

Krushiker Hospitality Group



EMPLOYEE HANDBOOK

Contents

- 1 Introduction 6
 - 1.1 Corporate Mission Statement 6
 - 1.2 Teamwork Mission Statement 6
 - 1.3 Welcome Message from President/CEO 6
 - 1.4 Contact Information 7
 - 1.5 Handbook Contents 8
- 2 Employment Policies 8
 - 2.1 “Employment At-Will” Notice 8
 - 2.2 Classification of Employees 10
 - 2.3 Equal Employment Opportunity 9
 - 2.4 Employment of Friends of Employees 10
 - 2.5 Workplace Diversity 11
 - 2.6 Disability Discrimination 11
 - 2.7 Eligibility Verification and Background Checks 12
 - 2.8 Employment of Relatives 14
 - 2.9 Job Description 14
 - 2.10 Introductory Period 15
 - 2.11 New Hire Orientation 15
 - 2.12 Separation from Employment 16
- 3 Problem Solving 16
 - 3.1 Open Communications 16
 - 3.2 Open Door Policy 17
 - 3.3 Complaint Procedure 18
- 4 Workplace Professionalism 19
 - 4.1 Conduct Policy and Expectations 19
 - 4.2 Customer Relations 20
 - 4.3 Code of Ethical Conduct 20
 - 4.4 Protection of Confidential Information 24
 - 4.5 Whistleblowing 27
 - 4.6 Harassment 28
 - 4.7 Dress Code 31
 - 4.8 Dating and/or Romantic Relationships 34
 - 4.9 Tobacco and Gum Products 35
 - 4.10 Drugs and Alcohol 36
 - 4.11 Workplace Violence 40
 - 4.12 Weapons 41
 - 4.13 Workplace Safety 42
 - 4.14 Security 44

4.15	Package Pass	45
4.16	Guest Rooms	45
4.17	Lost and Found	46
4.18	Bulletin Boards	46
4.19	Employee Parking	46
4.20	Phone Calls and Workplace Visitors	46
4.21	Social Media and Blogging	47
4.22	Solicitation	48
4.23	Cash Handling	49
5	Compensation and Payroll Information	49
5.1	Pay	49
5.2	Check Cashing and Pay Advances	50
5.3	Overtime	50
5.4	On-Call Time	51
5.5	Recording Hours	52
5.6	Personnel Records	52
5.7	References	53
5.8	Final Pay	53
6	Performance Expectations	53
6.1	Performance Appraisals	53
6.2	Promotions and Transfers	54
6.3	Discipline	55
6.4	Insubordination	55
7	Attendance	56
7.1	Attendance and Punctuality	56
7.2	Inclement Weather	58
7.3	Emergency Planning	59
7.4	Job Abandonment	59
8	Leave and Benefits	59
8.1	Benefits	59
8.2	Holidays	60
8.3	Meals and Breaks	61
8.4	Paid Vacation – Paid Time Off (PTO) and Unpaid Time (UTO)	61
8.5	Family and Medical Leave Act	65
8.6	Employee Recognition	69
8.7	Room Discount Program	69
8.8	Length-Of-Service Recognition	70
8.9	Company Wide Job Opportunities	71
8.10	Credit Union	71
8.11	Jury Duty	70
8.12	Voting	71

8.13	Bereavement Leave	72
8.14	Military Leave	72
8.15	Breast-feeding	73
8.16	Workers' Compensation	74
8.17	Personal Leaves of Absence	75
8.18	Modified Work Assignment	77
9	Company Property	78
9.1	General Guidelines	78
9.2	Cellular Telephones	80
9.3	Computer System Usage	81
10	In Closing...	86
11	Acknowledgement and Receipt	89

1 Introduction

1.1 Corporate Mission Statement

The mission of Krushiker Hospitality Group (“KHG”) is to manage hotels at a level of quality of product and service that will result in sustained growth in sales and profits. We will achieve this mission by attracting, developing, and retaining superior quality personnel who work productively as a team to outperform the competition through aggressive marketing and sales programs, superior performance in recognizing and meeting customer needs, and effective financial management and internal control.

1.2 Teamwork Mission Statement

Our team members will work together in an open and informative environment which will encourage respect, integrity, and independent and creative thinking to achieve common goals and continuous quality improvement.

1.3 Welcome Message from President/CEO

For those of you who are commencing employment with us, on behalf of Krushiker Hospitality Group, let me extend a warm and sincere welcome. We hope you will enjoy your work here. For those of you who have been with us, thank you for your past and continued service.

Our Company’s success has been built on team effort, combining the talents of many people to achieve a common goal to be a leader in the hospitality industry. The more we work together, the more we progress as individuals and as a company – and the better we serve our customers. Your job knowledge and your dedication to customer service help distinguish our organization from our competitors. We recognize this, and, consequently, we strive to offer you an environment which provides you with great personal satisfaction and the potential for professional growth.

The success of our company is based on the commitment, cooperation, friendliness and respect that we show each other and our guests. You can make a career in this industry, and with this company, if you put our guests first and treat each other with dignity and respect. We are here to help you be the best you can be.

This handbook was developed to describe some of the expectations of our employees and to outline the policies, programs, and benefits available to them. You are encouraged to familiarize yourself with the contents of the employee handbook as soon as possible, for it will answer many of your questions about employment with Krushiker Hospitality Group.

Krushiker Hospitality Group is proud of its commitment to our employees. Maintaining effective two-way communication is essential to the successful operation of our company. If any stated policy is not clear, or if you are puzzled about anything, feel free to go to your supervisor, to any member of the management team or to human resources. You are entitled to and will receive prompt answers to your questions.

Again, welcome to Krushiker Hospitality Group. We hope that your experience here will be challenging, enjoyable, and rewarding.

1.4 Contact Information

The staff hours of KHG are Monday through Friday, 8:00 a.m. to 5:00 p.m. central time. You may reach us by:

- Phone: 479-872-8286
- Email: info@khghotels.com
- Mail:
KHG Hotels
Attn: Human Resources
PO Box 7479
Springdale, AR 72766

For questions regarding work site issues such as hours of work, schedule, work procedures, or training, contact your worksite supervisor or manager.

If you have any questions regarding the contents of this document, please see your worksite supervisor or contact us.

1.5 Handbook Contents

The contents of the Employee Handbook are presented as a matter of information. While this Handbook is not intended to be a book of rules and regulations, it does include important policies, procedures and guidelines which all employees should know.

There have been no implied or verbal agreements or promises to you that you will be discharged only under certain circumstances or after certain procedures are followed. There is no implied employment contract created by this Handbook or any other Company document or written or verbal statement or policy.

KHG reserves the right to modify or terminate any Handbook policies or procedures, in whole or in part, at any time, with or without notice, although we will make every effort to keep employees abreast of any changes.

This version of the handbook replaces any and all prior verbal and written communications regarding policy and procedures.

2 Employment Policies

2.1 “Employment-At-Will” Notice

Employment with KHG is voluntarily entered into, and you are free to resign from your position with the company At-Will at any time, with or without notice or cause. Similarly, the Company may terminate the employment relationship At-Will at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.

Company policy requires all employees to be hired At-Will and this policy cannot be changed except by a written document signed by you and an Officer of KHG.

2.2 Classification of Employees

KHG has established the following Employee Classifications for salary and benefit purposes only. Employees will be notified in writing of their classification and status at the time of hire, rehire, promotion, or at any time a change in status occurs. The terms listed below are applicable to all Company policies, unless the context of the policy indicates otherwise.

- *Employment-At-Will*: The legal basis of employment. The employee may terminate the employment relationship at any time, with or without notice or cause. Similarly, KHG may terminate the employment relationship at any time, with or without notice or cause.
- *Full-Time Employees*: Employees who regularly work at least 30 hours per week who were not hired on a temporary basis.
- *Part-Time Employees*: Employees who regularly work fewer than 30 hours per week who were not hired on a temporary basis. Part-time employees are generally not eligible for Company benefits.
- *Temporary Employees*: Employees who were hired on a seasonal basis, for a specific short-term project, or on a short-term freelance, per diem or temporary basis. Temporary Employees generally are not eligible for Company benefits, but are eligible to receive statutory benefits.
- *Independent Contractors*: KHG may employ individuals or business entities on an independent contractor basis. If so hired, the individual or business entity will be required to enter into a written contract with KHG. The independent contractor is separately responsible for taxes, medical and disability insurance, workers' compensation insurance and general liability insurance.
- *Exempt/Non-Exempt Status*: A provision of the Fair Labor Standards Act (FLSA) generally divides all employees into two categories. An exempt (*salaried*) employee does not fall under certain wage and time requirements of the Act. That is, an exempt employee does not receive overtime pay or compensatory time off. The basic premise of exempt status is that the exempt employee is to work the hours required to meet his/her work responsibilities. Non-exempt (*hourly*) employees receive compensation for authorized overtime.

The hours you work are averaged at the completion of your initial 90-day introductory period. This average determines whether you will be classified as a full-time or a part-time employee. You will continue in the classification until the completion of your first year of service unless you voluntarily request a reduction of hours. If this is the case, your classification will change to part-time status because of your request.

2.3 Equal Employment Opportunity

KHG is committed to maintaining a work environment in which all individuals are treated with respect and dignity. All employees have the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices. In keeping with this commitment, KHG will not tolerate discrimination by anyone, including any supervisor, co-worker, or third party, that is based on an individual's race, religion, color, gender, national origin, age, familial or marital status, ancestry, citizenship, genetic information, sexual orientation, gender identity, disability, veteran or military status, or any other factor protected by federal, state and/or local laws.

KHG does not base hiring, compensation, promotion, or any other employment decisions on the basis of an individual's personal characteristics as identified above. All such decisions are based on specific job-related performance standards and business needs.

Employees who experience or witness conduct in violation of this policy must report it immediately to their supervisor or manager and to your team at KHG so that a prompt investigation may be undertaken. All employees are expected to cooperate fully with such investigations. Failure to cooperate fully may lead to discipline, which may include termination.

Once the investigation is complete and KHG determines that discrimination has occurred, it will take appropriate corrective action based on the circumstances of each situation.

KHG will not tolerate unlawful retaliation against any employee who files a complaint, supports a co-worker in a complaint, or speaks as a witness in the investigation of a complaint. It is also prohibited to discharge or in any manner discriminate against an employee who gives information about an alleged employer violation, causes a proceeding to be instituted against an employer, or testifies in a proceeding concerning an employer violation.

Employees who experience retaliation in the workplace are encouraged to report it immediately to KHG HR. All allegations of retaliation will be investigated. When the investigation is completed, anyone found to have engaged in retaliatory conduct in violation of this policy will be subject to discipline, up to and including termination.

2.4 Employment of Friends of Employees

We encourage all our employees to recommend KHG to their friends as a good place to work. We will give full consideration to anyone so referred,

whose qualifications suit available openings. Please submit your recommendations in writing to your supervisory or manager.

2.5 Workplace Diversity

KHG recognizes that a talented and diverse workforce is a key competitive advantage. Therefore, KHG is committed to seeking out and finding the most talented employees to ensure top business growth and potential.

Diversity benefits individuals, customers, and KHG as a whole. KHG recognizes that all employees bring their own capabilities, experiences, and characteristics to their work. Such diversity is valued at all levels of KHG.

KHG's diversity encompasses differences in ethnicity, gender, age, religion, socio-economic status, political affiliation, physical and mental ability, experience, education, etc. The wide array of perspectives that results from such diversity promotes innovation and business success.

2.6 Disability Discrimination

It is the policy of this Company to abide by the Americans with Disabilities Act (ADA) as amended by the ADA Amendments Act of 2008 and any similar applicable state law. The ADA prohibits discrimination in all employment practices, including job application procedures, hiring, firing, advancement, compensation, training, and other terms, conditions, and privileges of employment. It applies to recruitment, advertising, tenure, layoff, leave, fringe benefits, and all other employment-related activities.

KHG prohibits all discrimination against "qualified individuals with disabilities." This includes applicants for employment and current employees. We also forbid discrimination against persons because they have a known association or relationship with an individual with a disability.

Reasonable Accommodation

KHG requires the ability to perform "essential" job functions to assure that an individual with a disability will not be considered unqualified simply because of the inability to perform marginal or incidental job functions. If the individual is qualified to perform essential job functions, except for limits caused by a disability, we will consider whether the individual could perform these functions with a reasonable accommodation.

KHG will provide reasonable accommodations that do not place an undue hardship on the business to enable a qualified applicant with a disability to perform the essential functions of the job that he/she is seeking, and to enable a qualified employee with a disability to perform the essential functions of a job currently held.

Employees may request accommodations orally or in writing. Any employees seeking an accommodation may direct their request to KHG. Employees who make an oral request for accommodation may be asked to provide a subsequent request in writing. However, initiating the interactive process will not be contingent upon receiving a completed form. Employees may also be requested to provide information from their health care provider to assist KHG in determining whether a reasonable accommodation may be provided.

2.7 Eligibility Verification and Background Checks

All employees must complete the Immigration and Naturalization Service Employment Eligibility Verification (I-9) form on the first day of employment. You must also provide acceptable documentation verifying that you are legally entitled to work in the United States.

KHG may conduct a background check to determine or verify background information, including criminal history. The purpose of the background check is to ensure that individuals who join KHG are well-qualified, have a strong potential to successfully fulfill the requirements of the job, and have honestly presented their background and qualifications as outlined on their application and résumé.

Background checks apply to new hires, as a condition of employment, after the job offer is made. Employment will be contingent upon the results of the background check.

Background checks are conducted on current employees who transfer into a position when the position has been identified as requiring a background check, and a background check was not done when the employee was hired.

Depending on the nature of the position, KHG may inquire into an applicant's background in one or more of the following areas: educational records, criminal records, credit records, driving records, Workers' Compensation records, military records, federal court records, social media and/or Internet postings etc. Other kinds of verification checks may be added if a particular position warrants.

Having a criminal history or criminal conviction does not necessarily preclude employment. The nature of the offense, the time that has passed since the offense, and its relevance to the particular job are considered on a case-by-case basis. Considerations include the nature of the position involved and the implications for general safety and security.

Occasionally, KHG may ask an outside firm for a consumer report. A consumer report contains information on the applicant/employee's credit worthiness, credit standing, credit capability, character, criminal history, driving record, general reputation, personal characteristics, or mode of living.

Applicants/employees will be notified before the report is requested and asked for written permission to obtain a consumer report. Before taking adverse action against an applicant/employee based on the report, we will give him/her a copy of the report and provide a summary of his/her rights under the Fair Credit Reporting Act.

After taking any adverse action, we will give an employee notice orally or in writing that the action has been taken in an adverse action notice, which includes:

- the name, address, and telephone number of the consumer reporting agency that supplied the report;
- a statement that the consumer reporting agency didn't make the decision to take the adverse action and cannot give the specific reasons for it;
- a statement that the applicant/employee may dispute the accuracy and completeness of any information in the report; and
- a statement that sets forth the applicant/employee's rights to obtain an additional free consumer report from the credit reporting agency within 60 days of a request for the report.

Reference checks are an essential part of the background checking process. KHG asks all references a series of questions about work experience, character, personal habits, educational background, and personality as they pertain to successful fulfillment of job requirements.

To assure confidentiality of all applicant information obtained during a background check, KHG coordinates the background checking process.

Any applicant who provides misleading, erroneous, or deceptive information on the application form, résumé, or in an interview could be immediately

eliminated from further consideration for employment and possibly terminated if discovered after employment begins.

2.8 Employment of Relatives

To avoid conflicts of interest and the appearance of favoritism or bias, and to enhance supervision, security and morale, employees should not be employed in or transferred to a position that establishes an immediate supervisor/ employee relationship between two individuals who are related by blood, adoption, marriage, or domestic partnership.

