

# **Running Free, Inc. Employee Manual**



**April 2012**

Mail to: 1930-A Lincoln Drive, Annapolis, Maryland 21401  
Phone (410) 263-1981 Fax (410) 280-6952 Email [info@schoonerwoodwind.com](mailto:info@schoonerwoodwind.com)  
Web [www.schoonerwoodwind.com](http://www.schoonerwoodwind.com)

# Welcome to Running Free, Inc.

Dear Staff:

We're very happy to welcome you to Running Free, Inc. Thank you for joining us! We want you to feel that your association with both companies will be a mutually beneficial and pleasant one.

You have joined an organization that has established an outstanding reputation for quality products/services. Credit for this goes to every one of our employees. We hope you, too, will find satisfaction and take pride in your work here.

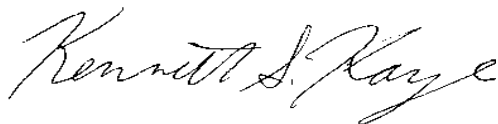
This Manual provides answers to most of the questions you may have about Running Free, Inc.'s benefit programs, as well as the company policies and procedures we abide by -- our responsibilities to you and your responsibilities to the company. If anything is unclear, please discuss the matter with your manager. You are responsible for reading and understanding this Employee Manual, and your performance evaluations will reflect your adherence to our policies. In addition to clarifying responsibilities, we hope this Employee Manual also gives you an indication of our interest in the welfare of all who work here.

From time to time, the information included in our Employee Manual may change. Every effort will be made to keep you informed through suitable lines of communication, including postings on the company bulletin boards and/or notices sent directly to you in-house.

Compensation and personal satisfaction gained from doing a job well are only some of the reasons most people work. Most likely, many other factors count among your reasons for working -- pleasant relationships and working conditions, career development and love of boating are just a few. We are committed to doing our part to assure you of a satisfying work experience.

I extend to you my personal best wishes for your success and happiness at Running Free, Inc.

Sincerely,

A handwritten signature in cursive script that reads "Kenneth S. Kaye". The signature is written in dark ink and is positioned below the word "Sincerely,".

Kenneth Kaye, President  
**Running Free, Inc.**

## **You're Part of Our Team...**

As a member of Running Free, Inc.'s team, you will be expected to contribute your talents and energies to improve the environment and quality of the company, as well as the company's services. In return, you will be given opportunities to grow.

Running Free, Inc. is dedicated to two standards:

1. To provide our customers with the best prices with the best service.
2. To provide you with wages and benefits comparable to others doing similar work within the marine industry and within the region.

We have a substance abuse policy; because you have a right to know you can depend on your co-workers and the safe operation of our vessel(s) require all employees to be drug free. Additionally, the US Coast Guard requires all crewmembers/captains to be enrolled in a pre-employment/random drug-testing program based on stringent SAMSHA standards.

The only things we require for employment, compensation, advancement, and benefits are performance and a good team attitude; however, all employment at Running Free, Inc. is "at will." No one will be denied opportunities or benefits on the basis of age, sex, color, race, creed, national origin, religious persuasion, marital status, political belief, or disability that does not prohibit performance of essential job functions; nor will anyone receive special treatment for those reasons.

## **Your Various Benefits With Running Free, Inc.**

You may not have thought about it, but the value of your benefits amounts to a considerable sum each year in addition to the wages or salary you earn.

These are just some of the benefits Running Free, Inc. provides for eligible employees each year:

- Employee Purchases (Discounts on Company Merchandise, Services)
- Health Care/Hospitalization Insurance
- Sick Leave
- Vacation
- Social Security
- Unemployment Compensation Insurance
- Workers' Compensation Insurance

## **Purpose of This Manual**

This Manual has been prepared to inform you about Running Free, Inc.'s history, philosophy, employment practices, and policies, as well as the benefits provided to you as a valued employee and the conduct expected from you.

No employee manual can answer every question, nor would we want to restrict the normal question and answer interchange among us. It is in our person-to-person conversations that we can better know each other, express our views, and work together in a harmonious relationship.

We hope this Manual will help you feel comfortable with us. We depend on you -- your success is our success. Please don't hesitate to ask questions. Your manager will gladly answer them. We believe you will enjoy your work and your fellow employees here. We also believe you will find Running Free, Inc. a good place to work.

We ask that you read this Manual carefully, and refer to it whenever questions arise. We also suggest that you take it home so your family can become familiar with Running Free, Inc. and our policies.

Running Free, Inc.'s policies, benefits and rules, as explained in this Manual, may be changed from time to time as business, employment legislation, and economic conditions dictate. If and when provisions are changed, you will be given replacement pages for those that have become outdated. A copy will also be placed in the dock office.

## Notice

The policies in this Manual are to be considered as guidelines. Running Free, Inc., at its option, may change, delete, suspend or discontinue any part or parts of the policies in this Manual at any time without prior notice. Any such action shall apply to existing as well as future employees with continued employment being the consideration between the employer and employee. Employees may not accrue eligibility for monetary benefits that they have not earned through actual time spent at work. Employees shall not accrue eligibility for any benefits, rights, or privileges beyond the last day worked. No one other than the President of Running Free, Inc. or designated representative may alter or modify any of the policies in this Manual. No statement or promise by a supervisor, manager, or department head may be interpreted as a change in policy nor will it constitute an agreement with an employee.

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

This manual replaces (supersedes) all other previous manuals for Running Free, Inc. as of April 2012.

# Table of Contents

You're Part of Our Team	3
Your Various Benefits With Running Free, Inc.	4
Purpose of This Manual	5
Notice	6
Table of Contents	7-10
An Overview of Running Free, Inc.	11
About Running Free, Inc.	12
Running Free, Inc. Organization Chart	13
What You Can Expect From Running Free, Inc.	14
What Running Free, Inc. Expects From You	15
Company Etiquette	16-17
Personnel Administration	18
Your Personnel File	18
Employment Classifications	19
Types of Employees	19
Seasonal Employees	19
"Non-Exempt" and "Exempt" Employees	19
Employment Policies	20
Anniversary Date	20
At Will Employment	20
Bonding Requirement	20
Business Hours	20
Confidential Information	21
Proprietary Information & Social Media	21
Customer Relations	21-22
Equal Employment Opportunity	22-23
Former Employees	23
Reinstatement of Benefits (Bridging)	23
Harassment Policy	23
What Is Harassment?	23
Responsibility	24
Reporting	24
Health Examinations	24
How You Were Selected	24
Introductory Period	25
Job Descriptions	26-28
Knowledge of Running Free, Inc.	29
Non-Compete Agreement	29
Outside Employment	29
Proof of U.S. Citizenship and/or Right to Work	29
We Need Your Ideas	29-30
Standards of Conduct	30
Disciplinary Actions	31
Unacceptable Activities	31-32
Disciplinary Actions	33
Crisis Suspension	33

Dismissal	33-34
Compensation & Performance	35
Wage & Salary Policies	35
Application	35
Basis for Determining Pay	35
Individual Pay	35
Computing Pay	35-36
Maintenance Pay	36
How Tips Are Disbursed	36
Private Charters	36
Group Sails	36
Tab Bar Tips	36
Public Sail Tips	37
Deductions From Paycheck (Mandatory)	37
Error In Pay	37
Overtime Pay	37
Work Performed on Company Holidays	38
Pay Period & Hours	38
Pay Cycle	38
Paycheck Distribution & Cashing Procedures	38
Business Closure and Emergency Circumstances	38-39
Termination & Severance Pay	39
Time Cards/Records	39-40
Wage Assignments (Garnishments)	40
Performance & Compensation Reviews	41
Performance Reviews	41
Compensation Reviews	41-42
Work Schedule for Hourly Employees	43
Absence or Lateness	43
Attendance	44
Closure After Starting Time	44
Excessive Absenteeism or Lateness	44
Breaks/Lunch	44-45
Lunch Room Facility	45
Record of Absence or Lateness	45
Government Required Coverage	46
Workers' Compensation	46
What Is Workers' Compensation?	46
Who Is Covered?	46
What Is Covered?	46
When Am I Covered?	47
What Are the Benefits?	47
How Do I Get the Benefits?	47
How Much Are the Cash Payments?	48
When Are the Cash Payments Made?	48
What If There's a Problem?	48
Other Benefits	49
The Jones Act (for crewmembers)	49
Unemployment Compensation	49



Social Security	49
Other Benefits	50
Education/Training (Attending Seminars/Training Sessions)	50
Employee Purchases	50
Crew Beer Policy	50-51
Other Policies	52
Borrowing Tools & Equipment	52
Bulletin Boards	52
Communications	52
Company Meetings	52
Contributions	53
Conversion Privileges	53
Department Meetings	53
Discounting	53-54
Dress Code/Personal Appearance	55
Crew and Customer Service	55
Dock Staff	55
Shoes	55
Appearance	55
After-Hours	55
Watergate Marina Policy	56
Exit Interviews	56
Expense Reimbursement	56
First Aid	56
Gifts	56
Grievances	57
Resolving Problems	57
Layoff	57
Managers	58
Outside Activities	58
Parking	59
Personal Phone Calls on Our Phone Lines	59
Use of Personal Cell Phones	59
Emergency Phone Calls	59
Personal Use of Company Property	60
Promotion Policy	60
Property & Equipment Care	60
Recycling, Waste Prevention & Conservation	61
References	61
Resignation	61
Restricted Areas	61
Return of Company Property	61-62
Safety Rules	62-63
Security	63
Smoking	63
Substance Abuse	63-64
Suggestions	64
Uniforms	64
Visitors	64

Violations of Policies	64
Computer Use Policy	65-67
Notes	68
The Benefits Package	69
Eligibility for Benefits	69
Work Schedule for Salaried Employees Only	70
Absence or Lateness	70
Paid Leaves of Absence	71
Sick Leave	71
Holidays	71
Recognized Holidays	71
Holiday Policies	72
Vacations	72
Unpaid Leave of Absence	72
Personal Leave of Absence	73
Accepting Other Employment or Going In to Business While on Leave of Absence	73
Insurance Premium Payment While On Leave of Absence	73
Insurance Coverage	74
Group Insurance	74
Health Insurance	74
Termination of Insurance	74
Retirement Plan	75
Simple IRA Plan	75
Receipt & Acknowledgement of Employee Manual- <b>MUST SIGN &amp; TURN IN</b>	76-77

Applicable to Salaried Employees Only
--

## **An Overview of Running Free, Inc.**

- About Running Free, Inc.
- Running Free, Inc. Organization Chart
- What You Can Expect From Running Free, Inc.
- What Running Free, Inc. Expects From You

## About Running Free, Inc.

In 1993, Schooner Woodwind/Running Free, Inc. was formed to provide tourists and corporate planners with an upscale alternative tour/cruise on the Chesapeake Bay with an emphasis on sailing in the “Sailing Capital of America”. This purpose filled a void in Annapolis and our success is based on the premise. The Woodwind was custom designed and built for this purpose. The owners are former successful public school teachers who enjoyed long sailing vacations for more than 20 years.

In early 1995, the contract to run the docks at the Marriott was offered to us and we began to market a variety of services to benefit tourists and water enthusiasts in Annapolis and help the Marriott achieve its goal of a downtown waterfront resort. As we learned more about this exciting venue, we have had the opportunity to expand our offerings and in 1997 had another Woodwind built, naming it Woodwind II, which started service in 1998.

Ken and Ellen, owners, are successful racers as well, having earned more than 15 trophies per season over a span of 11 years. We are most proud of winning the Great Chesapeake Bay Schooner Race in October 1995, 2003, and 2004 as first overall, first to finish and first in class. Our design input into the creation of Woodwind, provides everyone a true sailing experience. Our small, family run business creates a friendly, warm atmosphere for all guests.

The Waterfront provides dockage for hotel overnight guests, Pusser’s patrons, and the general public, selling Woodwind public cruise tickets and other future possibilities. We have automated much of these services with a computer using an Online POS system for accurate accounting and sales reports.

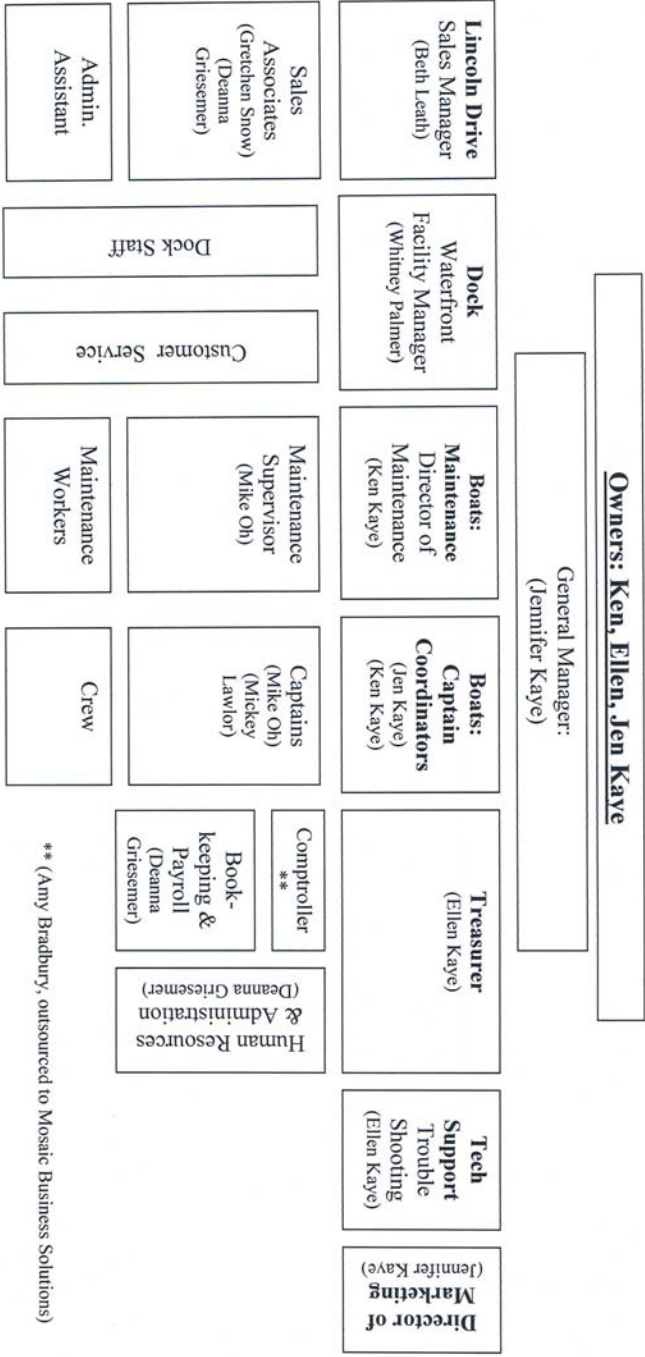
We are active with the local Visitor’s Bureau. We donate many tickets per year to various civic groups, health organizations and other worthy causes. There are a few charters per year that are provided at no cost to the organization. Many of these are “FAM” in nature, short for familiarization trips to help the Visitor’s Center sell Annapolis, or to promote boating organizations.

