



TAYLOR MADE

OFFICE TEAM MEMBER HANDBOOK

2765 Union Mill Road
Nicholasville, Kentucky

December 2006

Welcome New Office Team Member!

On behalf of your colleagues, I welcome you to Taylor Made and wish you every success.

We believe that each Taylor Made Team Member contributes directly to Taylor Made's growth and success, and we hope you will be a virtuous contributing member of our team.

This handbook was developed to describe some of the expectations of our Office Team Members and to outline the policies, programs, and benefits available to eligible Team Members. Employment with Taylor Made is voluntarily entered into and the Team Member is free to resign at will at any time, with or without cause. Similarly, Taylor Made may terminate the employment relationship at will at any time, with or without notice or cause. No provision contained in this handbook in any way affects the employment-at-will relationship between any Team Member and Taylor Made. No provision contained in this handbook alters or expands the obligations of Taylor Made under applicable law.

Team Members should familiarize themselves with the contents of the handbook as soon as possible, for it will answer many questions about employment with Taylor Made.

We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

Sincerely,

A handwritten signature in cursive script, reading "Duncan Taylor". The signature is written in dark ink and is positioned above the printed name and title.

Duncan Taylor
President

ORGANIZATION DESCRIPTION

Organizational Overview: Taylor Made Sales Agency, Inc. (TMSA) and Taylor Made Stallions, Inc. (TMSI) are corporations related by common owners. Both corporations and their team members shall be subject to the policies and provisions as outlined in this handbook. Therefore, TMSA and TMSI will be referred to throughout this handbook as “Taylor Made”.

- I. Taylor Made is in the process of maintaining and building a strong team of people who can properly fulfill all of our clients horse care needs. We do this through a proven method for breeding, raising, handling, preparing, and selling quality Thoroughbreds. Taylor Made desires to use the best techniques and methods available to accomplish its goals.
- II. Taylor Made has nine boarding divisions located in Nicholasville. Just the Beginning division is located in the Lexington area. Taylor Made has its main office at 2765 Union Mill Road in Nicholasville, Kentucky.
- III. Taylor Made was started by Duncan Taylor in 1976. While in college, Duncan became a partner with Mike Shannon and leased a farm on which they began to board mares. This business was very successful and after several years of continued growth, Mike Shannon’s portion of the business was bought out by the Taylors. The current ownership includes Duncan, Ben, Frank, Mark Taylor and Pat Payne.
- IV. Taylor Made is comprised of the following profit centers: Boarding, Public Sales, Private Sales, and Stallions. The Boarding Division is by far the largest in regard to Team Members, encompassing all aspects of horse and ground care, maintenance of equipment and structures, as well as oversight of all farm personnel. The Public Sales Division handles all public sales at Keeneland, Fasig-Tipton, and Saratoga Springs, NY. The Private Sales Division manages all aspects of non-auction horse sales and client needs. Boarding, Public Sales, and Private Sales forms the company of Taylor Made Sales Agency, Inc. The Stallions Division handles all Stallion breeding and syndication. The stallion division forms the company of Taylor Made Stallions, Inc.
- V. The role of the Human Resources Department of Taylor Made is to maintain an organized system of recruiting, orienting, and retaining qualified Team Members, and to provide the staff of Taylor Made with the resources needed to enable all Team Members to become efficient, proactive and empowered.
- VI. Taylor Made refers to all employees as TEAM MEMBERS, thereby reinforcing the cooperative attitudes and efforts emphasized on the farm. Taylor Made manages with encouragement and rewards its Team Members when jobs are well done.

- VII. Taylor Made is committed to excellence in all areas of serving its clients and desires to raise quality horses, to develop and advance the level of knowledge of every Team Member in a safe and challenging working environment. Taylor Made strives to have and maintain satisfied clients who promote and aid in marketing Taylor Made's services.

MISSION STATEMENT:

Where our customer's success is our primary focus.

IMAGE: Where relationships are more important than transactions.

RANKED VALUES

1. Honesty
2. Exceed Customers' Expectations
3. Goals Driven
4. Teamwork

VISION STATEMENT:

To be the premiere professional horse care, equine portfolio management, consignor of horses to public auction and private equine market place in the thoroughbred industry.

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INTRODUCTION

This handbook is designed to acquaint you with Taylor Made and provide you with information about working conditions, Team Member benefits and some of the policies affecting your employment. You should read and understand all provisions of the handbook. It describes many of your responsibilities as a Team Member and outlines the programs developed by Taylor Made to benefit Team Members. This handbook is informational only. It is neither a contract nor a legal document.

SECTION 1: GENERAL INFORMATION

1.1 Nature of Employment

Employment with Taylor Made is voluntarily entered into and the Team Member is free to resign at will at any time, with or without cause. Similarly, Taylor Made may terminate the employment relationship at will at any time, with or without notice or cause. No provision contained in this handbook in any way affects the employment-at-will relationship between any Team Member and Taylor Made.

This handbook addresses many issues which may arise in the workplace. Policies set forth in this handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between Taylor Made and any of its Team Members. The provisions of the handbook have been developed at the discretion of management and, except for its policy of employment-at-will, may be amended or canceled at any time, at Taylor Made's sole discretion.

These provisions replace and supersede any previous policies and practices which are different from those herein, as of December 2006.

1.2 Equal Employment Opportunity

Taylor Made's policy is to select, place, train, and promote the best-qualified individuals based upon relevant factors such as work quality, attitude and experience, so as to provide equal employment opportunity for all Team Members in compliance with applicable local, state, and federal laws and without regard to non-work-related factors such as race, color, religion, sex, national origin, age, disability, citizenship, or any other legally protected classification. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination and access to benefits and training.

Taylor Made will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in undue hardship. Information provided to Taylor Made regarding a Team Member's disability will be handled in accordance with all existing laws. Taylor Made maintains an open door policy if a Team Member has issues, concerns or questions about any area of this policy.

1.3 Employment Applications

Taylor Made relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications or material omissions in any of this information may result in Taylor Made's exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

1.4 Employment Reference Checks

To ensure that individuals who join Taylor Made are well qualified and have a strong potential to be productive and successful, normally Taylor Made checks the employment references of all applicants.

The Human Resources Department will respond to all reference check inquiries from other employers. Responses to such inquiries will confirm only dates of employment and position(s) held.

1.5 Post-Offer, Pre-Employment Physicals

To help ensure that Team Members are able to perform their duties safely, pre-employment physicals are required of all regular full or part-time Team Members. After an offer has been made to an applicant entering a designated job category, a medical examination will be performed at Taylor Made's expense by a health professional of Taylor Made's choice. As a part of this examination, a drug screen will also be performed in accordance with the company's Substance Abuse Policy.

1.6 Job Posting

Taylor Made provides Team Members an opportunity to indicate their interest in open positions and advance within the organization according to their skills and experience. In general, notices of all regular, full-time job openings are posted, although Taylor Made reserves the right not to post a particular opening.

Job openings will be posted on the bulletin board in the office kitchens and/or in the paychecks. Each job posting notice will include the dates of the posting period, job title, department, location, grade level, job summary, essential duties, and qualifications (required skills and abilities).

Team Members who have a written warning on file, or are on probation or suspension will be ineligible to apply for posted jobs for one rolling calendar year after the disciplinary action. Eligible Team Members can only apply for those

posted jobs for which they possess the required skills, competencies and qualifications.

To apply for an open position, Team Members should submit an updated resume to the Human Resources Department listing job-related skills and accomplishments. It should also describe how their current experience with Taylor Made and prior work experience and/or education qualifies them for the position.

An applicant's supervisor may be contacted to verify performance, skills, and attendance. Any staffing limitations or other circumstances that might affect a prospective transfer may be discussed and considered.