The degrees of relationship included in this restriction are as follows:

- By blood or adoption: Parent, child, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece, and first cousin.
- By marriage or domestic partnership: Spouse as defined by state law, qualified or unqualified domestic partner, stepparent, stepchild, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepsister, stepbrother, uncle, aunt, nephew, and niece or relations of the same degree of the domestic partner.

The determination of what is "immediate supervision" in each instance will be made by the General Manager or Human Resources, and it will take into account both of the following factors:

- Does that supervision involve day-to-day functions?
- Is the supervisor the only one competent to judge such issues as hiring, retention, promotion and salary?

If marriage or same sex domestic partnership creates these kinds of relationships, one of the employees affected must give up that position within 3 months from the date the relationship was established. Either of the employees may be re-employed elsewhere in KHG. If agreement cannot be reached by the two individuals as to which one must leave, the employee with the less seniority date will be selected to seek other employment.

2.9 Job Description

All employees will be asked to review the essential duties of their position by reading and signing a job description for each position worked. While KHG has tried to ensure that all duties are included in this job description, please

be aware that there will be times when it will be necessary for you to perform a duty that may not be specifically outlined in that description. To foster teamwork and provide exemplary guest service, all employees are expected to assist when needed with duties that fall outside the written description.

2.10 Introductory Period

All new hires must serve a 90-day introductory period. This period is established to benefit both the employee and KHG. The employee should use this time to determine whether the position meets his/her expectations. Similarly, KHG will use the introductory period to determine whether the employee has the skills, knowledge and abilities necessary to perform the job satisfactorily.

The introductory period is a time for new hires to become familiar with their co-workers, supervisors, and managers, and the tasks involved in their job position. We also expect employees to use this time to become familiar with relevant information about KHG and its policies and procedures.

During the introductory period, supervisors/staff are responsible for providing an environment that is conducive to the new hire's success. They will work closely with the employee on matters pertaining to training and responsibilities, and closely monitor his/her job performance and progress. Throughout the process, there should be continuous improvement and clear indications the employee will be fully capable of performing at the desired level. If a new hire and supervisor/staff cannot resolve some area of concern during the introductory period, either party may terminate the employment relationship.

Each new hire should receive a performance evaluation from his/her supervisor at or near the end of the introductory period.

New hires are not eligible for paid leave or to participate in the KHG Benefits Plan until they have successfully completed their introductory period.

Satisfactory completion of the introductory period entitles the employee to certain rights as set forth in the policies in this manual; however, it does not guarantee the employee continuing, permanent employment with KHG.

2.11 New Hire Orientation

All new employees are required to attend an orientation during the first week of employment. Orientation is mandatory and is intended to explain the

company's policies, procedures, benefits, expectations, and hotel-specific Brand Standards. Orientation includes a tour of the hotel, introduction to the management staff, and several video training sessions.

2.12 Separation from Employment

Our policy stipulates that the employment relationship may be terminated At-Will, with or without notice and with or without cause, by the employee or KHG.

Termination - It is our policy to retain, to the extent consistent with Company requirements, the services of all employees who perform their duties efficiently and effectively. However, it may become necessary under certain conditions to terminate the employment relationship with an employee for the good of the employee and/or KHG.

Resignation - If you resign from KHG, we request that you give us two weeks prior notice. KHG reserves the right to accept resignation notices effective the day presented instead of the end of the notice period if it is deemed to the benefit of the hotel operation.

Separating employees are required to return keys, badges, uniforms, Company vehicles, supplies, or any other Company property prior to separation of employment. KHG reserves the right to inspect employees' desks, lockers, or personal belongings at the time of separation.

Upon separation, hotel management may conduct an exit interview with you, either prior to your departure or by telephone shortly after your departure.

3 Problem Solving

3.1 Open Communications

When conflicts arise between employees that affect how they perform their jobs, the organization as a whole begins to suffer.

KHG believes that open, respectful, and honest communication between employees is essential. Communication decreases misunderstandings and conflict, increases cooperation, promotes a higher level of employee engagement and improves the work environment.

To this end, KHG has adopted open communication procedures to encourage employees to discuss and seek resolution to issues and concerns in a positive and constructive manner. KHG requests that these procedures be followed whenever conflicts between employees arise:

- **Address the issue early.** Employees should bring forward their concerns in a timely and direct manner, and communicate directly with the person or persons involved to resolve differences.
- **Be polite.** Both parties are expected to communicate with one another in a calm, courteous and respectful manner.
- **Keep it confidential.** Differences of opinion should be handled privately and discreetly. Gossip and backbiting are to be avoided.
- **Practice Active Listening.** Try to understand what the other person is saying and then communicate to the other person that you do understand. Try to see the situation from the other person's perspective.
- **Take Risks.** Offer a conciliatory gesture, such as apologizing, taking responsibility for your role in the problem or expressing positive feelings. Shift from a tit-for-tat bargaining mentality to a win-win collaborative mentality.

Issues and concerns that cannot be resolved using open communications procedures should be elevated to the supervisory or management level for mediation.

No employee shall be retaliated against or otherwise treated unfavorably as a result of using the open communication procedures to voice concerns or resolve issues.

3.2 Open Door Policy

KHG believes that open, respectful, and honest communication between employees and management is essential. In order for this communication process to be successful, employees must bring forward their concerns in a timely and direct manner and give those involved a chance to resolve them.

To this end, KHG has adopted an Open Door Policy for all employees. Our open-door policy means that employees are free to talk with any manager at any time. The purpose of our open-door policy is to encourage open communication, feedback, and discussion about any matter of importance to an employee.

No employee shall be retaliated against or otherwise treated unfavorably as a result of using the Open Door Policy to voice concerns or resolve issues.

Responsibilities under the Open Door Policy

If any area of your work is causing you concern, you have the responsibility to address your concern with a manager. Whether you have a problem, a complaint, a suggestion, or an observation, your hotel managers want to hear from you. By listening to you, KHG is able to improve, to address complaints, and to foster employee understanding of the rationale for practices, processes, and decisions.

Before You Pursue the Open Door Policy

Most problems can and should be solved in discussion with your immediate supervisor; this is encouraged as your first effort to solve a problem. However, an open-door policy means that you may also discuss your issues and concerns with the next level of management and/or Human Resources staff members. No matter how you approach your problem, complaint, or suggestion, you will find managers at all levels of the organization willing to listen and to help bring about a solution or a clarification.

3.3 Complaint Procedure

Employees are encouraged to bring their issues and concerns to their immediate supervisor for resolution or use the KHG Open Door Policy.

When matters cannot be handled on an informal basis, KHG has established a formal procedure for a fair review of any work-related controversy, dispute or misunderstanding. A formal complaint may be brought by one or more employees concerning any work-related issue where the complaint has not been satisfactorily resolved in an informal manner.

The complaint must be submitted in writing to the General Manager or his/her designee or to KHG within three (3) working days of the incident. Generally, a meeting will be held within three (3) working days of the employee's request, depending on scheduling availability. Witnesses will be allowed as necessary. If the problem is not resolved during this meeting, the General Manager, his/her designee, or KHG will give the employee a written resolution within three (3) working days.

Employees may appeal the decision or resolution made by the General Manager by calling the Corporate Human Resources Department at **479-872-8286** between the hours of 8 a.m. and 5 p.m., Central Standard Time, Monday through Friday. Employees may appeal the decision by emailing your HR team at info@khghotels.com. The appeal should be made within five working days of the General Manager's decision. Corporate HR will review the complaint and, schedule permitting, render a decision within 10 working days after receiving the appeal. The decision will be given to the employee in writing and will become part of the employee's personnel file.

Complaints may include, but are not limited to, such issues as discipline, transfer, job posting, selection, unfair assignment of leave, a personal request that was denied, etc.

Employees cannot use the procedure to appeal decisions related to KHG's responsibility to determine corporate direction or strategy, or operating decisions such as the number and assignment of employees, establishment of rules of conduct, determination of the hours and days of work, starting and quitting times, wages and benefits, etc.

KHG will not permit any supervisor, manager, or employee to engage in any form of retaliation against any employee who avails him/herself of the Company's complaint procedure.

4 Workplace Professionalism

4.1 Conduct Policy and Expectations

As a member of the KHG team, you will be expected to meet established standards of performance and conduct. To preserve the hotel's reputation and public image, and to ensure a safe, harmonious and productive working atmosphere, high standards of conduct are necessary.

There are certain types of expressly forbidden conduct, which, if committed, may result in your immediate termination. Examples of such offenses or misconduct include, but are not limited to: arguing, being discourteous, or using insulting or profane language; fighting (regardless of who provokes it); falsification of records such as medical forms, time punches, employment applications, or company and guest documents; using, being in possession of, or being under the influence of narcotics, intoxicants, drugs or alcohol upon reporting to work, or during working hours, or on hotel property at any time; gambling or sleeping while on duty; dishonesty or misconduct that is detrimental to the company; insubordination; harassment of fellow employees or guests – sexual or otherwise; and the unauthorized removal of

hotel or company property. These guidelines are illustrative and many are covered in more detail in other sections of this Handbook.

Any behavior that impedes the accomplishments of our stated goals and those outlined in our mission statements will be considered improper. Interpretation of these guidelines and the action taken will be based on the circumstances involved in each case. As part of your new-hire orientation, you will receive a Standard of Conduct form to read and sign that will cover our expectations in more detail.

4.2 Customer Relations

The first priority of KHG is to provide outstanding service to each and every customer. Our guests deserve the most courteous and attentive treatment. Therefore, employees who deal directly with guests are expected to be professional and responsive to their needs at all times.

As representatives of KHG, employees must be prepared to handle difficult guests and respond to guests' complaints. Every guest who registers a complaint deserves to be given prompt consideration. When dealing with a problem guest, it is important to remember that KHG's image can be damaged more by one dissatisfied guest than it can be improved by ten satisfied guests! Please make every attempt to correct problems as soon as possible. It is absolutely essential that you remain courteous and tactful at all times.

If a guest remains unhappy despite your attempts to satisfy them, please ask your supervisor or a member of hotel management to assist you in resolving the problem. Guidelines will be provided to assist employees in most situations, but there will be occasions when you must rely on your best judgment. Remember, customer satisfaction is your first priority!

Our vendors/suppliers are essential for our continued success. They are to be given the same courtesy and consideration that we extend to our guests.

We take great pride in the level of customer service we provide our guests, and we are continually searching for new and better ways to serve them. Your suggestions are important to this process and key for our success and prosperity. If you have any ideas for us, we want to know.

4.3 Code of Ethical Conduct

It is KHG's policy to operate within the letter and spirit of all applicable laws and to uphold the highest ethical standards. KHG expects its employees to

uphold these values and exercise the highest levels of integrity, ethics, and objectivity in actions and relationships which may affect KHG, or where the employee represents or negotiates on behalf of KHG.

The following policy is intended to provide guidelines for the professional, ethical, and legal behavior KHG expects of our employees. This policy must be regularly communicated to all officers, managers, supervisors and other employees as appropriate. Employees also are responsible for communicating this policy to outsiders with whom they work and who transact business with KHG.

Employees who violate the standards in this code will be subject to disciplinary action, including possible termination. Furthermore, violations of this code may also be violations of the law and may result in civil or criminal penalties for you, your supervisors and/or KHG.

Employees who suspect violations of KHG's Code of Conduct are required to report their concerns to their supervisor, a member of management or to KHG. No adverse action shall be taken against any employee for communicating concerns in good faith. The confidentiality of reported violations will be protected to the extent possible, but it cannot be guaranteed.

Compliance with Laws and Ethical Standards

Obeying the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. All employees must respect and obey the laws, rules and regulations of the states and municipalities in which we operate.

We recognize the importance of credibility, integrity, and trustworthiness to our success as a business. Therefore, we are committed to the principles of honesty and truthfulness. KHG will not communicate any information that is false or deliberately misleading, and expects the same from its employees.

Conflicts of Interest

No employee should use his/her position with KHG or information acquired during employment in a manner that may create a conflict of interest between the personal interests of the employee and the interests of KHG. In general, any situation in which an employee's activities could conflict with the employee's responsibilities to KHG or to others with whom the Company

does business should be avoided, including doing any work for any competing company, whether paid or not paid.

KHG reserves the right to determine when an activity or behavior conflicts with KHG's interests and to take whatever action is necessary to resolve it. If necessary, this action can include terminating the employee.

Fair Competition & Dealing

Employees should deal fairly and honestly with customers, vendors, suppliers, and any others with whom KHG does business.

KHG does not permit or condone bribes, kickbacks, or any other illegal or improper payments, transfers, or receipts. This prohibition applies both to the giving and the receiving of payments.

No employee shall offer, give, or transfer any money or anything else of value for the purpose of obtaining or retaining business; or receiving any kind of favored treatment.

Fees, commissions, and expenses paid to outside agents must be based upon proper billings, accurate recordkeeping, and reasonable standards for services rendered.

Off-Duty Conduct

While KHG respects the privacy of its employees and does not seek to interfere with employees' off-duty conduct, certain types of off-duty conduct may interfere with KHG's legitimate business interests.

Employees are expected to conduct their personal affairs in a manner that does not adversely affect KHG's integrity, reputation, or credibility, or compromise the safety of its employees or customers. Off-duty conduct that adversely affects KHG's legitimate business interests or an employee's ability to perform his/her job will not be tolerated and will be subject to discipline, up to and including discharge, consistent with applicable law.

Outside Business Interests

No employee should establish or maintain an outside business interest that would cause any type of conflict. In addition, no employee may have any personal financial dealings with any individual or business organization, other than a regulated financial institution, that furnishes merchandise or supplies property or services to KHG. This includes receiving loans (other than bank loans), commissions, royalties, property interests, or anything else of value. No employee should maintain an investment in any such business.

Outside Employment

No employee of this Company shall accept simultaneous employment with another firm when that employment would present a conflict of interest. A conflict of interest arises when employment is with a competitor or supplier/vendor, or when the hours or conditions of the other job interfere with the employee's performance for KHG.

Political Activities

Employees are encouraged to support political candidates of their choice, by active support as well as by voting. All such activity must be on the employee's own time. There must be no use of Company facilities, and the employee must not be perceived as acting on behalf of KHG.

Financial Reporting

Employees are prohibited from setting up or maintaining any unrecorded fund, reserve, asset, or special account for any purpose. No false entries shall be made in Company books, records, or accounts; and no payment or transfer of funds or assets shall be made for any purpose other than that specifically authorized by KHG.

Employees are responsible for accurate and timely recordkeeping for all company assets, revenues, and expenses. Compliance with accepted accounting rules and controls is required. All books, records, and documents must accurately and completely describe the transactions they represent.

No employee should falsify, alter, or destroy any account, record, or other business-related document. Documents may include all electronic files and memos. This can include, but is not limited to such items as e-mails, tax software files, general ledger files, ".pdf" files, or any other form of information retention that is created and/or stored electronically.

Important Company records will be retained and protected in accordance with IRS and Treasury Department regulations and guidelines, as well as Federal, state and local law.

Gifts

Employees are prohibited from soliciting or accepting gifts from a guest, vendor, supplier or contractor. Gifts of promotional items without significant value that are routinely distributed by vendors to clients are acceptable. Ordinary business courtesies, such as payment for a modest lunch or dinner, are also acceptable. Gifts valued in excess of \$25 or of an undetermined value should be returned immediately. Gratuities or gifts of money, whatever the amount, cannot be accepted at any time and should be returned immediately.

Similarly, employees and members of their immediate families may not accept any discount on personal purchases of products from a Company vendor or supplier if it can be perceived as a strategy to influence the business relationship. Discounts from suppliers that are made available to all Company employees are acceptable.

Employees are allowed to participate in business-related functions and activities that occur in conjunction with exhibits, meetings, seminars, and presentations involving lunches, dinners, and entertainment.

Employees are not allowed to accept invitations to hunting, fishing, golfing, etc., trips or other sporting events that may create feelings of Company obligation. If employees can show that such activities will serve a useful business purpose, such invitations may be approved by management.

