Employee Handbook

Hansen’s Farm Fresh Dairy Outlet
and Moo Roo retail stores

Divisions of Hansen’s Farm Fresh Dairy

Revised August 2010
PREFACE

The information in this handbook describes many of your responsibilities as an employee and outlines the programs developed by Hansen’s Farm Fresh Dairy to benefit employees.

The following policies are designed to acquaint you with Hansen’s Farm Fresh Dairy and provide you with information about working conditions and the policies affecting your employment. It does not, however, create a contract of employment. You should read, understand and comply with all provisions.

All employment benefits cease immediately upon termination of employment, unless specifically stated otherwise.

THE INFORMATION LISTED HERE DOES NOT CREATE A CONTRACT OF EMPLOYMENT. EMPLOYMENT AT HANSEN’S FARM FRESH DAIRY IS "AT WILL" AND THERE IS NO SPECIFIED LENGTH OF EMPLOYMENT. AS AN AT-WILL EMPLOYEE, EITHER YOU OR HANSEN’S FARM FRESH DAIRY CAN TERMINATE THE EMPLOYMENT RELATIONSHIP AT WILL, WITH OR WITHOUT CAUSE, WITH OR WITHOUT NOTICE.

No employee policy can anticipate every circumstance or question. Hansen’s Farm Fresh Dairy reserves the right to revise, supplement, suspend or rescind any policy from time to time as it deems appropriate, at its sole and absolute discretion. You will receive notice of any such changes, but you may not receive notice in advance of the change.

To the extent that any provision in this handbook conflicts with any provisions of law, they shall be deemed modified, but only to the extent necessary so that they will comply with the applicable provisions of statutes, state or federal, now in affect or passed in the future.
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EXPECTATIONS OF EMPLOYEES

Customer Service
Excellent customer service is essential to the operation of our retail stores. It is important for employees to treat customers to a pleasant experience to retain their patronage. Employees must show they are happy to be working for Hansen’s Farm Fresh Dairy and happy to serve our customers. This means smiling, looking customers in the eye and saying “thank you” after customers make a purchase. Employees are expected to be accurate, polite and enthusiastic during sales. They should become knowledgeable about our products and may dispense recommendations and samples as needed. All employees should show respect for customers, colleagues and management.

Duties
All employees will be responsible for serving ice cream and handling money at the retail counter. Employees also will be responsible for general cleaning in the store, including floors, tables, windows, doors, countertops and the bathroom. Managers and/or assistant managers will be responsible for interviewing employees, training employees, tracking inventory, scheduling shifts and opening and closing the store.

Sanitary practices
All employees must follow sanitary practices. Please follow these procedures:

• Come to work clean and use good hygiene.
• Keep hands away from your face, hair and other contaminated areas.
• Use the handwashing sink with paper towels while in the serving area.
• Wash hands after using the restroom.
• Keep clothing as clean as possible.
• Do not come to work if you are ill.
• Wear hairnet when using dip cabinet.

Dress Code
All Moo-Roo employees are expected to wear Moo-Roo shirts, visors, nametags and khaki pants. Outlet employees must wear Hansen’s Farm Fresh Dairy shirts. Company shirts are to be laundered by employee and kept neat in appearance. Please keep in mind that as an employee, you are a representative of this company and an important part of your job is aiding in the development and maintenance of a favorable public attitude toward Hansen’s Farm Fresh Dairy.

Attendance and Punctuality
You have an important role at Hansen’s Farm Fresh Dairy. Attendance and punctuality are essential. Hansen’s Farm Fresh Dairy pays you for the time you work. It is important that you understand your schedule, what is considered work time and how your work is tracked. The weekly schedule will be completed Wednesday for the upcoming week.

Unscheduled Absences
If you are unable to report to work at your scheduled time, you must contact your supervisor as soon as possible to inform him or her of when you will arrive. Hansen’s Farm Fresh Dairy recognizes that there may be times when you are unable to work because of illness or personal emergency. If this happens, you must find a replacement and notify your manager. The replacement also needs to notify the manager.
Careful record of absences will be kept and will influence performance appraisals to the extent permitted by law. If you are absent for three or more days due to an illness or injury, you may be required to obtain a physician's statement to return to work.

**Discipline**

Unscheduled absences place an unfair burden on co-workers and should be avoided. In addition, there may be a time you need a reference from Hansen’s Farm Fresh Dairy, and it would be essential to leave a favorable impression.

