the entire month of December, or during crucial business or sales periods. Normally, an employee will not be permitted to take vacation during his or her first six months of employment, even though vacation will begin to accrue after the first 90 days of employment. All vacations must be approved in advance by the employee’s supervisor.

Employees must submit a request for vacation to their supervisor at least 30 days prior to the desired vacation day(s), except in emergency situations or when approved by the employee’s supervisor or the Human Resources Department. The Company reserves the right to reschedule an employee’s scheduled vacation time based upon the Company’s operational needs.

Vacation time and personal time off are not recorded as hours worked and therefore do not count towards the calculation of overtime pay. Employees must receive pay for vacation time used if they have the time accrued in their vacation balance. Employees may receive pay in lieu of accrued vacation time, in limited circumstances and with the express approval of the Human Resources Department.

On termination of employment, employees are paid for all accrued but unused vacation at their base rate of pay at the time of termination. Employees may not use vacation time before it is accrued.

Part-time employees are not eligible for vacation.

SICK LEAVE

In order to help prevent loss of earnings that may be caused by accident or illness, the Company provides paid sick leave. Sick leave also may be used by employees for the purpose of securing necessary medical treatment.

All full-time non-exempt employees receive up to five paid sick days each year of employment with the Company. Unless required by law, part-time employees are not eligible for sick leave.

The rate at which eligible employees accumulate sick days varies depending upon the employee’s position with the Company, as follows:

- **Non-Exempt Store Management Employees**
  Non-exempt store management employees receive five paid sick days upon promotion to a management position, less any sick days they may have taken during the year to date. Thereafter, non-exempt store management employees receive five paid sick days on each anniversary of their full-time employment with the Company.

- **Full-Time Non-Management Store Employees**
  During the first year of employment, full-time non-management store employees receive one paid sick day after the first four months of continuous employment and one paid sick day for every two months of continuous employment thereafter, up to the maximum of five paid sick days for the year. After the first year of employment, sick leave accumulates at the rate of one day for each 400 hours of time worked.

- **Full-Time Non-Exempt Office Employees**
  Full-time non-exempt office employees receive five paid sick days after completing ninety (90) days of continuous employment, and thereafter receive five paid sick days on the anniversary of the employee’s full-time employment with the Company.

Employees do not accumulate sick days during any leave of absence.
Employees must notify their immediate supervisor of their need to take sick leave as soon as practicable and, if possible, no later than 30 minutes before their scheduled starting time.

The Company retains the right to request verification from a health care provider for all absences due to illness or disability. Sick pay may be withheld and the Company may take disciplinary action, up to and including termination of employment, if a satisfactory verification is not provided by the employee when requested.

Sick pay is paid at the employee’s regular base rate and is only paid to cover the employee’s regular workday or workweek. No employee will receive pay in lieu of sick leave for any accumulated but unused sick leave at the time of termination.

California employees may use up to half of their annual accumulation of sick leave to attend to the illness of a child, parent or spouse. In California, “spouse” includes a registered domestic partner, and “child” includes the child of a registered domestic partner. However, such family-related sick leave usage is subject to all of the same conditions and restrictions which apply to each employee’s use of sick leave for his or her own personal illness. For example, employees must give as much prior notice as possible of such need to be absent, are subject to the same verification of illness requirements, and are subject to discipline up to and including termination of employment for any falsification of information related to such family illness sick leave usage.

**LEAVES OF ABSENCE**

Under certain circumstances, the Company provides time off for personal, family, health, or other needs. Any leave of absence must be approved by the Human Resources Department.

The following types of leaves of absence are provided:

1. **Family and Medical Leave**
   
   Family and medical leaves are governed by the Family and Medical Leave Act (“FMLA”) and, in California, the California Family Rights Act (“CFRA”) and Pregnancy Disability Leave Law (“PDL”). For details, please refer to the separate FMLA, CFRA, and PDL policies in this Handbook.
   
   In addition, the Company provides unpaid medical leaves of absence as required to reasonably accommodate a workplace injury or employees with a qualifying disability in accordance with the Americans With Disability Act (“ADA”) and/or applicable state law, where undue hardship would not result.

2. **Bereavement/Funeral Leave**
   
   Full-time employees are eligible for up to three paid days off if a death occurs in the immediate family. For this policy, immediate family includes spouse, registered domestic partner, parent, step-parent, parent-in-law, grandparent, child, sister, brother, or child of a registered domestic partner. Employees should notify their supervisor as soon as possible in the event of a death in the family. At the Company’s discretion, reasonable verification may be required prior to the issuance of bereavement pay.

3. **Jury or Witness Duty**
   
   Unless otherwise required by law, non-exempt employees summoned to jury or witness duty will not be paid for any work time missed as a result of jury or witness service. Exempt employees may receive their regular salary for up to ten (10) days of jury or witness service.
   
   Any absence for jury or witness duty will be considered to be excused. If an unpaid leave to perform jury or witness service will present an undue hardship to an employee, the employee should advise the court of this fact at the time of jury selection or upon receipt of the subpoena or court order to appear as a witness. It is the court’s decision whether to excuse a juror or witness due to a claimed hardship.
   
   The Company may require proof of jury or witness duty attendance. Employees are expected to cooperate with the Company in rescheduling jury service to minimize interference with Company responsibilities. Employees also are expected to report to work when it does not conflict with their court obligations, including partial work days. To qualify for jury or witness duty leave and to receive any pay for which they are eligible during the time of service, employees should submit to their supervisor a copy of the summons or subpoena to serve, and must submit proof of service at the completion of the service.