If there is any question as to the propriety of any gift or activity, it should be rejected as contrary to Company policy. Employees receiving gifts that are prohibited by this policy should return them to the donor immediately with an explanation. If it is not possible to return the gift, it should be given to a charitable organization. Management and the donor should be informed of this action as soon as possible.

4.4 Protection of Confidential Information

KHG will maintain the confidentiality of Corporate proprietary information, employee personal information, and other information that is deemed to be confidential by law and by Company policy. Any employee who violates our

Confidential Information policy is subject to discipline, up to and including discharge.

Confidential information may be information in any form, including written, electronic, oral, overheard or observed. Access to confidential information is granted on a “need to know basis.” A “need to know” is defined as information that is necessary in order for you to do your job.

During your daily work, you may be exposed to information that is considered confidential. This information must not be discussed with any co-workers who have no legitimate “need to know”, or anybody outside the Company, including guests, clients, friends, relatives, or anyone with the press or news media. You must be aware that others might overhear your professional discussions regarding the Company’s business affairs or an employee’s personal information.

All business records provided to you or in your possession must be returned to KHG upon termination of your employment.

Proprietary Information

It is the responsibility of all employees to maintain the confidentiality of KHG’s proprietary information. Proprietary information includes sales and marketing strategies, financial information, expansion and diversification plans, accounting data, market analysis information, etc. It also includes trade secrets such as formulas, patterns, programs, devices, techniques and methods that provide us with an advantage over our competitors.

Employee Personal Information

KHG employees who have authorized access to confidential personnel records will safeguard the confidentiality and security of such information at all times. Personnel records will be maintained in a safe and secure location. Medical information pertaining to employees will be maintained in separate, confidential medical files apart from the regular personnel records. Only authorized employees will be permitted access to personnel files, and file information will be shared only with other parties who have a legitimate “need to know”.

Computers and Electronic Devices

Employees must adhere to strict information controls to protect confidential data. Information control techniques include, but is not limited to,

safeguarding data from unauthorized or improper use, proper electronic data security, hard-copy document management, and proper disposal when data is no longer necessary.

All PCs, laptops and workstations should be secured with a password-protected screensaver with the automatic activation feature set at 10 minutes or less, or by logging off when the computer is unattended.

Before a Company-owned laptop computer or other portable electronic device that contains sensitive or confidential data can be taken off-premises for business travel or for work at home, the computer must first be equipped with data security controls such as data encryption and/or strong passwords. These controls will be provided by the IT department.

KHG will conduct random, periodic audits of employees' use of Company-owned computers and portable electronic devices to make sure that they are in compliance with this policy.

KHG prohibits employees from connecting personal portable digital assistants, such as cellular phones or tablets, to company-owned computers or to the Company's network resources without permission. Such devices may lack adequate information controls and, therefore, pose a security risk.

Email Usage at the Company

Email is to be used for company business only. Confidential company information must not be shared outside of the company without authorization, at any time. You are also not to conduct personal business using the company computer or email.

Please keep this in mind, also, as you consider forwarding non-business emails to associates, family, or friends. Non-business-related emails waste company time and attention.

Viewing sexually related material or sending sexually related material via email is considered sexual harassment and will be addressed according to our sexual harassment policy. Immediate termination is the most frequent disciplinary action that the company may take in these cases.

Company Owns Employee Email

Keep in mind that the company owns any communication sent via email or that is stored on company equipment. Management and other authorized

staff have the right to access any material in your email or on your company computer at any time. Please do not consider your electronic communication, storage, or access to be private if it is created or stored on work systems.

If you need additional information about the meaning of any of this communication, please reach out to your manager or the human resources staff for clarification.

Reporting Policy Violations

If an employee becomes aware of a security breach in maintaining the confidentiality of proprietary information, his/her personal information, or the personal information of a co-worker, the employee should report the incident to his/her direct supervisor or manager. KHG has the right to investigate the incident and take corrective action.

4.5 Whistleblower Policy

KHG is committed to high standards of ethical, moral and legal business conduct. In line with this commitment, this policy aims to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing.

This Whistleblower Policy is intended to cover protections for you if you raise concerns regarding KHG such as:

- Incorrect financial reporting;
- Unlawful activity;
- Failure to comply with legal requirements;
- Activities that are not in line with Company policy; or
- Breaches of ethical obligations.

Additionally, our Whistleblower Policy is intended to cover protections for you if:

- you have reported unsafe work practices or safety hazards encountered on the job;
- you objected to or refused to participate in a work-related activity you suspected was in violation of law;

- you have been involved with an investigation or hearing held by a government agency; or
- you have refused to do something that was a risk to your health or safety, or to someone else's health and safety.

Generally, concerns should be reported through normal channels such as your supervisor or a member of management. Concerns which are serious and/or sensitive in nature, including those relating to financial reporting and unethical or illegal conduct, may be reported directly to the General Manager or to KHG.

Initial inquiries will be made to determine whether an investigation is appropriate and the form that it should take. The action taken by KHG in response to a report of concern under this policy will depend on the nature of the concern.

Although the employee is not expected to prove the truth of an allegation, the employee should be able to demonstrate to the person contacted that the report is being made in good faith. Allegations in bad faith may result in disciplinary action.

Harassment, victimization or retaliation for reporting concerns under this policy will not be tolerated. Every effort will be made to treat the complainant's identity with appropriate regard for confidentiality.

4.6 Harassment

It is our policy to ensure that every employee enjoys a non-hostile work environment free of discrimination or harassment of any kind. Abuse of the dignity of anyone through derogatory or objectionable conduct, whether lawful or unlawful, will not be tolerated. KHG complies with all federal, state and/or local sexual and discriminatory harassment laws, regulations and ordinances.

The prohibition against harassment applies in all work-related settings and activities, whether on or off Company premises. This policy also applies to contractors, customers, clients or vendors. If such conduct occurs, prompt and appropriate corrective action, including the issuance of discipline up to and including termination, may be taken to eliminate the harassment.

Discriminatory Harassment

Discriminatory harassment consists of verbal or physical conduct that demeans or shows hostility, or aversion, toward an individual because of race, religion, color, sex, national origin, age, familial or marital status, ancestry, citizenship, genetic information, sexual orientation, gender identity, disability, veteran or military status, or any other factor protected by federal, state and/or local laws and that:

- has the purpose or effect of creating an intimidating, hostile, or offensive working environment;
- has the purpose or effect of unreasonably interfering with an individual's work performance; or
- otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes, but is not limited to the following:

- Epithets, slurs, jokes, negative stereotyping or threatening, intimidating or hostile acts.
- Written or graphic material which demeans or shows hostility or aversion toward an individual or group and is posted on walls, bulletin boards, e-mail or elsewhere on KHG premises.
- Submission to or rejection of such conduct by an individual is used as the basis for decisions affecting an individual's employment.

The terms intimidating, hostile and offensive are interpreted according to legal standards as determined by the law, and are viewed from the perspective of a reasonable person in similar circumstances as the complainant.

Sexual Harassment

Sexual harassment is also strictly prohibited under this policy. It is against Company policy for any employee to sexually harass another employee by:

- making unwelcome sexual advances or requests for sexual favors or other verbal or physical conduct of a sexual nature a condition of the employee's employment;
- making submission to or rejection of such conduct the basis for employment decisions affecting the employee; or
- creating an intimidating, hostile, or offensive working environment by such conduct.

Sexual harassment may take many forms including, but not limited to, the following:

- *Verbal:* sexual innuendos, suggestive comments, jokes of a sexual nature, sexual propositions, and threats.
- *Non-verbal:* sexually suggestive objects or pictures, graphic commentaries, suggestive or insulting sounds, leering, whistling, or obscene gestures.
- *Physical:* unwanted physical contact, including touching, pinching, brushing against the body, coerced sexual contact, and assault.

Bullying

Bullying is unacceptable behavior because it breaches principles of equality and fairness, and it frequently represents abuse of power and authority.

Bullying is unwelcome or unreasonable behavior that demeans, intimidates or humiliates people either as individuals or as a group, even if it is unrelated to a person's race, religion, color, gender, national origin, age, familial or marital status, ancestry, citizenship, genetic information, sexual orientation, gender identity, disability, veteran or military status, or other protected characteristic. Bullying behavior is often persistent and part of a pattern, but it can also occur as a single incident. It is usually carried out by an individual, but can also be an aspect of group behavior. Some examples of bullying behavior are:

- *Verbal communication:* Abusive and offensive language; insults; teasing; spreading rumor and innuendo; unreasonable criticism; and malicious gossip.
- *Manipulating the work environment:* Isolating people from normal work interaction; making excessive demands; and setting impossible deadlines.
- *Psychological manipulation:* Unfairly blaming for mistakes; setting people up for failure; deliberate exclusion; excessive supervision; practical jokes; belittling or disregarding opinions or suggestions; and criticizing in public.

Reporting Harassment and Bullying

Any employee who believes there has been a violation of this policy, whether or not he/she is the perceived victim, should promptly present the complaint orally or in writing to any appropriate level of management or Human Resources with whom he/she feels comfortable. An impartial investigation will be conducted and, if appropriate, disciplinary action will be taken as necessary.

Retaliation against an individual for reporting harassment or for participating in an investigation of a claim of 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.

4.7 Dress Code

People will judge our entire organization by the way you look and how professional you are in carrying out your responsibilities. Your appearance and customer service skills make huge impressions. That is why we consider our employees to be THE largest contributor to our success. It is therefore very important that each of us pays special attention to our personal appearance. Whether you are at the front desk or behind the scenes, your personal appearance is a key element to the success of our hotels. Following are the grooming standards required by KHG.

Grooming Standards for Male Employees

Hair: Men's hair is to be neatly groomed so that it does not extend beyond the bottom of the ear lobe or the top of the shirt collar. Extremes in dyeing, bleaching, or tinting, are not permitted. Wigs and hairpieces for men are not permitted unless for medical or cosmetic reasons.

Facial Hair: Sideburns should be neatly trimmed and may be permitted to extend to the bottom of the ear lobe, following their natural contour. Flares or muttonchops are not permitted. Mustaches, if worn, must be neatly trimmed and cannot extend beyond the bottom corner of the upper lip. Beards and goatees, if worn must be kept clean, neatly trimmed and cannot extend beyond 1/4 of an inch in length.

Cologne: Colognes should not be used excessively.

Fingernails: Clean, presentable fingernails are a must. Fingernails should not extend beyond the tip of the finger.

Jewelry: Small rings; class rings, wedding bands, and watches are permitted (only one ring per hand with the exception of a wedding band). A small chain

or necklace (not to exceed one-fourth inch in length) may be worn. Petite post studs and small earrings will be permitted. A maximum of two earrings per ear are allowed. Earrings are only permitted in the ears. It is not permissible for ANY part of the body, i.e., nose, tongue, cheek, eyebrow, or any other visible area to display any type ring stud, jewelry or ornament.

Shoes: Each department in the hotel has specific requirements regarding shoes. Shoes should be clean, in good repair, and neatly polished at all times. No sandals, open toed shoes or house slippers are allowed. In certain departments, safety shoes will be required and ordered through the hotel. Payment can be made in one, two or three installments via payroll deductions if necessary.

Body Art: No visible tattoos or body art are allowed. If an employee has a tattoo or any other type of body art that is visible, it must be covered with a band aid or other acceptable clothing while on hotel property.

Uniforms: Uniforms should be neat and clean at all times. Sunglasses, hats (unless part of the uniform and issued by the hotel), and suspenders are not considered part of the uniform and will not be acceptable. Any uniformed employee NOT wearing the approved uniform will be subject to disciplinary action.

Non-Uniformed Men: Business attire is acceptable, i.e., business suits, blazer with slacks, V-neck sweater with tie and jacket. "Business Casual" is acceptable when appropriate. No blue jeans will be permitted.

Name Tags/Pins: Name tags must be worn at all times. No flowers, stickers, decals, etc., will be allowed on the name tags. No pins will be allowed on the uniform other than those issued by the hotel, such as length of service pins or award pins.

Grooming Standards for Female Employees

Hair: Women should keep their hair neatly combed and arranged in attractive styles. Any extreme hair styling such as that of shaving the head or eyebrows is not permitted. Women who prefer long hair should take special care that it is neat and well groomed. Hair below shoulder length should be worn so that it will not fall forward or over the face while performing normal job duties. Extremes in dyeing, bleaching or tinting are not permitted. All hair accessories must be of a color which complements the uniform and clothing.

Cosmetics: Cosmetics should be used moderately and applied lightly. Foundation bases, powder and blush should correspond with each individual's skin coloring. Lipsticks, if worn, should be applied lightly and

compliment your appearance. Extremes in coloring, such as black lipstick or nail polish are prohibited.

Perfume: Perfume, cologne, scented powders or lotions should not be used excessively.

Body Art: No visible tattoos or body art are allowed. If an employee has a tattoo or any other body art that is visible, it must be covered with a band-aid or other acceptable clothing while on hotel property.

Fingernails: Clean, presentable fingernails are a must. Fingernails may not exceed one-fourth inch in length. If colored polish is used, it must be a color that compliments the uniform – no black polish is allowed.

Jewelry: Small rings; class rings, wedding bands, engagement rings and watches are permitted (only one ring per hand with the exception of a wedding set). A small chain or necklace (not to exceed one-fourth inch in length) may be worn. Petite post studs and small earrings will be permitted. A maximum of two earrings per ear are allowed. Earrings are only permitted in the ears. It is not permissible for ANY part of the body, i.e., nose, tongue, cheek, eyebrow, or any other visible area to display any type ring stud, jewelry or ornament.

Shoes: Each department in the hotel has specific requirements regarding shoes. Shoes should be clean, in good repair, and neatly polished at all times. No sandals, open toed shoes or house slippers are allowed. In certain departments, safety shoes will be required and ordered through the hotel. Payment can be made in one, two or three installments via payroll deductions if necessary.

Uniforms: Uniforms should be neat and clean at all times. Female employees not wearing slacks suits or uniform slacks are required to wear hosiery. Sunglasses, hats and suspenders are not considered part of the uniform and are not acceptable attire. Any uniformed employee NOT wearing the approved uniform will be subject to disciplinary action.

Non-Uniformed Women: Business attire is acceptable. Female employee not wearing slacks suits are required to wear hosiery. No blue jeans will be permitted. Sun dresses, miniskirts, halter tops, etc., are also not acceptable attire.

Dress/Skirt Length: No dress or skirt may be higher than 3" above the knee.

Name Tags/Pins: Name tags must be worn at all times. No flowers, stickers, decals, etc., will be allowed on the name tags. No pins will be allowed on the uniform other than those issued by the hotel, such as length of service pins or award pins.

Based on the circumstances of each situation, employees dressed in violation of this policy may be sent home immediately, instructed to return dressed in more appropriate clothing, and placed on authorized leave without pay for the period absent from work, depending on their exempt/non-exempt status.

When an employee's dress does not comply with established standards, the employee's immediate supervisor should discuss the matter with the employee. If counseling fails to bring the desired response, disciplinary action up to and including termination may be taken.

4.8 Dating and/or Romantic Relationships

Relationships with Co-workers

Although romantic relationships between co-workers are not strictly prohibited, except under the circumstances indicated below, KHG discourages employees from becoming romantically involved with one another. Office romances create a distraction that often adversely impacts productivity and performance.

KHG also discourages employees from becoming romantically involved with guests, clients, vendors/suppliers, and employees of our competitors.

KHG prohibits supervisors from becoming romantically involved with subordinates. These situations can lead to charges of sexual harassment or retaliation by subordinates, and favoritism by other employees. If a supervisor and subordinate are having a romantic relationship, it is the responsibility of the senior-ranking employee to disclose the relationship to Company management or be in violation of the policy. KHG reserves the right to transfer one or both of the individuals. Factors such as work experience, seniority, and Company needs will influence the decision. For example, we may adjust work schedules or reassign job duties to minimize potential conflicts of interest or problems relating to safety, security, or morale, when possible. In all such cases, the business needs of KHG will be the determining factor. If transfers are not available, KHG reserves the right to terminate the employment of one or both of the individuals.