Taylor Made recognizes the benefit of development experiences and encourages Team Members to talk with their supervisors about their career plans. Supervisors are encouraged to support Team Members' efforts to gain experience and advance within the organization.

Job posting is a way to inform Team Members of openings and to identify qualified and interested applicants who might not otherwise be known to the hiring manager. Other recruiting sources outside the organization may also be used to fill open positions in the best interest of and at the sole discretion of Taylor Made. In order to promote the efficient operation of the business, Team Members may review job postings and complete applications during breaks, including lunch breaks, or after working hours.

1.7 Performance and Evaluation

Supervisors and Team Members in their area are encouraged to discuss job performance and goals on an informal day-to-day basis. Team Members performance is evaluated twice a year. Increases in compensation will be based on the previous six months performance. New Team Members start out in the "Introductory Period" and will be interviewed at the end of this period and offered regular status if performance warrants. If additional time is needed for the Team Member to develop the skills necessary for their position a second ninety day "Introductory Period" may be offered. An offer of "regular status" employment does not change the at-will-nature of the employment or imply continued employment for an extended or unlimited period. Team Members on regular status are at will employees subject to termination at the discretion of Taylor Made at any time, for any reason with or without cause. During the end of the Fiscal Year, all Team Members are evaluated and based on Taylor Made's profits, the individual's performance and length of service, bonuses may be issued at the sole discretion of Taylor Made.

1.8 Team Member Referrals

Taylor Made encourages Team Members to identify friends or acquaintances who are interested in employment opportunities and refer qualified outside applicants for posted jobs. Team Members should obtain permission from the individual before making a referral, share their knowledge of the organization and not make commitments or promises of employment. Team Members should submit the referral's resume and/or completed application form to the Human Resources Department.

1.9 Covenant of Non-Disclosure and Guarded Materials

The protection of confidential business information is vital to the interests and success of Taylor Made. Customer information, strategic plans, ideas, materials, and data, etc. which are used in or arise from the Team Member's employment at Taylor Made are considered to be property of Taylor Made. All officers, directors, managers and all other Team Members privileged to proprietary information will be asked to sign an agreement not to disclose proprietary information. In addition, certain Team Members may be asked to sign and be bound by a non-compete agreement at the discretion of Taylor Made. Any improper transfer of material or disclosure constitutes unacceptable conduct. Any Team Member who participates in such a practice will be subject to disciplinary action, up to and including termination of employment and legal action as Taylor Made may deem appropriate.

1.10 Property Responsibility

During the course of employment with Taylor Made, Team Members may be assigned various items of Company owned property, i.e. manuals, computers, keys, tools, vehicles, etc., to be used in the performance of the job. Each Team Member is charged with the responsibility to maintain the property in compliance with stated or written policies and to return the property to Taylor Made in same condition in which it was received, normal wear and tear excepted.

SECTION 2: TEAM MEMBER CLASSIFICATION AND BENEFITS

2.1 Team Member Relations

Taylor Made believes that the working conditions, wages and benefits it offers to Team Members are competitive with those offered by other employers in this area and in this industry. If Team Members have concerns about work conditions, compensation or any of the policies or provisions of this handbook, they are strongly encouraged to voice these concerns openly and directly to their supervisors and/or the Human Resources Department.

Our experience has shown that when Team Members deal openly and directly with management, the work environment can be excellent, communication can be clear and attitudes can be positive. We believe that Taylor Made amply

demonstrates its commitment to its Team Members by responding effectively to their concerns.

2.2 Employment Categories

It is the intent of Taylor Made to clarify the definitions of employment classifications so that Team Members understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. The right to terminate the employment at will at any time is retained by both the Team Member and Taylor Made.

Due to the “agricultural” classification (as defined by federal and state wage and hour laws), all Team Members of Taylor Made are designated as exempt from certain provisions of federal and state wage and hour laws including those requiring payment of time and one-half for hours worked over 40 in each workweek. Team Members are entitled to overtime pay at the rate of one and one-half their regular hourly rate only for hours over 40 worked on the seventh day of a workweek. This requirement does not apply to Team Members whose duties are principally limited to directing or supervising others or who are classified “exempt” salaried Team Members.

Each Team Member will belong to one of the employment categories set forth below:

- **Regular, Full-time** Team Members are those who are not in a temporary or introductory status and who are regularly scheduled to work Taylor Made’s full-time schedule.
- **Regular, Part-time** Team Members are those who are not assigned to a temporary or introductory status and who are regularly scheduled to work less than 40 hours per week. Part-time Team Members are not eligible for benefits beyond those required by law.
- **New Hires/Introductory** Team Members are those full-time Team Members whose length of service makes them ineligible for certain benefits, as explained below. Team Members who satisfactorily complete the introductory period will be notified of their new employment classification.
- **Temporary** Team Members are those who have established an employment relationship with Taylor Made but who are assigned to work on an intermittent and/or unpredictable basis.
- **Interns** are those Team Members who come to work at Taylor Made from the U.S.A. and other countries to gain experience in the horse industry.

These Team Members generally have the option of working for a 6 month or 18 month period.

2.3 Introductory Period

The Introductory Period is intended to give new Team Members an initial opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. Taylor Made uses this period to perform an initial evaluation of Team Member capabilities, work habits and overall performance. Either the Team Member or Taylor Made may end the employment relationship at will at any time during or after the Introductory Period, with or without cause and with or without advance notice.

All new and rehired full-time Team Members work on an introductory basis for the first 90 calendar days after their date of hire. Any significant authorized absence will automatically extend the Introductory Period by the length of the absence. If Taylor Made determines that the designated Introductory Period does not allow sufficient time to make a thorough initial evaluation of the Team Member's performance, the Introductory Period may be extended.

Upon satisfactory completion of the Introductory Period, Team Members enter the "regular" employment classification. As explained above, attaining "regular" employment status does not change the at-will nature of the employment.

All Team Members are eligible for those benefits that are required by law, such as Workers' Compensation insurance and Social Security. After becoming regular Team Members, full-time Team Members may also be eligible for other Taylor Made provided benefits, subject to the terms and conditions of each benefit program. Team Members should refer to Sections 2.4 through 2.18 below for further details.

2.4 Team Member Benefits

A number of the programs (such as social security, workers' compensation, and unemployment insurance) cover all Team Members in the manner prescribed by law. In addition to these legally mandated benefits, all Team Members are eligible for Jury Duty Leave, Military Leave and Family and Medical Leave (if qualified).

Regular full-time Team Members are also eligible for the following benefit programs subject to the terms and conditions of each program:

- Vacation Benefits
- Paid Holidays
- Paid Absence Time

- Bereavement Leave
- Educational Assistance
- Health, Dental and Vision Care Insurance
- Life Insurance
- Long Term Disability insurance
- Personal Leave
- Profit-Sharing Plan

Some benefit programs require contributions from Team Members but most are fully paid by Taylor Made. Team Members should check the information set forth in Sections 2.5 through 2.18 below and applicable summary plan descriptions for each specific benefits program for the details.

As used in the remainder of this section, the term “eligible” means “regular full-time” Team Members.

2.5 Jury Duty Leave

Taylor Made encourages Team Members to fulfill their civic responsibilities by serving on jury duty when required. All regular full-time Team Members may request paid time off work for the length of this absence. Team Members must show the jury duty summons to their supervisor and to the Human Resources Department as soon as possible so arrangements may be made to accommodate their absence. Team Members are expected to report for work as soon as the court schedule permits.

Jury duty pay will be calculated on the Team Member’s base pay times the number of hours that the Team Member would have worked on the day of absence. Eligible Team Members may request up to two (2) weeks of paid jury duty leave over any one (1) year period. If the Team Member is required to serve jury duty beyond the period of paid jury duty leave, he or she may use any available paid time off (for example, vacation time) or may request an unpaid jury duty leave of absence. Jury Duty is not considered as time worked for overtime calculations.