It is the family concept that is emphasized with all staffing. The team effort that works on any vessel is important in our total business environment. Managers provide the guidance, discipline and motivation for all staff just as parents would provide for their youngsters. The whole is the sum of all the parts and we can only be great if all the parts are doing their jobs well.

**Our collective mission is to provide visitors in Annapolis an unforgettable experience on the Bay through friendly, informative staff and safe, well-maintained vessels. Our love for boating is reflected in all we do. We act as good will ambassadors for the City, County and State in what we do and how we do it.**

**Note:** Throughout this Employee Manual, masculine pronouns such as he, his, or him shall be construed so as to include both sexes.

# **Running Free, Inc. Organization Chart** **Running Free Inc. / DBA: Schooner Woodwind Sailing Cruises**



\*\* (Amy Bradbury, outsourced to Mosaic Business Solutions)

## **What You Can Expect From Running Free, Inc.**

Running Free, Inc.'s established employee relations policy is to:

- Operate an economically successful business so that a consistent level of steady work is available.
- Select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to age, sex, color, race, creed, national origin, religious persuasion, marital status, political belief, or disability that does not prohibit performance of essential job functions.
- Pay all employees according to their effort and contribution to the success of our business.
- Review wages, employee benefits and working conditions constantly with the objective of providing maximum benefits in these areas, consistent with sound business practices.
- Provide eligible employees with medical, disability, retirement, and other benefits.
- Develop competent people who understand and meet our objectives; and who accept with open minds, the ideas, suggestions, and constructive criticisms of fellow employees.
- Assure employees, after talking with their manager, an opportunity to discuss any problem with officers of Running Free, Inc.
- Make prompt and fair adjustment of any complaints which may arise in the everyday conduct of our business, to the extent that it is practical.
- Respect individual rights, and treat all employees with courtesy and consideration.
- Maintain mutual respect in our working relationship.
- Provide attractive, comfortable, orderly, and safe vessels and offices.
- Make promotions or fill vacancies from within Running Free, Inc. whenever possible.
- Keep all employees informed of the progress of Running Free, Inc., as well as the company's overall aims and objectives.
- Do all these things in a spirit of friendliness and cooperation so that Running Free, Inc. will continue to be known as "a great place to work!"
- Provide training for staff and managers.

## **What Running Free, Inc. Expects From You**

Your first responsibility is to know your own duties and how to do them promptly, correctly and pleasantly. Secondly, you are expected to cooperate with management and your fellow employees and maintain a good team attitude. How you interact with fellow employees and those whom Running Free, Inc. serves, and how you accept direction can affect the success of your company. In turn, the performance of one company can impact the entire services offered by Running Free, Inc. Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability. The result will be better performance for the company overall, and personal satisfaction for you.

We strongly believe you should have the right to make your own choices in matters that concern and control your life. We believe in direct access to management. We are dedicated to making Running Free, Inc. companies where you can approach your manager, or any member of management, to discuss any problem or question. We expect you to voice your opinions and contribute your suggestions to improve the quality of Running Free, Inc. We are all human, so please communicate with each other and with management.

Remember, you help create the healthful, pleasant and safe working conditions that Running Free, Inc. intends for you. Running Free, Inc. cares about your dignity, that of your fellow employees, as well as our customers. We hope that you will respect this and understand that Running Free, Inc. takes pride in itself and the staff as a whole. Please accept and learn from the training that Running Free, Inc. provides and offers to you.

Running Free, Inc. needs your help in making each working day enjoyable and rewarding.

# Company Etiquette

“Be Your Brand”, our goal is to identify the traits of our brand and work on incorporating them into how we interact/present ourselves to each other in an enjoyable working environment.

## Distractions

- Know when you are a distraction
- Let others know when they are being a distraction.
- Be willing to “hear” when you are being a distraction.
- Identify and find ways to deal with outside distractions (things we don’t we control over).

## Address misunderstandings rapidly.

- To prevent snowballing, conflicts should get resolved quickly.
- If conflict should happen in a group setting it may be best to hash it out afterwards, in private, or possibly with a third party.

## Respect - “Treat others like you would like to be treated”

- Respect for your superiors
- Respect for your peers
- Respect for your subordinates
- Do not interrupt others

## Communication of non-time sensitive materials

- Sending an Email is the best way to communicate
- Wait for “downtime” to speak with others

## Clean/Organized workspace

- Especially areas in public view, Dock Office/Dock/Boats

## Crew/Seasonal Employees

- Employees should know when entering Lincoln office/dock office that they should limit distractions.
- Give heads up to Lincoln office if they are coming up.
- Captain’s Log to remind crew of this.

## Venting/Complaining

- Who to vent to?
- When is it appropriate?
- Manager’s Role
  - Lead by example
  - Define who/when is appropriate
  - Cut off when necessary – schedule a time with peers/employees if needed
  - Portray enthusiasm and positivity



### Meeting Etiquette

- Defining end goal at start
- Do not interrupt or talk over others
- Limit off topic conversation
- Try to be self aware when you may be the distraction
- Shelving off topic issues for another time

### After hours/vacation communications

- Identify if the issue is time sensitive
- If not, email or voicemail at Lincoln is preferred over phone call at home/cell or text message.

### Office Culture

- What do we want ours to be?
- Maintaining/encouraging an enjoyable work environment
  - Trust employees to be able to balance work and fun times with company interest in mind.
- All employees should work together as a team.
- We have to have fun to sell fun.

# Personnel Administration

The task of handling personnel records and related personnel administration functions at Running Free, Inc. has been assigned to Human Resources. Questions regarding insurance, wages, and interpretation of policies may be best directed to your manager, who can in turn direct you to the appropriate individual.

## Your Personnel File

Keeping your personnel file up-to-date can be important to you with regard to pay, deductions, benefits and other matters. If you have a change in any of the following items, please be sure to notify your manager or HR as soon as possible:

- Legal Name
- Home Address
- Home Telephone Number
- Person to call in case of Emergency
- Number of Dependents
- Marital Status
- Driving Record or Status of Driver's License, if you operate any Running Free, Inc. vehicles
- Military or Draft Status
- Exemptions on your W-4 Tax Form

Coverage or benefits that you and your family may receive under Running Free, Inc.'s benefits package could be negatively affected if the information in your personnel file is incorrect.

# Employment Classifications

## Types of Employees

At the time you are hired, you are classified as either hourly, salaried, or seasonal. Unless otherwise specified, the benefits described in this Manual apply only to non-seasonal employees. All other policies described in this Manual and communicated by Running Free, Inc. apply to all employees.

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

## Seasonal Employees

Running Free, Inc. may hire employees for specific periods of time or for the completion of our main tourist season, from mid-April through October. An employee hired under these conditions will be considered a seasonal employee. The job assignment, work schedule and duration of the position will be determined on an individual basis.

Normally, a seasonal position will not exceed six (6) months in duration. Summer employees are considered seasonal employees.

If you are a seasonal employee, please understand that you are not eligible for benefits described in this Manual, except as granted on occasion, or to the extent required by provision of state and federal laws.

## "Non-Exempt" and "Exempt" Employees

All employees are classified as “exempt” or “non-exempt”. By law, employees in certain types of jobs are not entitled to overtime pay for hours worked in excess of forty hours (40) per workweek. These employees are referred to as “exempt” in this Manual. This means that they are exempt from (and therefore should not receive) overtime pay.

Exempt employees are managers, executives, professional staff, officers, directors, owners, hourly workers, temporary staff and others whose duties and responsibilities allow them to be “exempt” from overtime pay provisions as provided by the [The Maryland Wage and Hour Law, Title 3, Subtitle 4](#), specifically section 415. Federal and State laws allow this classification for all employees in the recreation-amusement field where the establishment operates for any 6 months during the preceding calendar year, has average receipts in excess of one-third of the average receipts for the other 6 months.

# **Employment Policies**

Please, carefully read this Manual. It is designed to answer many of your questions about the practices and policies of Running Free, Inc., what you can expect from Running Free, Inc., and what Running Free, Inc. expects from you.

## **Anniversary Date**

The first day you report to work is your “official” anniversary date. Your anniversary date is used to compute various conditions and benefits described in this Manual.

## **At Will Employment**

All employment and compensation with Running Free, Inc. is "at will" which means that your employment can be terminated with or without cause, and with or without notice, at any time, at the option of either Running Free, Inc. or yourself, except as otherwise provided by law.

## **Bonding Requirement**

Under certain circumstances, Running Free, Inc. may require that you be bonded. It is your responsibility to assure that you are bondable. Running Free, Inc. will pay the cost of bonding. Should you fail to maintain these qualifications, you will be subject to transfer to another position, if available, or dismissal.

## **Business Hours**

Our regular operating hours are 9:45 am through 9:30 pm seven days per week for crewmembers. When there is a private charter, the hours may be extended or begun earlier.

Dock operating hours are from 9:00 am to 11:30 pm Saturdays, 9:00 am to 9:30 pm Sundays, 9:30 am to 9:30 pm Mondays through Thursday and 9:30 am to 11:30 pm Fridays. The Dock Office operating hours are from 8:30am – 7:00pm, 7 days a week. Business Office operating hours are from 9:00am – 5:00pm, Monday through Friday.

The above hours are guidelines. Work hours can vary according to business needs beyond what is described above. For more information regarding Working Hours and Scheduling Information, please refer to Work Schedule section beginning on page 39.

## **Confidential Information**

Our customers and suppliers entrust Running Free, Inc. with important information relating to their businesses. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, Running Free, Inc. earns the respect and further trust of our customers and suppliers.

Your employment with Running Free, Inc. assumes an obligation to maintain confidentiality, even after you leave our employ.

Any violation of confidentiality seriously injures Running Free, Inc.'s reputation and effectiveness. Therefore, please do not discuss Running Free, Inc. business with anyone who does not work for us, and never discuss business transactions with anyone who does not have a direct association with the transaction. Even casual remarks can be misinterpreted and repeated, so develop the personal discipline necessary to maintain confidentiality. If you hear, see or become aware of anyone else breaking this trust, consider what he or she might do with information they get from you.

If you are questioned by someone outside the company or your department and you are concerned about the appropriateness of giving them certain information, remember that you are not required to answer, and that we do not wish you to do so. Instead, as politely as possible, refer the request to your manager.

No one is permitted to remove or make copies Running Free, Inc. records, reports or documents without prior management approval.

Because of its seriousness, disclosure of confidential information could lead to dismissal.

## **Proprietary Information & Social Media**

All documents, communication, images, or any other media files distributed by Running Free, Inc. or its representatives that pertain to Schooner Woodwind and the Dock are considered property of Running Free, Inc. Posting, sharing, or distributing content that represents Running Free, Inc. in a derogatory way or a way that can be construed to be derogatory is prohibited. This includes documents, photographs, and any other information relating to Running Free, Inc., Running Free, Inc.'s employees, and Running Free, Inc.'s property. It also pertains to sharing of such information with media, other businesses, and social media outlets such as Facebook, Twitter, YouTube, and personal websites. Failure to abide by this policy is grounds for immediate dismissal.

## **Customer Relations**

The success of Running Free, Inc. depends upon the quality of the relationships between Running Free, Inc., our employees, our customers, our suppliers and the general public. Our customers' impression of Running Free, Inc. and their interest and willingness to purchase our services is greatly formed by the people who serve them. In a sense,

regardless of your position, you are Running Free, Inc.'s ambassador. The more goodwill you promote, the more our customers will respect and appreciate you and our companies' services.

Here are several things you can do to help give customers a good impression of Running Free, Inc:

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

These are the building blocks for your and Running Free, Inc.'s continued success. Thank you for adding your support.

## **Equal Employment Opportunity**

Running Free, Inc. has a long standing record of nondiscrimination in employment and opportunity because of race, color, religion, creed, national origin, ancestry, disability, sex or age. The President has issued the following policy stating the Company's views in this matter:

It is the policy of Running Free, Inc. to:

- Strictly follow personnel procedures that will ensure equal opportunity for all people without regard to race, color, religion, creed, national origin, sex, age, ancestry, marital status, disability, veteran or draft status.
- Comply with all the relevant and applicable provisions of the Americans with Disabilities Act ("ADA"). Running Free, Inc. will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability.
- Make reasonable accommodations wherever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the duties and assignments connected with the job and provided that any accommodations made do not require significant difficulty or expense.
- Achieve understanding and acceptance of Running Free, Inc.'s policy on Equal Employment Opportunity by all employees and by the communities in which the companies operate.
- Thoroughly investigate instances of alleged discrimination and take corrective action if warranted.