Employees who become personally involved with co-workers should be aware that serious risks and consequences can develop as a result of the relationship's effect on business matters. KHG may intervene by discussing the issue with the employees, or taking remedial measures when, in KHG's

opinion, it is necessary to do so to maintain the integrity of work relationships.

Salaries and promotions are based on job performance. KHG will not tolerate favoritism in the workplace. Supervisors or managers who provide special benefits, such as promotions or raises, to employees with whom they are having a romantic relationship in violation of this policy will be disciplined accordingly.

Employees who believe they have been adversely impacted by a relationship between their supervisor/manager and a co-worker should report it immediately to the General Manager or KHG HR. Instances of paramour favoritism may create a hostile environment for others and, therefore, will be investigated immediately.

KHG prohibits employees from engaging in public displays of affection or romantic liaisons during business hours or while on Company premises.

Relationships with Guests

It is unacceptable for employees to establish or maintain a personal relationship with a guest or guests. Communication and dealing with guests should always be handled in a professional and unquestionable manner. No employee or manager is permitted to date a guest or visit a guest in his/her room, even when not on duty. Such a relationship could constitute a conflict of interest. Violation of this policy will result in the immediate termination of the employee(s) involved.

4.8 Tobacco and Gum Products

KHG recognizes the right of its employees to work in an environment free of tobacco smoke. Therefore, smoking or other use of tobacco products (including, but not limited to, pipes, cigars, snuff, e-cigarettes, vaping products and chewing tobacco) is strictly prohibited anywhere on hotel property except in designated smoking areas. Employees who violate this smoking policy will be subject to discipline, up to and including termination.

Your supervisor or General Manager will advise you of the designated smoking area for your hotel, usually in the back of the hotel – never in the front entrance or in guest contact areas. Smoking breaks are to be taken during regular, designated breaks only. Hotel management reserves the right to limit the number of employees taking a smoke break at the same time.

This policy also applies to Company-sponsored off-site conferences and meetings; all vehicles owned or leased by KHG; all visitors to Company premises; all contractors and consultants and/or their employees working on Company premises; and all temporary employees.

KHG will comply with all state and local ordinances controlling smoking in the workplace. Employees with inquiries or complaints about smoking in the workplace are asked to report them to their supervisor.

Smoking or other use of tobacco products outside of working hours and off Company premises will not be the basis of any disciplinary action. Nor will KHG pursue a policy of discharging employees or refusing to hire applicants because they are smokers.

Employees will not chew gum while on hotel property except in designated break areas while on break.

4.9 Drugs and Alcohol

Drug and alcohol abuse contributes to billions of dollars of lost productivity and thousands of work place injuries every year. Our policy is to employ a work force free from alcohol abuse and the use of illegal drugs. This Company takes drug and alcohol abuse as a serious matter and will not tolerate it. The possession, use, or sale of alcohol or non-prescribed drugs while on Company property or while on Company business is strictly prohibited and constitutes grounds for termination.

Company property includes all facilities, offices, buildings, equipment, Company vehicles, and parking areas, whether owned, leased, used by, or under the control of KHG.

KHG reserves the right to conduct searches and inspections of employees' personal property and effects, including vehicles and lockers, for the purpose of determining if this policy is being violated. All employees are expected to cooperate with inspections and failure to do so will result in discipline, up to and including termination.

Alcohol

The abuse of alcohol is a serious threat to both KHG and its employees. Management and employees are equally responsible for maintaining a safe and healthful working environment.

Any employee under the influence of alcohol which impairs judgment, performance, or behavior while on Company premises or while on Company business will be subject to discipline, up to and including termination.

The consumption of alcoholic beverages while driving any vehicle for Company business is prohibited. The consumption of alcohol on Company time or on Company property is also prohibited and can result in discipline, up to and including termination.

Any alcohol left in a guest's room, presented to you by a guest, or found anywhere on hotel property must be turned in to your Supervisor immediately for disposal pursuant to hotel policy. All 'opened' containers of alcohol are to be considered unsafe, and must be destroyed.

KHG reserves the right to require any employee suspected of alcohol use in violation of this policy to undergo testing in accordance with state or industry regulations. Also, KHG reserves the right to require employees returning from rehabilitation for alcoholism to submit to periodic testing as a condition of his/her continued employment. Employees who refuse to be tested or who take actions to interfere with the testing process in any way, including inappropriate delays of the testing process, will be subject to discipline, up to and including termination.

Reasonable accommodation consistent with applicable state and federal law will be offered to any employee who voluntarily discloses an alcohol problem. However, KHG may discipline, discharge, or deny employment to an employee whose use of alcohol adversely affects job performance or conduct to the extent that he/she is not qualified to perform the essential functions of his/her job.

The confidential nature of the medical records of individuals with alcohol dependency will be preserved. These records will be kept in a confidential medical record file separate from the employee's personnel file.

Moderate use of alcohol at Company-approved meetings, or in an appropriate social setting, is not prohibited by this policy. However, employees are expected to behave responsibly at all Company-sponsored events where alcoholic beverages are served.

KHG accepts no responsibility for any alcohol consumption at informal employee events, such as bachelor parties, bridal showers, etc., that aren't sponsored by KHG. No employee has the right to designate any informal

event as Company-sponsored. No notices of such events may be placed on bulletin boards without specific management approval.

Drugs & Narcotics

Drug usage/abuse is a serious threat to both KHG and its employees. To ensure a safe and healthy working environment, KHG has adopted the following drug testing policies, subject to state-specific regulations in various Company locations.

Job Applicants

Job applicants for a management position will be required to undergo drug testing after a conditional offer of employment has been made. Positive test results will be considered in employment decisions and may result in a decision that the applicant is not qualified for employment.

Before being asked to submit to a drug test, job applicants will receive written notice of the request and the testing requirements.

Random Testing

KHG will randomly test employees for compliance with its drug-free workplace policy. As used in this Policy, "random testing" means the unscheduled, unannounced drug testing of randomly selected employees by a process designed to ensure that selections are made in a nondiscriminatory manner. Furthermore, KHG has no discretion to waive the selection of an employee selected by this random selection method.

Employees who refuse random drug testing will be subject to discipline, up to and including termination.

Reasonable Suspicion

Employees may be subject to testing if KHG obtains evidence or has reasonable suspicion that drugs are being used in violation of this policy. If there is reason to believe that an employee is working under the influence of illegal drugs, prescription drugs not taken as prescribed or without a proper prescription, or over-the-counter medication that is not taken as directed or is causing concern, he/she will be required to undergo immediate testing and will be suspended until the results of the test are made available. Cause for reasonable suspicion includes, but is not limited to, the following observations:

- a strong pattern of poor performance and poor work habits;
- a pattern of increased mistakes, mood swings, signs of drowsiness, and slurred speech;
- watery eyes and sniffles coupled with rapid and wide mood swings, dilated pupils, increased startle reactions and rambling speech;
- changes in behavior such as going from friendly and outgoing to very withdrawn, or clean and neat to disheveled, along with other signs; or
- a report of drug use provided by a reliable and credible source that has been independently corroborated.

Arrangements will be made to have the employee driven home pending the results of the testing. If the results are negative, the employee will be allowed to return to work at the next normal shift. If the test results are positive, the employee will be subject to disciplinary action up to and including immediate termination consistent with applicable state law.

Employees who refuse testing when reasonable suspicion is present will be subject to discipline, up to and including termination.

Post Accident

Any employee who is involved in an accident or incident while on duty, whether he/she is on or off hotel premises, will be required to undergo immediate drug testing. Refusal to submit to drug testing after an accident will result in discipline, up to and including discharge.

Employees are cautioned not to use prescribed drugs that may affect their judgment, performance, or behavior. Prescription and over-the-counter drugs that can result in drowsiness or other unsafe conditions are prohibited during working hours. Employees who are treating colds and flu with non-prescription medicine are urged to ask their pharmacists for alternatives that do not cause drowsiness or other unsafe conditions.

Testing Methods and Procedure

KHG's Drug and Alcohol Policy is intended to comply with all state laws governing drug and alcohol testing, and is designed to safeguard employee privacy rights to the fullest extent of the law.

Any drug and/or alcohol testing required or requested by KHG will be conducted by a laboratory licensed by the state. Any attempt to interfere with the testing process by an employee, including inappropriate delays of the testing process, will result in disciplinary action up to and including termination.

If the employee receives notice that the test results were confirmed positive, the employee will be given the opportunity to explain the positive result.

KHG will pay the cost of any drug and alcohol testing that it requires or requests employees or applicants to submit to, including retesting of confirmed positive results.

KHG will make every effort to keep the results of drug and alcohol tests confidential. Only persons with a need to know the results will have access to them.

4.10 Workplace Violence

The safety and security of KHG's employees, guests, clients, vendors/suppliers, contractors, and the general public are of vital importance. Therefore, acts of violence made by an employee against another person's life, health, well-being, family, or property will not be tolerated. Employees who are guilty of acts or threats of violence will be subject to discipline, up to and including immediate termination.

KHG broadly defines violence and violent tendencies to include physically harming another, fighting, shoving, pushing, harassment, intimidation, coercion, brandishing weapons, and threats or talk of violence.

KHG prohibits the following:

- any act or threat of violence made by an employee against another;
- any act or threat of violence, including, but not limited to, intimidation, harassment, or coercion;
- any act or threat of violence which endangers the safety of employees, guests, clients, vendors/suppliers, contractors, or the general public; and
- any act or threat of violence made directly or indirectly by words, gestures, or symbols.

KHG has a “zero tolerance for violence” policy. If employees display any violence in the workplace or threaten violence in the workplace, they are subject to immediate termination. No talk of violence or joking about violence will be tolerated. Any private conversations overheard that constitute physical threats against other individuals can and will be used as the basis for discipline, up to and including termination.

Every effort has been made to identify possible sources of workplace violence and implement procedures to eliminate or minimize risks. KHG will ensure that all workers are aware of violence hazards and are properly trained to respond appropriately to incidents of violence.

Employees should report any behavior that compromises KHG’s ability to maintain a safe work environment to their supervisor or a member of management. All reports will be investigated immediately and kept confidential except where there is a legitimate need to know.

4.11 Weapons

A safe working environment is very important to all of us. For this reason, to the extent allowed by law, no employee or visitor, vendor, supplier, temporary worker or contractor, may enter Company property with any type of visible or concealed weapon. Any employee found carrying a weapon on Company property will be subject to disciplinary action, up to and including termination.

While this list is not all inclusive, weapons include firearms, knives, any explosive materials, or any other objects that could be used to harass, intimidate, or injure another individual.

Company property includes buildings, parking lots, company vehicles, and vehicles being used for Company business.

The only exceptions to this policy are police officers, security guards, or other persons who have been given written consent by KHG to carry a weapon on the property. To the extent allowed by law, possession of a valid concealed weapons permit authorized by the state is not an exemption under this policy.

An employee who determines or speculates that an employee or visitor is carrying a weapon on Company property should notify his/her supervisor

immediately. An employee should not, under any circumstances, attempt to disarm another employee or visitor.

We reserve the right to conduct searches of any person, vehicle, or object that enters onto Company property. We may also search lockers, desks, purses, briefcases, baggage, toolboxes, lunch boxes, clothing, vehicles parked on Company property, and any other item in which a weapon may be hidden unless prohibited by state or local law. KHG may also authorize searches by law enforcement personnel without the employee being present. Employees have the right to refuse such a search, but they may be terminated for doing so.

Anyone in violation of this policy will be asked to leave the premises immediately. KHG may report violations of our weapons policy to local law enforcement personnel.

4.12 Workplace Safety

It is KHG policy to provide a safe workplace for its employees based on guidelines established by Occupational Safety and Health Administration (OSHA) and other applicable regulations and guidelines.

Our goal is to minimize human injury or illness, property loss, and business interruption caused by accidents, fire, or other hazards. We believe this will be achieved to the degree that our employees accept and fulfill the safety and health responsibilities inherent in each job. Individually, we must recognize hazards, anticipate possible exposures and risks, and then act to eliminate or control them.

KHG expects that its workers will give their best effort to prevent workplace accidents and illnesses. KHG will provide the necessary direction and aid to accomplish this goal and will also reward or discipline employees according to their actions on behalf of safety or health concerns. Employees are responsible for working as they are instructed to safely produce a quality product or service.

Employees are expected to adhere to all OSHA, federal, and state regulations and comply with the following general rules:

- Make sure aisles and passageways are clear and that tools and equipment are in good working order.

- Be cautious when lifting heavy items and do not climb on chairs, shelves, boxes, or substitute any other item for a ladder.
- Avoid horseplay and practical jokes and never run on Company property except in an emergency.
- Learn location of emergency exits and procedures to follow when an alarm sounds.
- Correct or report any unsafe condition you observe, such as water on the floor, frayed electrical cords, loose or wet carpet, broken glass, etc., to your Supervisor or General Manager immediately.
- Use precautions and follow proper procedures when operating equipment. Never operate damaged or defective equipment. Never tamper with, remove, or deactivate machine guards or controls designed to ensure safe operations. Never reach into an operating machine or moving machine part.

Employees whose jobs require the use of chemicals will be given information and training regarding their correct use.

If an employee has any doubt about how a task should be done safely, he/she is NOT to begin the task before consulting with a supervisor. Together, they will determine the safe way to do the job.

KHG employees are never required to perform work that they believe to be unsafe, or that they believe is likely to cause injury or a health risk to themselves or others.

Employees are encouraged to report any unsafe work practices or safety hazards encountered on the job. All accidents or incidents, no matter how slight, are to be immediately reported to the manager on duty. KHG will not tolerate retaliation against an employee for reporting an unsafe condition or practice.

Fire Safety

The first moments of a fire are the most important. Be sure to remain calm and think clearly in the event of a fire emergency. It is everyone's responsibility to know the locations of all the fire extinguishers and fire exits. NEVER assume a fire alarm is false.

In case of fire remember:

- DO NOT use the elevators

- Activate the nearest fire alarm pull box
- Contact the front desk, giving the exact location of the fire, so they may contact the fire department
- Determine if there are any people in the area and if so, escort them to the nearest stairway exit

Reporting of Accidents

If you are the witness to the injury of another individual on hotel property, you should notify the Manager on Duty or front desk immediately. Try to make the injured person as comfortable as possible and alert the operator/front desk if an ambulance is needed. DO NOT administer first aid or CPR unless you have been trained and certified. If you have obtained this training and certification, you must have provided a copy of your certification to the General Manager for inclusion in your personnel file.

In order to protect the legal rights of the injured person and the hotel, you will be required to complete an accident report. See your General Manager to complete this report. You may be required to provide a written statement.

If you are injured while at work, you must report the injury to your Supervisor or the General Manager immediately, even if the accident or injury seems insignificant. If you require medical attention, your supervisor or General Manager will refer you to the appropriate medical facility for evaluation/ treatment. Failure to immediately report injuries can result in loss of Worker's Compensation benefits.

4.13 Security

It is our policy to protect the security of our employees and our Company property through the establishment of appropriate controls and procedures.

Security issues and violations cannot be handled in a constructive manner unless hotel management knows about them. Our security policy, therefore, places a strong emphasis on reporting security-related incidents so that the proper action can be taken.

Hotels are public establishments and one of your responsibilities as an employee is to watch for situations and people that appear suspicious such as:

- a guest trying several key-cards to a room;

- a guest checking in without luggage;
- a guest carrying luggage out without paying the bill; and
- a large number of hotel supplies missing from the room.

Employees must never mention guest names or room number assignments in a manner that might be overheard by non-employees. Employees must never allow a person to access a hotel room unless that person has been properly identified as the registered guest of that specific hotel room. Never leave hotel keys or key-cards in an unsecured place, and never leave exterior door entrances to the hotel in a “propped open” position.