Either Taylor Made or the Team Member may request an excuse from jury duty if, in Taylor Made’s judgment, the Team Member’s absence would create serious operational difficulties.

2.6 Military Leave

A military leave of absence will be granted to all Team Members who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable.

The leave will be unpaid. Eligible Team Members may use any available paid time off for the absence.

Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which the Team Member is otherwise eligible.

Team Members on military leave for up to thirty (30) days are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. Team Members on longer military leave must apply for reinstatement in accordance with USERRA and all applicable state laws.

Team Members returning from military leave will be placed in the position they would have attained had they remained continuously employed or a comparable position depending on the length of military service in accordance with USERRA. They will be treated as though they were continuously employed for the purposes of determining benefits based on length of service.

2.7 Vacation Benefits

Paid vacation time is available to eligible Team Members to provide opportunities for rest, relaxation and personal pursuits.

The following definitions will apply to this section:

Eligibility Date: The date upon which the Team Member becomes eligible for benefits, after completion of their introductory period (usually 90 days after hire date.)

First Benefit Year: The period of time beginning with the Team Member's hire date and ending with December 31 of that same year. (This "year" will vary in length.)

Second Benefit Year: The period beginning with January 1st following the Team Member's hire date and ending on December 31 of the same year (a twelve month period).

Third Benefit Year and after: The twelve month period beginning January 1st through December 31st and successive twelve month periods following the Second Benefit Year.

The amount of paid vacation time an eligible Team Member will receive each year increases with the length of employment up to a specific point, as shown in the following schedule:

- The Team Member is eligible to use paid vacation time after completing the introductory period (90 days after date of hire.) Team Members who have reached their Eligibility Date will be granted up to 10 vacation days on a prorated basis.
- The amount of days the Team Member will receive for the First Benefit Year will be determined by the amount of months of service for that year. See chart below:

Initial Vacation for Newly Hired Team Members

Hire Date	Hours
On or before December 1	8
On or before November 1	16
On or before October 1	24
On or before September 1	32
On or before August 1	40
On or before July 1	48
On or before June 1	56
On or before May 1	64
On or before April 1	72
On or before March 1	80

- Some Team Members' hire dates will be later in the calendar year, causing their Eligibility Date to fall in the new calendar year. In this case, the Team Member will still begin the Second Benefit Year on January 1 following their hire date. (However, he or she will not have earned or used any vacation time in the First Benefit Year.) If a new Team Member has worked since January 1 of any calendar year, he or she will be eligible for the full 10 vacation days for that year to be used after reaching his or her eligibility date.
- Team Members are entitled to 10 paid vacation days during the First Benefit Year (prorated), Second Benefit Year, Third Benefit Year, and Fourth Benefit Year.
- Team Members are entitled to 15 paid vacation days during the Fifth, Sixth, Seventh, Eighth, and Ninth Benefit Years.
- Beginning in the Tenth Benefit Year, Team Members are entitled to 20 paid vacation days per year. Team Members will continue to receive 20 paid vacation days each Benefit Year after this point.

Paid vacation time can be used in minimum increments of one half day. To take vacation time, Team Members should request advance approval from their supervisors by using the company's "Request for Time Off" form. Requests

should be made at least two weeks in advance of the potential vacation dates. They will be reviewed based on a number of factors, including business needs and staffing requirements.

Vacation time off is paid at the Team Member's base pay rate at the time of vacation. It does not include overtime or any special forms of compensation such as incentives, commissions, or bonuses.

Team Members are encouraged to use available paid vacation time. In the event that available vacation time is not used by the end of the applicable benefit year, Team Members will be paid for the unused time bringing the balance to zero. In no event will vacation time be carried over to the next benefit year.

Upon termination of employment, Team Members will ordinarily be paid for unused vacation time. However, if Taylor Made, in its sole discretion, terminates employment for cause, forfeiture of unused vacation time may result.

2.8 Holidays

Taylor Made will grant paid holiday time off to eligible Team Members on the holidays below:

- New Year's Day (January 1)
- Independence Day (July 4)
- Thanksgiving (Fourth Thursday in November)
- Christmas Eve (December 24)
- Christmas Day (December 25)

Team Members will be allowed to choose either the day after Thanksgiving or New Year's Eve Day as their sixth holiday. A Team Member may be required to work one of these days not of their choice should circumstances require it.

Memorial Day and/or Labor Day may also be given as paid holidays at the sole discretion of Taylor Made.

If a recognized holiday falls during an eligible Team Member's paid absence (e.g. sick leave), the Team Member will be ineligible for holiday pay. If a holiday falls on Saturday or Sunday, eligible Team Members will be granted either the Friday before or the Monday after the holiday off, if business needs permit.

Pay for holidays will be calculated based on the Team Member's straight-time pay rate (as of the date of the holiday) times the number of hours the Team Member would otherwise have worked on that day. If eligible Team Members are required to work on any holiday designated by Taylor Made as a paid holiday, they will be paid normal rate for all hours worked on the holiday.

The eligible Team Member who is required to work on the holiday may take another day off at a later date, with supervisory approval. If Taylor Made is not able to accommodate an alternative day off for the eligible Team Member, the unused holiday time will be paid out at the end of the calendar year. This applies to both exempt and non-exempt Team Members.

2.9 Paid Absence Time

Taylor Made provides paid absence time to eligible Team Members for periods of temporary absence due to illness, injury or personal business. Time off for illness, injury or personal business refers to the Team Member or an immediate family member. Taylor Made's definition of immediate family is different for purposes of the application of this policy set forth in Section 2.9 than under the FMLA and Taylor Made's FMLA policy.

Taylor Made defines "immediate family" as the following:

- Spouse
- Brother
- Sister
- Children
- Mother (natural or step parent)
- Father (natural or step parent)
- Spouse's Mother or Father
- Grandchildren
- Grandparents
- Spouse's Grandparents

Personal business can include: family or home responsibilities, religious observances, doctor and lawyer appointments, or other personal pursuits. Eligible Team Members will receive six (6) paid absence days on January 1 of each calendar year. New Team Members will receive a prorated number of paid absence days from their hire date until December 31 of that same calendar year.

Initial Paid Absence Time for Newly Hired Team Members

Hire Date	Hours
On or before December 1	4
On or before November 1	8
On or before October 1	12
On or before September 1	16
On or before August 1	20
On or before July 1	24
On or before June 1	28
On or before May 1	32
On or before April 1	36

On or before March 1	40
On or before February 1	44
On or before January 1	48

Paid absence time may be used in increments of one hour, must be scheduled in advance whenever possible, and requires the approval of the Team Member's supervisor. Anticipated absences should be scheduled at least one week in advance. Team Members should submit a "Request for Time Off" form to the supervisor for signature.

All Team Members who are unable to report to work due to illness or injury should notify their direct supervisor before the scheduled start of their work day. The direct supervisor must also be contacted on each additional day of absence, prior to the scheduled start of the work day. If a Team Member has three or more consecutive days of unscheduled absence for illness or injury, he or she must present a doctor's excuse upon returning to work.

Paid absence time does not count as time worked in calculating overtime for the week. Paid absence time benefits will be calculated on the eligible Team Member's base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions or bonuses.

Paid absence days do not carry over from year to year. Non-exempt Team Members will be paid for unused paid absence benefits at the end of the calendar year if not used before December 31. Exempt Team Members will not be paid for or be permitted to carry forward any unused paid absence leave benefits remaining at the end of the year. Paid absence time will not be paid upon termination of employment.

2.10 Bereavement Leave

Eligible Team Members who wish to take time off due to the death of an immediate family member (as defined in section 2.9 above), should notify their supervisor immediately. Up to three (3) days of paid bereavement leave may be provided upon the death of an immediate family member. One (1) day of paid bereavement leave may be given for the death of other family members or a friend.

Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Team Members may, with their supervisor's approval, use any available paid leave for additional time off as necessary.

Bereavement pay is calculated based on the base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions or bonuses.

2.11 Educational Assistance

Taylor Made recognizes that the skills and knowledge of its Team Members are critical to the success of the organization. The educational assistance program encourages personal development through formal education so that eligible Team Members can maintain and improve job-related skills or enhance their ability to compete for reasonably attainable jobs within Taylor Made.

Taylor Made will provide educational assistance to all eligible Team Members. Team Members must obtain authorization in advance for educational assistance. To maintain eligibility, Team Members must remain on the active payroll and be performing their job satisfactorily through completion of each course.

Individual courses or courses that are part of a degree, licensing or certification program must be related to the Team Member's current job duties or a foreseeable future position in the organization in order to be eligible for educational assistance. Taylor Made has the sole discretion to determine whether a course relates to the Team Member's current job duties or a foreseeable future position. Taylor Made will pay the class registration fee and the cost of any required books for material for approved courses. Taylor Made will not pay any Team Member participating in the education assistance program *for* the time spent in courses or preparing the courses. Time spent in class or preparing for class shall not be considered hours worked except in the situation where a Team Member is required by Taylor Made to attend training.

Participation in the educational assistance program by eligible Team Members is voluntary. While educational assistance is expected to enhance Team Member performance and professional abilities, participation in formal education will not necessarily entitle the Team Member to advancement, a different job assignment or pay increases. Team Members should contact the Human Resources Department for more information or questions about educational assistance.

2.12 Health, Dental and Vision Care Insurance

Taylor Made's health insurance plan provides eligible Team Members and their dependents access to medical, dental and vision care insurance benefits. Eligible Team Members may participate in the health insurance plan subject to all terms and conditions of the agreement between Taylor Made and the insurance carrier.

Details of the health insurance plan are described in the Summary Plan Description (SPD). A SPD and coverage information will be provided in advance of enrollment to eligible Team Members.

2.13 Health Insurance Continuation Benefits (COBRA)

Team Members and their qualified beneficiaries will, in most instances, be allowed to continue health insurance coverage under Taylor Made's health plan upon termination of employment and other qualifying events, at the Team Member's expense. Taylor Made will provide each eligible Team Member with a written notice describing rights granted under COBRA when the Team Member becomes eligible for coverage. The notice contains important information about the Team Member's rights and obligations.

2.14 Life Insurance, Long-Term and Short Term Disability Insurance

Taylor Made provides a basic life insurance plan for eligible Team Members at no cost to the Team Members. Eligible Team Members may participate in the life insurance plan subject to all terms and conditions of the agreement between Taylor Made and the insurance carrier. Details of the basic life insurance plan including the benefit amount are described in the Summary Plan Description (SPD) provided to eligible Team Members.

Taylor Made provides long-term disability (LTD) insurance for its Team Members at no cost to the Team Members. LTD insurance provides income replacement in the event that a Team Member becomes unable to work due to accident or illness. It takes effect after a period of 90 calendar days of disability. LTD insurance will pay a percentage of the Team Member's monthly base salary (up to a monthly maximum) as long as the person remains disabled until age 65. This coverage is provided to eligible Team Members who meet the following criteria based on the company's pay grade system: Office Grades 2 and above, Farm Grades 3 and above, Stallion Division Grade 3, and all Officers.

Details of the long-term disability insurance plan including the benefit amount can be found in the Summary Plan Description (SPD) provided to eligible Team Members.

Short term disability (STD) is a *voluntary* benefit available to all Team Members. Team Members can elect Short Term Disability during Taylor Made's annual open enrollment period. STD insurance provides income replacement in the event that a Team Member becomes unable to work due to accident or illness. It takes effect within the first 30 calendar days of disability.

Details of the STD plan will be discussed during the annual open enrollment period. For immediate details concerning the plan contact Human Resources.

2.15 Family and Medical Leave

Qualifying Team Members have certain leave rights and obligations under the Family and Medical Leave Act of 1993 ("FMLA"). The following sets forth

information concerning FMLA rights and responsibilities and Taylor Made's policy regarding FMLA Leave.

Team Members will qualify for FMLA Leave after having completed at least 12 months of service and working at least 1,250 hours within the previous 12 months. FMLA Leave will be granted up to 12 work weeks during any 12-month period for the following reasons:

1. The birth of a child, and to care for the newborn child;
2. The placement with the Team Member of a child for adoption or foster care;
3. To care for a spouse, child or parent who has a serious health condition; and
4. The Team Member's own serious health condition which makes the Team Member unable to perform the essential functions of his/her job.

For purposes of FMLA Leave, the term "serious health condition" means an illness, injury, impairment, or physical or mental condition which requires inpatient care (an overnight stay) in a hospital, hospice or residential medical care facility, or a condition which requires continuing care by a health care provider. Inpatient care includes any period of incapacity (i.e., the inability to work) due to a serious health condition, treatment for a serious health condition or recovery from a serious health condition. Continuing care by a health care provider includes any one or more of the following:

1. Any period of incapacity of more than three consecutive calendar days, and any subsequent treatment or period of incapacity relating to the same condition;
2. Any period of incapacity due to pregnancy, or for prenatal care;
3. Any period of incapacity or treatment for such incapacity due to a health condition requiring periodic visits for treatment by a health care provider and which continues over an extended period of time and may cause episodic rather than a continuing period of incapacity;
4. Any period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective; and
5. Any period of absence to receive multiple treatments (including any period of recovery) by a health care provider.

A qualifying Team Member may take up to twelve (12) weeks of leave under the FMLA during any 12-month period. Taylor Made will measure the 12-month period as a rolling 12-month period measured backward from the date the Team Member uses leave under the policy.

If a husband and wife both work for Taylor Made, they may only take a total of 12 weeks leave under this policy for the birth of the Team Member's child or to care for the child after birth, for placement of a child with the Team Members for adoption or foster care, or care for the child after placement, or to care for the Team Members' parent with a serious health condition.

A Team Member must provide Taylor Made at least 30 days advance notice before FMLA Leave is to begin if the need for the leave is foreseeable based on an expected birth, placement for adoption or foster care, or planned medical treatment for a serious health condition of the Team Member or of a family member. If 30 days notice is not practical, such as because of a lack of knowledge of approximately when leave will be required to begin, a change in circumstances, or a medical emergency, notice must be given as soon as possible. A Team Member shall give verbal notice of the need for unforeseeable leave within 1 or 2 days of the determination that leave is needed, if feasible. Taylor Made will advise the Team Member in writing of any requirement to provide medical certification and allow at least 15 calendar days for the Team Member to provide it. Circumstances may cause the Team Member to be unable to provide the certification within 15 days, but as long the Team Member is making a reasonable effort under the circumstances, this requirement will be met. The Team Member shall use a medical certification form which may be obtained from Taylor Made's HR office ("Certification of Health Care Provider"). Taylor Made may require a second opinion (at Taylor Made's expense) if deemed necessary and Taylor Made may designate the health care provider to furnish the second opinion. If the first two opinions differ, Taylor Made may, at its own expense, require the Team Member to obtain certification from a third health care provider. This third opinion shall be final and binding. (The third health care provider must be designated or approved jointly by Taylor Made and the Team Member.)

In cases where the Team Member takes leave of absence because of his/her own serious health condition, the Team Member may be required to submit a physician's certification that they are able to return to work at the conclusion of the leave.

If a Team Member fails to give timely notice as described above when the leave is foreseeable, the Team Member may not be allowed to take leave until 30 days after the date notice is received. If a Team Member fails to provide a requested medical certification, the continuation of the FMLA Leave may be delayed. If the Team Member never produces a medical certification, the leave is not FMLA Leave, unless Taylor Made chooses to designate it as such, in its sole discretion. If a Team Member fails to provide a requested fitness-for-duty certification to return to work, Taylor Made may delay restoration until the Team Member submits the certification.