- Be continually alert to identify and correct any practices by individuals that are at variance with the intent of the Equal Employment Opportunity Policy.

Running Free, Inc. would like to reaffirm this policy and call upon all personnel to effectively pursue the policy as stated.

Please check the employee information bulletin board for all related equal opportunity and job announcements.

## **Former Employees**

Depending on the circumstances, Running Free, Inc. may consider a former employee for re-employment. Such applicants are subject to Running Free, Inc.'s usual pre-employment procedures. To be considered, an applicant must have been in good standing at the time of their previous termination of employment with Running Free, Inc. and must have provided at least two weeks advance notice of their intention to terminate their employment with Running Free, Inc.

## **Reinstatement of Benefits (Bridging)**

In the event you return to work for Running Free, Inc., regardless of the length of your previous employment and length of time since you terminated your employment with Running Free, Inc., your benefits shall accrue as if you were a new/first-time Running Free, Inc. employee.

## **Harassment Policy**

Running Free, Inc. intends to provide a work environment that is pleasant, healthful, comfortable, and free from intimidation, hostility or other offenses that might interfere with work performance. Harassment of any sort - verbal, physical, or visual - will not be tolerated.

## **What Is Harassment?**

Harassment can take many forms. It may be, but is not limited to: words, signs, jokes, pranks, intimidation, physical contact, or violence. Harassment is not necessarily sexual in nature.

Sexually harassing conduct may include unwelcome sexual advances, requests for sexual favors, or any other verbal or physical contact of a sexual nature that prevents an individual from effectively performing the duties of their position or creates an intimidating, hostile or offensive working environment, or when such conduct is made a condition of employment or compensation, either implicitly or explicitly.

## **Responsibility**

All Running Free, Inc. employees, and particularly managers, have a responsibility for keeping our work environment free of harassment. Any employee, who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to their immediate manager or any management representative with whom they feel comfortable. When management becomes aware that harassment might exist, it is obligated by law to take prompt and appropriate action, whether or not the victim wants the company to do so.

## **Reporting**

Any incidents of harassment must be immediately reported to a manager or other management representative. Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. Any employee found to have harassed a fellow employee or subordinate would be subject to severe disciplinary action or possible discharge. Running Free, Inc. will also take any additional action necessary to appropriately remedy the situation. No adverse employment action will be taken for any employee making a good faith report of alleged harassment.

Running Free, Inc. accepts no liability for harassment of one employee by another employee. The individual who makes unwelcome advances, threatens or in any way harasses another employee is personally liable for such actions and their consequences. Running Free, Inc. will not provide legal, financial or any other assistance to an individual accused of harassment if a legal complaint is filed.

## **Health Examinations**

Running Free, Inc. reserves the right to require an employee to participate in a health examination to determine the employee's fitness to perform his/her essential job functions. The company shall pay for all such health exams.

## **How You Were Selected**

We carefully select our employees through written application, personal interview, reference checks, and where applicable, background/credit checks. After all available information was carefully considered and evaluated; you were selected to become a member of our team.

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



## **Introductory Period**

For all hourly and seasonal employees, your first fifteen (15) working days of employment at Running Free, Inc. are considered an Introductory Period, and during that period you will not accrue benefits described in this Manual unless otherwise required by law. This Introductory Period will be a time for getting to know your fellow employees, your manager and the tasks involved in your job position, as well as becoming familiar with Running Free, Inc.'s products and services. Your manager will work closely with you to help you understand the needs and processes of your job.

This Introductory Period is a try-out time for both you, as an employee, and Running Free, Inc., as an employer. During this Introductory Period, Running Free, Inc. will evaluate your suitability for employment, and you can evaluate Running Free, Inc. as well. At any time during this first 15 days, you may resign without any detriment to your record, as long as you give us proper notice for us to replace you. If, during this period, your work habits, attitude, attendance or performance do not measure up to our standards, we may release you.

At the end of the Introductory Period, your manager will discuss your job performance with you. This review will be much the same as the normal job performance review that is held on a quarterly basis. During the course of the discussion, you are encouraged to give your comments and ideas as well.

Please understand that completion of the Introductory Period does not guarantee continued employment for any specified period of time, nor does it require that an employee be discharged only for "cause."

A former employee who has been rehired after a separation from Running Free, Inc. of more than one (1) year may be considered an introductory employee during their first ten (10) working days following rehire. This will be handled at the owners' discretion.

# **Job Descriptions**

## **CREW/DECKHAND**

- ❖ **Share your love of sailing with visitors to Annapolis – The Sailing Capital!**
- ❖ **Earn great tips and meet new people.**
- ❖ **Enjoy working in a fun and friendly team environment.**

### **RESPONSIBILITIES**

- Prepare the vessel for passengers, which includes cleaning topside and below; stowing supplies; obtaining ice; preparing sailing gear and sails, etc.
- Assist in docking, passenger embarkation and disembarkation.
- Sail handling and safety according to captain's orders.
- Welcome passengers and casual conversation.
- Serve snacks and drinks (including alcoholic beverages) and collect money for alcoholic beverages.
- Be responsible in the handling of money and recording inventory information.
- Stow gear and clean at end of last shift.
- Assist in routine maintenance such as varnishing.
- Demonstrate life jacket use.
- Understand concepts of basic sailing.
- Promote Woodwind & Waterfront services and merchandise.
- Pool all tips equally.
- Crew must learn how to handle intoxicated guests and how to prevent guests from becoming intoxicated.

### **BACKGROUND**

The successful candidate will be a friendly and safety-minded crewmember who will have some experience crewing aboard a sailing vessel whether recreational or commercial.

### **QUALIFICATIONS**

The successful candidate should have the following qualifications:

- Excellent oral communication skills.
- Open to new ideas, and a "team player".
- Must be enthusiastic to learn and to share with customers their love for sailing.

### **COMPENSATION**

All crewmembers start at \$7.50 an hour for the first two weeks during "training". After this period, pay is increased to \$8 plus tips. There may be intermediate raises the first year. Crewmembers returning from a previous season will start at a higher per hour rate. This increase in pay will mean a continued increase in responsibilities and duties. For private charters worked, crewmembers will also earn an additional \$13 per hour above regular wages in tips during the contractual hours of the actual charter itself. There is a work commitment incentive for qualified employees.

### **OTHER COMPENSATION**

Our standard employee perks include the ability to bring friends & family aboard the Woodwinds when seats are available and employee discounts at Pusser's Caribbean Grille and Store.

# **DOCK STAFF**

**Enjoy working in a fun and friendly team environment.**

**Work outside and on the water.**

**Earn great tips in addition to an hourly wage!**

## **RESPONSIBILITIES**

Handle dock lines for Woodwind and Woodwind II

Assist in docking visiting boats

Manage wharf side space to facilitate commercial dockage

Maintain dock facility, i.e. fix loose boards, attach fenders, etc.

Assist Customer Service Staff

Assist Woodwind Crew

Assist hotel & restaurant guests regarding Woodwind, local knowledge, hail water taxi, etc.

## **BACKGROUND**

Boating experience

Customer service or hospitality experience

Friendly and safety minded individual

## **QUALIFICATIONS**

Excellent oral communication skills

Knowledge of boats and boating practices

Knot tying skills

Alert

Team Player

Reliable

Consistent

Must have or get Boater Safety Certification before start date

Local area knowledge

Math skills

## **COMPENSATION**

The hourly wage is \$8 plus cash tips. There is a work commitment incentive for qualified employees.

## **OTHER COMPENSATION**

Our standard employee perks include the ability to bring friends and family aboard the Woodwinds' and employee discounts at Pusser's Caribbean Grille and Store.

# **CUSTOMER SERVICE REPRESENTATIVE**

**Work in a small office with the best view in Annapolis.  
Meet new people as a waterfront concierge for the visitors to Annapolis.  
Enjoy working in a fun and friendly team environment.**

## **RESPONSIBILITIES**

You will be the first impression of Woodwind customers, we are looking for an alert, enthusiastic, and outgoing person to greet and help our patrons.  
Serve as the front line person for our customers and concierge for visitors by answering questions and providing directions.  
Sell tickets by phone and in-person for Schooner Woodwind sailing cruises.  
Answer phones and respond to emails.  
Accept docking reservations for small wharf-side marina.  
Inform dock staff and crew of daily activities.  
Computer, administrative, and clerical duties.  
Cover dock staff responsibilities as needed

## **BACKGROUND**

Customer service, hospitality or retail experience is required  
Point of sale experience helpful  
Friendly and safety-minded individual  
Boating knowledge or enthusiasm for boating is a plus

## **QUALIFICATIONS**

Excellent oral and written communication skills  
Computer skills  
Phone skills  
Math skills  
Problem solving  
Local area knowledge  
Detail oriented  
Quick learner  
The ability to multitask  
Team work  
Professional  
Reliable  
Confidence

## **COMPENSATION**

The Customer Service pay range is commensurate with experience. The hourly wage ranges from \$9 to \$11 per hour. There is a work commitment incentive for qualified employees.

## **OTHER COMPENSATION**

Our standard employee perks include the ability to bring friends and family aboard the Woodwinds' and employee discounts at Pusser's Caribbean Grille and Store.

# **Knowledge of Running Free, Inc.**

After having learned to competently perform your own duties, your next step is to familiarize yourself with other Running Free, Inc. activities. This can prove valuable to you, our customers and Running Free, Inc. as well. Running Free, Inc. may provide additional “cross-training.”

Knowledge of the services and products of Running Free, Inc. will help you avoid the “I don't know” syndrome. Our customers' confidence in you increases as you are able to answer their basic questions. However, please don't pretend you know the answer or try to guess the answer when you are uncertain. If you are unsure of the correct information, refer the inquiry to your manager, or to a person more qualified to respond.

## **Non-Compete Agreement**

Certain new employees may be required to sign a Non-Compete Agreement prepared by our attorneys as a condition of employment.

## **Outside Employment**

As an employee of Running Free, Inc., any outside activity must not interfere with your ability to properly perform your job duties. If you are a full-time employee of Running Free, Inc., we will expect that your position here is your primary employment.

If you were thinking of taking on a second job, we would ask that you notify your manager immediately. He or she will thoroughly discuss this opportunity with you to make sure that it will not interfere with your job at Running Free, Inc. nor pose a conflict of interest.

## **Proof of U.S. Citizenship and/or Right to Work**

Federal regulations require that:

- Before becoming employed, all applicants must complete and sign Federal Form I-9, Employment Eligibility Verification Form; and
- All applicants who are hired need to present documents of identity and eligibility to work in the U. S.

## **We Need Your Ideas**

Ask any of our employees who have worked with us for a long time and they will probably tell you of the many changes and improvements that have come about in their departments since they first joined us. We believe the person doing a job is in the best position to think of ways of doing it more easily, more efficiently, and more effectively. If you think of a better way of doing

your job or the job of a fellow employee, discuss it with your manager, who will welcome your suggestions and ideas.

## **Standards of Conduct**

Whenever people gather together to achieve goals, some rules of conduct are needed to help everyone work together efficiently, effectively, and harmoniously. Some people have problems with "rules" and "authority figures," and past experience may have justified these thoughts and feelings; however, at Running Free, Inc., we hold ourselves to a high standard of quality where the rules and authority figures simply assure that quality is maintained.

By accepting employment with us, you have a responsibility to Running Free, Inc. and to your fellow employees to adhere to certain rules of behavior and conduct. The purpose of these rules is not to restrict your rights, but rather to be certain that you understand what conduct is expected and necessary. When each person is aware that he or she can fully depend upon fellow workers to follow the rules of conduct, then our organization will be a better place to work for everyone.

# Disciplinary Actions

## Unacceptable Activities

Generally speaking, we expect each person to act in a mature and responsible way at all times. However, to avoid any possible confusion, some of the more obvious unacceptable activities are noted below. Your avoidance of these activities will be to your benefit as well as the benefit of Running Free, Inc. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed, please see your manager for an explanation.

Occurrences of any of the following violations, because of their seriousness, may result in immediate dismissal without warning:

- Willful violation of any company rule; any deliberate action that is extreme in nature and is obviously detrimental to Running Free, Inc.'s efforts to operate profitably.
- Willful violation of security or safety rules or failure to observe safety rules or Running Free, Inc. safety practices; failure to wear required safety equipment; tampering with Running Free, Inc. equipment or safety equipment.
- Negligence or any careless action that endangers the life or safety of another person.
- Being intoxicated or under the influence of controlled substance drugs while at work; use or possession or sale of controlled substance drugs in any quantity while on company premises; except medications prescribed by a physician which do not impair work performance.
- Unauthorized possession of dangerous or illegal firearms, weapons or explosives on company property or while on duty.
- Engaging in criminal conduct or acts of violence, or making threats of violence toward anyone on company premises or when representing Running Free, Inc.; fighting, or horseplay or provoking a fight on company property, or negligent damage of property.
- Insubordination or refusing to obey instructions properly issued by your manager; pertaining to your work or refusal to help out on a special assignment.
- Threatening, intimidating or coercing fellow employees on or off the premises -- at any time, for any purpose.
- Engaging in an act of sabotage; willfully or with gross negligence causing the destruction or damage of company property, or the property of fellow employees, customers, suppliers, or visitors in any manner.
- Theft of company property or the property of fellow employees; unauthorized possession or removal of any company property, including documents, from the premises without prior permission from management; unauthorized use of company equipment or property for personal reasons; using company equipment for profit.
- Dishonesty; willful falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by Running Free, Inc.; alteration of company records or other company documents.
- Violating the non-disclosure agreement; giving confidential or proprietary Running Free, Inc. information to competitors or other organizations or to unauthorized Running Free,

Inc. employees; working for a competing business while a Running Free, Inc. employee; breach of confidentiality of personnel information.