Your supervisor will provide training for security procedures that are specifically related to your job and department. Please report any theft or suspicious activity to your supervisor or the General Manager immediately!

KHG reserves the right to inspect bags, parcels, or containers being removed from the premises by an employee. Further, in the interest of health and safety, KHG reserves the right to inspect the workplace, including lockers, desks, files, etc. A search can also be conducted of any hotel or personal equipment used in the scope of employment, including but not limited to computer equipment and files, e-mail, voicemail, etc.

An employee’s vehicle, including the trunk and glove compartment, are subject to search if the vehicle is parked on hotel property.

4.14 Package Pass

All packages and articles brought into the hotel or being taken from the hotel by an employee must be tagged. If you purchase something while at work or if a guest gives you a gift, your Department Head must issue a package pass to allow you clearance when you leave work. All packages and articles brought in or removed from the hotel are subject to search, including purses, handbags, briefcases, knap sacks, tote bags, fanny packs, lunch containers, backpacks, coat pockets, etc.

4.15 Guest Rooms

To protect both you and our hotel guests, employees may enter a guest’s room ONLY for official hotel purposes. This includes cleaning the room, delivering a room service order, or making repairs. If you visit a guest in his/her room for any reason other than hotel business, you will be subject to

immediate termination. Any article or item in a guest stay-over room should be left alone. This includes any items in the refrigerator or microwave.

4.16 Lost and Found

All lost and found items should be tagged and turned immediately to the Housekeeping Department to be held until claimed by the guest. No lost and found items should be left unattended on a cart or placed in a pocket. If the guest does not claim the item(s) other than alcoholic beverages (see ALCOHOL policy) within 90 days, the employee who found the item may claim it. Failure to turn in any item or article found in a guest room or public area of the hotel could result in termination. Never dispose of an item or article left in a guest room or public area – leave the decision to hotel management.

4.17 Bulletin Boards

Bulletin boards are used to communicate information to employees. There are bulletin boards located by the time clock and in the employee break room. These bulletin boards are used for company notices, memos, job postings, and federal, state, and local labor law postings ONLY. Employees are not allowed to post any information on the bulletin boards without the prior permission and authorization of the General Manager. Unauthorized and unapproved material will be removed and destroyed. It is your responsibility to read and keep apprised of company postings on the bulletin boards.

4.18 Employee Parking

Hotel management will inform employees of the appropriate area for employee parking.

4.19 Phone Calls and Workplace Visitors

You MAY NOT make personal phone calls from any hotel telephone while you are working. You may make calls during your break periods. You may not receive incoming personal calls, and you should tell your family and friends not to call you at work except in the case of an emergency. In the event of an emergency, you will be given the message immediately. In other situations, your Department Head will take a message for you, and you may return the call while on your break.

The use of personal cell phones, pagers, and/or beepers is not permitted while on company time or hotel property. You are not permitted to carry any of the above while at work. If caught with one of the above, disciplinary action will be taken.

For safety, insurance and other business considerations, personal visitors are discouraged during working hours. Individuals not employed by KHG who are present for no reason other than visiting can be a distraction to all employees and their duties. Visitors MUST first check in with the front desk. If the nature of the visit is an emergency, the front desk will call the employee to the desk. No visitors are allowed in areas other than the front desk and the adjacent lobby area.

4.20 Social Media and Blogging

These guidelines apply to KHG employees or contractors who create or contribute to blogs, wikis, social networks such as Facebook, LinkedIn, and Twitter, virtual worlds, or any to other kind of Social Media.

While all employees are permitted to express their thoughts, exchange ideas, and promote the Company's products/services online, in doing so, employees who participate in online commentary are required to understand and to follow these guidelines:

- To establish credibility, employees must identify themselves as an employee of KHG. However, employees must make it clear that they are speaking for themselves and their messages are not a form of official communication from KHG. Employees' messages should have clear disclaimers that the views expressed do not necessarily represent the views of KHG.
- Employees may not disclose any confidential or proprietary information, including, but not limited to, trade secrets, customer data, financial information, strategic decisions, etc. Consult KHG's confidentiality policy for further guidance about what constitutes confidential/proprietary information.
- When endorsing Company services on social networking sites, it is essential that all endorsements or advertising messages reflect the honest experience or opinion of the employee. Endorsements may not contain representations that would be considered deceptive or misleading if KHG made them directly. Also, employees are required to disclose their relationship to KHG in all messages that endorse or

advertise KHG's services. Employees who publish endorsements that are misleading or that do not reveal their relationship to KHG will be disciplined, up to and including discharge.

- Employees must be respectful of KHG, other employees, guests, clients, and competitors. Do not identify other individuals/companies by name or post their pictures without their authorization. Also, employees are prohibited from using social networking sites to criticize or complain about KHG or its competition. Employees are reminded to use discretion when using social networking media and be wary of KHG competitors following their tweets, friending them on Facebook, etc.
- Employees may not use logos, trademarks, or other intellectual property of KHG, without prior, written approval. Employees must respect all copyright law, and reference sources appropriately.

All Company policies, including those related to harassment, discrimination, ethics, privacy, etc., extend to all forms of communication, including use of social networking sites.

Social networking for personal reasons should be done on personal computers and on personal time.

KHG reserves the right to monitor employee use of social media. Employees who use social networking in a manner deemed not to be in the best interest of KHG will be subject to disciplinary action, up to and including termination.

4.21 Solicitation

KHG does not allow solicitation on its property. Anyone who enters Company property to solicit its employees for any reason will be asked to leave, and, if necessary, will be escorted off the premises.

The same rule applies to persons who come onto Company property to distribute flyers or other literature. Any employee who is approached by someone wanting to sell something or hand something out is asked to call the front desk immediately.

During work time, employees are expected to devote their time to work activities. Social solicitation activities are to take place only during non-work time in areas where the employees will not disturb other people who are working. In addition, distribution of flyers and literature must be done on

non-work time and only with the express written permission of the General Manager.

Employees are prohibited from using Company fax machines, computers, and other electronic communications systems for soliciting information that is not related to Company business. Also, Company equipment or supplies may not be used to reproduce or distribute literature.

4.22 Cash Handling

If you are in a position requiring the handling of cash, you are responsible for the safekeeping and accuracy of your cash bank. You should count your bank at the beginning of each shift and if there is a discrepancy, you should notify your supervisor or the General Manager immediately. You are required to count your cash at the end of each shift, as well as prepare the appropriate deposit. When depositing your cash at the conclusion of your shift, you must have a witness to the safe drop. You and your witness are required to document your drop on the appropriate form. NEVER sign as a witness if you did not, in fact, watch the person drop the money in the safe. It is your responsibility as a cash-handling employee to ensure the chamber in the drop safe is turned and the envelope has dropped into the safe.

5 Compensation and Payroll Information

5.1 Pay

KHG will, in its salary administration and wage and hour policies, follow the rules and regulations set forth by federal and state labor laws.

The workweek begins on Sunday and ends on Saturday. Employees will be paid on a bi-weekly basis and will be paid on Friday. Paychecks will not be issued prior to 2:00 p.m. on payday.

KHG expressly prohibits any employee from filling in, changing, or damaging any other employee's time record. It is a violation of Company policy to change or falsify a time record. Any employees who do so may be suspended or terminated at the discretion of the supervisor and Company management.

Applicable federal, state, and local income taxes, as well as federal Social Security taxes, are withheld from each paycheck. KHG will obey all laws that pertain to payroll, including withholding to meet garnishment orders.

KHG will not dock pay for disciplinary reasons or deduct such allowances when it would reduce wages below the minimum wage or cut into overtime compensation rates as demanded by law.

No employees may work beyond the normal workday or workweek without the written, official authorization of their immediate supervisor.

5.2 Check Cashing and Pay Advances

Because our hotel needs cash on hand for our guests, employees are not allowed to cash any type of check at the hotel. This includes personal checks and payroll checks. Employees are also prohibited from writing personal checks for hotel services (such as meals). **THE COMPANY DOES NOT PROVIDE PAY ADVANCES TO EMPLOYEES.**

5.3 Overtime

All non-exempt employees are subject to the overtime pay provisions of the Fair Labor Standards Act (FLSA) and must be compensated for all hours worked.

A non-exempt employee who works more than 40 hours in a workweek (not including hours for paid leave) must be paid an overtime rate of one-and-one-half times his/her regular hourly rate of pay for all time actually worked in excess of 40 hours in a workweek. Non-exempt employees will not be paid overtime for work on Saturdays, Sundays, holidays, or regular days of rest if they haven't worked more than 40 hours in that workweek, unless otherwise required by state law.

KHG will make every reasonable effort to distribute overtime as equitably as possible among employees qualified to do the work. Employees are expected to work overtime as required. Every effort will be made to find a replacement for an employee who has a previous commitment or emergency situation. However, if this is not possible, employees will be expected to accept the overtime order. Refusal to do so may necessitate discipline, up to and including discharge.

Volunteers will be requested before requiring employees to work overtime. Involuntary overtime will be used only after other alternatives have been exhausted, such as rescheduling priorities, reassigning work, re-balancing workloads, etc.

No employee will work overtime without direct authorization from his/her immediate supervisor. An employee who works overtime without authorization will receive a written warning after the first offense. Subsequent violations will result in disciplinary action up to and including termination.

Supervisors will not authorize overtime unless it has been approved by the General Manager.

5.4 On-Call Time

Employees may sometimes be required by their supervisor to remain on-call outside their regular hours of employment. Employees who are required to remain on-call should carry a cellular phone or pager at all times. Employees are expected to respond to the call and travel to work within a reasonable amount of time.

KHG will make every effort to give employees as much advance notice as practical of their on-call duties and to rotate the duty evenly among all qualified employees.

If an individual is sick when scheduled to be on-call, another employee will be substituted. In turn, the individual who was ill will take over the next on-call shift of the substitute.

KHG allows employees to trade on-call duties among themselves so that they can pursue personal activities; however, these changes must be communicated to and approved by the hotel manager in advance.

If an employee cannot use their time away from work effectively for personal pursuits or must return to work in less than 30 minutes, he/she will be compensated for the entire period he/she is on call.

If an employee can pursue personal activities and he/she is non-exempt, KHG will provide additional compensation from the time he/she receives the call and until the work is completed. On-call time will be paid at the employee's regular rate of pay or at his/her overtime rate once he/she has worked the required hours.

Exempt employees who perform on-call duties will receive no additional compensation for this duty, since they are exempt from overtime compensation.

While employees are encouraged to pursue their personal activities during on-call time, they are restricted from doing anything that would impair their ability to perform their jobs safely if called to work. For that reason, alcohol and other intoxicants are not to be consumed when on-call.

5.5 Recording Hours

The time you report to work and the time you are off work will vary according to the position you hold and the volume of business in the hotel. Your supervisor will provide specific information pertaining to your work hours. Regardless of where you work in the hotel, your supervisor has the authority to set the hours necessary to keep your department running smoothly.

Non-exempt employees are required to “clock in” at the beginning of their assigned workday and “clock out” at the end of their workday. Non-exempt employees are also required to “clock out” at the beginning for their meal period and “clock in” at the end of their meal period.

Any time an employee leaves the workplace during the workday on other than work-related business, the employee must clock out. Upon returning to work, the employee must clock in.

Employees must have previous supervisory approval to work overtime. This includes pre-approval to clock in early or clock out late or work through lunch. Employees who repeatedly clock in early or clock out late or work through lunch without supervisory permission will be subject to discipline.

No employee may clock in or out for another employee. Any employee found clocking in or out for another employee or having another employee clock in or out for them will be subject to disciplinary action.

It is the responsibility of employees to monitor their time and to advise their supervisor immediately of any problems with the time clock. If the supervisor determines there are problems, the supervisor should note the employee’s time worked and inform KHG HR of any changes. Only authorized supervisors may alter information on a time report.

If the time clock is not operating properly, you should notify your supervisor.

5.6 Personnel Records

The General Manager’s office at your hotel keeps a personnel file on every employee. This file contains information about your work history with the

hotel and the Company. The information in your file is private and your right to privacy is strictly protected. KHG complies fully with all privacy laws limiting access to your personnel records and the information contained in your file. You may view your file by getting in touch with your General Manager.

Occasionally, we may find it necessary to contact you on very short notice as a result of an emergency or some other problem at work. In view of this, it is very important to keep your home address and telephone number current in our records. Should you change either your address or telephone number while employed with the hotel, it is your responsibility to notify your supervisor of the change.

5.7 References

All requests for employment references must be directed to hotel management or KHG HR. No supervisor or employee is authorized to give any information about current or former employees without the approval of management.

It is our policy to answer requests for references by stating only dates of employment and position(s) held by the employee.

5.8 Final Pay

Upon termination of employment, employees will receive their final pay on the next regular payday following termination, except where otherwise required under state law. All accrued, vested benefits that are due and payable upon termination will also be paid at this time. Other accrued benefits, such as benefits under retirement or savings plans, etc., will be distributed under the terms of those plans.

6 Performance Expectations

6.1 Performance Appraisals

Performance appraisals benefit KHG and our employees by clarifying goals and expectations and creating an environment of open communication. Performance appraisals are instrumental in improving job performance, identifying strengths and weaknesses, and determining the potential for skill development. Appraisals are a positive, constructive way for KHG to

enhance the development of its employees, which will, in turn, contribute to the overall success of our organization.

Employee performance will be evaluated on an ongoing basis. Employees should expect to receive a formal appraisal annually. The purpose of these appraisals is to establish and evaluate progress toward meeting performance goals and objectives. The annual formal appraisal will include an employee self-assessment, the immediate supervisor's assessment and a joint discussion of the evaluations.

Newly hired employees will be evaluated at the end of their 90-day introductory period.

Employees will have the right to express disagreement with any points made, correct any inaccuracies, and make written comments concerning all aspects of the appraisal.

Employees are encouraged to use performance appraisals as an opportunity to openly discuss with their supervisors their career and personal goals and how they plan to meet them. They should also feel free to bring up any difficulties in their relationships with their supervisor in an open and constructive manner.

The administration of a performance appraisal does not automatically guarantee a wage increase, regardless of the outcome of the evaluation.

6.2 Promotions and Transfers

KHG policy on promotions encompasses the same equal employment opportunity philosophy as our hiring, discipline, and all other decision-making processes. No individual will be denied a promotion because of a personal characteristic that is not related to the effective performance of the position in question.

We will use objective, job-related criteria to make selections, apply the same standards to everyone, and will not raise or lower them for individual employees. Factors to be considered in promotions include education, experience in present and previous jobs, performance record, ability, compliance with company policies, work ethic, skills, and business needs.

A newly promoted or transferred employee will be subject to a 90-day probationary period. It will be used by the supervisor to observe and evaluate the employee's work to determine whether there is an effective

adjustment of the employee to his/her new position and to determine whether the employee demonstrates the ability and qualifications necessary to perform the job. Periodically throughout the probationary period, the supervisor should discuss with the employee his/her progress on the job. If, during the probationary period or anytime thereafter, an employee's job performance is unsatisfactory, the employee may be subject to demotion or termination of employment at the discretion of KHG.

6.3 Discipline

A high level of job performance and professional conduct is expected of each of our employees. In the event that 1) your job performance does not meet the standards established for your position; 2) you violate established Company policies or guidelines, or 3) you exhibit behavior that violates commonly accepted standards of honesty and integrity or creates an appearance of impropriety; KHG will take appropriate disciplinary action up to and including termination depending on the circumstances of each situation. Disciplinary action may include verbal or written reprimands, suspension, probation, or any other means of correcting an employee's conduct.

It is the policy of KHG to regard discipline as an instrument for developing total job performance rather than as punishment. Degrees of discipline are generally progressive so employees have the opportunity to correct employment problems. However, there is no set standard of how many oral warnings must be given prior to a written warning or how many written warnings must precede probation, suspension or termination. Management reserves the right to determine the appropriate level of disciplinary action that is warranted under the circumstances of each situation, up to and including termination.