Team Members must use any accrued paid leave time during FMLA Leave. FMLA Leave exceeding accrued paid leave time up to a maximum of 12 weeks is otherwise unpaid. Taylor Made will continue to maintain the Team Member's coverage under any group health plan on the same conditions as coverage would have been provided if the Team Member had been continuously employed during the entire leave period. Team Members are responsible for making payment

arrangements for the employee portion of the medical and dental plan costs during the leave (since paycheck deductions cease during unpaid leave.)

Team Members on FMLA Leave will retain all accrued benefits. However, they will not continue to accrue years of service, vacation or other benefits during such leave.

So that the Team Member's return to work can be properly scheduled, a Team Member on medical leave is requested to provide Taylor Made with at least two weeks advance notice of the date the Team Member intends to return to work. When a medical leave ends, the Team Member will be reinstated to the same position, if it is available, or to an equivalent vacant position for which the Team Member is qualified.

FMLA Leave may be taken "intermittently or on a reduced leave schedule" under certain circumstances. Such leave may be taken in separate blocks of time due to a single qualifying reason. Such a reduced leave schedule reduces a Team Member's usual number of working hours per work week, or hours per work day. When leave is taken after the birth of a child or placement of a child for adoption or foster care, a Team Member may take leave intermittently or on a reduced leave schedule only if Taylor Made agrees. Taylor Made's agreement is not required, however, for leave during which the mother has a serious health condition in connection with the birth of her child or if the newborn child has a serious health condition. Leave may be taken intermittently or on a reduced leave schedule when medically necessary for planned an/or unanticipated medical treatment of a related serious health condition by or under the supervision of a health care provider, or for recovery from treatment or recovery from a serious health condition. It may also be taken to provide care or psychological comfort to an immediate family member with a serious health condition.

If a Team Member needs intermittent leave or leave on a reduced leave schedule that is foreseeable based upon planned medical treatment for the Team Member or a family member, Taylor Made may require the Team Member to transfer temporarily, during the period the intermittent or reduced leave is required, to an available alternative position for which the Team Member is qualified and which would better accommodate recurring periods of leave than does the Team Member's regular position. Taylor Made reserves the right to request a physician's certification justifying such leave and to require and pay for a second or third opinion.

In addition to the foregoing, the poster entitled "Your Rights Under the Family and Medical Leave Act of 1993" posted on the Team Member bulletin board provides further information with respect to Team Member legal rights.

2.16 Personal Leave

Taylor Made provides leaves of absence without pay to eligible Team Members who wish to take time off work duties to fulfill personal obligations. Eligible Team Members may request personal leave only after having completed one year of service. As soon as eligible Team Members become aware of the need for personal leave, they should present a specific request to the supervisor. Personal leave is entirely discretionary on the part of Taylor Made, and must be approved by the supervisor and the President. Requests for personal leave will be evaluated based on a number of factors, including anticipated work load requirements and staffing considerations during the proposed period of absence.

Personal leave may be granted for a period of up to 90 calendar days every two years. Team Members must exhaust all available accrued paid leave as part of the approved period of leave.

Subject to the terms, conditions, and limitations of the applicable plans, Taylor Made will continue to pay its share of medical and dental insurance premiums for the first thirty (30) days of approved personal leave. The Team Member must assume full responsibility for premiums after thirty (30) days.

When a personal leave ends, every reasonable effort will be made to return the Team Member to the same position, if it is available, or to a similar available position for which the Team Member is qualified. However, Taylor Made cannot guarantee reinstatement in all cases.

If a Team Member fails to report to work promptly at the expiration of the approved personal leave period, Taylor Made will assume the Team Member has resigned.

2.17 Profit Sharing Plan

Eligible Team Members may participate in Taylor Made's profit sharing plan. Please see the Summary Plan Description in the Human Resources Office for details regarding this benefit.

2.18 Benefit Accrual During Leave

Benefit accrual, such as vacation, paid absence time or holiday benefits, will be suspended during medical leave, family leave and personal leave and will resume upon return to active employment.

SECTION 3: TEAM MEMBER CONDUCT AND RESPONSIBILITIES

3.1 Business Ethics and Conduct

The successful business operation and reputation of Taylor Made is built upon the principles of fair dealing and ethical conduct of our Team Members. Our reputation for integrity and excellence requires careful observance of the spirit and the letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of Taylor Made is dependent upon our clients' trust and we are dedicated to preserving that trust. Team Members owe a duty to Taylor Made, its clients and shareholders to act in a way that will merit their continued trust and confidence.

Taylor Made will comply with all applicable laws and regulations and expects its Team Members to conduct business in accordance with the letter, spirit and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will dictate acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with the appropriate supervisor and if necessary, with the Human Resources Department for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every Taylor Made Team Member. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including termination of employment.

3.2 Supervisor and Team Member Relationships

Taylor Made prohibits all supervisors from dating direct subordinates. If Team Members of equal employment status decide to date, the Team Members are subject to all policies which apply to all forms of harassment. Team Members who date must conduct themselves in a respectable and professional manner while in the workplace.

3.3 Team Member Conduct and Work Rules

To ensure orderly operations and provide the best possible work environment, Taylor Made expects Team Members to follow rules of conduct that will protect the interests and safety of all Team Members and Taylor Made.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment.

- Harassment of any person
- Unscheduled and/or unapproved absenteeism
- Failure to be at work at the regular starting time, without notification to and approval by supervisor in advance
- Willfully damaging, destroying or stealing property belonging to fellow Team Members, Taylor Made, clients or other visitors of Taylor Made
- Fighting or engaging in horseplay or disorderly conduct
- Refusing or failing to carry out any instruction of a supervisor
- Ignoring work duties or loafing during work hours
- Coming to work under the influence of alcohol or any illegal drug, or bringing alcoholic beverages or illegal drugs onto Taylor Made owned, leased or rented property
- Giving any false or misleading information to obtain employment or a leave of absence
- Using threatening or abusive language toward any Team Member, client or visitor.
- In any way endangering the life, health or safety of a fellow Team Member, client or visitor
- Using another Team Member's time card or falsifying any record
- Smoking contrary to established policy or violating any other fire protection regulation
- Violating safety and health policies and regulations
- Failing to wear clothing conforming to standards set by Taylor Made
- Not taking proper care of, neglecting or abusing Taylor Made equipment and tools
- Using Taylor Made equipment in an unauthorized manner
- Possessing firearms or weapons of any kind on company property except as permitted by law
- Violation of any personnel policy
- Unsatisfactory performance or conduct
- Insubordination

Employment with Taylor Made is at the mutual consent of Taylor Made and the Team Member, and either party may terminate that relationship at any time, with or without cause, and with or without advance notice.

3.4 Attendance and Punctuality

Your timely attendance at work is crucial to making the business run smoothly. You need to do your part in achieving our goals and one way is to maintain a good attendance record. Any absence or tardiness becomes a part of your employment record. Management of office Team Member absences will be left

to the discretion of the manager. It is expected that managers follow all official policies and procedures.

Punctuality Requirements. Team Members are expected to be at their work stations on time. Tardiness is defined as being at your work station at least 5 minutes past your scheduled starting time. You should notify your supervisor when you know you may be late for work no later than 30 minutes after the start of your shift. If you are unable to reach your manager, please contact Human Resources at (859) 885-3345 X 314 and leave a message.

Being on time makes it easier for everyone because tardiness hinders teamwork among Team Members. Excessive tardiness for work or leaving the job before quitting time, without notification and approval by one's supervisor, will be considered cause for corrective action up to and including termination of employment.

