

POLICIES:

Purpose of this Handbook

This handbook has been prepared to inform new and existing employees of the policies and procedures of this company and to establish Apple Annie's expectations. It is not all-inclusive or intended to provide strict interpretations of our policies; rather it offers an overview of the work environment. This handbook is not a contract, expressed or implied, guarantying employment for any length of time and is not intended to induce an employee to accept employment with the Apple Annie's.

Apple Annie's reserves the right to unilaterally revise, suspend, revoke, terminate, or change any of its policies, in whole or in part, whether described within this handbook or elsewhere, in its sole discretion. This handbook supersedes and replaces all personnel policies and manuals previously distributed, made available or applicable to employees.

At-Will Employment

Employment at Apple Annie's is at-will. An at-will employment relationship can be terminated at any time, with or without reason or notice by either the employer or the employee.

Equal Opportunity Employment

Apple Annie's is an equal opportunity employer and does not unlawfully discriminate against employees or applicants for employment on the basis of an individual's race, color, religion, creed, sex, national origin, age, disability, marital status, veteran status, or any other status protected by applicable law. This policy applies to all terms, conditions and privileges of employment, including recruitment, hiring, placement, compensation, promotion, discipline and termination. Whenever possible, Apple Annie's makes reasonable accommodations for qualified individuals with disabilities to the extent required by law.

Personnel File

Apple Annie's maintains a personnel file on each employee. These files are kept confidential and protected. Employees are expected to inform the company of any change in name, address, home phone number, home address, and marital status, number of dependents or emergency contact information.

Non-Harassment Policy/ Non-Discrimination Policy

Apple Annie's prohibits discrimination or harassment based on race, color, religion, creed, sex, national origin, age, disability, marital status, veteran status or any other status protected by applicable law.

Harassing conduct includes, but is not limited to: epithets; slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes and display or circulation in the workplace of written or graphic material that denigrates or shows hostility or aversion toward an individual or group based on their protected characteristic.

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors and other verbal, visual or physical conduct of sexual nature. Examples of sexual harassment include: unwelcome or unsolicited sexual advances; displaying sexually suggestive material; unwelcome sexual flirtations, advances or propositions; suggestive comments; verbal abuse of a sexual nature; sexually oriented jokes; crude or vulgar language or gestures; graphic or verbal commentaries about an individual's body; display or distribution of obscene materials; physical contact such as patting other than on the shoulder or back, pinching or intentional brushing against somebody's body; or physical assault of a sexual nature.

Reporting:

Any Apple Annie's employee, who feels that he or she has been harassed or discriminated against, should bring that matter to the attention of his or her supervisor or John and/or Anne Holcomb. An investigation and its results will be treated as confidential to the extent feasible, and Apple Annie's will take appropriate action based on the

outcome of the investigation. No employee will be retaliated against for making a complaint in good faith regarding violation of these policies, or for participating in good faith in an investigation pursuant to these policies.

Insubordination

Supervisors and employees should interact with mutual respect and common courtesy. Employees are expected to take instruction from supervisors or other persons of authority. Failure to comply with instructions or unreasonably delaying compliance is considered insubordination.

Grounds for Disciplinary Action

Apple Annie's reserves the right to discipline and/or terminate any employee who violates company policies, practices or rules of conduct. Poor performance and misconduct are also grounds for discipline or termination.

The following actions are unacceptable and considered grounds for disciplinary action. This list is not comprehensive; rather, it is meant merely as an example of the types of conduct that Apple Annie's does not tolerate. These actions include, but are not limited to:

- Engaging in acts of discrimination or harassment in the workplace;
- Possessing, distributing or being under the influence of illicit controlled substances;
- Being under the influence of a controlled substance or alcohol at work, on company premises, or while engaged in company business;
- Unauthorized use of company property, equipment, devices or assets;
- Removing company property without prior authorization or disseminating company information without authorization;
- Insubordination or refusal to comply with directives;
- Failing to adequately perform job responsibilities;
- Excessive or unexcused absenteeism or tardiness;
- Disclosing confidential or proprietary company information without permission;
- Disclosing confidential or proprietary sales information;
- Illegal or violent activity;
- Disregard for safety and security procedures;
- Disparaging or disrespecting supervisors and/or coworkers; and
- Any other action or conduct that is inconsistent with company policies, procedures, standards or expectations.

This list exhibits the types, actions, or events that are subject to disciplinary action. It is not intended to indicate every act that could lead to disciplinary action. Apple Annie's reserves the right to determine the severity and extent of any disciplinary action based on the circumstance of each case.

Workplace Safety

Apple Annie's takes every reasonable precaution to ensure that employees have a safe working environment. Safety measures and rules are in place for the protection of all employees. Employees should use all safety and protective equipment provided to them, and maintain work areas in a safe and orderly manner, free from hazardous conditions.

In the event of an accident, employees must notify a supervisor or manager immediately. Report every injury, regardless of how minor. Employees should recognize any potential fire hazards and be aware of fire escape routes. Do not block exits, tamper with fire extinguishers or otherwise incite fire hazards.

Emergency Procedures

In the event of an emergency, dial 911 immediately.

Worker's Compensation

As required by law, Apple Annie's provides workers' compensation benefits for the protection of employees with work related injuries or illnesses.

Workers' compensation insurance provides coverage to employees who receive job related injuries illnesses. If an employee is injured or becomes ill because of his or her job, it is the employee's responsibility to immediately notify a supervisor or manager of their injury in order to receive benefits. Apple Annie's will advise the employee of the procedure for submitting a workers' compensation claim. If necessary, injured employees will be referred to a medical care facility. Failure to report a work-related illness or injury promptly could result in denial of benefits. An employee's report should contain as many details as possible, including date, time, description of the illness to injury, and the names of any witnesses.

A separate insurance company administers the workers' compensation insurance. Representatives of this company may contact injured employees regarding their benefits under the plan. Additional information regarding workers' compensation is available from Anne Holcomb.

Acknowledgement of Understanding

I acknowledge that I have received a copy of the Apple Annie's Employee Handbook dated July 1, 2010. I understand that this handbook replaces any and all prior verbal and written communications regarding Apple Annie's working conditions, policies, procedures, appeal processes, and benefits.

I understand that the working conditions, policies, procedures, appeal processes, and benefits described in this handbook are confidential and may not be distributed in any way nor discussed with anyone who is not an employee of Apple Annie's.

I have read and understand the contents of this handbook and will act in accord with these policies and procedures as a condition of my employment with Apple Annie's.

I have read and understand the Standards of Conduct expected by Apple Annie's and I agree to act in accord with the Standards of Conduct as a condition of my employment by Apple Annie's.

I understand that if I have questions or concerns at any time about the handbook or the Standards of Conduct, I will consult my immediate supervisor.

I also acknowledge that the handbook contains an employment-at-will provision that states:

Either Apple Annie's or I can terminate my employment relationship at any time, with or without cause, and with or without notice;

That this employment-at-will relationship is in effect regardless of any other written statements or policies contained in this handbook, in any other Apple Annie's documents, or in any verbal statements to the contrary; and

That no one except the Owners can enter into any differing employment relationship, contract, or agreement. To be enforceable, any such out-of-the-ordinary relationship, contract, or agreement must be in writing, signed by the Owners, notarized, and in the employee file.

Please read this Handbook and these employee Standards of Conduct carefully to understand these conditions of employment before you sign this document.

I have read this handbook in its entirety and agree to follow the guidelines in it.

Printed Name

Signature

Signature of parent if employee is under the age of 18