WE ARE PERPETUAL ADVENTURERS.

The outdoors inspires and challenges us. Our people are bursting with energy and drive. We traverse insane terrain. Scale alpine peaks. Raft raging waters. And we bring that same energy to climb higher and push harder to the work we do for our clients and their brands.
Welcome to One of the
Best Places to Work in America!

Hello and welcome to Spawn Ideas where we’re fortunate to be both on Outside Magazine’s “100 Best Places to Work in America” and one of 75 of the “Best Places to Work for Millennials” in the U.S. The benefits of working here are real and purposefully created to help recruit and retain people like you and the rest of our talented staff. We want you to love working at Spawn.

So what makes our agency a great place to work?

Our culture, which we call co-created. Our enterprising staff have co-created our values, the systems that serve our team and clients efficiently, and benefits that contribute to our status as an independent Alaska-and Colorado-based agency with a love for the outdoors.

We’re employee-owned. Spawn is an an Employee Stock Ownership Plan (ESOP) and staff who have been with us more than a year own stock in the agency. This “skin in the game” and the long-term financial benefit it offers, keep our people loyal and engaged in the work of our clients which, of course, leads to the financial health of our company and everyone in it.

Our values and brand are the promise of the experience that our Spawn Ideas staff live and breathe every day. See page 3 for more information on how we see ourselves and what we believe makes our internal relationships great.

Our family friendly workplaces and commitment to work/life balance in an industry that is deadline-oriented, customer-facing and sometimes demands more of us than an 8 – 5 workday. During those times, which we hope are rare, we recognize and appreciate the hard work, teamwork, flexibility and commitment that reaps the reward of Spawn being a respected, high performing and ever-changing agency.

As you get to know us, I hope your co-workers at Spawn become a sort of second family to you. We strive to celebrate wins. Laugh a little every day. Enjoy non-work time together. Be heard. Grow skillsets and advance careers. And respectfully and productively disagree too, in the spirit of making Spawn and the work better every day.

Thanks for joining our team!

Best.

Karen King
President and CEO
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OUR BRAND AND VALUES

Our Agency brand and values are a clear description of what we value in the character of our employee-owners as individuals and as a team. Importantly, it isn’t just the words, but how we define them, that tells the story of our people.

AGENCY POSITIONING

We strive to be “perpetual adventurers” at work and play. The outdoors inspires and challenges us, and a weekend rafting a raging river, kayaking Prince William Sound, camping with bear sightings or shredding a mountain delivers us back to work bursting with energy and can-do drive. Living in bold and authentic locales gives us the resourcefulness and stamina to climb higher and push harder in the work we do for our clients and their brands.

OUR BRAND CHARACTER

Smart
The energetic brainpower we give to our clients’ challenges and opportunities is always inventive – a cut above. Our work is not just strategically sound, but shows ingenuity as well. We’re great stewards, optimizing client success through both effectiveness and efficiency.

More: perceptive, resourceful, clever, intelligent know-how
Less: obtuse, uninspired, off-base, commonplace

Fresh
We give our clients brave, imaginative ideas that break the clutter of everyday messages. We engage through the consistent strength of our work and the emotions it stimulates. Creative from Spawn Ideas is a breath of fresh air in a glut of average.

More: surprise and delight, winning, gutsy, new
Less: passable, dated, ordinary

True
Our team always has the client’s best interest at heart. We’re the real deal and genuinely care about the people, products and organizations we work with (co-workers) and represent (clients). We work collaboratively and encouragingly – holding each other accountable to the high standards we’ve set for the agency.

More: authentic, sincere, unpretentious, with integrity
Less: affected, fake, hypocritical, dog-eat-dog
OUR VALUES

1. **BE THE REAL DEAL**
   No one likes a phony. Be true. Be transparent. Act with integrity. And genuinely respect and care about our clients.

2. **RESPECT THE TEAM**
   Your teammates are your greatest assets. So be nice to them. Hear them out. Have each other’s back. And leave your ego at home.

3. **ASK “WHAT IF?”**
   Be curious. Explore the unknown. Consider the outrageous. Challenge the norm and focus on what could be, not what’s already been done. That’s how you create work that stands out.