4. **Domestic Violence/Sexual Assault/Serious or Violent Felony Victims**
   
   If you are a victim of domestic violence or sexual assault or you or an immediate family member or registered domestic partner are the victim of a serious or violent felony, the Company will provide you with necessary time off as required by applicable law. You should provide the Company with as much advance notice as possible of any planned absences. If you are unable to provide advance notice of your need for leave, you must provide verification of your court-related activities upon your return to work. Time off for victims of domestic violence or sexual assault or a serious or violent felony will be considered an unpaid leave of absence, unless the employee elects to use vacation, personal leave or compensatory time off that is otherwise available. Unpaid leaves of absence for this purpose may not exceed twelve (12) weeks in any rolling twelve (12)-month period.
5. Religious Observances

It is the Company's policy to reasonably accommodate requests pertaining to religious practices where possible, provided that doing so does not result in an undue hardship to the Company. At the Company's discretion, reasonable verification may be required to support any time off for religious observances. Time off for religious observances will be considered an unpaid leave of absence or an accrued vacation day, if available. An employee must provide his or her supervisor with at least one (1) week prior notice of the need for this type of time off.

6. Discretionary

Requests for leaves of a discretionary nature—that is, leaves other than those specifically referenced elsewhere in this Handbook—will be considered at the time of request. A discretionary leave, if granted, carries with it neither service requirements nor job protection. Employees who wish to be considered for a discretionary leave should contact their supervisor and the Human Resources Department for more information. The decision whether to grant discretionary leave rests solely with the Company. Unpaid discretionary leave normally will not be granted during the first 90 days of employment or until all accrued, unused vacation and sick days have been exhausted.

7. Military Duty

The Company provides unpaid leaves of absence to all full-time and part-time employees for military or reserve duty in accordance with applicable state and federal laws. Moreover, the Company provides unpaid leaves of absence to qualified employees whose spouses are members of the armed forces in accordance with applicable state and federal laws. A request for military leave should be submitted promptly to the Human Resources Department and accompanied by a copy of the orders indicating the beginning and ending dates of the duty period. Eligibility for reinstatement after the military duty is completed will be determined in accordance with applicable federal and state laws.

8. Workers' Compensation

In the event you suffer a work-related injury, disease or illness, you may be entitled to receive benefits under the Company’s workers’ compensation policy. These programs may include, but are not limited to, benefits in the form of medical expenses and temporary or permanent disability payments. For specific information about the benefits to which you may be entitled, please contact the Human Resources Department.

To ensure your physical well-being and the correct processing of these claims, you must immediately, and no later than 24 hours after the incident, notify your supervisor of any injury occurring during, or as a result of, your employment—no matter how slight the injury appears to be.

Employees should be aware that workers’ compensation benefits are designed to return an injured employee to the workplace as soon as medically possible without compromising the recovery process. The Company closely reviews and monitors all workers’ compensation claims, leaves of absence, and temporary work restrictions and accommodations. Where the Company has reason to believe that the injury or the employee’s disability status is fraudulent, the Company has an affirmative duty to cooperate with the appropriate legal authorities to take action, including possible criminal action, against the fraudulent acts.

The Company or its insurer will not be liable for the payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee’s work-related duties.

9. Effect of Leave on Benefits

Subject to the provisions of the Family Care and Medical Leave Policy in this Handbook, for up to one year during any qualifying leave of absence, the Company will continue to pay for the employee's participation in the Company's group health plans, to the same extent and under the same terms and conditions as would apply had the employee not taken leave. Other benefits will be governed in accordance with the terms of each benefit plan. The Company reserves the right to change its contributions toward employee group health plans, to require or increase employee contributions toward health plan premiums, or modify or amend the terms of any group health plans, at any time. Any such changes would apply to employes on a leave of absence in the same manner and at the same time as other employees not on a leave of absence.

Employees who have questions about any of these leaves of absence should contact the Human Resources Department.

FAMILY CARE AND MEDICAL LEAVE POLICY

In accordance with the Family and Medical Leave Act ("FMLA"), the Company provides eligible employees family care and medical leave. Please note, some individual states may provide benefits in addition to the FMLA benefits summarized below. For further information, please review the employment posters located on the employee bulletin board in the break area or back room (depending on your facility), or contact Human Resources.
1. Eligibility
To be eligible for family and medical leave, an employee must: (1) have worked for the Company for at least 12 months prior to the date on which the leave is to commence; (2) have worked at least 1,250 hours in the 12 months preceding the leave; and (3) work at a location where the Company employs at least 50 persons at that facility or within 75 miles of that facility. Employees who are disabled within the meaning of the ADA and/or applicable state law who do not meet these requirements are not eligible for FMLA leave, but the Company may accommodate their request for an unpaid leave of absence in accordance with applicable law. In such circumstances, the employee should contact the Human Resources Department for clarification about the availability of an unpaid medical leave.

2. Permissible Uses of Family Care and Medical Leave
“Family care 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; (3) the serious health condition, as defined by applicable law, of an employee’s child, spouse, parent, registered domestic partner or child of a registered domestic partner; (4) any qualifying military exigency, as defined in applicable law, arising out of the fact that the employee’s military retiree or reservist child, spouse or parent is on active military duty or has been notified of an impending call to active duty (“military exigency leave”), or (5) the care of the employee’s child, spouse, parent or next of kin who, in connection with military service, is undergoing medical treatment, recuperation or therapy, as defined in applicable law (“military caregiver leave”). “Medical leave” may be requested for an employee’s own serious health condition, as defined by applicable law.