- Malicious gossip and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another employee on the job; willfully restricting work output or encouraging others to do the same.
- Immoral conduct or indecency on company property.
- Conducting a lottery or gambling on company premises.

Occurrences of any of the following activities, as well as violations of any Running Free, Inc. rules or policies, may be subject to disciplinary action, including possible immediate dismissal. This list is not all-inclusive and, notwithstanding this list, all employees remain employed “at will.”

- Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your manager; mistakes due to carelessness or failure to get necessary instructions.
- Any act of harassment, sexual, racial or other; telling sexist or racial-type jokes; making racial or ethnic slurs.
- Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of your manager; stopping work before time specified for such purposes.
- Sleeping on the job; loitering or loafing during working hours.
- Excessive use of company telephone for personal calls.
- Leaving your workstation during your work hours without the permission of your manager, except to use the rest room.
- Smoking in restricted areas or at non-designated times, as specified by department rules.
- Creating or contributing to unsanitary conditions.
- Posting, removing or altering notices on any bulletin board on company property without permission of an officer of Running Free, Inc.
- Failure to report an absence or late arrival; excessive absence or lateness.
- Filling your own order or invoicing or ringing up your own order.
- Buying company merchandise for resale.
- Obscene or abusive language toward any manager, employee or customer; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on company premises.
- Speeding or careless driving of a company vehicle.
- Failure to immediately report damage to, or an accident involving company equipment.
- Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on company premises.
- Failure to maintain a neat and clean appearance in terms of the standards established by this manual; any departure from accepted conventional modes of dress or personal grooming; wearing improper or unsafe clothing.
- Failure to use your timecard/computer punch-in/out.



## **Disciplinary Actions**

Unacceptable behavior, which does not lead to immediate dismissal, may be dealt with in the following manner:

- Verbal Warning
- Written Warning
- Dismissal

Written warnings will include the reasons for the manager's dissatisfaction and any supporting evidence. You will have an opportunity to defend your actions and rebut the opinion of your manager at the time the warning is issued. Disciplinary actions may also include fines, suspensions or other measures deemed appropriate to the circumstances.

All pertinent facts will be carefully reviewed, and the employee will be given a full opportunity to explain his or her conduct before any decision is reached. The President or another member of senior management will give a second opinion concerning the unacceptable behavior before dismissal occurs.

## **Crisis Suspension**

If you commit any of the actions listed below, or any other action not specified but similarly serious, you will be suspended without pay pending the investigation of the situation. Following the investigation you may be terminated without any previous disciplinary action having been taken.

- Theft
- Falsification of Company records
- Failure to follow safety practices
- Conflict of interest
- Threat of, or the act of doing bodily harm
- Willful or negligent destruction of property
- Use and/or possession of intoxicants, drugs or narcotics
- Neglect of duty
- Refusal to perform assigned work or to follow a direct order
- Failure of a crewmember to arrive on time for a scheduled cruise, unless a dire emergency

## **Dismissal**

Employment and compensation with Running Free, Inc. is "at will" in that they can be terminated with or without cause, and with or without notice, at any time, at the option of either Running Free, Inc. or yourself, except as otherwise provided by law.

If your performance is unsatisfactory due to lack of ability, failure to abide by Running Free, Inc. rules or failure to fulfill the requirements of your job, you will be notified of the problem. If satisfactory change does not occur, you may be dismissed. Some incidents may result in immediate dismissal.

# **Compensation & Performance**

## **Wage & Salary Policies**

It is Running Free, Inc.'s desire to pay wages and salaries that are competitive with other employers in the marketplace in a way that will be motivational, fair and equitable, variable with individual and company performance and in compliance with all applicable statutory requirements.

You are employed by Running Free, Inc. and will be carried directly on our payroll. No person may be paid directly out of petty cash or any other such fund for work performed. The only exception to this policy is where a contract relationship exists with a bona fide contractor.

## **Application**

Running Free, Inc. applies the same principles of fairness and external comparability to all employees, regardless of organizational level, sex, religion, national origin, age or race.

## **Basis for Determining Pay**

Your pay is influenced by three factors:

- The nature and scope of the job
- What other employers pay their employees for comparable jobs
- Individual performance

## **Individual Pay**

An individual's pay within this range will depend on his sustained performance over time. The overall performance rating will influence the wage/salary adjustment. Through individual performance and by increasing job responsibilities, you have significant impact on your pay.

## **Computing Pay**

Should you be one of our "salaried" employees whose pay is not based on an hourly rate, there may be times when it is necessary to compensate you for some daily or hourly pay. When this is necessary, Running Free, Inc. will compute your time on the basis of a forty-five (45) hour workweek.

When there is a charter or group sail and gratuities are collected in advance by contract, then all captains and crewmembers that were scheduled and worked the charter will be paid a pre-determined amount per hour above their regular wage. This amount will appear as a separate amount on your pay stub. The hourly fee increase will be for the contractual hours of the actual charter and does not include setup time or cleanup time and may not include time when the charter group was not aboard the vessel. See “How Tips are Disbursed” for more information.

## **Maintenance Pay**

Maintenance Pay is to be applied only when a maintenance day or period of time is scheduled or extenuating circumstances require that the captain significantly extend the day to accomplish specific maintenance goals. Maintenance Pay is not to be applied to down times of the normal day, such as a cancelled cruise or when “deadheading” to a destination. It is not to be applied to normal maintenance needed at the beginning or end of a cruise.

The manager on duty for the project will notify you when you will be eligible for maintenance pay and will maintain a log on the boat of the project being worked on during that time. If you were scheduled for maintenance or have been notified that you will be eligible for maintenance pay for a specific project, please be sure to clock in as maintenance. If you think there may be an error in the time records, please notify your manager on duty so that they may contact the payroll department to alert them of the error.

## **How Tips Are Disbursed:**

**Private Charters:** When there is a charter by contract, then all captains and crewmembers that were scheduled and worked the charter will be paid an additional \$13.00 per hour above their regular wage. This amount will appear as a separate amount on your pay stub under “tips in”. The hourly fee increase will be for the contractual hours of the actual charter and does not include setup time or cleanup time and may not include time when the charter group was not aboard the vessel. The “tips in” section includes all tip money based on the \$13 per hour.

**Group Sails:** When there is a Group Sail by contract, then all captains and crewmembers that were scheduled and worked the charter will be paid an additional \$7.00 per hour above their regular wage. This amount will appear as a separate amount on your pay stub under “tips in”. The hourly fee increase will be for the contractual hours of the actual sail and does not include setup time or cleanup time and may not include time when the group was not aboard the vessel.

**Tab Bar Tips:** If there was a tab bar run on a Private Charter or Group Sail, no additional tips are dispersed, since this is included into the formula of your higher wage. The only time that this would not occur, is if a customer left a much higher gratuity on a tab or wanted to charge an extra gratuity (in which case this would be reviewed by the President/manager). If a tab was run on a public cruise and charged to a credit card, tips will be dispersed to the crew and captain evenly minus 20% -to account for payroll taxes and credit card fees.

**Public Sail Tips:** When working on a public cruise, your base pay is paid per hour. If passengers feel like tipping on a public cruise, they should put all tips in the tip jar. If one crew gets an additional tip, this too, should be put in the communal tip jar (we work as a team). If a tab is run for a group of passengers, and they pay in cash on a public cruise- at the end of day, when the captain reconciles the tab, they will put the cash gratuity in the tip jar. All tips are distributed evenly between captain and crew. Each person making cash tips have the responsibility to report their own earnings to the IRS.

## **Deductions From Your Paycheck (Mandatory)**

Running Free, Inc. is required by law to make certain deductions from your paycheck each time one is prepared. Among these are your federal, state and local income taxes and your contribution to Social Security as required by law. These deductions will be itemized on your check stub. The amount of the deductions may depend on your earnings and on the information you furnish on your W-4 form regarding the number of dependents/exemptions you claim. Any change in name, address, telephone number, marital status or number of exemptions must be reported to your manager or HR immediately, to ensure proper credit for tax purposes. The W-2 form you receive for each year indicates precisely how much of your earnings were deducted for these purposes.

Any other mandatory deductions to be made from your paycheck, such as court-ordered attachments, will be explained whenever Running Free, Inc. is ordered to make such deductions. Some states may require other payroll deductions.

**Note:** See "Wage Assignments (Garnishments)" later on in this section for further information.

## **Error In Pay**

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

## **Overtime Pay**

Since law allows our company, exempt from having to pay overtime pay, we do not pay time and a half for hours worked over 40 in a week. Hourly workers that are full-time/seasonal will be scheduled, when appropriate, to more than 40 hours per week to help assure a 40 hour week should weather and other factors require lack of work for part of the week.

## **Work Performed on Holidays**

All employees in this seasonal business work holidays without any differential pay adjustment.

## **Pay Period & Hours**

Our payroll workweek begins on Saturday at 8:00 am and ends on Friday at 12:00 midnight.

## **Pay Cycle**

Fiscal Pay Period/Weekly:

(52 pay periods per year) Payday is normally on Friday afternoon for services performed for the one (1) week period ending the previous Friday at 12:00 midnight.

Changes will be made and announced in advance whenever federal holidays or closings interfere with the normal payday.

## **Paycheck Distribution & Cashing Procedures**

Paychecks are distributed by your manager. We strongly encourage all employees to sign up for direct deposit in an effort to streamline the distribution process.

Paychecks may not be cashed at Running Free, Inc.

## **Business Closure and Emergency Circumstances**

There may be emergencies that cause the owner(s) to alter its normal mode of operation. These may include, by example:

- Operations cannot commence or continue due to threats to employees or property or when recommended by civil authorities.
- Public utilities fail to supply electricity, water, or gas, or there is a failure in the public utilities, or sewer system.
- The interruption of work is caused by an "Act of God" (inclement weather, fire, flood, earthquake, or lack of business, etc.) or some other cause not within Running Free, Inc.'s control.

If circumstances beyond the control of Running Free, Inc (as outlined above) force the business office to alter its normal mode of operation, the owner(s) will make the decision whether to cancel work and under what terms.

Some emergencies may require the owner(s) to:

- Suspend operations at our Business Office, the Dock, the vessels and/or any other site at which the business operates from.
- Direct some employees to work from home and log their hours.
- Direct some employees to change their normal operations and help secure the business' property, assets and/or vessels safety.
- Direct some employees to change their normal operations and help inform guests and clients of changes in our operation.
- Direct some employees not to come to work or work from home.

Working from home, when approved by the owners, is considered working as long as they log their hours and email them to their manager. The manager will forward the worked hours for payroll.

For our hourly employees, you will not be paid if you do not work.

The owner(s), at their discretion, may allow salaried employees who must miss work because of a "business closure and emergency circumstances" such as those listed above, the following opportunities:

- Offer the employee the opportunity to work from home.
- Offer the employee the opportunity to make up work on another day.
- Offer the employee the opportunity to use sick days/personal days, or vacation days. In the event the employee does not have any personal or vacation days remaining, it will be deducted from future days not yet accrued.

## **Termination & Severance Pay**

Running Free, Inc. hopes and expects that you will give at least three weeks notice in the event you intend to leave our employ.

Running Free, Inc. does not pay severance pay. When you leave Running Free, Inc., you will be paid for actual time worked.

## **Time Cards/Records**

By law, we are obligated to keep accurate records of the time worked by hourly employees.

This is primarily by key fob/computer entry, but may include (at management's discretion) other means such as log in sheets. The pay week runs from Saturday through the following Friday.

Your key fob/computer entry is the only way the payroll department knows how many hours you worked and how much to pay you. Your time entry indicates when you arrived and when you departed. You are to clock in and out for brief absences like a doctor or dentist appointment. All employees are required to keep their manager informed of his/her departures from and returns to the premises during the workday.

You are responsible for your own time entry. Remember to record your time accurately, and under the appropriate job duty (i.e. crew, maintenance, dock staff). If you forget to clock in or make an error on your key fob/computer entry, notify your manager as soon as possible so that they may alert the payroll department that a correction needs to be made. You are not permitted to clock in more than six (6) minutes before your scheduled starting time nor more than six (6) minutes after your scheduled quitting time without your manager's approval.

## **Wage Assignments (Garnishments)**

We hope you will manage your financial affairs so that we will not be obligated to execute any court-ordered wage assignment or garnishment against your wages. However, whenever court-ordered deductions are to be taken from your paycheck, you will be notified.

According to the Federal Wage Garnishment Act, three (3) or more garnishments may be cause for dismissal.

**Note:** See "Deductions From Paycheck (Mandatory)" earlier in this section for further information.



# **Performance & Compensation Reviews**

## **Performance Reviews**

Your manager is continuously evaluating your job performance. Day-to-day interaction between you and your manager should give you a sense of how your manager perceives your performance.

However, to avoid haphazard or incomplete evaluations, Running Free, Inc. conducts a formal review once a year for each employee.

Performance reviews will be conducted annually, usually at the end of the active season. New employees may be reviewed more frequently. A review may also be conducted in the event of a promotion or change in duties and responsibilities.