4. **VALUE THE DETAILS**
   The little things make the big things happen. Be a freak over details. Cross all the t’s and dot all the i’s. Put your personal stamp of approval on everything you touch.

5. **ENJOY LIFE**
   Don’t just work hard, play hard. Smile. Joke around. And get out and take advantage of this awesome place we call home. Hey, if you can’t enjoy life in Alaska and Colorado, where can you?
THE DOCUMENT

The purpose of this document is to:

1. Outline the Agency’s philosophy and history.
2. Provide an explanation of policies.

To that end, here is some legal stuff we need to say...

This Employee Handbook is not intended to be a contract for employment, as the Agency will continually review its policies and benefit programs, and may modify or terminate programs and details at any time. When questions of interpretation arise, they will be settled by referring to actual plan documents.

Agency management retains the exclusive right to hire, direct and schedule the employee team; to plan, direct and control operations; to terminate and lay off employees; to announce policies, rules and regulations; and in all respects, carry out the ordinary and usual functions of running a business.

All policies, benefits, procedures, and/or operating methods are subject to change or discontinuation at management’s discretion.
OUR PURPOSE

To be a successful business with outstanding staff that delivers business impact to our clients.

As an employee-owned organization, it’s imperative that we are successful as a business to fulfill our purpose and provide value to our shareholders. Our success depends on providing business results for our clients that meet each organization’s key performance indicators.

As a successful business, we believe we must:

• Make a profit.
• Use efficient processes and infrastructure that enhance effective communications, keeping projects on time and on budget.
• Operate professionally, according to sound business principles.
• Manage our human resources effectively, attracting and retaining the highest quality talent.
• Maintain a stable and diversified client base for maximum economic stability.
• Grow the value of our employee stock ownership plan (ESOP) for the benefit of our employee-owners.
• Encourage and promote training and professional growth for our employee-owners.
• Support employee-owners’ work-life balance.
• Provide a pleasant, comfortable, safe and functional work environment.
• Acknowledge and reward excellent, innovative and diligent performance.
• Recognize individual skills, abilities and potential, and utilize them effectively.
• Give people appropriate authority to carry out their responsibilities and support them in risk-taking.

Delivering business impact to our clients means:

• Gathering together motivated, talented, experienced, “people-oriented” staff with both hybrid and specialized skills.
• Placing a premium on a team approach.
• Building strong, lasting and mutually respectful client relationships.
• Respecting each person’s contribution as necessary and vital to producing the highest quality strategic and creative work, on time and on budget.
• Designing campaigns that meet important key performance indicators for business results.

• Understanding consumer trends and attitudes in order to find insights as the foundation for successful communications that produces results.

• Staying ahead of the game in our rapidly changing business.

• Being proactive as well as responsive to the changing dynamics of our client’s business/organization.

• Never settling. We always strive to be the best, brightest and most resourceful agency to serve our clients’ needs.

Our Commitment to Our People

Spawn Ideas supports its employees personally and professionally by striving to:

• Provide a pleasant (and fun), comfortable, safe and functional work environment

• Acknowledge and reward excellent, innovative performance

• Recognize and grow individual skills, abilities and potential

• Give staff authority to carry out their responsibilities, and support them in taking risks and responding to change

• Encourage and provide ongoing professional development

• Provide a fair total compensation package

• Provide incentives for extended loyalty: retain the very best

• Provide healthcare benefits

• Acknowledge important personal occasions (employment anniversaries, birthdays, etc.)

• Create fun in and outside of the workplace so that staff both like and trust one another, and enjoy coming to work every day
EFFECTIVE PARTNERSHIP WITH OUR CLIENTS

Clients are the reason for our Agency’s existence. Their success is our goal.

Effective Client/Agency partnerships are based on:

- Building a relationship of mutual trust.
- Producing effective communication programs.
- Gaining thorough knowledge of our clients’ products/services and that of their competitors.
- Doing everything possible to earn the reputation as smart, professional, trusted and caring business partners.
- Demonstrating “value.”