Unscheduled absences, including late arrivals and early departures, will result in discipline, up to and including discharge. Any employee who is absent for three working days without notification is deemed to have resigned voluntarily.

Employees will receive warnings for the first two unscheduled absences. The employee and supervisor will discuss the incident(s) and sign a written notice of the warning that will be kept in the personnel files. On the third offense, the employee will be discharged.

**Personal Conduct**

The orderly and efficient operation of Hansen’s Farm Fresh Dairy requires that employees maintain discipline and proper personal standards of conduct at all times. We believe that there is not an effective method of pre-determining the seriousness or effect of any one violation, nor can we make an exhaustive list of all possible violations. Conduct that we find unacceptable in the workplace includes, but is not limited to:

- Physical violence in the workplace
- Fighting
- Insubordination
- Theft
- Falsification of time records
- Reporting to work under the influence of drugs or alcohol
- Threatening co-workers

Although some violations may be more severe than others, repeated violations, or a combination of violations, may result in disciplinary action, up to and including termination of employment. Hansen’s Farm Fresh Dairy, in its sole discretion, will determine the appropriate measure of discipline of its employees.

A supervisor will make a written memo or report of the facts leading up to discipline. A copy of this memo or report will be read and signed by the employee, indicating receipt of report, and placed in the employee's personnel file.

Possible disciplinary actions include, but are not limited to:

- **Oral Warning**
  When an infraction of a work rule occurs, a supervisor may visit with the employee about the incident. An oral warning alerts the employee that the behavior is unacceptable and gives the employee an opportunity to show improvement. Keep in mind that Hansen’s Farm Fresh Dairy may consider the infraction to be of such severity that immediate termination of employment will occur.
• Written Warning
A written warning may occur when Hansen’s Farm Fresh Dairy considers the infraction too severe for an oral warning. A written warning also may occur when the employee has already been warned orally for the offense, but has failed to show acceptable improvement.

• Discharge
Hansen’s Farm Fresh Dairy may discharge an employee for any reason, including unacceptable work performance or misconduct. If action must be taken due to poor work performance, the employee will generally be notified of such problems so the employee has an opportunity to improve performance. If the employee's work remains unsatisfactory, then the employee will be discharged.

In instances of a severe disciplinary problem (such as fighting, intoxication on the job, or gross insubordination), the employee may be asked to leave the premises immediately.

NOTHING IN THIS POLICY IS INTENDED TO LIMIT IN ANY WAY HANSEN’S FARM FRESH DAIRY’S OR AN EMPLOYEE’S RIGHT TO TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT ADVANCE NOTICE.

Alcohol and Drug Use
Employees are prohibited from reporting to work or operating a company motor vehicle or equipment while under the influence of alcohol, illegal drugs, narcotics, substances or chemicals not medically prescribed.

Using, possessing, having in one's bodily system, distributing, selling or being under the influence of controlled substances, unauthorized drugs or narcotics while on Moo-Roo property or during work time will result in disciplinary action, up to and including immediate dismissal.

Employees should use prescribed medication in strict accordance with the physician's prescription. If the prescribed medication causes drowsiness or otherwise impairs the employee's ability to operate a vehicle or perform assigned duties, the employee must notify his or her supervisor immediately.

Solicitation and Distribution of Materials
In the interest of efficiency and safety, employees of Hansen’s Farm Fresh Dairy are prohibited from engaging in solicitation of any kind during working time. Employees are also prohibited from engaging in the distribution of nonbusiness materials of any kind during working time in work areas.

TIMEKEEPING AND COMPENSATION
Work Hours
During summer, Moo-Roo is open 8 a.m. to 10 p.m. Monday through Saturday and noon to 10 p.m. Sunday. During winter, Moo Roo closes at 9 p.m. every day. Hansen’s Farm Fresh Dairy Outlet is open year-round from 8 a.m. to 9 p.m. Monday through Saturday and noon to 9 p.m. Sunday. You will be informed of the hours you are expected to be at work. Your supervisor will also inform you of scheduled breaks, if any. You may take a restroom break at any time.

No employees will receive paid vacation. Moo-Roo and the Outlet will be closed on Easter, Thanksgiving Day, Christmas Day and New Year’s Day.
Employees must also keep an accurate account of the total hours worked each day on the 2-week time slip furnished by your supervisor. Time slips must be completed weekly, signed by you and turned in every two weeks to your supervisor for approval.