During formal performance reviews, your manager will consider the following things, among others:

- Attendance, initiative and effort
- Knowledge of your work
- Attitude and willingness
- The quality of your work
- The conditions under which you work

The primary reason for performance reviews is to identify your strengths and weaknesses in order to reinforce your good habits and develop ways to improve in your weaker areas. This review also serves to make you aware of and to document how your job performance compares to the goals and description of your job. This is a good time to discuss your interests and future goals. Your manager is interested in helping you progress and grow in order to achieve personal as well as work-related goals—perhaps he or she can recommend further training or additional opportunities for you.

In addition to individual job performance reviews, Running Free, Inc. periodically conducts a review of job descriptions to insure that we are fully aware of any changes in the duties and responsibilities of each position, and that such changes are recognized and adequately compensated.

## **Compensation Reviews**

Wage and salary increases are based on merit alone, not length-of-service or the cost-of-living. Having your compensation reviewed does not necessarily mean that you will be given an increase.

Running Free, Inc. conducts compensation reviews annually on or about each employee's new return season date, following their annual performance review. Any wage or salary increases will appear in the new pay period for the start of the new season.

# Work Schedule for Hourly Employees

The normal workweek varies considerably, depending on other employee's schedules and the needs of our seasonal business. Your schedule of daily work hours will be given to you by your manager, or posted on Thursday mornings prior to the Saturday workweek start. We will make every effort to adhere to schedules, but last minute changes may be necessary. You will be notified promptly whenever a change is necessary. All requests for specific days or times off must be done in writing no later than Tuesday of the preceding week and presented to your manager. These are only requests until you have received written confirmation for your specific times or days off.

Once a week's schedule is posted and a change needs to be made for personal reasons such as an unforeseen doctor's appointment, it is your responsibility to find a qualified co-worker to cover your shift. Once you have found someone able to cover your shift, you must obtain approval from your manager.

If you are working on the boats, your manager will be the captain on the cruise that you are scheduled to work. You also must get approval from each captain that applies to the scheduling change. The manager or captain on duty will then notify payroll of the schedule change.

## Absence or Lateness

From time to time, it may be necessary for you to be absent from work. Running Free, Inc. is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside your work hours may arise. Sick days have been provided for this purpose for salaried employees. Flexible scheduling should handle other personal needs.

If you are unable to report to work, or if you will arrive late, please contact your manager immediately. Give him or her as much time as possible to arrange for someone else to cover your position until you arrive. Crewmembers present a difficult problem when a last minute absence is necessary. Since we are required by the Coast Guard to have a certain number of crewmembers on board a cruise, failure to notify us in time for a replacement is a serious offense and can cause the company to lose business and a good public image. If you know in advance that you will need to be absent, you are required to request this time off directly from your manager. He or she will determine when will be the most suitable time for you to be absent from your work.

When you call in to inform Running Free, Inc. of an unexpected absence or late arrival, please call your manager directly. For crew, please call the captain on duty. If unable to reach your manager, you may phone our business office at 410-263-8619. However, please note that this office is only open Monday-Friday 9am – 5pm. For late arrivals, please indicate when you expect to arrive for work. If you are unable to call in yourself because of an illness, emergency or for some other reason, be sure to have someone call on your behalf.

Absence from work for one (1) day without proper **prior** notification to your manager or the personnel administrator will be considered a voluntary resignation.

## **Attendance**

You are expected to be at your work station and ready to work at the beginning of your assigned daily work hours, and you are expected to remain at your work station until the end of your assigned work hours, except for approved breaks and lunch. When your work takes you away from your workstation, please let your manager know where you are going and how long you expect to be gone. All crewmembers must report for duty prior to a scheduled cruise departure. If an employee is scheduled to come to work after the first cruise departs, he/she must be at the dock before the boat arrives back. This is most important. We are required by the United States Coast Guard to be fully manned during operating hours.

Be aware that excessive time off could lead to disciplinary action.

**Note:** See "Excessive Absenteeism or Lateness" later on in this section for further information.

## **Closure After Starting Time**

If inclement weather conditions exist and the President (or designated representative) decides to close Running Free, Inc. for the remainder of the day, you will be notified as soon as possible by your manager. If you are sent home before having worked two (2) hours, you will be paid for two (2) hours of work. If you are sent home after having worked two (2) hours, you will be paid for the time that you actually worked.

If your manager asks that you remain at work after Running Free, Inc. has closed because of severe weather conditions, you will be paid for the remaining hours that you work beyond the announced closing time.

## **Excessive Absenteeism or Lateness**

Any employee that causes a trip to be cancelled due to not being on the job at the designated time can expect immediate termination. There are a very few cases of extenuating circumstances; transportation problems, or over sleeping are not adequate excuses. In general, all absences may be considered excessive, and the reasons for the absences may come under question.

Be aware that absenteeism, lateness or leaving early may lead to disciplinary action, including possible dismissal, even with appropriate notification. The nature of our business does not allow last minute tardiness/absences.

## **Breaks/Lunch**

All employees are responsible for providing their own meals. Meals can be eaten during the brief period between cruises as long as the required boat preparation is done. If there is time during the cruise, you may ask the captain to sneak away down below and eat quickly, however you must let all crew know where you are. You may eat an occasional bagged snack from the

boat, but do not abuse this privilege. During charters no one can eat from a catered meal unless permission is offered from the host/hostess of the event and permission is given by the captain as well. When permission is given, eat after all guests have eaten, and eat down below. Lunch breaks are not guaranteed to be uninterrupted.

If you must take time away from your work schedule for more than 20 minutes, you must obtain permission from your manager, and you must clock out for the time that you are away.

## **Lunch Room Facility**

For your convenience and comfort, Running Free, Inc. provides a lunchroom through the Marriott. In addition, there is usually some room onboard Woodwind to refrigerate a lunch brought from home. It is your responsibility to do your share in keeping this facility clean and sanitary. Please clean up after yourself.

## **Record of Absence or Lateness**

If you are absent because of illness for three (3) or more successive days, your manager may request that you submit written documentation from your doctor. If you are absent five (5) or more days because of illness, you may be required to provide written documentation from a doctor that you are able to resume normal work duties before you will be allowed to return to work. You will be responsible for any charges made by your doctor for this documentation.

Your manager will make a note of any absence or lateness, and the reason, in your personnel file. Your attendance record will be considered when evaluating requests for promotions, transfers, leaves of absence, and approved time off, as well as scheduling layoffs, etc.

# Government Required Coverage

## Workers' Compensation

The Maryland Workers' Compensation Law is a no-fault insurance plan which is supervised by the state and one hundred percent (100%) paid for by Running Free, Inc. This law was designed to provide you with benefits for any injury, which you may suffer in connection with your employment. Under the provisions of the law, if you are injured while at work, you are eligible to apply for Workers' Compensation.

## What Is Workers' Compensation?

Maryland's no-fault Workers' Compensation law was passed by the State legislature in the 1930's to guarantee prompt, automatic benefits to workers injured on the job.

Before Workers' Compensation, an injured worker had to sue his employer to recover medical costs and lost wages. Lawsuits took months and sometimes years. Juries and judges had to decide who was at fault and how much, if anything, would be paid. In most cases, the injured worker got nothing. It was a costly, time-consuming and unfair system.

Today, if you're unable to work because of a job injury, Running Free, Inc. and our Workers' Compensation Insurance carrier work together to take care of your medical expenses and pay you money to live on until you're able to come back to work—automatically, without delay or red tape.

## Who Is Covered?

Every Running Free, Inc. employee is protected by Workers' Compensation other than crewmembers performing crew work on *Woodwind* or any other vessel. Crewmembers have slightly different benefits based on the vessel's insurance. These benefits are legislated by Congress through "the Jones Act".

## What Is Covered?

Any injury is covered if it's caused by your job—not just serious accidents, but even first-aid type injuries. Illnesses may also be covered, if they're related to your job. For example, common colds and flu are not covered, but if you caught tuberculosis while working at a TB hospital, that's covered. The main question is if the injury or illness is the result of the performance of your job.

## When Am I Covered?

Coverage begins the first minute you're on the job and continues anytime you're working for Running Free, Inc. You don't have to work a certain length of time, and there's no need to earn any minimum amount of wages before you're protected.

## What Are the Benefits?

Maryland law guarantees you three kinds of workers' compensation benefits:

- **Medical care to take care of the injury, including not only doctor bills, but also medicines, hospital costs, fees for lab tests, x-rays, crutches and so forth --** There's no deductible and all costs are paid directly by our Workers' Compensation Insurance carrier. If you do receive a bill, be sure to submit it to Treasurer for payment through our insurance carrier.
- **Rehabilitation services necessary to return to work --** Sometimes this is just an extension of medical treatment (for example, physical therapy to strengthen muscles). However, if the injury keeps you from returning to your usual job, you may qualify for vocational rehabilitation and retraining, too. Again, all costs are paid directly by Running Free, Inc. through our Workers' Compensation Insurance carrier.
- **Cash payments for lost wages --** The most common kind of payments, for "temporary disability," will be made for as long as the doctor says you're unable to work. Additional cash payments may be made after you're able to work if there's a permanent handicap—for example, the amputation of a finger or loss of sight. If the injury results in death, payments will be paid to surviving dependents.

## How Do I Get the Benefits?

All injuries, no matter how slight, must be reported immediately to your manager to assure consideration under Workers' Compensation Insurance, should complications develop later. Your manager will see that you receive medical attention.

There are no reports for you to fill out; no forms to sign. Just tell your manager what, where, when, and how it happened -- enough information so that he or she can arrange medical treatment and complete the necessary reports. In an emergency, you may go directly to one of the medical facilities nearby. Later, you may be required to furnish your manager with written statements regarding the on-the-job accident so that we may accurately document the incident, and so you may receive all the benefits to which you are entitled. (Failure to do this could result in loss of benefits.)

Prompt reporting is the key. Benefits are automatic, but nothing can happen until your employer knows about the injury. Insure your right to benefits by reporting every injury, no matter how slight. Even a cut finger can be disabling if an infection develops.

## **How Much Are the Cash Payments?**

Payments consist of two-thirds of your average weekly wage, up to a maximum amount set by the State Legislature. State law regulates the amount of the payments, and when and how they'll be paid. Only the State Legislature can change the law.

Workers' Compensation payments are tax-free. There are no deductions for state or federal taxes or Social Security.

## **When Are the Cash Payments Made?**

If you report the injury promptly, you should receive the first compensation check within 14 days. After that you'll receive a check every two weeks until the doctor says you're able to go back to work. For extremely serious injuries, the payments may continue for life.

Although Running Free, Inc. will pay for the time lost because of a work-related accident during the remainder of the normal workday in which the accident occurs, Workers' Compensation payments for lost wages aren't made for the first three days you're unable to work (including weekends). However, if you're hospitalized or off work more than 21 days, payments will be made even for the first three days.

## **What If There's a Problem?**

Fortunately, most claims - better than 9 out of 10 - are handled routinely. After all, Workers' Compensation benefits are automatic and the amounts are set by the Legislature. But mistakes and misunderstandings do happen. If you think you haven't received all benefits due you, please contact your manager.

If you're not satisfied with your manager's explanation, get advice from the nearest office of the State Division of Industrial Accidents. If the problem still can't be resolved, it may be necessary to file an "Application for Adjudication" with the Workers' Compensation Appeals Board. That's the State agency which reviews cases where an injured worker believes he or she hasn't received what's coming to him or her.

The Appeals Board is a court of law. You can represent yourself, of course, but you may want to hire an attorney. If you do, the fee will be deducted from any benefits awarded you by the Appeals Board. If it's necessary to go to the Appeals Board to resolve your case, be sure to do so within one year from the date of the injury, or one year from the date of your last medical treatment. Waiting longer could mean losing your right to benefits.



## **Other Benefits**

If the injury is very serious - one where you won't be able to work for a year or more - you may be eligible for additional benefits from Social Security. For information contact the nearest office of the Social Security Administration, or discuss your situation with the claims representative of Running Free, Inc.'s Workers' Compensation Insurance carrier.

Employees returning to work after being absent due to an injury must report to their manager prior to beginning work; and must bring a doctor's clearance for returning to duty.

## **The Jones Act (for crewmembers)**

Admiralty law is extremely complicated and the details of the Jones Act are impossible to reproduce here. However, if you are injured or get ill as a result of your job while sailing, you are entitled to benefits through the vessel's insurance carrier. This insurance is not as automatic as Worker's Comp. In most cases, papers need to be filed and reimbursement can take longer to resolve. Since this insurance is private, it is dependent on the quality of the agent and the insurance company.

## **Unemployment Compensation**

Running Free, Inc. pays a percentage of its payroll to the Unemployment Compensation Fund according to Running Free, Inc.'s employment history. If you become unemployed, you may be eligible for unemployment compensation, under certain conditions, for a limited period of time. Unemployment compensation provides temporary income for workers who have lost their jobs. To be eligible you must have earned a certain amount and be willing and able to work. You should apply for benefits through your local State Unemployment Office as soon as possible.

Running Free, Inc. pays the entire cost of this insurance.

## **Social Security**

The United States Government operates a system of contributory insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund from which benefits are paid. As your employer, Running Free, Inc. is required to deduct this amount from each paycheck you receive. In addition, Running Free, Inc. matches your contribution dollar for dollar, thereby paying one-half of the cost of your Social Security benefits.

## **Other Benefits**

### **Education/Training (Attending Seminars/Training Sessions)**

From time to time, Running Free, Inc. may arrange to have both formal and informal training programs to enable you to progress in your knowledge of our business. Several times a year, employees may be selected to attend workshops, or training programs. If this is mandatory, you will receive a normal paycheck while attending these schools or workshops. All or a portion of the expenses for off-premises training may be paid for by Running Free, Inc. depending on the nature of the course. Check with your manager for details.