KHG is not required to take any disciplinary action before making an adverse employment decision, including termination.

6.4 Insubordination

Disrespect for authority in the workplace can lead to serious work-flow disruptions and have a negative impact on workforce morale and productivity. Insubordination is against company policy and will not be tolerated. A violation of this policy can result in disciplinary action up to and including termination

Insubordination is defined as an action, behavior, mannerism, and/or attitude, as well as display or pattern of conduct that could reasonably be interpreted as disrespectful to the authority of a supervisor.

Examples of insubordinate conduct include, but are not limited to:

- An open refusal to carry out an order
- Actively challenging or criticizing a superior's order
- Showing open disrespect toward a supervisor
- Making threats, using abusive language or using coercion or physical violence
- Making malicious statements
- Ignoring instructions or refusing to follow Company policy

Incidents of insubordination will be dealt with immediately and professionally. Each incident will be reviewed and consideration will be given to all the relevant factors and circumstances involved before a course of action is decided.

If an employee disagrees with a supervisor, the employee should first try to mediate the situation by explaining his/her position. Preferably this process will result in positive concessions and avoidance of disciplinary action for insubordination.

If an employee has a complaint about management behavior, he/she should follow the KHG complaint process.

7 Attendance

7.1 Attendance and Punctuality

Every employee is expected to report for work regularly and on time. Reasonably reliable and regular attendance is an important job requirement and an essential duty of every position. Failure to meet this requirement may result in disciplinary action up to and including termination.

Definition of Absence

An employee is absent when he/she fails to report for and remain at work as scheduled. Lateness or tardiness is a short absence at the beginning of the workday. Leaving early, even with permission, before the scheduled workday ends is also an absence. Absence, then, includes all time lost from the work schedule, whether avoidable or unavoidable, voluntary or involuntary.

Employees must clear planned absences in advance with their supervisor, allowing as much notice as possible. When an absence is unplanned due to illness, an emergency, or some similar cause, you must report the absence by telephone to your supervisor as soon as possible prior to the beginning of your scheduled shift, preferably at least 2 hours before the shift if calling off for the day/shift. In the event your supervisor is unavailable, you should ask for the Manager on Duty. Leaving a message with another employee or by phone texting is not acceptable except under emergency conditions.

Employees should be prepared to substantiate the reasons for their absences if asked. A health care provider's statement, certification, and/or a fitness-for-duty certificate may be required at the discretion of KHG. A supervisor, manager, or KHG will advise employees when these items are needed. KHG may require periodic status reports for absences of more than one day.

If an employee fails to give proper notification of his/her absence or if his/her supervisor considers the reason unacceptable, the employee will be charged with an unexcused absence.

Failing to report an absence properly can be grounds for disciplinary action, including termination. Excessive absences and incidents of tardiness, even when properly reported, may also be grounds for discipline or termination. Unsatisfactory attendance will have an adverse effect on any pay and promotion considerations.

Definition of Excessive

Excessive absenteeism or tardiness is defined as three (3) or more occurrences of absenteeism or tardiness in any ninety (90) day period unless the occurrences are approved by a manager or KHG.

Procedure for Late or Absent Personnel

If a scheduled individual is late for his/her shift, and has not called in, the supervisor will attempt to retain a qualified person from the previous shift. Additionally, the supervisor shall attempt to contact the late individual by phone. If successful, the supervisor will determine if the scheduled individual will be able to arrive for the shift in a timely manner, and without causing the department to be short-staffed. If unsuccessful, the supervisor will attempt to locate a qualified individual to fill the position. If no personnel can be located to fill the shift, the supervisor will notify the department manager or general manager.

If the originally scheduled individual arrives after the start of his/her shift, and before a replacement has been found, he/she will be allowed to work the remainder of the shift. If the scheduled individual arrives after the start of his/her shift, and after a replacement has been found, it will at the discretion of the replacement if he/she wishes to work all or part of the shift. If dismissed, the originally scheduled employee will be charged with leave.

7.2 Inclement Weather

It is KHG policy to continue operations despite inclement weather conditions unless conditions threaten to make employee transportation to or from work hazardous.

If management has not closed the KHG facility, employees are generally expected to come to work. However, employees are expected to use good judgment and look out for their own safety. Each employee's travel circumstance is different. KHG will not be responsible for any personal injury or property damage that occurs if an employee is involved in an accident while attempting to arrive at work.

When weather conditions make it hazardous for employees to report for work, they should call the contact person listed on the Emergency Conditions list to determine whether the facility has been closed.

Non-exempt employees will not be paid for the time the facility is officially closed, since a business closure is treated like any other unpaid time off. Non-exempt employees may use accrued paid leave with their supervisor's approval.

If the facility remains open and exempt or non-exempt employees choose not come to work, they may use accrued leave time.

No wage or salary decisions will be made that violate the requirements of federal and state wage and hour law.

7.3 Emergency Planning

It is the policy of this Company to maintain a written emergency plan and communicate this plan to all employees. This plan provides clear guidance that will ensure employee safety and the continuation of key business operations in the event of a significant and disruptive disaster.

The plan focuses on the most likely events that could occur, but is not intended to cover every possible situation. These events include terrorism, workplace violence, floods, inclement weather, fire, earthquakes, computer failure, long-term electrical outage, etc.

In the event of any of these disturbances, the first priority of the disaster plan will be to ensure the safety and health of our employees and our guests, and any others within our facilities.

7.4 Job Abandonment

Employees who are absent from work for 3 consecutive business days or more without calling in and notifying their supervisor of the reason for the absence are deemed to have abandoned their jobs. Job abandonment also occurs when employees fail to return to work or directly notify their supervisor of the reason for their absence within 3 consecutive business days after in the end of any approved leave of absence or disciplinary suspension.

When an employee is considered to have abandoned his/her job, the employee shall be considered to have voluntarily resigned and will be ineligible for rehire.

8 Leave and Benefits

8.1 Benefits

This handbook offers a brief description of the KHG benefits offered at the time of this printing. The benefits and compensation plans offered may vary from time to time. No employee is “entitled” to a benefit or plan participation just because a benefit has been previously offered.

Eligibility

Eligibility for benefits described in this section is contingent upon your formal classification, as defined by the average number of hours you work. The Executive Office at your hotel will keep you apprised of your benefit eligibility status. In order to receive benefit pay for vacation, holiday, personal days, bereavement leave, or jury duty, you must work your scheduled day before and your scheduled day after the approved time off. If you fail to work the scheduled day before and after your leave, you will NOT be paid for any portion of the benefit time.

8.2 Holidays

KHG recognizes two holidays each year for which hourly (non-exempt) employees will be paid “time plus one-half” for hours worked on that specific holiday. You are eligible after completion of your 90 day introductory period. The holidays are:

- Thanksgiving Day
- Christmas Day

In order to receive holiday pay, you must work your last scheduled day prior to, and your next scheduled working day following the holiday. Employees scheduled “off” for that specific day, will not receive holiday pay.

Salaried Employees:

KHG recognizes 6 paid holidays each year for salaried, exempt employees. The holidays are:

- New Year’s Day
- Memorial Day
- The Fourth of July
- Labor Day
- Thanksgiving Day
- Christmas Day

Employees are eligible to receive pay for holidays once they have successfully completed 90 days of employment, and provided that they have worked as scheduled before and after the holiday.

If a holiday occurs during an employee's paid leave, the holiday time will not be charged as a day of leave.

8.3 Meals and Breaks

The schedule for meal and break periods is set by the department supervisor in a manner that allows business operations to continue uninterrupted during the day. Supervisors will advise employees of the schedule for meals and breaks in their department.

When business levels allow, you are given the opportunity to take two fifteen-minute breaks per seven-and-one-half-hour (full-time) shift. A 30-minute unpaid meal break may be provided per 8-hour (full-time) shift. You must clock out for your meal break and then clock back in at the end of the 30-minute period.

You are not allowed to eat, drink, smoke, etc., in guest contact areas of the hotel or in the office. Your department head will inform you as to the location of your break area. Never sit, relax or consume food or beverages in the presence of a guest. If you work in a full-service hotel that has a restaurant, you are allowed one meal per shift at 50% off the established menu or buffet price. No employee is entitled to a free meal or complimentary breakfast bar. If a break room is provided, you should take your meals in that location; however, if hotel management permits you to eat in a designated area of the restaurant, you must remember to tip the wait staff providing your service.

In fairness to fellow workers, employees are expected to observe the time limits set for break and meal periods. Employees who return late from meals or breaks are subject to discipline.

8.4 Paid Vacation

HOURLY

Hourly, non-exempt employees who work an average of 30 or more hours per week will be eligible to receive 40 hours of vacation pay after one year of service. This calculation is made annually on your anniversary date of employment. Vacation days are not cumulative, and if not taken within the twelve months following the year in which earned, will be lost.

KHG reserves the right to determine vacation schedules, to rearrange vacation schedules at any time, and to select any period within the year to shut down completely all or any part of KHG for vacation purposes, as circumstances may prescribe. Further, KHG may alter its Vacation policy at any time.

When you wish to take your earned vacation time, you must complete a Paid Time Off Request Form (available from the General Manager) and give it to your supervisor at least 14 days prior to the date you wish to start your vacation. No vacation pay will be paid in advance of the vacation being taken or in lieu of taking the actual time off (in other words, you cannot work and be paid for vacation at the same time). You are required to work your scheduled day before and after any approved vacation time or you will not receive pay for the vacation.

Accrued but unused vacation time will not be paid out upon termination of employment from KHG.

SALARIED

Salaried employees who have worked for the company for 1 to 9 years receive 10 vacation days annually. Employees who have worked for the company for 10 or more years will receive 15 vacation days annually. During the first year of employment, vacation days will be prorated from the initial hire date through the end of that calendar year. Thereafter, vacation time will be accrued on a calendar year basis (January – December). Vacation days are not cumulative. If they are not taken within the twelve months of the year in which they are earned, they will be lost.

KHG reserves the right to determine vacation schedules, to rearrange vacation schedules at any time, and to select any period within the year to shut down completely all or any part of KHG for vacation purposes, as circumstances may prescribe. Further, KHG may alter its Vacation policy at any time.

If employees choose a vacation period that includes a paid holiday, they will not have the holiday time charged to their vacation account.

When you wish to take your earned vacation time, you must complete a Time Off Request Form online and obtain approval prior to the date you wish to start your vacation. No vacation pay will be paid in advance of the vacation being taken or in lieu of taking the actual time off (in other words, you cannot work and be paid for vacation at the same time). Vacation days that are earned and utilized will be tracked accurately on the appropriate attendance tracking sheet.

If an employee has not earned or has utilized all vacation time and needs to take time off, the time off will be unpaid.

If an employee becomes ill or is injured while on vacation, vacation status may, upon approval of management, be converted to an absence under the applicable Company sick leave policy. The employee would then receive any benefits due under the policy provisions, and the unused vacation time allowance would be available to the individual at a later date.

Accrued but unused vacation time will not be paid out upon termination of employment from KHG.

If an employee has not earned or has utilized all sick/personal time and needs to take time off, the time off will be unpaid.

Any abuse of the vacation policy may result in disciplinary action, up to and including discharge.

Sick / Personal Days (Salaried)

Sick / personal days are earned at the rate of 1 day for every 3 months worked. During the first year of employment, sick days will be prorated from the initial hire date through the end of that calendar year.

Thereafter, sick / personal days will be accrued on a calendar year basis starting on January 1st. (January 1st – 1 day, March 31st – 1 day, June 30th – 1 day, September 1st – 1 day).

Sick / personal days are not cumulative. If they are not utilized by December 31st of the year in which they are earned, they will be lost. Sick / personal days that are earned and utilized must be tracked accurately on the appropriate attendance tracking sheet.

Payment will not be issued for sick / personal days that are not utilized.

All employees are required to report their absences to their Human Resources via online form or email as soon as possible, unless they are unable to report due to the severity of their illness.

In the event of an absence due to illness, KHG reserves the right to ask for a doctor's certificate of illness or disability, or require employees to submit to a medical examination by a qualified physician selected by KHG.

Any abuse of the sick / personal days leave policy may result in disciplinary action

action, up to and including discharge.

Any unused accrued sick / personal days are automatically forfeited when employees terminate from KHG.

Flexible Unpaid Time Off (UTO) Policy for Salaried Employees

Purpose

To provide salaried employees with the opportunity to take occasional time off for personal needs or emergencies after Paid Time Off (PTO) has been exhausted, or has not yet been accrued, while maintaining departmental productivity and team coverage.

Scope

This policy applies to all full-time, exempt (salaried) employees.

Policy Guidelines

1. **Eligibility**
 - Only full-time, salaried (exempt) employees who have completed at least 90 days of employment are eligible.
 - Employees must be in good standing with no active disciplinary actions.
2. **Definition of Unpaid Time Off (UTO)**
 - UTO is defined as time off from work without pay, and when PTO has been exhausted or unaccrued.
 - UTO may be used for personal matters, family obligations, or situations where PTO is not available.
3. **Request & Approval Process**
 - Employees must submit a written request to their manager at least **5 business days in advance**, unless the request is due to an emergency.
 - The request must include the reason (brief explanation), dates, and total hours/days requested.

- Approval is at the discretion of the manager and based on operational needs, staffing levels, and prior use of time off.
 - In emergency situations, verbal approval followed by written confirmation is acceptable.
4. **Duration and Limits**
- A maximum of **3 UTO days per quarter** may be approved.
 - UTO may not be used to extend holidays or vacation periods without prior written approval from both the employee's manager and HR.
 - UTO should not be used in place of managing accrued PTO responsibly.
5. **Impact on Benefits and Employment**
- UTO does not affect health benefits, job status, or seniority unless taken excessively or abused.
 - Salaried employees will not be docked for partial-day absences. A partial day absence is known as COMP Time. If the COMP Time exceeds 3 hours, a half-day of PTO will be used.
6. **Abuse of Policy**
- Abuse or excessive use of UTO may result in disciplinary action.

Exceptions

Any exceptions to this policy require prior written approval from the Human Resources department and the employee's department head.

8.5 Family and Medical Leave Act

In accordance with the Family and Medical Leave Act (FMLA), employees are eligible for FMLA leave if they have worked for KHG at least 12 months, they have worked at least 1,250 hours over the 12 months prior to the start of the leave, and they work at a location where KHG employees 50 or more employees within 75 miles. Eligible employees are entitled to the following:

Basic Leave Entitlement

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees in a 12-month period:

- for incapacity related to pregnancy, prenatal care, the birth of a child or the placement of a child with the employee for adoption or foster care;
- if the employee is needed to care for a parent, spouse or child with a serious health condition;
- if the employee's own serious health condition renders the employee unable to do his/her job;
- for any qualifying exigency arising out of the fact that the employee has a spouse, son, daughter, or parent that is on covered active duty.

For the purposes of the types of leave identified above, the 12 month period during which 12 weeks of FMLA may be taken is determined on a rolling 12-month period basis.

The FMLA also permits eligible employees who are the spouse, son, daughter, parent, or next of kin of a covered service member who has sustained a serious injury or illness while on active duty to take up to 26 weeks in a single 12 month period of time to care for the service member. For the purposes of this type of military care-giver leave, the 12 month period of time begins on the first day of the leave to care for the injured service member. Eligible employees are limited to a combined total of 26 weeks of FMLA leave when they take other types of FMLA leave during this 12 month period along with leave to care for an injured service member.

Military Family Leave Entitlements

Eligible employees with a spouse, son, daughter, or parent that is on covered active duty may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, spending time on rest and recuperation leave, and attending post-deployment reintegration briefings.

As noted above, the FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period.

A covered service member is defined as: 1) a member of the Armed Forces (including a member of the National Guard or Reserves) who is undergoing medical treatment, recuperation, or therapy; is otherwise in outpatient

status; or is otherwise on the temporary disability retired list for a serious injury or illness, or 2) a veteran who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the five years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.