Employees should begin and end work at the designated time and record only your own hours. Recording the time for another employee is strictly prohibited. Falsification of time records, which includes padding hours or not reporting all hours worked, is unacceptable conduct and will result in discipline, up to and including termination of employment. Mistakes in time records should be reported promptly to your supervisor. Employees should record their mileage on their timecard if their car is used to make special trips to Moo Roo, Outlet or the farm not en route to and from work.

**Benefits**

Employees who are working 30 hours or more per week and can be considered the head or co-head of their household will be entitled to free Hansen’s milk for their household.

Minimum-wage employees are eligible for a 50-cent raise every time they accrue 500 hours. Wages peak at $8 at the Outlet and $9 at Moo-Roo. Employees are allowed to enjoy ice cream while working, provided they do not consume it while working at the retail counter. Slow times are considered breaks.

All employees will be paid a profit share based on this formula: Gross sales ÷ variable expenses = base. The base at Moo Roo and the Outlet has been determined to be 5. The payout is $10 for each .01 point above 5. Employees are paid pro-rated on hours worked annually (minimum 500 hours).

Designated assistant managers will be determined by hours of service. When two assistant managers are scheduled, the one with the most hours is considered assistant manager.

**Payroll Information**

It is Hansen’s Farm Fresh Dairy’s goal to maintain compensation for our employees at levels that attract and retain qualified people who can and will contribute effectively to the attainment of company objectives. Hansen’s Farm Fresh Dairy competes for personnel with other employers locally, and survey data comparisons are made accordingly.

Hansen’s Farm Fresh Dairy will make all statutory payroll deductions in compliance with federal and state laws and will make elective payroll deductions only with your written consent.

All payroll deductions will be made in accordance with written company policies. We will not make unlawful deductions, or deductions that are not outlined in company policies, and we will not violate minimum wage law.

**Pay Days**

Employees will be paid on Wednesday, every other week. If one of those days is a legal holiday, your check or check stub will be distributed on the previous day.

**Payroll Deductions**

With each check there is a detachable stub that shows total pay credited to you and the various deductions. As required by law, the following taxes are deducted from your pay to the extent applicable:
Income Tax
When you join Hansen’s Farm Fresh Dairy, you are given IRS Form W-4, Employee's Withholding Allowance Certificate, for federal income tax withholding. You designate your standard deduction according to marital status, and the number of allowances you wish to claim. Use the worksheet on the form to estimate your individual tax liability. If we do not receive a properly completed Form W-4, we must assume your status to be single with no withholding allowances.

Please note that if you claim exemption from withholding, this does not excuse your tax liability, and you will be responsible for payment of any federal income tax due when you file your annual tax return. You are also required to complete a state withholding form.

Social Security and Medicare
The Federal Insurance Contributions Act (FICA) requires that both employers and employees pay taxes that fund Social Security and Medicare.

W-2 Information
Each year, Hansen’s Farm Fresh Dairy is required to compile information regarding your earnings and withholdings for tax purposes. The information is reported on a W-2 Form (Wage and Tax Statement). Both forms must be issued by Hansen’s Farm Fresh Dairy on or before Jan. 31 of the year following the year for which earnings are being reported. The information is also provided to the Internal Revenue Service.

You or your tax preparer will use the information on the W-2 Form (for payroll earnings of employees of Hansen’s Farm Fresh Dairy) or Form 1099 (for payments made to Independent Contractors) to compute your federal and/or state income taxes. A copy of the form(s) must be attached to your tax return when it is filed.

W-4 Information
Each employee is responsible for determining the proper number of allowances to claim for federal income tax withholding based on individual circumstances. You should consult your tax advisor for more detailed information or advice.

The IRS W-4 Form must be completed and signed and turned in to your supervisor before you receive your first paycheck (or at any time during the calendar year if you wish to make changes to your withholding status).

Requesting Time Off
You must inform your supervisors that you need family or medical leave and when you expect to be absent. For an anticipated leave, you must give at least 14 days notice in writing to your supervisor. If you cannot foresee the need for leave 14 days in advance, you must give as much notice as you can. This generally means notifying Hansen’s Farm Fresh Dairy within one or two workdays of the time you first learn of the need for leave, unless extenuating circumstances exist. If you are unable to request leave due to your own serious health condition, another family member or responsible party will need to give notification.