3. Substitution of Paid Leave for Family Care and Medical Leave
Family care and medical leave is unpaid. However, an employee may elect to use accrued sick or vacation pay while on an approved leave of absence. Some states may provide paid family leave benefits or other compensation for certain types of medical leaves. For more information, please see the Employee Benefits section of this Handbook or contact the Human Resources Department.

4. Amount of Leave
For all types of family care and/or medical leave other than military caregiver leaves, upon the approval of the Human Resources Department, an employee may take the maximum time allowed by law of family care and/or medical leave in a rolling 12-month period measured backward from the last date the employee used any leave. Spouses who are both employed by the Company may take the maximum leave allowed under state or federal law in a 12-month period for the birth, adoption, or foster care of their child. 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.

For military caregiver leaves, upon the approval of the Human Resources Department, an employee may take a maximum of 26 weeks of 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 the Company may take a maximum combined total of 26 weeks in the 12-month period for military caregiver leave, provided that no more than 12 weeks of this combined 26-week period may be taken for reasons other than to care for the service member.
The substitution of paid leave for family care or medical leave does not extend the total duration of family care and medical leave to which an employee is entitled beyond the 12 or 26 weeks in a rolling 12-month period that may be available. For example, if an employee has accrued four weeks of unused paid vacation time at the time of the request for family care leave, that paid vacation time will be substituted for the first four weeks of family care leave, leaving up to 8 or 22 additional weeks of unpaid leave (depending on the applicable leave period).

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, or military caregiver leave may be taken intermittently or on a reduced schedule where medically necessary. If leave is taken intermittently or on a reduced schedule, the Company retains the discretion to transfer the employee temporarily to an alternative position with equivalent pay rate and benefits, which accommodates the employee's leave schedule.

5. Effect of Leave on Pay
Except to the extent that other paid leave is substituted for family care and medical leave, such leave is unpaid.

6. Effect of Leave on Benefits
During a family care and medical leave under FMLA or comparable state law, the Company will continue to pay for the employee's participation in the Company's group health plans, to the same extent and under the same terms and conditions as would apply had the employee not taken leave. Other benefits will be governed in accordance with the terms of each benefit plan.

Vacation time will continue to accrue without interruption during any approved leave of absence. Employees on any approved leave of absence do not accrue sick time.

7. Notice Requirements
Employees should notify the Human Resources Department of their request for family care or medical leave as soon as they are aware of the need for such leave. When possible, the employee must provide written notice of the need for a leave to the Human Resources Department thirty (30) calendar days in advance. For events that are unforeseeable, the employee must notify the Human Resources Department as soon as he or she is aware of the need for a leave, ordinarily no later than one or two working days after the employee learns of the need for the leave. If the leave is requested in connection with a planned, non-emergency medical treatment, the employee may be requested to reschedule the treatment so as to minimize disruption of the Company's business.
If an employee fails to provide the requisite 30-day advance notice for foreseeable events without a reasonable explanation for the delay, the Company 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 or medical leave should include the anticipated date(s) and duration of the leave. Any request for extensions of a family care or medical leave must be in writing and received by the Human Resources Department at least five working days before the date on which the employee was originally scheduled to return to work, and must include the revised anticipated date(s) and duration of the family care or medical leave. The Company will reasonably accommodate requests by qualified employees with a disability for extensions of medical leaves in accordance with applicable law, but reserves the right to deny requests for extensions and/or deny reinstatement as provided by law.

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

8. Certification
Any request for medical leave for an employee’s own serious health condition, for family care leave to care for a child, spouse, or parent with a serious health condition, or for military caregiver leave must be supported by medical certification thirty (30) days in advance. For foreseeable leaves, employees must provide the required medical certification at least 30 days before the start of the leave. When this is not possible, employees must provide the required certification within 15 calendar days after the Company’s request for certification, unless it is not practicable under the circumstances to do so, despite the employee’s good faith efforts. Any request for an extension of the leave also must be supported by an updated medical certification.

Any request for leave due to a qualifying military exigency must be supported by certification from the employee accompanied by evidence of the covered military members’ active duty orders or other documentation from the military. Employees must provide the required certification as soon as practicable. If the qualifying military exigency involves meeting with a third party, the Company reserves the right to contact that third party to verify the meeting or appointment schedule and the nature of the meeting. The Company also reserves the right to contact the appropriate unit of the Department of Defense to request verification of the active duty call.

Employees may obtain the appropriate certification form from the Human Resources Department. If an employee fails to provide a required certification, absences may not qualify for family care and medical leave and may be considered unexcused (which may result in discipline up to and including termination of employment).

Where permitted by law, if the Company has reason to doubt the validity of the certification provided by the employee, the Company may require the employee to obtain a second opinion from a doctor of the Company’s choosing at the Company’s expense. If the employee’s health care provider and the doctor providing the second opinion do not agree, the Company may require a third opinion, also at the Company’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.

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 the Company with recertification at appropriate intervals. For purposes of recertification, the Company may request the same information as allowed by law for the original certification. 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.

Where the leave is for the employee’s own serious health condition, the Company also may require the employee to provide medical certification that he or she is fit for duty and able to return to work before the employee returns to work. If an employee fails to provide a required fitness-for-duty certification, reinstatement may be delayed or denied, and employment may be terminated.

9. Designation of Protected Leave
Once the Company has enough information to determine whether the leave is FMLA-qualifying, the Company 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 the Company determines that the leave is not protected, the Company will notify the employee.