CONTRIBUTING TO OUR COMMUNITY’S QUALITY OF LIFE

Professional responsibilities come first, but we also feel a responsibility to contribute to our community through both our staff and resources.

Staff Involvement

- Staff are encouraged to participate in professional, civic and charitable organizations
- Time off is given for approved meetings, presentations and special events
- Staff time is donated for approved non-profit clients and projects

Agency Resources

- Spawn donates use of its office for non-profit and other approved organizations’ meetings or events.
- The Agency participates in charitable and other causes through donations of staff time and money.
- Spawn’s annual signature pro bono work treats a single nonprofit like a paying client, donating significant time and talent to help solve a business challenge.
- The Agency is an engaged member of many local and national organizations for the betterment of our community and industry.
CORPORATE OVERVIEW

Spawn Ideas Inc. had its beginning in 1975 as The Nerland Agency and has grown to be the largest advertising agency in the state of Alaska. The Agency’s departments – from account and project management, to planning, media, creative and administration, all function smoothly in a system that effectively meets our clients’ business challenges and opportunities. You’ll find that “process” gets a lot of focus at Spawn and come to appreciate its value in our every day work. Our need to meet budgets and deadlines in a fast-moving and ever-changing industry demands it.

Some other things you might like to know about Spawn:

- We buy more media in Alaska than any other agency in the state.
- Spawn opened a Denver office in 2015 and has employees both there and in Seattle.
- While other agencies claim unique knowledge about groups like Millennials and moms, Spawn’s expertise is in outdoor lifestyle consumers.
- Dig into our website for a great way to get to know the categories in which we work, as well as our client experience. You’ll also find our blog, The Hatchery, there.
- Please engage with us in the many kinds of social media in which you participate. And if you have ideas that make our efforts there fun and compelling – while complimenting our agency’s positioning and personality, as well as our strategy for social media – we’d love to hear them.
- Spawn reports to a board of directors that includes its president & CEO and several other members who bring financial, community connections, small business and agency expertise.
- In 2015, Spawn added Account Planning as a discipline to ensure deeper understanding of human behavior – what we call insight. Our planners bring consumer attitudes and reactions to bear at every stage of advertising development (both strategy and creative). You can think of Planning as the creativity behind the creativity. It’s important work that makes advertising strategy just as innovative as creative work.
- Finally, as you get to know our agency and its people, please spend time with your supervisor to understand the role and responsibilities of your department, and the other teams with whom you’ll work. You’ll find that your co-workers are open, genuine people, happy to assist you in whatever way they can.
POLICIES AND BENEFITS

Hiring Policy

Spawn Ideas Inc. has long had a policy of providing Equal Employment Opportunities for all persons in employment. It is the policy of the Agency that all qualified applicants for employment will be recruited, hired and assigned on the basis of merit without regard to race, creed, color, sex, age, religion, sexual orientation, gender identity, national origin, disability or veteran status. The employment policies and practices of the Agency have been, and will continue, to ensure that all qualified employees are treated equally with no discrimination in recruitment, placement, compensation, opportunities for advancement (including promotions and transfers), training, demotion, termination, layoff recall, employee benefits, discipline and participation in all Spawn Ideas Inc. - sponsored employee activities.

In the event layoffs are necessary, it is Spawn Ideas Inc.’s policy to lay off based on performance, not longevity.

In an effort to ensure a continuing healthy environment in the future, Spawn Ideas Inc. gives hiring preference to nonsmokers. Supervisors involved in the hiring process may ask if the prospective employee smokes and base the hiring decision on the answer as well as on numerous other criteria.

All employment at Spawn Ideas Inc. is “at-will” and may be terminated by the employee or Spawn Ideas Inc. at any time, with or without cause, with or without notice. The Employee Handbook is not intended to and does not create an employment contract between Spawn Ideas Inc. and its employees.

Important: Your employment is for no specific period of time and this Employee Handbook does not limit your right or Spawn Ideas Inc.’s right to terminate your employment at any time.

Working Hours and Agency Resources

Established office hours are from 8:00 a.m. to 5:00 p.m. or as determined by individual department managers, Monday through Friday. Full-time employees are expected to work a minimum of 40 hours per week. Part-time employees work hours are set by the Department Manager and approved by the President.