Also, during any slow periods of work you should use the time to learn more about Running Free, Inc., its services and products. This will enhance your ability to help our customers and appreciate your job and the jobs of the people around you. You are encouraged to ask questions about any aspect of Running Free, Inc. that is of interest or unclear.

If you become aware of a particular seminar that you believe is appropriate for enhancing your skills (and/or those of other employees), please bring it to the attention of your manager. Since these seminars are usually offered only at specified times in a geographical area, please be sure to notify your manager as far in advance as possible. This way, he or she can attempt to schedule workloads to accommodate your (and/or other employees') desire to attend the seminar.

### **Employee Purchases**

Any employee will be allowed to purchase any item from Running Free, Inc. as set forth below. Items purchased for an employee's personal use (items for personal residence, beverages, shirts, sweatshirts, etc.) may be purchased at company cost. Items ordered for other than personal use (items for friends, relatives, etc.) will be charged at a 20% discount. Please see the section on Visitor's regarding friends/relatives on cruises.

Someone other than yourself must check out merchandise, and you must have an invoice or sales receipt for all packages before leaving the premises. The purchase may be paid for by cash or credit card.

### **Crew Beer Policy**

Having a beverage after the last cruise and upon completion of cleanup (and you are signed out for the day) is a privilege. Permission must be obtained by the captain on duty and is only available while the captain is present. We limit the crew beer to one per employee and they must be of legal drinking age. The cost of the beer or other alcoholic beverage is the ship's cost, and should be deposited in the correct area to be accounted for.

When an employee is off duty and they choose to go aboard a sail as a passenger and consume alcohol, the following rules are to be followed:

- The employee may not work as a crewmember or perform any duties that a crewmember would do. This would be in violation of our manning requirements through the USCG.
- The employee and their guests may not go into areas of the boat that are prohibited for passengers.
- Each employee may buy alcohol at our cost for their drinks.
- Employee's friends and family are allowed two drinks at our cost, provided the employee is present. Beverages purchased without the employee present, or more than two beverages would be at the full amount.

## **Other Policies**

### **Borrowing Tools & Equipment**

See "Personal Use of Company Property" later on in this section.

### **Bulletin Boards**

Bulletins and bulletin board(s) are our "official" way of keeping everyone informed about new policies, changes in procedures and special events. Information of general interest is posted regularly on the bulletin board(s). Please form the habit of reading the bulletin board(s) regularly so that you will be familiar with the information posted on it.

Only authorized personnel are permitted to post, remove or alter any notice on the bulletin board(s). If you want to have notices posted on Running Free, Inc. bulletin board(s), see your manager for instructions.

### **Communications**

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

In addition to the exchanges of information and expressions of ideas and attitudes which occur daily, make certain you are aware of and utilize all Running Free, Inc. methods of communication, including this Employee Manual, bulletin boards, discussions with your manager, memoranda, staff meetings, newsletters, training sessions, etc.

You will receive other information booklets, such as your insurance booklets, from time to time. You may take these booklets home so that your family may know more about your job and your benefits.

In addition, you may receive letters from Running Free, Inc. There is no regular schedule for distribution of this information. The function of each letter is to provide you and your family with interesting news and helpful information which will keep you up-to-date on the events here at Running Free, Inc.

### **Company Meetings**

On occasion, we may request that you attend a company-sponsored meeting. If you are scheduled to attend, your attendance is mandatory.

## **Contributions**

Running Free, Inc. makes donations to worthwhile charities and colleges in its own name.

We make no contributions to churches or other organizations where such contributions will only benefit the members of that organization. The general rule is that the cause must be for the good of the entire community. An officer of Running Free, Inc makes all decisions concerning contributions. Running Free, Inc. does not exceed its budgeted allowance for contributions.

Please make others aware of this policy should you be asked to solicit Running Free, Inc. for contributions which don't meet these standards.

## **Conversion Privileges**

At your exit interview or upon dismissal, you will learn how you can continue your insurance coverage and any other benefits you currently enjoy as an employee who is eligible for continuation. Such continuation of benefits will be at your own cost.

## **Department Meetings**

From time to time, your manager will schedule department meetings before, during, or after work. It's to your advantage to be at these meetings. They give you and your fellow workers a chance to receive information on Running Free, Inc. events, to review problems and possible solutions, and to make suggestions about your department or your job.

If your attendance at Department Meetings is mandatory, you will be informed in writing. Failure to attend may involve a penalty.

**Note:** See "Company Meetings" earlier in this section for further information.

## **Discounting**

Employees giving discounts to friends are one of the most common abuses any company can face -- we understand that it can be tempting to give friends a "good deal."

This is our company's policy concerning employee discounting:

The discount privilege is offered for the use of employees and the members of their immediate family. Under no circumstances should company products be removed from the premises unless accompanied by a receipt from Running Free, Inc. Employees are permitted to buy company products at a discount for personal use or to give as gifts, but it is an abuse of the discount privilege to buy items from Running Free, Inc. on behalf of people outside your immediate family. Running Free, Inc. considers such behavior a form of theft and violators will be treated accordingly.

When faced with the temptation to give discounts to friends, please decide against it. If you're being pressured, explain that you could lose your job over it (you could!).

If you become aware of a fellow employee about to give a friend (or customer) an unauthorized discount, drop a hint -- tell him or her something like "I don't think that's a good idea," or "Remember, that discount's just for employee use." If you know of others who have discounted or given away items in the past, please discuss the matter with your manager at your convenience.

We must continually work together to remove the threats posed by unauthorized discounting. This is a Running Free, Inc. priority.

**Note:** See "Theft" later on in this section for further information.

## **Dress Code/Personal Appearance-You are a Spokesperson for Our Company!**

### **Crew & Customer Service**

We require each Crewmember, Captain, and Customer Service Representative to purchase at least two Woodwind shirts (one polo, one t-shirt) at our cost. All shirts (polo or crew) will be charged to the employee at our cost. All Captains, crewmembers, dock staff, and customer service must wear khaki shorts or slacks. These are purchased at the employee's expense. We may be able to assist in locating these items for your convenience. Woodwind jackets in hunter green are voluntary. We encourage you to purchase one and we will pay to have it embroidered with "Schooner Woodwind Crew" and your name. In cooler weather, any long-sleeve shirts or sweatshirts must also be "Woodwind" shirts. Crewmembers or Customer Service who wish to wear a hat must wear a "Woodwind" hat. Any of this Woodwind merchandise will be charged to the employee at our cost. In cold or rainy weather, employees may and are encouraged to wear a jacket or foul weather gear of their own over their uniform.

### **Dock Staff**

A Dock Staff shirt is required to be purchased by all dockstaff or crewmembers working the dock shift, and worn when working the dock shift. One Dock Master hat will be given to each crewmember. This hat is considered part of the uniform and must be worn during the dock shift. Khaki shorts or slacks are also considered part of the dock staff uniform. Long sleeved shirts or sweatshirts of your own may be worn on the dock, provided they are worn **under** the Dock Staff shirt.

### **Shoes**

Appropriate footwear is defined as shoes that have a non-marking rubber sole with a good grip for working outside, and support for the entire foot. All footwear must have an ankle strap to keep the foot in the shoe and all laces must be tied tightly.

### **Appearance**

All employees must arrive at work clean-shaven, unless already sporting a trimmed beard or mustache. If you wear your hair long, it must appear neat and trimmed. Because our business is dependent upon the impression you make with our guests, we will expect you to be neat, clean and well groomed at all times. We reserve the right to judge your appearance as to its appropriateness to your job. You must report to work with your uniform as described above.

Your uniform must be clean. White shirts get dirty easily and keeping them clean is essential. Purchasing extra shirts may help alleviate your laundry problem. If you do not show up with a clean shirt, you will be required to purchase a new shirt. Your shorts/slacks must be free of rips, tears. Blue jeans are not permissible.

### **After Hours**

While in uniform, please realize that how you act in public reflects upon our business image. Do not exhibit excessive behavior when wearing your uniform before or after employment hours. What you say and do when wearing the uniform is important to us and to you. Employees are not allowed to board *Woodwind* after hours when there is no manager or captain present without specific prior approval.

## **Watergate Marina Policy**

We normally dock one of the Woodwinds at Watergate Marina in Eastport. Please respect that this is a residential community.

## **Exit Interviews**

In instances where an employee voluntarily leaves our employ, Running Free, Inc. management would like to discuss your reasons for leaving and any other impressions that you may have about Running Free, Inc. If you decide to leave, you will be asked to grant us the privilege of an exit interview. During the exit interview, you can express yourself freely. It is hoped that this exit interview will help us part friends, as well as provide insights into possible improvements we can make. All information will be kept strictly confidential and will in no way affect any reference information that Running Free, Inc. management will provide another employer about you.

## **Expense Reimbursement**

You must have your manager's authorization prior to incurring an expense on behalf of Running Free, Inc. To be reimbursed for all authorized expenses, you must submit an expense report (available from the Dock Office or Lincoln Drive Office) along with the appropriate receipt and have it approved by your manager. Please submit your expense report and receipts each week, as you incur authorized reimbursable expenses. Normally, you will be reimbursed on your next paycheck after submitting the authorized expense report. You must not take the reimbursement from "petty cash" or the cash drawer under any circumstances.

## **First Aid**

Federal law ("OSHA") requires that we keep records of all illnesses and accidents which occur during the workday. The Maryland state Workers' Compensation Act also requires that you report any illness or injury on the job, no matter how slight. If you hurt yourself or become ill, please contact your manager for assistance. If you fail to report an injury, you may jeopardize your right to collect workers' compensation payments as well as health benefits. OSHA also provides for your right to know about any health hazards that might be present on the job. Should you have any questions or concerns, contact your manager for more information. All accidents or injuries to workers or guests, no matter how minor, must be logged. The proper forms are available at the dock office or onboard *Woodwind*.

## **Gifts**

Advance approval from management is required before an employee may accept or solicit a gift of any kind from a customer, supplier or vendor representative. Employees are not permitted to give gifts to customers or suppliers.



## **Grievances**

Our goal is to maintain a comfortable working environment for everybody. We do this in several ways:

- By treating each of you as an individual and encouraging your maximum development;
- By recognizing that each of you is essential to the success and growth of Running Free, Inc.; and
- By maintaining direct communications with all of our employees and ensuring that each and every one of you can speak directly and openly with our management team.

We believe that this type of communication, without interference from any outside party, is best for all concerned. Therefore, when you wish to express your problems, opinions, or suggestions, you will always find an open door and an attentive ear.

As time goes by and Running Free, Inc. grows, we will continue to listen and respond to your questions and comments.

## **Resolving Problems**

Whenever you have a problem or complaint, we expect you to speak up and communicate directly with us. You can take the following steps:

- First, talk to your immediate manager. Your manager is most familiar with you and your job and is, therefore, in the best position to assist you. Your manager works closely with you, and is interested in seeing that you are treated fairly and properly.
- If your manager cannot help you resolve the matter, you can speak to the President who will give your complaint or problem prompt consideration.

Remember -- it is always best to resolve problems right away. Little problems tend to turn into big problems; facts become confused; resentment and anger builds up. It is always best to get things off your chest before they get out of hand.

## **Layoff**

Every employee realizes that his or her employment is temporary or seasonal as well as "at will". There are no guaranteed hours of employment unless you are not an hourly worker and placed on salary. Each employee must sign a form letter stating this. "At will" means that the employee is free to leave employment and the employer can terminate employment without cause. Our full season is from mid April through Mid November and our busy season is from approximately May 20 through October Boat Show.

## **Managers**

Your immediate manager is the person on the management team who is closest to you and your work. Your day-to-day contact with your manager gives you a chance to receive guidance and counsel regarding your assignments and the progress you make on your job. Your manager can show you how your work fits into the overall picture, teach you how to do things, explain the "hows" and "whys," and encourage you when things look a little tough.

Your manager is in complete charge of the department. He or she is responsible for the efficient operation of the department. Your manager has the authority to hire and dismiss, to assign work, recommend pay increases, transfers or promotions, and to maintain order and discipline. This may be accomplished by the manager personally or through his or her assistant.

Remember, your manager knows most of the answers, and, if not, knows where to get them. Your manager probably started in a job much like yours and can guide and help you. Your manager wants you to succeed. Please get to know your manager, and when you need help or have questions, complaints, problems or suggestions, contact your manager first. He or she is interested in your success, the success of every member of your department, and the overall success of Running Free, Inc.

Your manager is human, has many responsibilities, and needs your cooperation, assistance, and loyalty. He or she wants to help you - that's their job - so please ask, and please be willing to meet your manager half way. If he or she cannot help you or answer your question, your question will be referred to someone who can. You can expect to be treated fairly and with respect. Running Free, Inc., your manager has a direct interest in you. He or she wants you to consider him or her as your advisor, friend and mentor. Go to your manager for information about your job, your pay, or other matters of company policy.

Please don't overburden your manager with questions that can be answered by reading this manual or by checking bulletin boards. Do feel free to ask for clarification of regulations or responsibilities. Any problem that hinders the efficient completion of your responsibilities should be taken up with your manager.

## **Outside Activities**

No employee may take an outside job, either for pay or as a donation of his or her personal time, with a customer or competitor of Running Free, Inc.; nor may they do work on their own if it competes in any way with the sales of products or services we provide our customers. If your financial situation requires you to hold a second job, part-time or full-time, or if you intend to engage in a business enterprise of your own, we would like to know about it. Before accepting any outside employment it would be a good idea to discuss the matter with your manager.