Terminating Employment
Should you leave Hansen’s Farm Fresh Dairy, you should be aware of the following guidelines to ensure that your separation is as smooth as possible. Although not required, we ask that you give at least two
weeks notice. Your notice should be in writing, indicating the reasons for leaving and the termination date. This process gives us time to begin searching for your replacement and minimizes the workload on your co-workers.

ANTI-DISCRIMINATION AND ANTI-HARASSMENT

Equal Opportunity Employer

It is our policy to provide equal opportunity to all qualified persons seeking and continuing employment with Hansen’s Farm Fresh Dairy. We comply with all federal and state employment opportunity laws and do not discriminate in our employment and personnel practices against any person on the basis of race, color, creed, religion, national origin, sex, age, disability, marital status, sexual orientation or as otherwise provided by law.

Anti-Harassment

Hansen’s Farm Fresh Dairy is committed to a work environment that promotes equal employment opportunities and is free from discrimination and harassment. Discrimination on the basis of race, color, religion, sex, age, disability, marital status, national origin or any other characteristic protected by law is unacceptable and will not be tolerated. Harassment based on race, color, religion, sex, age, disability, marital status, national origin or any other characteristic protected by law constitutes discrimination and is also prohibited by this policy.

Under this policy, harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, sex, national origin, age, disability, marital status, citizenship or any other characteristic protected by law, and that: (a) has the purpose or effect of creating an intimidating, hostile or offensive work environment; or (b) has the purpose or effect of unreasonably interfering with an individual's work performance; or (c) otherwise adversely impacts an individual's employment opportunities.

Harassing conduct includes, but is not limited to, epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes and written or graphic material that denigrates or shows hostility or aversion toward an individual or group and that is placed on walls or elsewhere on the employer's premises or circulated in the workplace.

This policy applies to all applicants and employees, whether related to conduct engaged in by fellow employees or someone not directly connected to Hansen’s Farm Fresh Dairy such as an outside vendor, consultant or customer.

Conduct prohibited by this policy is unacceptable in the workplace and in any work-related setting outside the workplace.

Hansen’s Farm Fresh Dairy encourages reporting of all perceived incidents of harassment or discrimination, regardless of the offender's identity or position. Any employee who believes that he or she is being harassed or discriminated against must promptly take the following steps:

1) Politely, but firmly, confront the offender and advise the offender that his or her behavior is unwelcome and request that it stop. We recognize that you may prefer not to address the offender directly and in such a case, you should proceed to the step outlined below.
2) If the offensive behavior continues or if you are uncomfortable talking to the person directly, talk to your supervisor.

All complaints will be investigated promptly. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge.

Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action. Acts of retaliation should be reported immediately and will be promptly investigated and addressed.

Misconduct constituting harassment or retaliation will be dealt with appropriately.

**Sexual Harassment**

Hansen’s Farm Fresh Dairy is committed to a work environment that promotes equal employment opportunities and is free from discrimination and harassment. Sexual harassment constitutes discrimination and is strictly prohibited by Hansen’s Farm Fresh Dairy. For purposes of this policy, sexual harassment is defined, as in The Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; or
2. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
3. Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or opposite gender. Depending on the circumstances, these behaviors may include, but are not limited to: unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess, or sexual deficiencies; leering, whistling, or touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal or visual conduct of a sexual nature.

This policy applies to all applicants and employees, whether related to conduct engaged in by fellow employees or someone not directly connected to Moo-Roo such as an outside vendor, consultant or customer.

Conduct prohibited by this policy is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings, and business-related social events.
Hansen’s Farm Fresh Dairy encourages reporting of all perceived incidents of sexual harassment, regardless of the offender's identity or position. Any employee who believes that he or she is being sexually harassed must promptly take the following steps:

1) Politely, but firmly, confront the offender and advise the offender that his or her behavior is unwelcome and request that it stop. We recognize that you may prefer not to address the offender directly and in such a case, you should proceed to the step outlined below.

2) If the offensive behavior continues or if you are uncomfortable talking to the person directly, talk to your supervisor, department manager, human resources representative, enterprise operating executive or operating vice president.

All complaints will be investigated promptly. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge.

Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Retaliation against an individual for reporting sexual harassment or for participating in an investigation of a claim of sexual harassment is a serious violation of this policy and, like harassment itself, will be subject to disciplinary action. Acts of retaliation should be reported immediately and will be promptly investigated and addressed.

Misconduct constituting sexual harassment or retaliation will be dealt with appropriately. Responsive action may include, for example, training, referral to counseling and/or disciplinary action such as warning, reprimand, suspension or termination as Hansen’s Farm Fresh Dairy believes appropriate under the circumstances.