10. Reinstatement
An employee timely returning from family care and medical leave is entitled to reinstatement to the same or a substantially equivalent position, consistent with applicable law, except that an employee has no greater right to reinstatement than he or she had been continuously employed rather than on leave. For example, if an employee on a family care and medical leave would have been suspended, terminated or laid off had he or she not gone on leave, or if the employee’s job is eliminated during the leave and no equivalent or comparable job is available, then the employee would not be entitled to reinstatement. Any employee who obtains other employment while on a leave of absence may be deemed to have voluntarily quit their employment with the Company. Additionally, if an employee refuses or fails to timely return to work following a medical leave, his or her absence may be considered unexcused and could result in discipline, up to and including termination of employment.
CALIFORNIA PREGNANCY-RELATED DISABILITY LEAVE

Employees in California who are disabled due to a pregnancy-related condition may be eligible for an unpaid leave of absence provided under state law.

Upon the approval of the Human Resources Department, eligible employees may take a pregnancy-related disability leave for the period that they are disabled for up to four months. As an alternative, the Company may transfer an employee to a less strenuous or hazardous position if she so requests, with the advice of her physician, and if the transfer can be reasonably accommodated in accordance with applicable laws.

Leave taken under the pregnancy-related disability policy runs concurrently with the 12 weeks of family care and medical leave to which an employee may be entitled under the Family and Medical Leave Act. See Family Care and Medical Leave policy in this Handbook.

Pregnancy-related disability leave is unpaid, although an employee has the option to use accrued and available sick and vacation time.

After an employee is released from a pregnancy-related disability or at the end of four months of pregnancy-related disability leave (whichever occurs first), she may be eligible for an additional 12 weeks of family care and medical leave under the California Family Rights Act for care of a newborn or any other qualifying reason (less any CFRA leave used in the prior 12-month period for reasons other than a pregnancy-related condition). See California Family Rights Act policy. CFRA leave runs concurrently with any remaining family care and medical leave for which the employee may qualify.

Unless applicable law or this policy provides otherwise, if an employee qualifies for a pregnancy-related disability leave, the provisions stated in the Family Care and Medical Leave policy will apply.

CALIFORNIA FAMILY RIGHTS ACT LEAVE

Employees in California may be eligible for up to 12 weeks of leave under the California Family Rights Act ("CFRA") in a rolling 12-month period measured backwards from the date any leave is used.

Unpaid leave under the CFRA may be requested for the same reasons as family care and medical leave, although disability on account of pregnancy, childbirth, or related medical conditions is not considered a serious health condition under the CFRA. Accordingly, while CFRA leave generally will run concurrently with family care and medical leave, when an employee takes leave for a pregnancy-related serious health condition, CFRA leave will not apply. As a result, after an employee is released from a pregnancy-related disability or at the end of four months of pregnancy-related disability leave (whichever occurs first), she may be eligible for an additional 12 weeks of leave under the CFRA for care of a newborn or any other qualifying reason (less any CFRA leave used in the prior 12-month period for reasons other than a pregnancy-related condition). CFRA leave runs concurrently with any remaining family care and medical leave for which the employee may qualify.

In order to qualify for CFRA leave, employees must meet the same eligibility requirements as provided under the Family Care and Medical Leave policy. However, for an employee who takes a pregnancy-related disability leave that is also a family care and medical leave, and who then wants to take CFRA leave for the birth of her child immediately after her pregnancy-related disability leave, the 12-month period during which she must have worked 1,250 hours is that period immediately preceding her first day of family care and medical leave based on her pregnancy, not the first day of the subsequent CFRA leave for the reason of the birth of her child.

Under the CFRA, the term "spouse," as used in the family care and medical leave policy, includes a registered domestic partner, and the term "child," as used in the family care and medical leave policy, includes the child of a registered domestic partner.

Under the CFRA, unpaid leave may be taken intermittently or on a reduced work schedule in certain circumstances. Leave for the birth, adoption or foster care placement of a child may be taken intermittently, except that employees must use leave for this purpose in increments of at least two weeks. As the CFRA requires, however, the Company will grant leave for the birth, adoption or foster care placement of a child of less than two weeks duration on any two occasions. Leave for the serious health condition of the employee or a qualifying family member may be taken intermittently or on a reduced work schedule when medically necessary.

Unless applicable law or this policy provides otherwise, if an employee qualifies for a CFRA leave, the provisions stated in the Family Care and Medical Leave policy will apply.
GROUP HEALTH AND OTHER BENEFITS

PERSONAL INFORMATION

Since tax deductions, insurance benefits, and other administrative matters are often affected by changes in your personal status, it is very important that you notify your supervisor and the Human Resources Department immediately in writing of any changes to your personal information such as your name, address, telephone number, marital status, number of dependents, insurance beneficiaries, and names of persons to be notified in case of emergency.

EMPLOYEE BENEFITS

The Company provides a variety of employee benefits programs for its eligible employees. The Company reserves the right to eliminate or modify any of its benefits, and/or to require or increase employee premium contributions or co-payments, at any time in its discretion.

This policy highlights some features of the Company’s benefits programs. The group health, life insurance, and retirement-related programs are described more fully in the summary plan description booklets which are provided to employees at the time they become eligible to participate. The group health insurance program also is described in the Company’s master insurance contracts with its insurance carriers. Complete descriptions are maintained in the Human Resources Department. If information in this Handbook or the summary plan description booklets contradicts information in the master contracts or master plan documents, the master contracts or master plan documents will govern in all cases.