Counting Absences. Any unscheduled absence which has not been approved by a supervisor will be counted as one occurrence. Absences occurring after exhausted paid absence time (above six (6) days) in a twelve month period January 1st through December 31st of each year are considered excessive and will result in written warning from your Manager.

Taylor Made may require documentation of authorized reasons for absence, such as sick leave, FMLA or jury duty, and may also verify the documentation where appropriate. Absence of three or more scheduled working days without notifying the appropriate supervisor may result in termination at the sole discretion of Taylor Made.

Corrective Action given for unexcused absences will be valid from 12 months from the issue date. Corrective actions will be removed from an employee's file at such time that he/she goes for a period of 12 months with no occurrences of unexcused absences.

Partial days of unexcused absence (tardy or leave early) will count in the following manner. Less than (4) hours worked will count as one (1) full day. All other occurrences of partial absences will count as actual time missed within increments of a minimum of fifteen (15) minutes.

Team Members who are still serving their introductory period may be subject to termination for absences for any reason in excess of three days during the introductory period. Team Members are not normally eligible for leaves of absence during their introductory period.

3.5 Personal Appearance and Dress Code

Taylor Made wishes to project a professional image to its clients, visitors, and the general public. The dress, grooming, and personal cleanliness standards of its Team Members all contribute to the company's success in promoting this image. Therefore, it is essential that all Team Members present themselves in a way that reflects good taste and professional competence. The purpose of this policy is to clarify the company's expectations and to provide guidelines to assist Team Members in making appropriate dress and appearance choices. Expectations of the dress code policy should be followed during the regular business work week which is considered to be Monday through Friday.

The culture of the Taylor Made office allows for business casual attire. Appropriate attire for men includes: dress pants, khaki or Docker-like slacks, button-down shirts (with or without a tie), polo-style shirts, sweaters and appropriate leather or canvas shoes. Appropriate attire for women includes: dress slacks, khaki pants, blouses, sweaters, knit tops, dresses, skirts (of appropriate length), and appropriate leather or canvas shoes (including tennis shoes in good condition) or sandals. Taylor Made apparel including fleece pullovers and sweatshirts are also acceptable in most settings. Caps with the Taylor Made logo or advertising Taylor Made Stallions may also be worn. Caps must be worn with the bill facing forward.

In addition, maternity clothing that assists the comfort level of our expecting team members may be worn as exception to this policy with the understanding the articles of clothing must appear neat and presentable to our clients, visitors and the general public.

Inappropriate Attire

Clothing items that are not acceptable include those that are better suited for the beach, the gym, a dance club, or the park. Examples include, but are not limited to: shorts, cut-offs, t-shirts, jeans, exercise warm-up suits or pants, sweatpants, short skirts, revealing tops (including halter tops or those which reveal bare midriffs), stirrup pants or leggings, ill-fitting or tight-fitting clothing, flip flops and sport sandals. In addition, all undershirts, bras, sport bras, and tank tops must be fully covered by clothing. Clothing should be clean and in good condition.

A relaxation of these requirements may be introduced at certain times of the year or on certain days at the discretion of the president.

Office Team Members: Appearance Policy

A Team Member's general appearance can have an effect on the degree to which clients, visitors, and members of the general public feel comfortable in approaching him or her and the impression they form of Taylor Made. In general, a Team Member's appearance should not provide a distraction or potentially

hinder his or her ability to work in a safe manner. With this in mind, please observe the following guidelines:

- Hair should be clean and neatly combed so that it does not impair vision or otherwise become a distraction if allowed to drape over the face. Unnatural hair colors (colors other than blond, red, brown, or black or in that range) and styles should not be worn. Men must wear their hair short. Long hair on men working in the office for Taylor Made is not acceptable.
- Mustaches and beards should be groomed and trimmed to present a professional image.
- Visible body piercing jewelry (except that worn on the ears for women) should be removed during work hours. Note: Excessive ear piercings are not acceptable in the office.
- Tattoos must be able to be covered by clothing during working hours. Facial tattoos are not acceptable.
- Fingernails should be clean, neat, and of a length that does not impair efficient job performance.
- Perfume and cologne should only be used in moderation so as not to irritate the allergies or sensitivities of other Team Members.

In summary, Team Members should use good judgment and avoid extremes in dress, accessories, fragrances or hair. It is not possible for a policy to address every possible option in dress or appearance. A Team Member who is unsure of what is appropriate should check with his or her supervisor.

3.6 Drug and Alcohol Use: Substance Abuse Policy

It is Taylor Made's desire to provide a drug-free, healthy and safe workplace. To promote this goal, Team Members are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner. While on Taylor Made premises, no Team Member may use, possess, distribute, sell or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job if it does not impair the Team Member's ability to perform the essential functions of the job effectively and in a safe manner.

The intent of Taylor Made's Substance Abuse Policy is to:

- Promote the safety and well-being of all Team Members, clients, vendors, visitors, and horses by maintaining a drug and alcohol free workplace.
- Ensure continued productivity and a high level of service for our clients.
- Provide clear guidelines and consistent procedures for handling incidents of employees' use of alcohol, drugs, or controlled substances that affect job performance and make every effort to institute and maintain a drug-free workplace.
- Offer referrals for assistance to Team Members so that problems affecting job performance may be resolved.

Implementation: Drug Testing

Taylor Made's Substance Abuse Policy uses drug testing to help administer this policy. Team Members will be required to have a drug test in the following situations:

- 1. Pre-Employment Drug Testing:** Each individual who receives an offer of employment with Taylor Made will be required as a condition of employment to undergo a urine drug screen. He or she will be asked to read the policy and sign the Post-Offer, Pre-Employment Employee Consent to Alcohol and Drug Screening. The urine drug screen will be performed during the pre-employment physical.

If an individual tests positive and is determined to be in violation of this policy, he or she will be ineligible for employment until a confirmation drug screen is performed and results are determined to be negative by a Medical Review Officer.

It is preferred that each new Team Member be tested prior to reporting to work. However, it is realized that under certain circumstances a new employee may start before test results are known. In such circumstances the Team Member's hiring is conditional upon passing the drug screen.

- 2. Post-Injury Drug Testing:** Team Members must notify their manager of any on-the-job accident that occurs. Any injury requiring medical assistance (exam or treatment) will require that the individual undergo a urine drug screen and/or breathalyzer test. Alcohol testing will only be performed when there is a reasonable belief, based on observation or other relevant factor that the Team Member is under the influence of alcohol. The manager will make arrangements for the Team Member to be transported immediately to a doctor or hospital. If the manager is not available to personally transport the individual to the treatment/testing site, he or she will identify another supervisor or office representative to do so. The company representative who transports the Team Member will ensure that the drug test is performed during the course of exam.

Managers may use their own discretion if an injured worker refuses medical treatment after an injury. The severity of the injury should be considered. If the manager has any reasonable suspicion that the Team Member's use of a controlled substance or alcohol played a role in the accident, he or she will require that the Team Member be tested. Team Members who refuse to be tested in this instance will be subject to discipline up to and including termination of employment.

If the Team Member consents to the test and the results are positive for drugs or alcohol, he or she may be subject to discipline up to and including termination of employment. Taylor Made will investigate the incident and consider all circumstances when determining discipline.

3. **“Reasonable Suspicion” Drug Testing:** If a manager has reasonable cause to suspect that a Team Member is in violation of this policy, Taylor Made reserves the right to require that the Team Member undergo a urine drug screen and/or breathalyzer test. To ensure that this portion of the policy is properly administered, managers are encouraged to seek a second opinion from another manager before requiring the test.

Refusal to be tested by a Team Member in this situation may be grounds for dismissal. If a Team Member consents to the test, the manager must transport the individual to the testing site. A positive test would result in discipline up to and including termination of employment. Depending on the severity of the offense, a written warning, unpaid suspension, and/or referral to treatment (at the Team Member’s expense) may be issued prior to termination of employment.