There is no time clock to punch at Spawn Ideas Inc. For record keeping purposes, we complete daily timesheets that are maintained on an honor system. Timesheets are completed daily. Failure to do so slows the administrative and accounting work for others. Failure to record timesheets in a timely and accurate manner may result in disciplinary action up to and including discharge.
POLICIES AND BENEFITS

Exempt Employees

Periodically, additional time may be required from employees for special projects or deadlines. These hours are part of the job, and will generally be reflected in monthly salaries and a liberal vacation and holiday policy. On rare occasions, an unusual workload may be required due to project demands and/or client requirements. When such situations arise Spawn Ideas Inc. will look for opportunities to reward employees for their extra efforts, consistent with applicable wage and hour law limitations.

A one-hour unpaid lunch period is provided.

Each employee has a commitment to give the Agency his/her full attention and effort. Therefore, freelance work and second paid jobs that directly compete with Agency work are not allowed. When in doubt, check with your supervisor.

Likewise, use of Agency resources and equipment for non-Agency work must be carefully managed. Limited access to equipment is possible for personal projects, but must be approved in advance with your supervisor. Such projects must be done on personal time only.

No employee shall under any circumstance privately undertake an assignment from a client or undertake any work that would represent a conflict of interest.

Email Policy

The email system belongs to Spawn Ideas Inc. As a general rule, employees should use the email system for business purposes only. Personal use of the email system should be kept to a minimum.

In the event that employees send and/or receive email messages of a personal nature on the Agency’s email system, employees are on notice that Spawn Ideas Inc. reserves the right, to the full extent afforded by applicable law, to access and disclose messages contained on and saved in the Agency’s email system. Email messages also may be monitored to the extent necessary to ensure compliance with Agency policy(ies). Employees of Spawn Ideas Inc. have no legitimate expectation of privacy in the Agency’s email system. The use of personal identification numbers or passwords by employees to access the email system does not preclude the Agency from accessing email messages contained on and saved in the Agency’s email system. Unauthorized use of encryption technology to block access to any message is strictly prohibited and will result in appropriate disciplinary action, up to and including discharge.
POLICIES AND BENEFITS

Employees should use the same care in drafting emails as they would for any other written communication. Employees should not say in an email anything that they would not commit to a written memorandum or repeat in an open meeting.

The display or transmission of sexually explicit or pornographic images, messages, or cartoons, or any transmission or use of email communications that contain ethnic slurs, racial epithets, or anything that may be construed as harassing, threatening, or disparaging of others based on their race, national origin, sex, sexual orientation, gender identity, age, disability, religion, political beliefs, or any other protected class status, is strictly prohibited. Employees are also prohibited from using the Agency’s email system for other unlawful, unethical, defamatory, or otherwise harmful activities.

Employees should delete all unnecessary emails. Employees should remember, however, that deleting an email does not necessarily destroy it, but merely marks it to be written over at a later date. Spawn Ideas Inc. also reserves the right to purge the email system on a routine basis, as part of its document retention practice.

Without the express permission of Spawn Ideas Inc. to do so, an employee should not attempt to gain access to another employee’s email messages or to send messages from another employee’s terminal without the latter’s permission. In addition, no employee should alter, copy, or forward email messages under the name of the sender to any other person or entity without express permission of the sender.

Violations of any portion of this policy will result in appropriate disciplinary action, up to and including discharge.

Computer System and Internet Usage Policy

The computer system belongs to Spawn Ideas Inc. As a general rule, employees should use the computer system for business purposes only. Personal use of the computer system, including Internet access, should be kept to a minimum.

Spawn Ideas Inc. reserves the right to access and disclose documents, Internet logs, programs, and other files and information contained on and saved in the Agency’s computer system. Such access and disclosure may be conducted for any legitimate business purpose, at the Agency’s sole discretion.
POLICIES AND BENEFITS

Employee use of the computer system also may be monitored to the extent necessary to ensure compliance with Agency policy(ies). **Employees of Spawn Ideas Inc. have no legitimate expectation of privacy in the Agency’s computer system.** The use of personal identification numbers or passwords by the employee to access the computer system or to gain Internet access does not preclude the Agency from accessing documents, programs, Internet logs, and files contained on and saved in the Agency’s computer system. Unauthorized use of encryption technology to block access to any documents, programs, Internet logs, or files is strictly prohibited and is grounds for immediate termination.