**WORKPLACE SAFETY**

We are committed to ensuring that all safety and health policies and procedures involving workplace security are clearly communicated, understood and followed by all employees. Employees are responsible for using safe work practices, for following all directives, policies and procedures and for assisting in maintaining a safe and secure workplace. These include but are not limited to:

1) No weapons are to be brought into the workplace. Weapons are defined as firearms, knives with blades of 2 inches in length or more, explosives, chemical agents or other such devices that may be used as a weapon.

2) No employee shall threaten mental or physical harm to others.

3) All employees are required to report any and all threats and/or acts of violence to their supervisor. All employees are responsible for cooperating in the investigation of threats and/or acts of violence in our workplace.

4) All employees are responsible for reporting any breach of security in our workplace, and making recommendations for improved security.

5) All employees are held accountable for not breaching security measures or bypassing security devices within our workplace.

6) All emergency escape routes are to be maintained free of encumbrances.

Our workplace is defined as all owned or leased buildings, parking lot(s), use of company owned or leased vehicles or use of the employee's vehicles on company business. The definition is extended to
include business conducted at all customers’ or business associates’ properties and the course of community activities as a representative for Hansen’s Farm Fresh Dairy.

**Accidents and Injuries**
We must all work to improve workplace safety and prevent accidents. When an accident does happen, the injured person should be treated as quickly and competently as possible. There are first aid boxes in the building and you should know where to find the one nearest your work area. If more than first aid is needed, the injured person should be taken to a hospital. Call 911 in the case of severe injuries or unconsciousness. The injured person should not be moved until competent medical advice is obtained. In the case of a minor injury not requiring emergency attention, you may arrange to see a physician at your personal discretion.

Employees must report an injury to their immediate supervisor, preferably in writing, as soon as reasonably possible and in all events within 24 hours of the accident or injury. The supervisor should obtain all the necessary information for workers' compensation and OSHA records. This information should be given to the human resources representative as soon as possible.

**Fire Procedures**
Employees must be extremely conscious of the hazards of fires in work areas. Our building is equipped with hand-held fire extinguishers.

If you discover a fire, dial 911. Notify your co-workers of the danger and leave the building. Do not be bashful about calling 911, even if you only think you smell smoke. It is preferable that the fire department be called for what turns out to be a false alarm than to take a chance. Above all, do not risk your personal safety.

You should familiarize yourself with the locations of fire extinguishers and building exits. Your supervisor should instruct you as to the appropriate evacuation area to go to if a fire alarm sounds. Employees should proceed to the appropriate area to await instructions. Do not leave the area until management has accounted for all employees.

**Security**
You should use common sense to safeguard yourself and your personal belongings.

- Do not bring valuables to work.
- Report any missing items to your supervisor at once.

Home phone numbers of other employees should never be given to people outside the company. In the case of an emergency, call the employee at home yourself and relay the message instead of giving it to a nonemployee.

**Smoke-Free Environment**
Our facility has been designated as a smoke-free building. Smoking, therefore, is prohibited in all areas inside the building. Your assistance in maintaining a smoke-free environment inside the building is appreciated.

Smokers need to use their regular breaks and proceed to an area behind the building, using the appropriate ash receptacles.
HANDBOOK ACKNOWLEDGMENT

I hereby acknowledge I have received a copy of Hansen’s Farm Fresh Dairy Employee Handbook. I understand that the policies and procedures set forth in the handbook are not an express or implied contractual guarantee regarding my employment relationship with Hansen’s Farm Fresh Dairy, nor do they represent contractual terms of employment. I understand that it is my responsibility to carefully review the employee handbook and ask my supervisor about any of the material that is unclear to me. I also understand that Hansen’s Farm Fresh Dairy, at its option, may change, delete, suspend or discontinue any part or parts of this handbook at any time without advance notice.

This handbook is applicable to all employees. No one other than enterprise operating executive or operating vice president may alter or modify any of the policies in the handbook.

Any future revisions of the handbook will replace the prior versions of the handbook.

I have read this acknowledgement. I further understand and agree that my employment relationship is for no definite duration and my employment may be terminated at any time and at the option of either Hansen’s Farm Fresh Dairy or myself as either of us find necessary or appropriate.

_________________________________________
Employee Name (Please print)

_________________________________________
Signature of Employee

_________________________________________
Date