Full-time employees may participate in the following benefit plans:

- Health Insurance
- Dental Insurance
- Vision Discount
- Life and Accidental Death Insurance
- Long-Term Disability (LTD) Insurance

After your first month of employment, eligible employees will receive a summary plan description booklet outlining the primary features of these plans. If you do not receive one, please request one from the Human Resources Department. The Company provides a discount program for vision healthcare. The Company also provides some life insurance coverage for eligible employees at no expense to the employee, with the opportunity to purchase additional life insurance at the employee’s expense. The Company also offers employees the opportunity to purchase long-term disability insurance.

For eligible employees who elect to participate, coverage for all plans will be effective the first day of the month immediately following the employee’s first 90 days of continuous full-time employment. All dependents can be included at the time of eligibility without proof of insurability. If dependents are not included at this time, proof of insurability may be required by the insurance company.

1. Workers’ Compensation Insurance

In the event of an occupational injury or illness (as defined under Workers’ Compensation Law), you may be covered by workers’ compensation insurance instead of group insurance. The Company pays all costs for this type of insurance.

As discussed elsewhere in this Handbook, if you should become injured or in any way disabled on the job, you must report the injury immediately to your supervisor.

2. California State Disability Insurance

For California employees, this program helps to cover the cost of lost working time resulting from non-occupational injury or illness. In order to obtain full benefits under this plan, a claim must be filed with the State of California immediately upon disability. Claim forms for these benefits are available in most hospitals or physician’s offices. After a claim is filed, benefits become payable beginning with the 8th day of illness or the first full day of hospitalization, whichever occurs first. Premiums for this program, which are required by California state law, are based on a small percentage of your taxable earnings up to an established limit and are paid through automated payroll deductions.

3. California’s Paid Family Leave Insurance

Like the SDI program above, this program is for California employees and helps to cover the cost of lost working time resulting from your need to take time off to care for injured or ill family members or to bond with a new child. In order to obtain full benefits under this plan, a claim must be filed with the State of California immediately upon a qualifying event. Claim forms for this benefit are available from the Employment Development Department (1-877-BE THERE). After a claim is filed, benefits become payable beginning with the eighth (8th) day of lost work (or, if for baby bonding following a pregnancy disability, immediately). Premiums for this program, which are required by California state law, are based on a small percentage of your taxable earnings up to an established limit and are paid through automated payroll deductions. The State of California makes benefit determinations and payments, not the Company. This program, like California SDI, is simply a partial wage reimbursement program, and does not extend nor entitle employees to any right to leave beyond that provided by CFRA, FMLA, PDL or other leaves required under state or federal law.
4. **Unemployment Insurance**

On behalf of all employees, the Company contributes to each state’s individual Unemployment Insurance Program. Unemployment insurance is a state-administered program that provides a benefit to eligible employees in the event of unemployment. Different states have different standards to determine eligibility and these determinations are made solely by the applicable state agency and not by the Company. Unemployment insurance requires no payments or deductions from employees.

5. **Social Security**

Social Security Insurance or FICA (Federal Insurance Contributions Act) provides benefits in the event of total disability due to injury or illness for extended periods. Both the employee and the Company contribute to each employee’s individual Social Security account up to a maximum salary cap, which may be periodically adjusted by the Federal government. Further information about Social Security benefits is available at your nearest Social Security Office.

6. **Health Continuation of Benefits (COBRA)**

Federal law requires employers sponsoring a group health plan to offer employees covered by the health plan and their dependents the opportunity to elect a temporary extension of health coverage (called “continuation coverage” or “COBRA coverage”) in certain instances where coverage under the plan would otherwise end. If you are an employee covered by the Company’s group health plan, you do not have to show that you are insurable to elect continuation coverage. However, you may have to pay all or part of the premium for your continuation coverage. At the end of the maximum coverage period, you must be allowed to enroll in an individual conversion health plan if it is otherwise available under the Plan. Should coverage under the group health plan end, the Company will provide you with relevant information, in summary fashion, of your rights and obligations under the law, which is subject to change from time to time as interpretations or changes of the law occur.

7. **Store Employee Purchases and Discounts**

After 30 days of employment, all full-time and part-time store employees may purchase items at the store for 20% below the regular retail price or 10% below the advertised price within the last 30 days (these discounts do not apply to gift cards, licenses, government fees or “percentage off” sale items). Employees are permitted to use this privilege to make purchases for themselves and their immediate family members only. Immediate family includes spouse, registered domestic partner, parent, step-parent, parent-in-law, child, sister, brother, or child of a registered domestic partner. Employees are prohibited from making purchases using their employee discount for the purpose of reselling the merchandise.
All purchases, exchanges, and refunds must be done at the store location where the employee works, and should be done when the store is open for business and the employee is off duty. All returns and exchanges must be accompanied by the original purchase receipt. Employees must use their employee number for all purchases, whether or not a discount is applicable. No sharing of employee numbers is permitted.

An employee, thus, can make purchases before or after his or her shift, on the employee’s day off, or during meal or rest periods, so long as it is during regular store hours. Employees should remove their purchases from the store immediately, and must not remove any purchase, package, or merchandise from the store before the store is opened or after the store is closed for business. All employee transactions must be approved by a member of management.

Employees may “hold” merchandise for purchase only until the next payday. All holds must be approved by a member of management. Employees who violate any of these policies will be subject to disciplinary action, up to and including termination of employment.