## **Parking**

Parking in downtown Annapolis is a problem. Our company is not responsible for parking tickets and problems, which may arise from limited parking facilities.

Only specific parking lots are available to employees at Watergate Marina. Street parking within the community is also available. Again, please respect the fact that this is a residential community.

## **Personal Phone Calls on Our Phone Lines**

Our telephone bills are astronomical. Personal use of company phones is permitted only with manager's approval. No long distance calls are permitted for any personal reasons except in case of emergency.

## **Use of Personal Cell Phones**

The use of cell phones while you are working is not allowed unless you have your manager's permission.

### **Crew**

Crew working aboard the Woodwinds must be attentive and comply with all USCG regulations including but not limited to proper lookout and watch keeping. All cell phones must be turned off or kept on silent and stored down below. Checking your phone for texts, messages or any other alerts is not permissible while under way. If you must use your cell phone when the boat is safely tied up, you may use your phone down below.

### **Captain**

Captains are allowed to use their cell phones on for urgent company business. Only accept business calls while underway.

### **Dock**

All cell phones for Dock Staff and Customer Service must remain in the dock office at all time on silent or off. You may use your cell phone in the dock office for a quick personal call with your manager's permission. After the dock office has closed for the evening, Dock Staff must monitor the Dock's cell phone for calls. Dock Staff are responsible for this phone when they are working. Do not use the business' cell phone for personal use. Under no circumstances are customers to call dock staff directly on your personal cell phone.

## **Emergency Phone Calls**

Since you may not be readily available to receive phone calls to your cell phone, you may give family and friends the phone number of the dock office – 410-263-8994 – in case of emergency. The Customer Service staff will then forward a call on to you or your captain.

## **Personal Use of Company Property**

Employees will not be allowed to borrow Running Free, Inc. tools or equipment for their own personal use without specific permission of the appropriate supervisor. Permission will be granted to use such equipment on premises. You understand and agree that Running Free, Inc. is not liable for personal injury incurred during the use of company property for personal projects. As a Running Free, Inc. employee, you accept full responsibility for any and all liabilities for injuries or losses that occur, or for the malfunction of equipment. You are responsible for returning the equipment or tools in good condition, and you agree that you are required to pay for any damages that occur while using the equipment or tools for personal projects.

## **Promotion Policy**

It is our policy to advise all employees about advancement opportunities by means of bulletin boards or other suitable methods. Please submit your request for consideration for a specific position directly to your manager.

Whenever a position becomes available, every effort will be made to fill it by promoting a qualified employee. Jobs will be awarded based on individual ability and past job performance, as well as length of service if two people have similar qualifications. By utilizing all opportunities for education and performing your job excellently, you may become qualified to fill a position of greater skill, responsibility and value at Running Free, Inc. Running Free, Inc. will always continue to look outside the company for potential employees as well.

## **Property & Equipment Care**

It is your responsibility to understand the equipment you need to use to perform your duties. Good care of equipment that you use during the course of your employment, as well as the conservative use of supplies, will benefit you and Running Free, Inc.

**Notice to All Staff:** You are not allowed to bring food and drinks into the office area of the dock office near any electronic equipment; such as the computer keyboard, telephone answering equipment, printers, credit card equipment and the like. Anyone who violates this rule and causes equipment to malfunction will be responsible for the costs of repair/replacement. These costs will be deducted from paychecks. **Don't tempt "Murphy's Law"!**

## **Recycling, Waste Prevention & Conservation**

Running Free, Inc. actively recycles as many materials as possible, where possible:

**Acceptable (Please place these in the proper recycling bins at Watergate Marina and the Marriott.)**

**Aluminum cans**

**Plastic and glass**

**Cardboard**

## **References**

Running Free, Inc. does not respond to oral requests for references. All requests must be in writing and on company letterhead. In the event you leave the employ of Running Free, Inc. we may be able to provide references to potential employers, depending upon the circumstances, your employment history, etc. However, you must first sign a “reference release” waiver, allowing us to release reference information beyond merely confirming that you worked at Running Free, Inc. for a specific period of time and your position.

As an employee, do not under any circumstances respond to any requests for information regarding another employee unless it is part of your assigned job responsibilities. If it is not, and you receive a request for a reference, you should forward the request to the personnel department for a response.

## **Resignation**

While we hope both you and Running Free, Inc. will mutually benefit from your continued employment, we realize that it may become necessary for you to leave your job with Running Free, Inc. If you anticipate having to resign your position with Running Free, Inc., you are expected to notify your manager at least three (3) weeks in advance of the date that you must leave.

## **Restricted Areas**

**Note:** See "Smoking" later on in this section for further information.

## **Return of Company Property**

Any Running Free, Inc. property issued to you, such as tools, employee handbook, office or company vehicle keys as well as your key fobs, must be returned to Running Free, Inc. at the time of your dismissal or resignation, or whenever your manager or a member of management requests it. Your paycheck may be held until all property is returned to Running Free, Inc. You

are responsible to pay for any lost or damaged items that are not returned within five days of your final day of work. The value of any property issued and not returned will be deducted from your final check, and you may be required to sign a wage deduction authorization for this purpose.

## **Safety Rules**

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

Please report all injuries (no matter how slight) to your manager immediately, as well as anything that needs repair or is a safety hazard. Below are some general safety rules. Your manager or department head may post other safety procedures in your department or work area:

- Wear shoes at all times.
- Use flammable items, such as paint thinners, with caution.
- Walk -- don't run.
- Report to your manager if you or a co-worker becomes ill or is injured.
- Ask for assistance when lifting heavy objects.
- Smoke only in designated smoking areas.
- Wear or use appropriate safety equipment as required in your work.
- Avoid "horseplay" or practical jokes.
- Wear appropriate personal protective equipment, like shoes, hats, gloves, goggles, spats, hearing protectors, etc., in designated areas or when working on an operation which requires their use.
- Keep your work area clean and orderly.
- Watch out for the safety of fellow employees, customers and guests.
- Keep dock area free of loose trash, equipment, hoses, and lines.
- Use the right tool for the job, and use it correctly.
- Wear gloves when cleaning toilets, separating trash, painting and fiber glassing.

Remember, failure to adhere to these rules will be considered serious infractions of safety rules and will result in disciplinary actions.

## Security

Maintaining the security of Running Free, Inc. buildings and vehicles is every employee's responsibility. Develop habits that insure security as a matter of course. For example:

- Always keep cash properly secured. If you are aware that cash is insecurely stored, immediately inform the person responsible.
- Know the location of all alarms and fire extinguishers, and familiarize yourself with the proper procedure for using them, should the need arise.
- When you leave Running Free, Inc.'s premises make sure that all entrances are properly locked and secured.

## Smoking

Smoking is not allowed onboard during a scheduled cruise. Your smoking habits cannot interfere with the clean-up duties before, after, or between cruise times. Please don't smoke in areas where you are directly serving customers and where it may be offensive to your co-workers. All smoke breaks must have prior approval from your manager or the captain on duty.

## Substance Abuse

The Coast Guard requires *Woodwind* to be a drug free vessel. All crewmembers must be enrolled in a CG approved drug-testing program. We are members of the Maritime Consortium for this purpose and expect all employees to be enrolled in this program unless he/she was enrolled already in a satisfactory alternative program. The program requires a pre-employment drug test and participation in a random testing program. The costs of the program are as follows:

Any temporary employee who works at least 24 hours per week (based on a monthly average) will have all drug testing costs covered by Running Free, Inc. The cost for each crewmember is \$120. Those who do not average the required hours will need to reimburse Running Free, Inc. This cost will be deducted from paychecks or paid in advance at the employee's option. Under this prepaid program all random tests that are required are fully covered.

Dock staff may also be required for the CG drug-testing program, especially if they are performing crew work as well.

All employees are not allowed to drink alcoholic beverages before (minimum of 4 hours) or during their assigned shift. The possession, sale or use of mood altering substances at the workplace, or coming to work under the influence of such substances shall be a violation of safe

work practices and will be subject to disciplinary action, including dismissal. Employees will not be permitted to work while under the influence of drugs or alcohol.

## **Suggestions**

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

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

## **Uniforms**

We require uniforms that certain employees must wear while at work. Please see Dress Code/Personal Appearance section on Page 50 of this Manual.

## **Visitors**

On occasion, we recognize that you may have an out of town guest visiting you. You must ask permission to have an occasional guest sail onboard with us for free. This should not be a frequent request and the request must be from the employee directly. Please do not have your guest or other representative contact us with the request. If the boat is close to "sold out", then we will deny the request. The main reason for this requirement is that it becomes difficult for the employee to carry out our mission by paying close attention to our paying guests. Under no circumstances may an employee guest or a non-working employee sail with us during a private charter.

Employees who are not "on the clock" are guests. No employee can act as crew if they do not meet the requirements and regulations regarding alcohol or drug consumption. In addition, no off-duty employee or their guests may go into areas on the boat that are prohibited to passengers.

## **Violations of Policies**

You are expected to abide by the policies in this Manual. Failure to do so will lead to appropriate disciplinary action. A written record of all policy violations is maintained in each individual's personnel file.

A partial list of causes for possible disciplinary action ("Unacceptable Activities") is presented under "Standards of Conduct" in the "Employment" section of this Manual. This list is not to be considered all-inclusive.



# Computer Use Policy

## Policy restricting personal use of employer's computer and/or employer's network

### SECTION ONE PURPOSE

A. To remain competitive, better serve our customers and provide our employees with the best tools to do their jobs, *Running Free, Inc.* makes available to our workforce access to one or more forms of electronic media and services, including computers, e-mail, telephones, voicemail, fax machines, external electronic bulletin boards, wire services, online services, intranet, Internet and the World Wide Web.

B. *Running Free, Inc.* encourages the use of these media and associated services because they can make communication more efficient and effective and because they are valuable sources of information about vendors, customers, technology, and new products and services. However, all employees and everyone connected with the organization should remember that electronic media and services provided by the company are company property and their purpose is to facilitate and support company business. All computer users have the responsibility to use these resources in a professional, ethical, and lawful manner.

C. To ensure that all employees are responsible, the following guidelines have been established for using e-mail and the Internet. No policy can lay down rules to cover every possible situation. Instead, it is designed to express *Running Free, Inc.* philosophy and set forth general principles when using electronic media and services.

### SECTION TWO PROHIBITED COMMUNICATIONS

Electronic media cannot be used for knowingly transmitting, retrieving, or storing any communication that is:

1. Discriminatory or harassing;
2. Derogatory to any individual or group;
3. Obscene, sexually explicit or pornographic;
4. Defamatory or threatening;
5. In violation of any license governing the use of software; or
6. Engaged in for any purpose that is illegal or contrary to *Running Free, Inc.* policy or business interests.
7. Connection of personal computer to employer's network without having the computer checked by Ellen Kaye, to insure no threatening viruses / programs infect the employer's network.

### SECTION THREE PERSONAL USE

The computers, electronic media and services provided *Running Free, Inc.* are primarily for business use to assist employees in the performance of their jobs. Limited, occasional, or incidental use of electronic media (sending or receiving) for personal, non-business purposes is understandable and acceptable, and all such use should be done in a manner that does not negatively affect the systems' use for their business purposes. However, employees are expected to demonstrate a sense of responsibility and not abuse this privilege. The employee's assigned RFI email account is not to be used for personal media.

### SECTION FOUR ACCESS TO EMPLOYEE COMMUNICATIONS

A. Generally, electronic information created and/or communicated by an employee using e-mail, word processing, utility programs, spreadsheets, voicemail, telephones, Internet and bulletin board system access, and similar electronic media is not reviewed by the company.

B. *Running Free, Inc.* reserves the right, at its discretion, to review any employee's electronic files and messages to the extent necessary to ensure electronic media and services are being used in compliance with the law, this policy and other company policies.

C. Employees should not assume electronic communications are completely private. Accordingly, if they have sensitive information to transmit, they should use other means.

### SECTION FIVE SOFTWARE

To prevent computer viruses from being transmitted through the company's computer system, unauthorized downloading of any unauthorized software is strictly prohibited. Only software registered through *Running Free, Inc.* may be downloaded. Employees should contact Ellen Kaye (the system administrator) if they have any questions.

### SECTION SIX SECURITY/APPROPRIATE USE

A. Employees must respect the confidentiality of other individuals' electronic communications. Except in cases in which explicit authorization has been granted by company management, employees are prohibited from engaging in, or attempting to engage in:

1. Monitoring or intercepting the files or electronic communications of other employees or third parties;
2. Hacking or obtaining access to systems or accounts they are not authorized to use;
3. Using other people's log-ins or passwords; and
4. Breaching, testing, or monitoring computer or network security measures.

B. No e-mail or other electronic communications can be sent that attempt to hide the identity of the sender or represent the sender as someone else.

C. Electronic media and services should not be used in a manner that is likely to cause network congestion or significantly hamper the ability of other people to access and use the system. Streaming media greatly slows down everyone's resources to the internet.

D. Anyone obtaining electronic access to other companies' or individuals' materials must respect all copyrights and cannot copy, retrieve, modify or forward copyrighted materials except as permitted by the copyright owner.

## SECTION SEVEN ENCRYPTION

Employees can use encryption software supplied to them by Ellen Kaye, the systems administrator, for purposes of safeguarding sensitive or confidential business information. Employees who use encryption on files stored on a company computer must provide their supervisor with a sealed hard copy record (to be retained in a secure location) of all of the passwords and/or encryption keys necessary to access the files.