The creation, display, transmission, receipt, or storage of sexually explicit or pornographic messages, images, cartoons, or any documents, programs, or files that contain ethnic slurs, racial epithets, or anything that may be construed as harassing, threatening, or disparaging of others based on their race, national origin, sex, sexual orientation, gender identity, age, disability, religion or any other protected class status, is strictly prohibited.

Employees also are prohibited from using the Agency’s computer system and/or the Internet for any unlawful, unethical, defamatory or otherwise harmful activities.

Employees should not use and/or install their personal computer games, financial software, or other programs on the Agency’s computer system. Employees are further prohibited from disseminating, copying, or printing any copyright[ed] materials, including, but not limited to, software programs.

Without the express direction of Spawn Ideas Inc. management, no employee should attempt to gain access to another employee’s documents, programs, or files without the latter’s permission.

**EMPLOYEES HAVE A RESPONSIBILITY TO USE THEIR INTERNET ACCESS IN AN INFORMED AND RESPONSIBLE MANNER, CONFORMING TO NETWORK ETIQUETTE, CUSTOMS, COMMON SENSE, AND COURTESIES. ANY USE OF THE INTERNET WHICH PLACES THE AGENCY IN A BAD LIGHT IS GROUNDS FOR DISCIPLINE UP TO AND INCLUDING TERMINATION.**

Violations of any portion of this policy will result in appropriate disciplinary action, up to and including discharge.
Copyright Policy

Unauthorized distribution of programming and other content that Spawn Ideas Inc. creates or distributes is a direct threat to Spawn Ideas Inc.’s business. Just as Spawn Ideas Inc. must protect its own content from infringing uses by third parties, employees must respect the rights of other content owners in their works.

Spawn Ideas Inc.’s policy is to respect the copyright laws. Spawn Ideas Inc. does not duplicate or distribute copyrighted materials unless authorized by law or the copyright owner. Use of Spawn Ideas Inc.’s computers, networks or other systems for unauthorized copying, distribution or other use of copyrighted material is strictly prohibited.

Because of the prevalence of unauthorized and unprotected copyrighted material on peer-to-peer sharing sites, facilities, services or networks, Spawn Ideas Inc. does not permit the use of its computers or network for access to or use of sites, facilities, services or networks that promote or facilitate the unauthorized distribution of copyrighted materials such as software, music, movies, television programming and books. Similarly, employees may not use Spawn Ideas Inc.’s computer systems or networks to upload, download, stream, email or otherwise distribute copyrighted software, music, movies, television shows, books or other copyrighted materials without authorization from the copyright owner.

In addition to possibly infringing the rights of copyright owners, use of peer-to-peer services and other unauthorized distribution services places heavy and unnecessary demands on Spawn Ideas Inc.’s systems. Employees should be aware that Spawn Ideas Inc.’s work facilities, including its computer systems and the files maintained and used in these systems, regardless of password protection, all are Spawn Ideas Inc.’s property.

While Spawn Ideas Inc. does not intend to routinely monitor the contents of computer files, employees should not use Spawn Ideas Inc.’s systems for any communication or to store any material it expects to remain private or personal. Authorized Spawn Ideas Inc.’s personnel may inspect or review any data stored in Spawn Ideas Inc.’s systems and may take remedial measures to protect its interests and enforce its Copyright Policy. Such measures may include removing unauthorized files and blocking access to unauthorized Internet sites or copyrighted materials.
Policies and Benefits

Spawn Ideas Inc.’s policies also prohibit the use of unlicensed software and the unauthorized copying of software. Further, only software authorized and tested by Spawn Ideas Inc. Information Systems and Technology Department is permitted to be used on Spawn Ideas Inc.’s systems.