8. Service Pins
To acknowledge the growth and knowledge that comes with experience, for every 5 years of continuous service, employees are awarded Big 5 Service Pins, which the Company encourages employees to wear with pride.

**EMPLOYEE SAFETY**

**HEALTH AND SAFETY**

The Company has adopted policies and procedures to provide you with a safe workplace and protection from injuries while on the job. You are expected to do your part by keeping your store or work area free of potential hazards, complying with the Company’s safety rules and policies, and immediately reporting any unsafe conditions to your supervisor or the Human Resources Department. For a complete summary of the Company’s safety rules and policies, please refer to the Company’s Illness and Injury Prevention Program, which is included in the binder entitled “Safety Program” and is maintained at each Company store location. Some important aspects of the Safety Program include the following:

- Notify your supervisor immediately in the event of an accident or injury to a customer, a fellow employee, or yourself (see Accident Reporting section for more information);
- If you are injured or experience discomfort in the course of your employment, talk to your supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. Once notified, it is the supervisor’s responsibility to take prompt action (see Accident Reporting section for more information);
- Know the location of the first aid kit in your store or work area;
- Know the type, method of use, and location of fire extinguishers;
- Keep emergency exits clear and well-marked at all times;
- In the event of a fire, do not panic. Immediately call for the manager on duty. The manager will then call the Fire Department and refer to the “Emergency Procedures” binder;
- In the event of an earthquake, stay indoors and away from glass or hanging objects, unless the building is sustaining damage to the extent that staying inside would be unsafe. Your manager will provide additional direction as provided in the “Emergency Procedures” binder;
- No horseplay, scuffling, or sports-related activity is allowed in the store at any time (e.g., an impromptu basketball game on the sales floor after hours is prohibited, etc.). Injuries resulting from horseplay may not be eligible for workers’ compensation benefits;
- In order to remain safe and alert, all employees are required to take their meal and rest periods when provided, and in accordance with all applicable laws. Failure to do so is a direct violation of Company policy;
- Do not attempt to work or operate any machine or device (e.g., fishing line-winder, etc.) unless you have received proper training;
- If you are using any machine on the premises and you find it to be faulty or broken, you must report it immediately to the manager on duty. You must never attempt to adjust or repair machinery while it is in use;
- Use ladders with caution at all times and make sure they are level, secure, and in proper working order before use. Open a ladder fully; never lean it against a wall or fixture unless storing. Climbing on shelves is prohibited at all times. If a ladder is in need of repair, contact a manager, or, if you are a member of management, contact the supply buyer at the main office for immediate replacement;
• Always lift heavy items properly. Use your legs instead of your back and, if the item is too heavy for you, ask for help. Hold all boxes by the bottom, and use a dolly whenever possible. To lift heavy items, use the “Team Lift” system and always wear a Company-provided weight belt;

• Use a Company-provided box cutter at all times. Use of personal pocketknives or unapproved cutting tools is strictly prohibited. When cutting a box with a box cutter, cut away from your body and keep your opposing hand away from the blade;

• Keep floors and aisles clean and clear of obstacles. Maintain a clean and neat work environment;

• While prompt and friendly customer service is expected at all times, running is not allowed in the store at any time;

• Wear proper and safe clothing and footwear. Adhere to the Company dress code, but remember also to dress safely. Do not wear loose fitting clothing that might catch on counters, doors or equipment, and do not wear open-toed shoes or sandals;

• Follow all security rules referenced here and elsewhere in this Handbook. These include opening and closing procedures and, in the unlikely scenario of a robbery, not resisting a robbery suspect in any way. Do not put yourself or your fellow employees in danger;

• The firing or discharging of guns, bows and arrows, B.B. guns, soft air guns, paintball guns, slingshots or any other product that discharges a projectile, whether in the store or around the premises, is strictly prohibited. It is dangerous and strictly against Company policy to discharge any of the above items even when a customer asks for a demonstration;

• Employees may not swing golf clubs or baseball bats in the store around customers or other employees. Customers may do so in order to test the feel of a club or bat, so use caution when entering or walking by these areas; and

• The slamming of doors, register drawers, safe doors, file drawers, or any devices designed to open and close is prohibited. This can cause damage to the equipment, and is unsafe for the employee.

Notify a manager immediately if you witness or are made aware of any violations of the policies listed above. If you report a violation to management and they do not take appropriate action, please contact your district or regional supervisor, the Operations Department, the Human Resources Department, the local Loss Prevention Manager or report the matter on the We Care line toll free at (800) 274-BIG5 or (800) 274-2445.

Failure to comply with the Company’s health and safety policies and procedures may result in disciplinary action, up to and including termination.

We are proud of our facilities and believe that having a pleasant and safe place to work is an important part of maintaining job satisfaction. For that reason we ask everyone to do his or her fair share in keeping our work areas, office areas and break areas clean. If you consume food or beverages at a work station, break or meeting area or conference room, it is your responsibility to dispose of the related trash in the trash can. Employees may not consume food or beverages on the sales floor or in the register area at any time.

**ACCIDENT REPORTING**

If you witness an accident involving a coworker, notify your supervisor immediately. If you can do so without serious risk of injury to yourself, promptly take steps to safeguard your coworkers and Company property. This will set in motion the sequence of events necessary to insure that no further harm can occur, that first aid may be rendered, transport to emergency care locations can be swiftly arranged for, and that any necessary paperwork for insurance and treatment of the accident/injury victim can be obtained.