Note: If during the drug testing process it is determined that a specimen has been altered in any way, it will be viewed as a positive result.

This policy establishes that drug testing will be performed in the three instances listed above. However, Taylor Made reserves the right to pursue and implement random drug testing in the future.

3.7 Social Functions

On occasion, Taylor Made organizes social events or functions to celebrate a season or recognize special achievements. All Team Members are invited to participate in these activities. During these events, whether on the farm or offsite, it is expected that attending Team Members recognize the event as a Taylor Made function and that all Taylor Made policies and local, state and federal laws still apply. Team Members are expected to conduct themselves in an orderly manner with acceptable behavior during such functions.

Taylor Made has set the following social function established guidelines:

- Normal work rules and standards apply at any Taylor Made function or event.
- Alcohol will be served by a 3rd party vendor.
- Taylor Made may extend Team Members drink tickets; however, after all drink tickets are exhausted, alcohol must be purchased by the Team Member.
- Legal drinking age is 21 years old. Taylor Made prohibits underage drinking at any Taylor Made social function.

- Team Members should drink responsibly and plan for safe transportation home.
- Overconsumption of alcohol at Taylor Made social events is not acceptable.
- Taylor Made prohibits harassment in any form of any and all individuals (refer to Section 3.8 Sexual or Other Unlawful Harassment).
- Unacceptable behavior or individual acts at Taylor Made social functions in violation of this policy will be dealt with according to disciplinary procedures outlined in this handbook.

3.8 Sexual or Other Unlawful Harassment

Taylor Made prohibits harassment of Team Members or of applicants for employment based on sex, race, religion, national origin, disability, sexual orientation or gender identity or other legally protected classification or category. Harassment includes, without limitation, conduct of a verbal nature (epithets, derogatory statements, slurs, and innuendos), physical nature (assault, physical interference with normal work environment) and/or visual nature (posters, cartoons, drawings, computer display terminals).

Sexual harassment includes unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact and other verbal or physical conduct, or visual forms of harassment of a sexual nature when submission to that conduct is either explicitly or implicitly made a term or condition of employment or is used as the basis for employment decisions or when that conduct has the purpose or effect of unreasonably interfering with a Team Member's work performance or creating an intimidating, hostile or offensive work environment.

No Team Member should be forced to submit to any such conduct as a basis for any employment decision and Taylor Made will make every effort to keep itself free of any conduct that creates an intimidating, hostile or offensive work environment for Team Members.

If any sort of harassment or similarly abusive verbal or physical conduct interferes with a Team Member's work performance or creates an intimidating, hostile or offensive work environment, it should be reported to the appropriate supervisor or any member of management and to the Human Resources Department. Any supervisor who becomes aware of possible sexual or other unlawful harassment should promptly advise the Human Resources Department or any member of management. Complaints and reports of harassment will be investigated in a timely manner and as confidentially as possible consistent with a thorough investigation.

If Taylor Made determines that harassment has occurred, appropriate relief for the Team Member bringing the complaint and appropriate disciplinary action against the harasser, up to and including termination of employment, will follow. A non-

Team Member who subjects a Team Member to harassment in the workplace will be informed of this policy and appropriate action will be taken.

There will be no retaliation for substantiated claims against any Team Member who complains of harassment prohibited by this policy or any Team Member who assists in the investigation of any complaint.

3.9 Use of Telephones

Team Members should practice discretion with personal use of the telephone at Taylor Made. The company will request reimbursement for the cost of any personal long-distance calls that exceed its monthly allowance. (The monthly allowance is currently set at \$2. This amount is subject to change.) Personal use of the telephone for local calls should also be limited so as not to interfere with work.

To ensure effective telephone communications, Team Members should always use the approved greeting and speak in a courteous and professional manner. The approved greeting is: "Hello. Taylor Made. This is _____ speaking. May I help you?"

3.10 Officers Serving on Boards

Taylor Made wishes to play an active, supporting role in the community and surrounding area through contributing time and efforts toward various functions. It is recognized that the Officer's time should be effectively coordinated and efficiently utilized for the company and the community, therefore the Taylor Made Board of Directors shall make the final decision as to how time and efforts toward a range of organizations through monetary and various other forms shall be distributed.

Taylor Made acknowledges that throughout an Officer's tenure at Taylor Made, they may be asked to participate on Boards for different organizations. Due to limited time and other managerial constraints of Officers to perform each respective position effectively and run the day to day business of Taylor Made, Officers will be limited to serving on (3) three boards per calendar year unless otherwise approved by the Board of Directors.

In addition, Officers of Taylor Made who choose to contribute time to each Board, which may be individually selected, will be expected to complete the duties, responsibilities and expectations set forth by each Board in order to display an excellent representation for Taylor Made.

SECTION 4: GENERAL CONDITIONS OF EMPLOYMENT

4.1 Work Schedules

Work schedules for Team Members vary. Supervisors will advise Team Members of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

4.2 Overtime

When operating requirements or other needs cannot be met during regular working hours, Team Members will be given the opportunity to volunteer for overtime work assignments. All overtime work must receive the appropriate supervisor's prior authorization. Overtime assignments will be distributed as equitably as practical to all Team Members qualified to perform the required work.

Overtime compensation is paid to Team Members in accordance with federal and state wage and hour requirements. Overtime is paid at the Team Member's hourly rate for all hours over 40 in a workweek except for hours over 40 worked on the seventh day of any workweek. Team Members will be paid at the rate of one and one-half times their regular hourly rate for all hours over 40 worked on the seventh day of the workweek. This requirement does not apply to Team Members whose duties are principally limited to directing or supervising others or those who are classified as "exempt salaried" Team Members. Overtime pay is based on actual hours worked. Time off on any type of leave will not be considered hours worked for the purposes of overtime calculations.

4.3 Rest and Meal Periods

All full-time regular Team Members are normally provided with one meal period of 60 minutes (1 hour) in length each workday. Supervisors will schedule meal periods to accommodate operating requirements. Team Members will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time. If there is a change in schedule and Team Members are expected to work, lunch periods will be paid. During sales, (on sale ground premises) Team Members are provided with one meal period of 60 minutes (1 hour) in length. Lunches will need to be taken when it is convenient for each team. It will be determined by the zone captain if the team will need to take lunches in shifts. All hours of work during the sale including lunch breaks will be paid.

4.4 Emergency Closings

At times, emergencies such as severe weather, fires, power failures or earthquakes can disrupt operations. In extreme cases, these circumstances may require the closing of a work facility.

When operations are officially closed due to emergency conditions, the following procedures will be followed:

- The decision to close the office will be made by the President of the company or, in his absence, one of the other Officers.
- If the decision to close the office is made after the workday has begun, Team Members will receive official notification from their immediate supervisor. In these situations, time off from scheduled work will be paid. Non-exempt Office Team Members who leave work without authorization will not be paid for the time off.
- If the decision to close the office is made before the workday has begun, a company representative will attempt to contact all Office Team Members by telephone or email. Taylor Made will pay non-exempt Office Team Members their regular daily pay for up to five (5) days per calendar year. If closures exceed five (5) days per calendar year, the additional days will be considered unpaid leave unless a Team Member chooses to use accrued paid leave time, such as vacation benefits.
- Exempt Team Members will be paid their normal weekly salary for any workweek in which any work is performed. Given the nature of exempt jobs, it is assumed that at least some work will continue (i.e. checking emails, voicemails, etc.) during situations in which the office is otherwise closed. However, if that is not the case and a week passes where no work is performed, such individuals will be deemed to be on unpaid leave.
- In cases where an emergency closing is not authorized or Taylor Made is not officially closed, Team Members who fail to report for work will not be paid for the time off, and the absence will be recorded as “unexcused.” Team Members should (follow procedures) contact the supervisor before the start of the workday and with supervisor approval use benefit time.