Spawn Ideas Inc. will take violation of its Copyright Policy very seriously. Violation of the Policy may lead to disciplinary action, up to and including termination, against any employee who violates this Policy or any employee who authorizes or participates directly or indirectly in actions that are a violation.

Sexual Harassment Policy

Although our industry (a “creative” industry) and our Agency’s atmosphere is a relaxed and comfortable one, we must be keenly aware of the effects that anyone’s action may have on another.

Federal and state laws prohibit unwelcome sexual advances; requests for sexual favors; or verbal/physical/visual conduct of a sexual nature. The Agency will protect and safeguard the rights and opportunities of all people to seek, obtain and hold employment without being subjected to sexual harassment of any kind in the workplace. The Agency is committed to provide an environment free of sexual harassment.

Sexual harassment of any employee, whether unwelcome sexual advances, requests for sexual favors or other mental or physical conduct of a sexual nature, is prohibited. Anyone engaging in such conduct is subject to disciplinary action up to and including discharge. Anyone who believes he or she is being subjected to sexual harassment or who has witnessed such conduct must immediately notify the VP Chief Financial Officer who will be responsible for undertaking an investigation if warranted. If the complaint involves the conduct of the VP Chief Financial Officer, or if the employee believes the VP Chief Financial Officer could not be impartial, the reporting employee may report the matter directly to the President who will then be responsible for commencing any required investigation.

In all cases where warranted, a confidential investigation will be promptly conducted, and Spawn Ideas Inc. will take appropriate action based upon the results of its investigation. No retaliation will be taken or tolerated against anyone complaining of sexual harassment or against any witnesses.
POLICIES AND BENEFITS

Smoking Policy

Smoking is not permitted inside the building. Smokers must smoke outside and are responsible for disposal of their ashes and butts.

Compensation

Paydays
Employees are paid on the 15th and the last day of each month.

Spawn Ideas Inc. will treat individual employee compensation as a confidential matter between the agency and the individual employee. The Agency will take all appropriate care, consistent with applicable law, to protect individual privacy with regard to compensation and employee records. This policy is not intended to interfere in any manner with employees’ rights to engage in concerted activity as protected by Section 7 of the National Labor Relations Act.

Evaluation

New Hire – 90-Day
Each new employee’s performance will be evaluated within the first 90-days of employment. Thereafter, the employee will be evaluated quarterly.

Performance Appraisal
To keep employees apprised of their performance, each employee will receive an annual evaluation. The annual evaluation will be made by the employee’s immediate supervisor and will cover past performance as well as expectations for the future. Additional, less formal, quarterly performance check-ins are part of our performance appraisal plan. Employees are responsible for scheduling these check-ins with his/her immediate supervisor.
Holidays

Spawn Ideas Inc. observes twelve (12) paid holidays each year:

- New Year’s Day: January 1
- Martin Luther King Jr. Day: 3rd Monday in January
- Presidents’ Day: 3rd Monday in February
- Memorial Day: Last Monday in May
- Independence Day: July 4
- Labor Day: 1st Monday in September
- Thanksgiving Day: 4th Thursday and
  and Day After: 4th Friday in November.
- Christmas Eve Day: December 24
- Christmas Day: December 25
- New Year’s Eve Day: December 31
- Employee’s Birthday: Floating Holiday

Holidays that fall on a Saturday are observed the preceding workday (Friday). When a holiday is on a Sunday, it will be observed the following work day (Monday).

Paid holidays will be granted to employees commencing with date of hire.

Leave Policies and Benefits

The leave benefits described below are based on full-time employment of 40 hours per week. Part-time employees will be afforded leave benefits in proportion to the number of hours worked. Temporary employees and interns are not eligible for any leave, except holidays.

Both sick leave and personal leave time will begin accruing upon date of employment.

Leave

Spawn Ideas Inc. has a separate leave policy for personal, sick, maternity and bereavement leave. All policies are based on full-time employees. Full-time employees are expected to work 8 hours per day; part-time employees’ schedules have to be approved by the Department Manager and the President. Part-time employees may accrue leave on a pro rata basis consistent with the same formulas.
Personal Leave
Time off is important to the continued well-being and performance of everyone. The Spawn Ideas Inc. personal leave schedule below is based on years of service for staff and for the VP/President position levels.