## SECTION EIGHT PARTICIPATION IN ONLINE FORUMS

A. Employees should remember that any messages or information sent on company-provided facilities to one or more individuals via an electronic network—for example, Internet mailing lists, bulletin boards, and online services—are statements identifiable and attributable to *Running Free, Inc.*.

B. *Running Free, Inc.* recognizes that participation in some forums might be important to the performance of an employee's job. For instance, an employee might find the answer to a technical problem by consulting members of a news group devoted to the technical area.

## SECTION NINE VIOLATIONS

Any employee who abuses the privilege of their access to e-mail or the Internet in violation of this policy will be subject to corrective action, including possible termination of employment, legal action, and criminal liability.

**Notes:**

## **The Benefits Package- Salaried Employees Only**

In addition to receiving an equitable salary and having an equal opportunity for professional development and advancement, you may be eligible to enjoy other benefits that will enhance your job satisfaction. We are certain that you will agree that the benefits program described in this Manual represents a very large investment by Running Free, Inc., and we trust that you will avoid abusing any of the program's benefits.

A good benefits program is a solid investment in Running Free, Inc. and its employees. It not only insures the loyalty of long-time capable employees, it also helps to attract talented newcomers who can help Running Free, Inc. grow. Running Free, Inc. will periodically review the benefits program and will make modifications as appropriate to the company's condition.

### **Eligibility for Benefits**

If you are a salaried employee, you will enjoy all of the benefits described in this manual as soon as you meet the eligibility requirements for each particular benefit. If hourly, you will enjoy only those benefits which are required by law to be afforded to you, provided that you meet the minimum requirements set forth by law and in the benefit plan(s).

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

No benefits are available to you during your Introductory Period, except as otherwise provided by law.

Seasonal employees are not eligible for benefits.

**Note:** See "Introductory Period" in the "Employment" section of this Manual for further information.

## **Work Schedule for Salaried Employees Only**

The normal workweek varies considerably, depending on other employee's schedules and the needs of our seasonal business. Your schedule of daily work hours will be given to you by your manager, or posted on Thursday mornings prior to the Saturday workweek start. We will make every effort to adhere to schedules, but last minute changes may be necessary. You will be notified promptly whenever a change is necessary. All requests for specific days or times off must be done in writing no later than Tuesday of the preceding week and presented to the General Manager. These are only requests until you have received written confirmation for your specific times or days off.

Once a week's schedule is posted and a change needs to be made for personal reasons such as an unforeseen doctor's appointment, it is your responsibility to find a qualified co-worker to cover your shift. Once you have found someone able to cover your shift, you must obtain approval from the General Manager. The General Manager will then notify payroll of the schedule change.

### **Absence or Lateness**

From time to time, it may be necessary for you to be absent from work. Running Free, Inc. is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside your work hours may arise. Sick days have been provided for this. Flexible scheduling should handle other personal needs.

If you are unable to report to work, or if you will arrive late, please contact your manager immediately. Give him or her as much time as possible to arrange for someone else to cover your position until you arrive. Captains present a difficult problem when a last minute absence is necessary. Since we are required by the Coast Guard to have a captain on board a cruise, failure to notify us in time for a replacement is a serious offense and can cause the company to lose business and a good public image. If you know in advance that you will need to be absent, you are required to request this time off directly from your manager. He or she will determine when will be the most suitable time for you to be absent from your work.

When you call in to inform Running Free, Inc. of an unexpected absence or late arrival, please call your manager directly. If unable to reach your manager, you may phone our business office at 410-263-8619. However, please note that this office is only open Monday-Friday 9am – 5pm. For late arrivals, please indicate when you expect to arrive for work. If you are unable to call in yourself because of an illness, emergency or for some other reason, be sure to have someone call on your behalf.

# **Paid Leaves of Absence- Salaried Employees Only**

## **Sick Leave**

All full-time salaried employees accrue 2 sick days per 6 month period on both May 1 and November 1 each year. Sick days can be rolled over to the following 6-month period. Once you have used all of your earned sick days, any additional time off will be without pay.

Emergency situations that may arise which are beyond your control, preventing you from working, may be considered a "sick day".

It does not apply if sick leave is needed as a result of self-inflicted injury, illegal substance abuse or alcohol abuse, or illness or injury incurred while in the act of committing a felony.

In the event of an illness or injury covered by workers' compensation, this sick leave policy will not apply, but will defer to state statutes.

Sick days do not accumulate from year to year.

## **Holidays**

Only salaried employees are eligible for holiday pay.

You are not eligible to receive holiday pay during your Introductory Period. Nor are you eligible to receive holiday pay if you are an hourly employee.

## **Recognized Holidays**

Running Free, Inc. recognizes the following holidays as paid holidays. If these holidays fall on a weekend; Running Free, Inc. does not recognize the government observance of these holidays, however, the holiday itself will remain paid.

- Thanksgiving Day
- Friday following Thanksgiving Day
- Christmas Eve (1/2 day)
- Christmas Day
- New Year's Day

All other holidays such as Independence Day, Memorial Day, Labor Day and Veteran's Day are all workdays and are treated as normal days since these days generate a high degree of tourist income.

# **Salaried Employees Only**

## **Holiday Policies**

The company will make every effort not to schedule you to work during your religious holidays. You must notify your manager at least ten business days in advance, and receive approval from your manager. This time off is without pay.

## **Vacations**

Salaried employees can accrue up to a maximum of 20 vacation days per year. Vacation time will be granted on the first of November following the employees hire date. The number of days granted is dependent on the length of service. For example, employees beginning work in Feb. 2006 would accrue 15 days (for 9 months of service) on Nov. 1, 2006. One year later, on Nov. 1, 2007, this employee would be granted the full 20 days vacation. An employee that begins work on Nov. 1, 2006 would be granted 20 vacation days on Nov. 1, 2007. Vacation time is pro-rated at a rate of approx. 1.66 days per month. Due to the seasonal nature of our business, vacation time must be taken between Nov. 1<sup>st</sup> and before March 1<sup>st</sup>. A mandatory use of vacation days is between Christmas and New Years. These days are counted as part of the 20 days accrued. In the event the employee does not have any personal or vacation days remaining, it will be deducted from future days not yet accrued. Vacation time may not be rolled over to the following year. Since earned vacation days commence on Nov. 1<sup>st</sup> of each calendar year, vacation pay would not be paid to employees whose positions are terminated before their earned date of Nov. 1<sup>st</sup>.

All vacation days must be requested in advance and approved by your manager.

Hourly and temporary employees are not eligible for vacation time.

**Note:** Please also refer to “Business Closure and Emergency Circumstances” on pages 36 and 37 for more information with regards to the Vacation Policy.

## **Unpaid Leave of Absence**

Occasionally, for medical, personal, or other reasons, you may need to be temporarily released from the duties of your job with Running Free, Inc., but may not wish to submit your resignation. Under certain circumstances, you may be eligible for an unpaid leave of absence. Please discuss this with your manager or the President or Vice President.



# **Salaried Employees Only**

## **Personal Leave of Absence**

In very special circumstances, Running Free, Inc. may grant a leave for a personal reason, but never for taking employment elsewhere or going into business for yourself. You should request an unpaid personal leave of absence from your manager. A personal leave of absence must not interfere with the operations of your department or Running Free, Inc. Your manager will submit your request to the appropriate member of management for final approval.

A personal leave of absence may be granted for up to thirty (30) days. Consult your group insurance booklet to determine your insurance coverage during a leave of absence. Failure to return from a leave at the time agreed will result in termination of employment.

**Note:** See "Returning From a Leave of Absence" later on in this section for further information.

## **Accepting Other Employment or Going In to Business While on Leave of Absence**

If you accept any employment or go into business while on a leave of absence from Running Free, Inc., you will be considered to have voluntarily resigned from employment with Running Free, Inc. as of the day on which you began your leave of absence.

## **Insurance Premium Payment While on Leave of Absence**

While you are on any type of unpaid leave of absence from Running Free, Inc., you will be responsible for paying the total premiums for your coverage and that of your dependents while on leave. Failure to do so may result in loss of coverage and possible refusal by the insurance carrier to allow your coverage to be reinstated.

# **Insurance Coverage - Salaried Employees Only**

## **Group Insurance**

Running Free, Inc. is interested in the health and well being of both you and your family. A comprehensive health insurance program is available for you and your family. We provide group insurance underwritten by a national insurance carrier. After completion of 30 days, you become eligible for coverage. At that time, you may choose to accept the insurance coverage, or not.

The following benefits are provided, as defined and limited in the literature provided by our insurance company:

- Major Medical and Surgical Coverage
- Medical Health Care Coverage including Health Savings Account

If you choose insurance coverage, our insurance company provides a booklet describing your benefits; a copy of this will be given to you when you join the program. Running Free, Inc. will pay for the full cost of this program for salaried employees. We pay 100% of the premiums for insurance coverage on you but do not provide for insurance coverage of your eligible dependents, the balance of which is deducted from your paycheck by payroll deduction if so elected.

In the event of your termination of employment with Running Free, Inc. or loss of eligibility to remain covered under our group health insurance program, you and your eligible dependents may have the right to continue coverage under our health insurance program for a limited period of time at your or their own expense. (This does not affect the conversion privilege as stated in the insurance policy.) Consult HR for details.

## **Health Insurance**

Today's many health insurance plans and options can be confusing and complicated. That is why Running Free, Inc. has taken the time to carefully review the coverage and plans available. We have selected the plan we feel provides the best coverage for our employees. Refer to the literature provided by our insurance company for details on your health/dental coverage.

## **Termination of Insurance**

Your insurance will terminate at the end of the month in which the insurance policy terminates, when you fail to make an agreed contribution to premium when due, when you cease to be eligible for coverage under the terms of our group insurance program, or when you cease to be employed as a regular full-time salaried employee eligible for the insurance. Running Free, Inc. may, by continuing to pay the premium, keep your insurance in effect for a brief period if you cease to be an eligible employee for any reason other than resignation, dismissal, or failure to meet the terms of eligibility of our group insurance program.

# **Retirement Plan**

## **Simple IRA Plan**

Running Free, Inc. understands your need and desire to save for your future. A Simple Individual Retirement Account is available through SunTrust Investment Services, Inc. to qualified employees.

To be eligible, you must earn at least \$5,000 during any two preceding years and can reasonably expect to earn at least \$5,000 in the current year.

If you elect to contribute to the Simple IRA Plan, an account needs to be established prior to making any contributions. Please contact Human Resources for further details, including contact information to establish a Simple IRA.

Once you have enrolled in the Simple IRA Plan, you may contribute pre-tax dollars to the account up to a maximum of \$11,500 (for 2012). Running Free, Inc. will match deferrals dollar-for-dollar up to 2% of the employee's compensation for all eligible employees.

Catch-up contributions up to \$2,500 (for 2012) above the cap may be made by participants age 50 or older.

Running Free, Inc. will make the employer contribution no later than May 1 based on the employee's earnings from the previous calendar year.

# **Receipt & Acknowledgement of Running Free, Inc. Employee Manual**

This Employee Manual is an important document intended to help you become acquainted with Running Free, Inc.. This Manual will serve as a guide; it is not the final word in all cases. Individual circumstances may call for individual attention.

Because the general business atmosphere of Running Free, Inc. and economic conditions are always changing, the contents of this Manual may be changed at any time at the discretion of Running Free, Inc. No changes in any benefit, policy or rule will be made without due consideration of the mutual advantages, disadvantages, benefits and responsibilities such changes will have on you as an employee and on Running Free, Inc.

Please read the following statements and sign below to indicate your receipt and acknowledgement of the Running Free, Inc. Employee Manual.

- I have received and read a copy of the Running Free, Inc. Employee Manual. I understand that the policies, rules and benefits described in it are subject to change at the sole discretion of Running Free, Inc. at any time. I understand that this manual replaces (supersedes) all other previous manuals for Running Free, Inc. as of April 2012.
- I further understand that my employment is terminable at will, either by myself or Running Free, Inc., regardless of the length of my employment or the granting of benefits of any kind, including but not limited to profit sharing benefits which provide for vesting based upon length of employment.
- I understand that no contract of employment other than "at will" has been expressed or implied, and that no circumstances arising out of my employment will alter my "at will" employment relationship unless expressed in writing, with the understanding specifically set forth and signed by myself and the President of Running Free, Inc.
- I am aware that during the course of my employment confidential information will be made available to me, i.e., product designs, marketing strategies, customer lists, pricing policies and other related information. I understand that this information is critical to the success of Running Free, Inc. and must not be given out or used outside of Running Free, Inc.'s premises or with non-Running Free, Inc. employees. In the event of termination of employment, whether voluntary or involuntary, I hereby agree not to utilize or exploit this information with any other individual or company.
- I understand that, should the content be changed in any way, Running Free, Inc. may require an additional signature from me to indicate that I am aware of and understand any new policies.
- I understand that my signature below indicates that I have read and understand the above statements and have received a copy of the Running Free, Inc. Employee Manual.

- I have read, understand, and agree to comply with the foregoing policies, rules, and conditions governing the use of the Company's computer and telecommunications equipment and services. I understand that I have no expectation of privacy when I use any of the telecommunication equipment or services. I am aware that violations of this guideline on appropriate use of the e-mail and Internet systems may subject me to disciplinary action, including termination from employment, legal action and criminal liability. I further understand that my use of the e-mail and Internet may reflect on the image of *Running Free, Inc.* to our customers, competitors and suppliers and that I have responsibility to maintain a positive representation of the company. Furthermore, I understand that this policy can be amended at any time.

---

Employee's Printed Name

---

Position

---

Employee's Signature

---

Date

---

Manager's Signature

---

Date

The signed original copy of this agreement should be given to your manager -- it will be filed in your personnel file.