Likewise, if you sustain any accidental injury at work, no matter how minor, you should notify your supervisor immediately so that the Company may complete federally required job safety forms and make an assessment of whether you should be sent for emergency medical treatment. By promptly notifying the Company of job-related injuries, you also will protect your rights to workers’ compensation benefits in the event that the injury is more serious than first suspected.

**POLICY AGAINST WORKPLACE VIOLENCE**

The Company recognizes that workplace violence is a concern among employers and employees across the country. The Company is committed to providing a safe, violence-free workplace. In this regard, the Company strictly prohibits employees, consultants, customers, visitors, or anyone else on Company premises or engaging in Company-related activity from behaving in a violent or threatening manner.

Moreover, as part of this policy, the Company seeks to prevent workplace violence before it begins and reserves the right to deal with behavior that suggests a propensity towards violence prior to any violent behavior occurring.
The Company believes that prevention of workplace violence begins with recognition and awareness of potential early signs and has established procedures within the Human Resources Department for responding to any situation that presents the ability of violence.

As an employee of the Company, you are expected to refrain from violent, potentially violent, and/or inappropriate conduct, including, but not limited to, the following:

- Unlawful harassment, including sexual harassment, of other Company employees, contracted work force, customers, or vendors;
- Harassment of or disregard for the rights of another employee;
- Abusive or foul language;
- Threatening customers, vendors, or other employees;
- Fighting or provoking a fight;
- Defacing Company property or causing physical damage to the facilities;
- Insubordination or derogatory behavior toward management;
- With the exception of authorized security personnel, bringing firearms or weapons of any kind on Company premises, in Company parking lots, or while conducting Company policies and procedures; and
- Gross misconduct of any kind.

It is the duty and responsibility of all employees to prevent violence in the workplace. Therefore, all employees have an obligation to report any and all incidences of violence and/or inappropriate conduct or behavior immediately to their immediate supervisor, the Human Resources Department, the local Loss Prevention Manager or via the We Care line at (800) 274-BIG5 or (800) 274-2445. All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. In appropriate circumstances, the Company will inform the reporting individual of the results of the investigation. To the extent possible, the Company will maintain the confidentiality of the reporting employee and of the investigation.
The Company may, however, need to disclose the results in appropriate circumstances, for example, in order to protect individual safety. The Company will not tolerate retaliation against any employee who reports workplace violence.

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

**KEEPING STORE ASSETS SAFE**

Annually, retailers lose billions of dollars due to theft. Approximately one-third of this loss is caused by shoplifters. It is our policy to deter a suspected shoplifter whenever possible. In the event that shoplifting occurs, it is the policy of the Company to prosecute all shoplifters, regardless of the dollar amount involved. Unwavering adherence to this policy will make it clear that we do not tolerate theft or dishonesty.

Each and every employee plays an integral part in protecting the store's assets from theft. Below are a few guidelines to help you protect the assets in the store where you work:

- The best deterrent to a shoplifter is excellent customer service. Eye-to-eye contact and an offer to provide assistance mean good service to the legitimate customer. To the potential shoplifter, this service means a lack of opportunity to steal without being spotted;
• Be especially alert to areas where high-dollar or high profile items are located. Firearms, fishing reels, sunglasses, footwear, baseball gloves and clothing are especially vulnerable; and

• While shoplifters come in all ages, socioeconomic status, sex, and race, they tend to exhibit some common behaviors. Be alert to these warning signs:
  
  An individual hastily gathers merchandise and hurries to the fitting room.
  
  Individuals with large, empty bags or purses.
  
  An individual wearing clothing that is not consistent with the weather, such as a jacket on a warm day.
  
  If you spot someone who appears or acts suspicious, notify the manager on duty, then provide the individual with excellent customer service. If you suspect someone has shoplifted merchandise, notify the manager on duty immediately and continue to provide excellent customer service.

YOUR SAFETY, AND THE SAFETY OF OUR CUSTOMERS, IS MORE IMPORTANT THAN THE VALUE OF ANY MERCHANDISE WE CARRY. FOR THIS REASON, STORE PERSONNEL ARE NEVER PERMITTED TO DETAIN A CUSTOMER SUSPECTED OF SHOPLIFTING FOR ANY REASON.

The safety of our employees must always come first when determining any course of action.

SECURITY AND VIDEO SURVEILLANCE

The Company strives to maintain a safe and secure working environment for all employees and shopping experience for all customers.

Some employees will have access to Company buildings or departments through the use of keys or an access control card. Others may have to check in at a security or reception desk. The specific times and manner of access will be determined by your supervisor and your location, in conjunction with the Loss Prevention Department and/or the Human Resources Department.

All office employees are required to wear their employee badge while at the workplace. All visitors to the corporate office, including friends and family members, will be required to sign in at the reception desk where they will be provided a visitor's badge. Visitors must be escorted through the facility at all times. Visitors should not be allowed into restricted areas in the office or any store location that may contain confidential or sensitive information of the Company.

1. Searches and Inspections

The Company believes that maintaining a workplace that is free of drugs, alcohol, and other harmful materials is vital to the health and safety of its employees and to the success of the Company. The Company also intends to protect against the unauthorized use and removal of Company’s property. Accordingly, the Company has established this Guideline concerning inspections and searches on Company premises.

The Company may provide computers, desks, file cabinets, and other furniture items for use by employees while at work. Such items remain the sole property of the Company. The Company reserves the right to open and inspect desks and file cabinets, as well as any contents, effects, or articles that are located therein, whether or not the places are locked or password protected. Such an inspection can occur at any time, with or without advance notice or consent. Because even a routine search for Company property might result in the discovery of an employee's personal possessions, all employees are encouraged to refrain from bringing into the workplace any item of personal property that they do not wish to reveal to the Company.