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Accrual Rate/Days</th>
<th>Days Per Year</th>
<th>Days Pres/VP</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1</td>
<td>1.00</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>2-5</td>
<td>1.25</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>6-10</td>
<td>1.50</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>11 Plus</td>
<td>1.75</td>
<td>21</td>
<td>30</td>
</tr>
</tbody>
</table>

Leave time accrues with hours worked. Leave hours may be taken up to the amount accrued. An employee may carry over only 80 hours of leave at the end of the fiscal year (January 31). Up to ten (10) days can be borrowed for employees with five (5) years of service or more, with the agreement that they are deducted out of the employee’s last check if he/she leaves and the leave hours were not earned.

It is imperative that each employee discuss leave plans with their supervisor as early as possible, and that each employee fill out the required leave forms and route through the approval process prior to making travel arrangements. To request leave is not a guarantee it will be granted if others in the Agency have also requested a similar time period off – or if client work prohibits. Full-time employees are expected to work at least 8 hours per day. Part-time employees’ schedules have to be approved by their Manger and the President. If an employee needs to be out of the office for personal business for less than two (2) hours during the day, the employee must make up the time that day. Absences of over two (2) hours in one day must be taken as personal leave. Upon termination of employment, an employee will receive payment in lieu of personal leave time for which he/she is eligible.

Sick Leave
Sick days are to be used solely for personal or immediate family illness and for doctor or dentist visits. Sick days utilized for doctor or dentist visits should be approved in advance by the employee’s supervisor whenever possible. When taking a sick day for personal illness or the illness of a family member that requires the care by the employee, the employee must contact his or her immediate supervisor, or next higher supervisor in line if immediate supervisor is unavailable, as soon as possible. If no supervisor can be reached, the employee may notify the VP Chief Financial Officer. Simply leaving a message will not constitute adequate notification and will not be considered approved sick leave.
Sick leave is accrued on the basis of one sick leave day for every two months of full-time work commencing on the first full calendar month of employment. Sick days may accumulate up to a maximum of 66 days, at which point long-term disability could start. Long-term disability coverage at group rates paid by the employee is available through Spawn Ideas Inc. If an employee takes more than two (2) consecutive sick days, for either the employee’s or an immediate family member’s illness, the Agency reserves the right to require a doctor’s verification of the illness when he/she returns to work.

Parental Leave
In recognition of the importance of a new life and the joy children and family bring to us, the Agency has the following schedule of paid leave. This leave may be used for pregnancy, prenatal, infant care (following delivery) or adoptions.

<table>
<thead>
<tr>
<th>Yrs Service</th>
<th>Leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1</td>
<td>5 Days</td>
</tr>
<tr>
<td>1-2</td>
<td>10 Days</td>
</tr>
<tr>
<td>3-5</td>
<td>15 Days</td>
</tr>
<tr>
<td>5 Plus</td>
<td>20 Days</td>
</tr>
</tbody>
</table>

Bereavement
One week paid leave will be given to an employee who has suffered the death of a close relation.

Jury Duty
Spawn Ideas Inc. recognizes the importance of an individual’s responsibility to serve on jury duty when summoned. Employees are not charged leave time and are paid while serving on a jury. However, due to workload or special circumstances, there may be times when we ask an employee to request they be deferred from jury duty for a certain time period.
POLICIES AND BENEFITS

Health Insurance

Spawn Ideas Inc. has a health insurance plan, which covers employees and dependents. The Agency will pay for the majority of the premium costs for the employee. Each new employee who works 30 hours or more per week is eligible for insurance benefits on the first of the month following the 30-day period.

Employees may elect to cover their dependents. A portion of the premium may be paid by the Agency. The amount is reviewed annually and can change at the Agency’s discretion.

Refer to the insurance policy materials/website for more specific information about the Agency’s health insurance policy and its benefits.

Tax-Deferred Savings Plan

Spawn Ideas Inc. recognizes the importance of planning ahead for your future; to provide current savings and retirement benefits. Therefore, the Agency sponsors a 401(k) Savings Plan in which any full time employee may enroll following three months of employment. In this highly tax-advantageous savings plan you may choose to save a portion of your salary through payroll deduction.