During the single 12-month period, an eligible employee is entitled to a combined total of 26 workweeks of military caregiver leave and leave for other FMLA-qualifying reasons.

Benefits and Protections

During FMLA leave, KHG will maintain the employee's health insurance coverage on the same terms as if the employee had continued to work. Absences covered by the FMLA and any similar state or local law will not be counted against an employee's attendance record or used as the basis for any adverse employment decision affecting the employee.

Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms. If the employee is designated a key employee, he/she may not be entitled to return to the same job at the conclusion of FMLA leave. A "key employee" is a salaried FMLA-eligible employee who is among the highest paid 10% of all the employees employed by KHG within 75 miles of the employee's worksite. Should KHG determine that substantial and grievous economic injury would result from reinstatement at the scheduled end of leave, the employee will be notified of that fact in writing and will be given an opportunity to forgo taking the leave if leave has not yet begun or to end the leave and return to work. If the employee remains on leave after receiving notice and the opportunity to return to work, he/she will not have a right to be restored to employment at the end of the leave.

Use of Leave

An employee does not need to use his/her FMLA leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Employees misrepresenting a need for leave or using approved FMLA leave for a reason other than the stated purpose for the leave will be subject to disciplinary action up to and including termination.

Substitution of Paid Leave for Unpaid Leave

Employees are required to use accrued paid leave time while taking FMLA leave with the exception of FMLA leave time where the employee is receiving workers' compensation benefits or benefits under a Company provided disability benefit plan. The employee and KHG may agree, however, that the employee can use accrued paid leave time during FMLA leave where the employee is receiving workers' compensation benefits or benefits under a Company disability benefit plan to make up the difference between the benefit pay and full pay.

Employer Notification Requirements

KHG will inform employees requesting leave whether they are eligible under FMLA. If they are, the notice will specify any additional information required including the requirement for a medical or other certification, as well as the employees' rights and responsibilities. If the employee is not eligible, KHG will provide a reason for the ineligibility.

KHG will inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If KHG determines that the leave is not FMLA-protected, it will notify the employee. Only one designation notice is required for each FMLA-qualifying reason per leave year, regardless of whether the leave is taken as a continuous block or on an intermittent or reduced schedule basis.

Employee Notification Requirements

Employees must provide 30 days' advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days' notice is not possible, the employee must provide notice as soon as practicable and generally must comply with KHG's normal call-in procedures.

Employees must provide sufficient information for KHG to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a

health care provider, or circumstances supporting the need for military caregiver leave. KHG may require certification of the need for leave by a health care provider or other certification in the case of active duty leave. Failure to timely provide the requested certification of the need for leave may result in the leave being delayed or the leave not being covered by the FMLA or any similar state or local law. If leave is not covered by the FMLA or a similar state or local law, absences may be counted against an employee's attendance record. Employees also must inform KHG if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees may be required to provide periodic recertification supporting the need for leave.

KHG may also require second and third medical opinions pursuant to the provisions of the FMLA.

Leave taken pursuant to any state or local leave law will run concurrently with FMLA where applicable.

8.6 Employee Recognition

KHG believes that good employees should be recognized for their work and commitment to the hotel's success. To reward good employees, we have established an Employee of the Year Program at our hotels. You can be nominated by any member of the management team and voted on by the management at the hotel.

8.7 Room Discount Program

As a benefit of working for the KHG, you are entitled to discounted hotel room rates at any of the affiliated hotels of the brand you work for when you travel for pleasure, given that discounted hotel room rates are being accepted at the hotel you intend to visit. You must have been employed for a minimum of 90 days, and have secured an advance reservation. Rooms are granted based on availability and you must present a franchise room discount authorization card when checking in at the front desk. You must abide by the particular brand rules for reserving and utilizing rooms at an employee rate. Employees are not allowed to utilize the employee discount rate program at hotels that are less than 50 miles from their work location. The Management Office will supply you with the Authorization Card. This discount is available for employees only and is not transferable to friends or family. You must be the one staying in the room for the discount to apply. KHG reserves the right to limit the number of requests for the employee rate,

at any time, with or without notice, if the number of requests is perceived as excessive. All KHG standards of conduct apply when staying at employee rates at other hotels.

8.8 Length-Of-Service Recognition

KHG honors employees for their continuous service. Length-of-service pins are awarded every 5 years during your career with KHG to recognize your dedicated service and tenure. "Continuous service" starts from the most recent date of hire. If an employee leaves his or her position for any reason and is re-hired, his or her continuous service is recalculated from the most recent hire date.

8.9 Company Wide Job Opportunities

KHG has a practice of trying to fill job openings with employees who already work for the hotel or the company. We would rather assist a good employee by means of a transfer or promotion than to lose him/her. If you master your job and demonstrate your ability to handle more difficult assignments; have been in your current position a minimum of 12 months; and received a high performance evaluation rating on your most recent appraisal, you may apply for a transfer or promotion. An employee who is transferred or promoted to a new position is placed on a 90-day introductory period just as though he/she were a new employee of the company.

8.10 Jury Duty

KHG abides by all federal and state regulations regarding jury duty time off, pay, reinstatement, and notice.

As a civic duty, any of us are subject to being called for jury duty at any time. If you are called to serve on a jury, please let your Supervisor know as soon as possible and provide him/her with a copy of the summons.

In order to avoid financial loss to you during the time you spend serving on a jury, we will pay the difference between your jury duty pay and your regular pay, based on your scheduled hours for the period you serve on jury duty. In order to be paid the difference, you must get a statement from the Court

Clerk verifying the time you served and the amount you were paid. Turn this documentation in to your Supervisor as soon as you return from jury duty.

If you are excused from duty early, or if you are not required to be present in court, you are expected to be on the job consistent with the requirements of applicable state law.

8.11 Voting

Supervisors shall schedule the work hours of employees on election days so that each employee will have an opportunity to exercise the right to vote. Time off granted to an employee for the purpose of voting will be unpaid.

8.12 Bereavement Leave

KHG recognizes that bereavement is a difficult period for an employee. Every effort will be made to ensure that the employee is able to attend to necessary family matters without loss of earnings. All full-time and part-time employees are eligible for bereavement leave upon the death of an immediate family member. An immediate family member includes a spouse (including a *common-law* spouse), son, daughter, stepson, stepdaughter, parent, stepparent, brother, sister, stepbrother and stepsister.

Employees are expected to use personal leave time to attend the funeral of a close friend or a relative who is not an immediate family member.

Bereavement leave shall consist of 1 day of paid leave. For an immediate family member, an employee will be granted up to 3 days of leave, although only 1 day will be paid through bereavement leave.

If employees need time in excess of the number of days allotted under this policy, they may request an unpaid leave of absence or use accrued personal leave time with the approval of their supervisor.

In order to be eligible for bereavement leave, employees must notify their supervisor no later than the first scheduled workday following the death of an immediate family member of their need for leave and specify the date they will return to work.

When employees are granted bereavement leave benefits, they are expected to use the leave for the purpose for which it is intended. KHG reserves the right to ask for the name and relationship of the deceased and the funeral home that is handling the service.

Payment for bereavement leave is at the employee's straight time rate of pay and is based on the standard workday the employee would have worked on the day(s) taken for bereavement.

8.13 Military Leave

KHG will grant military leaves of absence as required by federal and state law and by the needs of employees who are members of the military service. KHG makes it a policy not to discriminate in any way against employees who are members of the military. An employee's job will not be in jeopardy if a military leave of absence is requested or taken.

Employees are required to give KHG advance notice of their need for protected leave. The notice may be either written or verbal and must indicate that the leave is based on uniformed service.

Generally, notice of the need for leave must be given as soon as practical. No prior notice is required if it is precluded by military necessity or such notice is impossible or unreasonable.

On return from military leave of absence, the employee will be reinstated to the position he/she would have attained if not for the military service, his/her pre-service position, or a comparable position, as required by law.

To be entitled to reinstatement to the same job, the individual must still be qualified to perform it. If the individual needs to acquire or practice job skills, a reasonable time will be granted for this purpose.

If the employee is not qualified for his/her former position because job skills have changed or the individual has a disability, then the employee will be allowed to attempt to qualify for a similar job.

KHG will provide continued health care coverage for up to 24 months to any employee who has been called to active military duty. For military service of less than 31 days, the individual is only required to pay the usual employee share of the premium. If military service is longer than 31 days, the individual is required to pay 100% of the full premium.

If the employee fails to provide advance notice of his/her need for military leave and does not elect continuation coverage, KHG may cancel the employee's health insurance. However, if the employee's failure to give advance notice was excused because it was impossible, unreasonable, or

precluded by military necessity, KHG must reinstate the employee's health coverage retroactively upon his/her election to continue coverage and payment of all unpaid premiums.

If an employee leaves employment for unformed service in excess of 30 days after having given advance notice but without electing continuation coverage, KHG may cancel the employee's health insurance. However, it must retroactively reinstate uninterrupted coverage to the date of departure if the employee elects continuation coverage and pays all unpaid premiums within the periods established by the plan. Similarly, KHG may cancel health insurance coverage if the employee elects, but does not pay for, continuation coverage.

8.14 Breast-feeding

KHG promotes and supports a female employee's continuation of breast-feeding upon her return to work. Therefore, nursing mothers will be allowed to express breast milk for their babies in the workplace within the context of a business environment.

KHG will provide reasonable unpaid breaks each day to an employee who needs to express breast milk for her infant. The break time shall, if possible, run concurrently with any break times already provided to the employee. The employee shall make reasonable efforts to minimize disruption to Hotel operations.

KHG will not provide break time to any employee if to do so would unduly disrupt Hotel operations.

KHG will provide, when possible, the following:

- access to locations that provide privacy other than bathrooms;
- access to a clean sink for washing hands and rinsing out breast pumping equipment; and
- access to hygienic storage for breast milk.

All employees are encouraged to provide an atmosphere of support for breast-feeding employees by respecting their privacy and recognizing the need for special accommodations.

KHG will comply with all state regulations concerning breast-feeding or storage of breast milk.

8.15 Workers' Compensation

KHG provides workers' compensation insurance covering injuries or illnesses occurring in the course of your employment.

If an employee is injured while working or develops an illness associated with his/her work, the employee is required to report the injury or illness immediately to his/her supervisor or to KHG unless the illness or injury prevents the employee from doing so at that time. If the physical or mental condition prevents the employee from reporting the injury or illness immediately, he/she should have a co-worker, friend or family member report it as quickly as possible. **Failure to promptly report the injury or illness may delay or complicate the employee's rights to workers' compensation benefits.**

There are well-defined provisions that must be met to ensure that the employee qualifies for workers' compensation benefits. These provisions are:

- Any work related injury or illness must be immediately reported. This includes injuries that are caused by or may result from repetitive motion. The workers' compensation carrier will investigate all claims. Where facts cannot be verified, the claim will be denied.
- Any claim for any injury or illness caused by an employee's willful misconduct including, but not limited to, injuries that result out of horseplay or as a result of alcohol or drug usage, will not be compensable. In the event of an accident, employees will be subject to drug and/or alcohol screening upon initial injury and/or treatment. KHG will assume payment for such screening.
- The injured or sick employee must be treated by an approved physician who is listed on the physician panel. Physician specialists will be assigned by the insurance carrier or KHG in certain cases. Any treatment obtained without the knowledge and approval of the insurance carrier will not be compensable. A claim for a work-related injury or illness will not be submitted to the Company's group health insurance carrier unless prior approval is obtained from Company management.

KHG encourages employees who are recovering from a work-related injury or illness to return to modified duty when such work is available. KHG will

make reasonable efforts to provide temporary, modified, alternate or light-duty work opportunities to allow the employee to return to physically and medically suitable employment as soon as possible. An employee who declines restricted duty will be considered to have resigned and will be deemed self-terminated.

Any employee who fails to return to work after being released by an approved physician will be considered to have resigned and will be deemed to have self-terminated employment with KHG.

8.16 Personal Leaves of Absence

Employees not eligible for FMLA or leave under a similar state or local law may find that personal, health, or family problems make it necessary to be absent from work for extended periods. Full-time and part-time employees with 30 or more regularly scheduled hours per week are eligible for a leave of absence.

To qualify for a leave of absence under this policy, the employee must meet the following conditions:

- The employee must have worked for the Company for at least 12 months prior to the start of the leave of absence during which the employee must have worked 1250 hours, not including time spent on paid or unpaid leave. The 12 months must be consecutive with no breaks in service.
- The employee must have exhausted all paid leave and must require a leave of absence of 10 or more workdays.

Non-Medical Leave of Absence

Employees may request up to 12 weeks of unpaid leave, during any 12-month rolling period, for reasons that are non-medical in nature. Approval for a leave depends upon the Company's operational requirements and the nature of the leave request. Management retains the right to deny the requested leave of absence unless required under FMLA, state, or other local law.

An employee who takes leave under this policy for less than 30 consecutive days will return to his/her former position. If an employee takes leave for more than 30 consecutive days, the company will make a reasonable effort to reinstate the employee in his/her former position or in an available position with equivalent status, pay, benefits and other employment terms. If such a position is unavailable at the time the employee is ready to return

to work, a reinstatement effort will be made for up to 3 months. If no reinstatement is possible at the end of the 3 months, the employee will be terminated.

During leave, employees are expected to inform their supervisors of their intentions, including any changes in their expected date of return, as soon as they become aware of the need for such a change.

Medical Leave of Absence

In order to give employees who are unable to work due to an illness or injury a reasonable time to recuperate and encourage them to return to work, the Company is adopting the following policy:

An employee who is unable to work due to an illness or injury will be eligible for an unpaid medical leave of absence for up to 26 weeks during any 18-month rolling period. The Company reserves the right to request documentation from a health care provider or other relevant person to support the need for leave under this policy.

The Company will grant the employee reinstatement to his/her formal job (assuming it has not been eliminated) at the end of the leave period if the employee can continue to perform the job with or without reasonable accommodation. If at the end of 26 weeks an employee is unable to return to work, either with or without reasonable accommodation, the employee shall be terminated from employment.

While on medical leave, employees are required to report to their supervisor, no less frequently than every 30 days, regarding the status of their medical condition and their intent to return to work. Employees may be required to provide satisfactory medical evidence substantiating their need for continued leave.

Benefit Coverage and Premium Payments

For absences exceeding 30 days, the employee will be permitted to continue his/her medical and dental insurance as well as other elective benefits, but he/she will be responsible for the full cost of such coverage, unless otherwise provided by law. If the employee so desires, the company will continue any other elective benefit at the same level and under the same conditions as if the employee had continued to work provided the employee pays the full cost of the benefit coverage. The employee must arrange in advance a method and schedule of payment for the benefits he/she wishes to maintain.

The company will continue the employee's company-paid, non-elective benefits during the leave period.

Leave Requests

A written request for leave of absence must be submitted in writing to the employee's supervisor for approval and at least 30 days prior to the requested start date of the leave. If it is not practical to give 30 days' notice, the employee must give as much notice as practicable. An employee who is to undergo planned medical treatment is required to make a reasonable effort to schedule the treatment in order to minimize disruptions to the company's operations.

Other Policy Provisions

If an employee fails to return to work on the first regularly scheduled work day upon expiration of leave, it will be assumed the intention is not to return and employment will be terminated, effective the first regularly scheduled workday.

A leave of absence may be cancelled by the company for just cause or if the reason for leave has been misrepresented; and, if leave is cancelled, the company will send to the employee a written notice of recall. Failure to respond within three work days will be considered as voluntary termination.

Employees who are on unpaid leave will not be entitled to continue accruing paid leave benefits, including employees who are receiving income replacement benefits such as short-term disability, long-term disability or workers' compensation. Holidays observed by the Company that fall within the leave will not be paid. Seniority will continue to accrue during the leave and the leave will not be considered as a break-in-service.

The Company requires fitness-for-duty certification from all employees on a medical leave of absence related to their own health condition, not just those returning from FMLA leave.