Theft or inappropriate removal of items from Company premises, or unauthorized possession of property that belongs to the Company, a customer, visitor, or another employee, will not be tolerated and may result in immediate discharge without a warning. To ensure compliance with this policy and consistent with legitimate safety and security concerns, the Company reserves the right to inspect any items and/or packages brought into or removed from any store, building or facility operated by the Company.

Employees who refuse to cooperate during an inspection or search will not be forcibly detained or searched. However, refusing to cooperate in and of itself constitutes a violation of Company policy, which may result in disciplinary action up to and including termination of employment.

2. Video Surveillance

To further protect employees and to prevent loss, including but not limited to theft of Company property, trade secrets, and confidential information, the Company has installed both plain-view and hidden video cameras in its store locations, corporate office and distribution center. At the Company’s store locations, plain-view video cameras are situated so that they record the store entrance, sales floor, stock
room, manager’s office, perimeter doors, and loading dock. At the corporate office and distribution center, plain-view video cameras are situated so that they record the entrances and exits, certain common areas and the parking areas. Hidden cameras may be installed in any store, building, or facility operated by the Company, at the Company’s discretion, for the purpose of analyzing shrink or losses or for other legitimate business purposes. Hidden cameras will not be installed in restrooms or fitting rooms. With the exception of restrooms, fitting rooms or rooms provided for lactation accommodation, employees should have no expectation of privacy when it comes to video surveillance in the workplace.

Surveillance video may not be provided to, shown to or shared with anyone outside the Company, including law enforcement agencies, for any reason without the advance approval of the Director of Loss Prevention.

BACKGROUND CHECKS

The Company believes that hiring qualified individuals to fill positions contributes to its overall strategic success. Background checks play a critical role in ensuring that candidates for employment maintain Big 5’s high standards of integrity, ethics and morality, and in promoting a safe work environment for current and future employees, as well as our customers. In addition, because the Company sells firearms and ammunition at many of its stores, the Company must ensure that individuals who are prohibited from working with firearms and ammunition are not doing so. All candidates for full-time employment will undergo criminal background checks in accordance with applicable law and every employee will undergo a social security number verification. Employees who are provided a vehicle in connection with their employment also are subject to Department of Motor Vehicle (DMV) report checks.

In addition, current part-time employees applying for full-time positions will be subject to a background check in order to be eligible for promotion. As with offers of employment, any offer for promotion is contingent upon the satisfactory results of a background check.

Background checks also may be conducted on some or all employees in certain stores when business reasons dictate doing so, such as in high shrink stores. Refusal to authorize a background check may be considered along with other evidence where there is reasonable suspicion to believe an employee has been involved in theft or other misconduct. All employees are under a continuing obligation to notify their supervisor and the Human Resources Department of any criminal convictions and/or court orders (including restraining orders) or other prohibition of handling firearms or ammunition.

As a condition of employment or promotion, employees will be required to authorize the Company to perform the background checks described above. Refusal to authorize a background check may result in a determination of ineligibility for employment or promotion. Detailed information regarding the nature and scope of all background checks are available in the Human Resources Department and are distributed to applicants and employees before any background check is conducted in accordance with applicable law. Any concerns regarding the results of a background check should also be directed to the Human Resources Department.

FIREARMS REGULATIONS

The sale of firearms and ammunition is strictly governed by federal, state, and local laws and regulations. The Company and its employees are required to follow these laws and regulations in the handling and sale of all firearms and ammunition at the Company’s stores and distribution center. Employees will be trained about proper firearms and ammunition sales and record keeping procedures as necessary based on their job responsibilities. Strict compliance with all laws, regulations, policies, and procedures relating to the handling and sale of firearms and ammunition is expected of employees at all times. Because of the serious nature of the products involved, the Company will view any failure to comply with firearms or ammunition sales and record keeping procedures as a serious violation of Company policy and may impose disciplinary action, up to and including termination of employment.
ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK AND AT-WILL EMPLOYMENT

I have received my copy of the Big 5 Sporting Goods Employee Handbook and understand my responsibility to read it, understand its contents, and adhere to all of the policies and procedures of Big 5 Sporting Goods (“the Company”), whether set forth in this Handbook or elsewhere. I understand that it is my responsibility to educate myself regarding updated, revised, added, or deleted policies or procedures as announced or posted by the Company from time to time.

I acknowledge that this Handbook is provided as an informational guide only and is not a contract or an offer of a contract between the Company and me. Similarly, no Company policy, procedure, guideline or practice is a contract or an offer of a contract between the Company and me. I understand that unless a contract signed by the President of the Company provides otherwise, (i) my relationship with the Company is that I am an at-will employee, which means that either I or the Company can terminate my employment at any time, for any or no reason, with or without cause or notice, (ii) the Company reserves the right to reassign me or modify the terms and conditions of my employment or job assignment in its sole discretion, with or without notice, cause or consideration, subject only to the Company’s and my mutual right to terminate the employment relationship at will, and (iii) the Company reserves the right in its sole discretion, with or without notice, cause or consideration, to modify, depart from or terminate any of the Company’s policies (other than the at-will policy), procedures, guidelines, practices, or employee benefit programs, whether or not described in this Handbook. This at-will nature of my employment relationship with the Company cannot be changed by any person, statements, acts, series of events, or pattern of conduct, but only by an express individual written employment agreement signed by the President of the Company and by me which expressly changes this “at will” relationship.

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