Employee Stock Ownership Plan (ESOP)

Spawn Ideas Inc. is an employee-owned agency. All employees are automatically enrolled in the Spawn Ideas Inc. ESOP with one year of service. Please see more information in the Summary Plan Description found in your new employee binder. Please direct any ESOP questions to the Vice President CFO.

Corporate Vehicles

Policy

Any corporate vehicles are to be used for Agency business only, not for personal use, including commutes. The only exception is for relocation of the vehicle for safe keeping.
Policies and Benefits

Additional Benefits

Educational Reimbursement
In the interest of upgrading the skills and professionalism of our employees, continuing education is encouraged. Certain courses are directly related to an employee’s job, and if successfully completed, produce added value to the Agency.

To provide an incentive for employees to continue to improve their performance through education, the Agency may reimburse the employee for up to 100% of the cost of tuition and books for any job-related course pre-approved by the President at her sole discretion. In determining which courses are eligible for reimbursement, and the amount of such reimbursement, the President will consider the following factors:

- The employee’s tenure and performance with the Agency.
- The employee’s job and how the course directly produces added value for the Agency.
- The employee’s education objectives, both long and short term.
- The educational institution offering the course.
- Time available.
- Budget available.

Paid Training
Also in the interest of upgrading the skills and professionalism of our employees, certain paid training seminars, webinars, etc., are offered or can be suggested by an employee. These courses must be directly related to an employee’s job, and if successfully completed, produce added value to the Agency.

In the case of paid training, the Agency may pay for or reimburse the employee for up to 100% of the cost of the job-related seminar, webinar, etc., and travel and incidentals as applicable, pre-approved by the President at her sole discretion. In determining what training is eligible for reimbursement, and the amount of such reimbursement, the President will consider the following factors:

- The employee’s tenure and performance with the Agency.
- The employee’s job and how the training directly produces added value for the Agency.
POLICIES AND BENEFITS

- Employee goals as determined by his/her supervisor, both long and short term.
- The educational organization offering the course.
- Time available.
- Budget available.

If an employee leaves Spawn Ideas Inc. employment less than one year after completion of any courses or training, he/she will be required to pay back the reimbursement received. As such, employees will be required to sign a Reimbursement Agreement prior to any reimbursement for training or education that they agree to the following:

(a) Within six months of the date of this Agreement, I agree to reimburse Spawn Ideas Inc. one hundred percent (100%) of the amount Spawn Ideas Inc. paid for my training.

(b) Within one year of the date of this Agreement, I agree to reimburse Spawn Ideas Inc. fifty percent (50%) of the amount Spawn Ideas Inc. paid for my training.

Parking
Parking during working hours is provided by the Agency to employees. The Agency will pay for parking of employees who are not assigned spaces in the Agency lot.
POLICIES AND BENEFITS

Office Procedure Forms

The purpose of this list is solely to acquaint the employee with the various forms used by Spawn Ideas Inc. For detailed instruction regarding the proper completion of the forms, the employee should see his or her supervisor.

- **Purchase Orders**: To be completed at the time services or products are ordered from an outside vendor and reconciled with the invoice when the service is complete or the products are received.
- **Check Requests**: Must be submitted whenever you are requesting payment to vendors or media.
- **Expense Reports**: Are completed as expenses are incurred. Acceptable expenses are work-related (e.g., mileage, client lunches).
- **Staff Meeting Agenda**: There is a weekly staff meeting. Items for the agenda must be turned in by 8:30 a.m. on the day of the meeting.
- **Personal Leave Requests**: Must be submitted to supervisor for all personal leave over two hours. (Managers only need approval on leave of one or more days).
- **Request for Travel**: This form is to be filled out and approved by Managers and President prior to trips taken for Agency or client business.
- **Travel Expense**: This form is used to record all expenses during business business trips. The completed form and all receipts are to be submitted to your Department Head on the day you return to the office.
- **Timesheets**: Must be kept throughout the day and submitted as required.

Certain forms apply only to specific departments. See your supervisor concerning those that apply to you.