8.17 Modified Work Assignment

When possible, modified work assignments will be made available to employees to facilitate the return to full duty after they have suffered an absence due to an injury or illness. Modified duties must meet KHG's staffing needs as well as accommodate the employee's medical restrictions while

taking into consideration the welfare and safety of the employee, his/her co-workers and our customers.

To be eligible for a modified work assignment, the employee's disability must be temporary, not permanent, and must prevent the employee from performing the full duties of his/her position for a minimum of two weeks.

Any employee interested in a modified duty assignment must notify his/her supervisor. The employee's supervisor will work together with the General Manager to develop a modified duty assignment. Every effort will be made to place an employee in his/her department either by temporarily modifying his/her current position or creating a modified position. If the employee cannot be placed in his/her department, then KHG will attempt to transfer the employee to a position outside his/her department that is compatible with his/her work restrictions. In situations where the modified duty assignment is considered different from the regular duties of the employee, KHG may adjust the employee's compensation to an appropriate rate for the temporary position.

The employee must obtain written medical approval from his/her physician concerning his/her ability to perform the assigned modified duties.

Placement under KHG's return-to-work policy is a temporary measure to facilitate early return to work and cannot exceed 90 days in duration, commencing upon the employee's return to work. If the employee has not returned to his/her pre-disability position by the end of 90 days, then KHG may terminate the modified duty assignment. If the employee has permanent restrictions that result in his/her inability to perform the essential functions of his/her pre-disability position, the provisions of the Americans with Disabilities Act (ADA) and/or other applicable laws will be applied to determine the employee's suitability for employment.

9 Company Property

9.1 General Guidelines

Employees are expected to exercise care in the use of hotel property. Property shall be defined as any piece of equipment, furnishing, vehicle, building or supply leased, owned, donated or otherwise in the custodial care of KHG or any person acting as its representative.

Use of Hotel Facilities

For the protection of our employees, our guests and the hotel in general, employees are not authorized to utilize the hotel facilities. As an employee, you should only be on hotel property for one of the following reasons:

- Your scheduled shift
- A mandatory meeting
- To pick up your paycheck
- A Company authorized function

You should not be on the property for any reason other than these mentioned without the advance approval of the General Manager.

Use of Hotel Property

- It is the responsibility of each employee to maintain his or her work environment in an orderly fashion and to follow all company guidelines regarding the proper use and maintenance of hotel property.
- Should any employee have knowledge of any neglect or abuse of hotel property, he/she must notify the supervisor immediately.
- Any employee found to neglect or abuse hotel property will be sanctioned under the disciplinary policies. This may include termination. If the neglect or abuse is determined to be gross, KHG will expect remuneration for part or all of the replacement cost. KHG may elect to file a civil action to enforce the remuneration.
- No employee shall use hotel property for personal use unless specific permission has been granted by an authorized representative for Company. Should permission be granted, the employee is responsible for the return and care of the loaned property. Special care should be taken to identify any concerns regarding its condition before the property is removed and/or used.
- Misappropriation of company property is grounds for immediate termination and possible criminal action.

Employees are encouraged not to bring personal property of value to work. KHG will not be responsible for the loss or theft of personal items on the

premises. You should take precautions to safeguard your personal possessions.

Random searches of Company property, including desks and employee vehicles parked on Company premises, can be conducted at any time when there is reasonable certainty that property has been taken. Employees' refusal to submit to such a search may be grounds for termination.

To further protect the property and safety of our employees, KHG has the authority to request that an employee open for inspection any personal property (including, but not limited to, briefcases, backpacks, and purses) brought onto or taken from Company premises.

If an employee is found to be in possession of KHG property, or the property of another employee or hotel guest, without authorization, or if the employee refuses to comply with a search request, the employee may be subject to discipline, up to and including termination.

Company property issued to employees, including software, manuals, and proprietary information, must be returned when employment with KHG is terminated, either voluntarily or involuntarily. If Company property is not returned, employees will be responsible for the value of the property.

9.2 Cellular Telephones

Company-owned cellular phones are to be used for Company business purposes except in emergency situations. Cellular telephones issued by KHG are restricted to employees whose responsibilities require their use.

Cellular phones that are purchased by KHG are the property of KHG and must be returned upon the employee's termination or resignation.

General Cell Phone Usage

Cellular phone "courtesy" should be practiced at all times. When other individuals are present, employees should refrain from talking loudly or in an offensive manner.

Cellular telephones and other electronic communication devices should be turned off or set on vibrate during meetings or when communicating with customers.

KHG encourages the safe use of cellular telephones and other wireless devices (e.g., Blackberries, iPhones and PDAs) by employees when conducting business. No employee is to engage in the use of a cellular phone or device for business purposes while operating a car or other motor vehicle, unless it is used with a hands-free device.

Even with a hands-free device, use of electronic devices should be kept to a minimum, conversations should be as brief as possible, and employees should refrain from making unnecessary calls. Where possible, even with a hands-free device, cellular phone calls should be made when the vehicle an employee is operating is not in motion. The only exception to this is when a phone call must be made in an emergency situation.

Employees with access to the company's proprietary information are prohibited from using camera phones or cellular phones with audio/video recording capabilities in restricted areas. Work-related photos and audio or video recordings should not be posted on the Internet unless approved by management. Camera phones and those with video and audio recording capabilities are also prohibited in areas where employees have an expectation of privacy, such as restrooms and locker rooms.

Employees using cellular phones should not discuss Company proprietary information or personal employee information while in the presence of others who do not need to know such information.

9.3 Computer System Usage

This policy contains important rules governing the use of the KHG computer systems. The computer system includes, but is not limited to, data networks, computer workstations, laptop computers, printers, scanners, software, electronic mail ("E-mail"), and access to the Internet. It is the responsibility of all employees to see that the computer system is used in an efficient, ethical, and lawful manner.

Company computers are to be used solely for business purposes. Unauthorized personal use of the Company computing system is strictly forbidden.

KHG reserves the right to monitor and record all employee computer and Internet usage without notice, including, but not limited to, site visits, chats, newsgroups, message boards, blogs, email messages, file transfers, etc. No employee should have any expectation of privacy pertaining to his/her computer or Internet usage, and employees expressly waive any rights of

privacy in anything they create, store, send or receive on the computer system.

KHG reserves the right to inspect, at its discretion, any KHG-owned computer or, if applicable, home computer (upon reasonable prior notice) that contains KHG data files or Company-owned software.

KHG may review computer and Internet activity to analyze usage patterns and review data to ensure KHG computer and Internet resources are devoted to maintaining the highest levels of productivity.

KHG will take appropriate action in response to user abuse or misuse of computing services. Action may include, but not necessarily be limited to: immediate termination; revocation of computing privileges; reimbursement to KHG for resources consumed; other legal action, including civil action to recover damages; a referral to law enforcement authorities.

Internet Usage

Access to the Internet has been provided to certain authorized employees to use for the benefit of KHG and its customers. Internet users have the responsibility to maintain KHG's image and to use the Internet in a productive and useful manner. KHG employees having authorized access to the Company Internet will adhere to the following policies:

- Transmitting or receiving confidential or proprietary information over the Internet is prohibited.
- Any online statements that may adversely affect KHG or any of its employees are prohibited.
- Any online statements about KHG or about any KHG competitor are prohibited, except those authorized by Company management.
- KHG's internet resources must not be used knowingly to violate local, state, federal or international laws or regulations.
- The Internet should not be used for personal gain or the advancement of individual views. Solicitation of non-company business or use of the Internet for personal gain is prohibited.
- Fraudulent, derogatory, harassing or obscene communications are prohibited. All communications on the Internet should have your name attached. No messages will be transmitted under an assumed name.

- Employees are prohibited from browsing any sites that could be considered offensive and/or inappropriate for the workplace. No sexually-oriented or pornographic information or images may be sent, received, or accessed using Company computers or using a personal computer while at work. Employees who voluntarily view pornographic websites at work will be subject to discipline, up to and including discharge.

All communications sent or retrieved over the Internet are the property of KHG, and should be considered public information.

Electronic Mail

E-mail is a business communication tool and users are obliged to use this tool in a responsible, effective and lawful manner. Although by its nature e-mail seems to be less formal than other written communication, the same rules apply.

By following the guidelines in this policy, the e-mail user can minimize the legal risks involved in the use of e-mail. If any user disregards the rules set out in this e-mail Policy, the user will be fully liable and KHG will disassociate itself from the user as far as legally possible.

- E-mail messages are a formal means of business communication. Do not send non-business or personal messages without the permission of your supervisor. Highly sensitive or confidential issues should not be addressed through e-mail. E-mail messages should be written in a professional manner and should contain only information pertaining to business. Consider your routing lists carefully and exercise the same care you would with any written document before sending messages.
- Discrimination and harassment are unacceptable in any form of communication, including e-mail. This includes any material which is offensive based on sex, race, color, religion, national origin, ancestry, citizenship, pregnancy, age, sexual orientation, marital or veteran status, medical condition, or physical or mental disability.
- In order to prevent spreading e-mail viruses, do not open unsolicited e-mail, also known as spam, or any e-mail with an unidentifiable attachment. Employees who suspect that they have sent or opened a virus should contact the network administrator immediately.
- If you receive an e-mail message for which you are not intended as the recipient, but the sender is known to you, immediately inform

the sender that the message was sent improperly and delete the message from your mailbox.

- Do not disguise or attempt to disguise your identity when sending mail. Transmitting messages under an assumed name is prohibited. Do not send e-mail messages using another person's account.
- Do not forward a message without acquiring permission from the sender first. Do not copy a message or attachment belonging to another user without permission of the originator.
- Archive (move) unwanted and obsolete messages. It is each employee's responsibility to keep his/her email boxes manageable and up to date. No e-mail is to be deleted, except spam and e-mails not intended for you.
- The KHG e-mail system will not be used to post items for solicitation or to solicit for business ventures, personal parties, social meetings, political or religious causes, or other matters not connected to KHR's business.

E-mail is KHG property, not the private property of the individual. KHG reserves the right (i) to read any e-mail message, and (ii) to disclose any e-mail message to law enforcement officials or other third parties without prior consent of the sender or the receiver. Any message can be obtained through a subpoena (unless marked "Privileged – Attorney-Client Communication").

You must be aware that e-mail contained in or sent from personal accounts (e.g., a Yahoo or Gmail account) accessed via a company computer is retrievable, can be monitored, and, if offensive or in violation of any Company policy, can be grounds for disciplinary action up to and including discharge.

Copyright and Software

- Do not attempt to gain access to, copy, move or remove information, proprietary software or other programs from files to which you do not have authorization to view. You must not copy, distribute, display, or disclose third-party proprietary software without prior authorization from the licensor. Violation of copyright and licensing laws may subject you and/or KHG to liability.

- Do not load or download any software, including screensavers, wallpaper, freeware or shareware onto your computer without prior consent of KHG. Any software not issued by the Company must be checked for viruses and compatibility by KHG prior to installation.

Instant Messaging and Peer-to-Peer File Transfer

- Employees are prohibited from participating in any form of Instant Messaging, i.e. AOL Instant Messenger, MSN Messenger, Yahoo Messenger, etc.
- Employees are prohibited from participating in any form of peer-to-peer file transfer such as Napster, Kazaa, Gnutella, Morpheus, etc..
- Employees are prohibited from downloading, sharing, or viewing streaming video, i.e., DVD movies or film clips, from the Internet.

Data Security

Employees must adhere to strict information controls to protect confidential data. Information control techniques include security measures such as (i) safeguarding data from unauthorized or improper use; (ii) proper electronic data security and hard-copy document management, and (iii) proper disposal of data when it is no longer necessary.

- All user identifications, passwords, and access codes are confidential and are not to be disclosed to others. Employees may be held responsible for misuse that occurs through such unauthorized access.
- All user-generated pass codes must be provided to the user's supervisor or to the IT Department.
- All PCs, laptops and workstations should be secured with a password-protected screensaver with the automatic activation feature set at 10 minutes or less, or by logging off when the computer is unattended.
- Each employee should properly log off and shutdown his/her computer at the end of each day.
- Before a Company-owned laptop computer or other portable electronic device that contains sensitive or confidential data can be taken off-premises for business travel or for work at home, the

computer must first be equipped with data security controls such as data encryption and/or strong passwords. These controls will be provided by the IT department.

10 In Closing...

We want you to be successful. Without you and the services you provide at this hotel, guests will go to OTHER hotels rather than ours.

Not only your General Manager, but Krushiker Hospitality Group, depends on you to make sure guests have everything they need, that they don't encounter difficulties, and that they will want to come back to our hotels over and over again.

You probably don't have any idea of how important one person can be to a company; however, each employee can have a huge impact on our success. The following information was shared at one of our General Managers conferences:

“Statistics show that every ONE dissatisfied guest tells at least 10 other people when he/she is unhappy. Those 10 people will also spread the news every time a conversation about hotels comes up.

The bottom line is that an average of \$100,000 is lost each year for EVERY guest who is spoken to harshly, who is upset because of a failed wake-up call, who finds foreign matter under the bed or in the bathroom, whose server doesn't smile – you get the idea.

Hard to believe so much money is lost, isn't it! However, it is true. And there is only one way of recouping that loss: By being the BEST – every hour, every day, every week, to every guest that comes into the hotel.”

Surprised? But the bottom line is the fact that anything that happens to make a guest unhappy has huge repercussions for the corporation for which you work. Consequently, every team member bears a huge responsibility for hundreds of other team members' jobs. YOU are the key to our success in the marketplace – and WE know it. We can only be the best if YOU are The Best.

You have a big job. Working in a hotel requires more than just common sense. It requires extreme sensitivity, intelligence, discretion and initiative in helping serve our guests. Every day is an adventure and every new situation

is an opportunity to polish your people skills. We hope you will work daily to give the best performance possible for our guests, our company and our hotel. We hope you will be proud of what you do, of the hotel, and of Krushiker Hospitality Group. Your achievements and superior work habits will make EVERYONE proud of you. And though being proud of yourself is the greatest reward of all, KHG also rewards employees for a job well done through the programs documented in this manual.

We are proud to have you as part of our hotel team. If you have questions, please ask. If you need help learning something difficult, ask your Supervisor to show you the procedure one more time. We will do everything we can to ensure your success.

Why?

Because when YOU succeed... WE all succeed!

“Doing Our Best for Every Guest, Every Day”



Krushiker Hospitality Group

11 Acknowledgement and Receipt

EMPLOYEE HANDBOOK RECEIPT AND AT-WILL EMPLOYEE STATUS ACKNOWLEDGMENT

I understand I can view or download the KHG Employment Handbook on the KHG website by visiting www.khghotels.com/handbook or I may request a copy to be printed by contacting a Human Resource representative at 479-872-8286 or emailing humanresources@mail.khghotels.com and requesting a physical copy. I understand that it is my responsibility to periodically check for revisions to the KHG Employment Handbook. I understand it is my obligation and condition of employment to carefully read the policies, procedures and other information contained in the Handbook, and to ask my supervisor or a Human Resource representative for an explanation if I have any questions.

I agree and understand that the purpose of this Handbook is to inform me about KHG’s policies and procedures and that nothing contained in this Handbook constitutes an employment contract between KHG and me or guarantees employment of any length or duration.

I agree and understand that I am an “at-will employee” and that my employment may be terminated at any time, with or without cause and with or without notice, at either my option or at the option of KHG.

I understand that KHG reserves the right to modify or terminate any policies or procedures, in whole or in part, at any time, with or without notice. Since the information is subject to change, I acknowledge that revisions to the Handbook may occur. I also understand that only the principals of KHG are authorized to set and make revisions to Company policy or the Handbook.

I attest that there have been no statements, agreements, promises, representations, or understandings made by any officer, employee, or agent of KHG inconsistent with this acknowledgment form.

Signature of Employee: _____ Date: _____

Printed Name of Employee: _____

Signature of Manager: _____ Date: _____

Printed Name of Manager: _____