4.5 Visitors in the Workplace

To provide for the safety and security of Team Members and the facilities at Taylor Made, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protect against theft, ensure security of equipment, protect confidential information, safeguard Team Member welfare and avoid potential distractions and disturbances.

All visitors should enter Taylor Made at the reception area. Authorized visitors will receive directions or be escorted to their destination. Team Members are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on Taylor Made’s premises, Team Members should immediately notify their supervisor or, if necessary, direct the individual to the reception area. Taylor Made reserves the right to deny office access to individuals who cause a distraction or problems in the workplace.

4.6 Use of Equipment and Vehicles

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using property, Team Members are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Please notify the supervisor if any equipment, machines, tools or vehicles appear to be damaged, defective or in need of repair. Prompt reporting of damages, defects and the need for repairs could prevent deterioration of equipment and possible injury to Team Members or others. The supervisor can answer any questions about a Team Members responsibility for maintenance and care of equipment or vehicles used on the job.

The improper, careless, negligent, destructive or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment. Any Team Member who receives traffic or parking tickets while on the job will be fully responsible for the costs incurred.

4.7 Business Travel

Taylor Made will reimburse Team Members for reasonable business travel expenses incurred while on assignment from the normal work location. All business travel must be approved in advance by your immediate supervisor. The actual and reasonable costs of travel, meals, lodging, and other expenses directly related to accomplishing business travel objectives will be reimbursed by Taylor Made. Team Members are expected to limit expenses to reasonable amounts. Expenses that are generally reimbursable include airfare, car rental fees, fares for taxis, or shuttles, or other ground travel. To receive reimbursement, you must complete an Expense Report and submit it to your supervisor for approval. Account Managers and individuals who have sales defined as part of their job description shall only be reimbursed for miles traveled over 50 miles outside of Lexington and must stay within the travel guidelines for Account Managers.

Team Members who use their own vehicles for Taylor Made business will be reimbursed at the current Company mileage expense rate per mile to cover their own personal vehicle for Company business.

Abuse of the business travel policy, including falsifying expense reports to reflect costs not incurred by the Team Member, may be grounds for disciplinary action, up to and including termination.

4.8 Computer and Email Usage

Taylor Made provides access to the vast information resources of the Internet to help Team Members do their jobs faster and smarter, and to be well-informed.

The facilities to provide that access represent a considerable commitment of the company resources for telecommunications, networking, software, storage, etc. This Internet usage policy is designed to help explain the company's expectations for the use of those resources in the particular conditions of the Internet, and to help Team Members use those resources wisely.

Taylor Made's internet usage philosophy forms the foundation on which its guidelines are based. First and foremost, the Internet is a business tool, provided to you at significant cost. That means Team Members are expected to access the Internet primarily for business-related purposes, i.e., to communicate with customers and suppliers, to research relevant topics and obtain useful business information, except as outlined below. Team Members must represent themselves honestly and appropriately on the Internet, and respect the copyrights, software licensing rules, property rights, privacy and prerogatives of others, just as they would in any other business dealings. To be absolutely clear on this point, all existing company policies apply to Team Member conduct on the Internet, especially (but not exclusively) those that deal with intellectual property protection, privacy, misuse of company resources, sexual harassment, information and data security, and confidentiality.

Unnecessary or unauthorized Internet usage causes network and server congestion. It slows other users, takes away from work time, consumes supplies, and ties up printers and other shared resources. Unlawful Internet usage may also garner negative publicity for the company and expose the company to significant legal liabilities.

The chats, newsgroups and email of the Internet give each individual Team Member immense and unprecedented reaches to propagate company messages and tell its business story. Because of that power Team Members must take special care to maintain the clarity, consistency and integrity of the company's corporate image and posture. Anything one Team Member writes in the course of acting for the company on the Internet can be taken as representing the company's corporate posture. This is why Team Members are expected to forgo a measure of their individual freedom when participating in chats or newsgroups on company business, as outlined later. Games or chat rooms unrelated to work are strictly prohibited.

While Taylor Made's direct connection to the Internet offers a cornucopia of potential benefits, it can also open the door to some significant risks to its data and systems if appropriate security is not followed. As presented in greater detail below, that may mean preventing machines with sensitive data or applications from connecting to the Internet entirely, or it may mean that certain Team Members must be prevented from using certain Internet features like file transfers. The overriding principle is that security is to be everyone's first concern. A Team Member can be held accountable for any breaches of security or confidentiality.

Certain terms in this policy should be understood expansively to include related concepts. Documents cover just about any kind of file that can be read on a computer screen as if it were a printed page, including the so-called HTML files read in an Internet browser, any file meant to be accessed by a word processing or desk-top publishing program or its viewer. Graphic includes photographs, pictures, animations, movies, or drawings.

All Team Members granted Internet access with company facilities will be provided with a written copy of this policy. A signed Internet user agreement will be kept in the Team Member's personnel file.

Management and Administration

1. The company has software and systems in place that can monitor and record all Internet usage. Team Members should be aware that these security systems are capable of recording (for each and every Team Member) each World Wide Web site visit, each chat, newsgroup or email message, and each file transfer into and out of the company's internal networks, and Taylor Made reserves the right to do so at any time. No Team Member should have any expectation of privacy as to his or her Internet usage. The IT Director will review Internet activity and analyze usage patterns, and may choose to publicize this data to assure that company Internet resources are devoted to maintaining the highest level of productivity.
2. Taylor Made reserves the right to inspect any and all files stored in private areas of its network in order to assure compliance with policy.
3. The display of any kind of sexually explicit image or document on any company system is a violation of Taylor Made's policy on sexual harassment. In addition, sexually explicit material may not be archived, stored, distributed, edited or recorded using our network or computing resources.
4. Taylor Made may use independently supplied software and data to identify inappropriate or sexually explicit Internet sites. The company may block access from within its networks to all such known sites. If a Team Member finds himself or herself connected accidentally to a site that contains sexually explicit or offensive material, he or she must disconnect from that site immediately, regardless of whether that site had been previously deemed acceptable by any screening or rating program. The individual should report this information to Human Resources as soon as possible.
5. Taylor Made's Internet facilities and computing resources must not be used knowingly to violate the laws and regulations of the United States or any other nation, or the laws and regulations of any state, city, province or other local jurisdiction in any way. Use of any company resources for illegal activity is

grounds for immediate dismissal, and the company will cooperate with any legitimate law enforcement activity.

6. Any software or files downloaded via the Internet into the company network become the property of the company. As such files or software may be used only in ways that are consistent with their licenses or copyrights.
7. No Team Member may use company facilities knowingly to download or distribute pirated software or data. Team Members shall not play any form or type of game via internet.
8. No Team Member may use the company's Internet facilities to deliberately propagate any virus, worm, Trojan horse, or trap-door program code.
9. No Team Member may use the company's Internet facilities knowingly to disable or overload any computer system or network, or to circumvent any system intended to protect the privacy or security of another user.
10. No Team Member may use the company's Internet facilities, electronic data or devices as an instrument for any business unrelated to company business that involves blanket solicitation, sale of product, petition or request from team members, clients or potential clients for monetary and/or charitable donations. Further, it is absolutely prohibited for any team member to utilize any Taylor Made Customer Database namely the Sales Logix CRM System or utilize the namesake of the Taylor Made for any unrelated company business. Taylor Made client lists are considered proprietary information reserved for company business only. Misuse of proprietary information is considered gross misconduct and will be subject to disciplinary action up to and including termination.
11. Each Team Member using the Internet facilities of the company shall identify himself or herself honestly, accurately and completely (including one's company function when requested) when participating in chats or newsgroups, or when setting up accounts on outside computer systems. Chats not pertaining to work are prohibited.
12. Only those Officers or Team Members who are duly authorized by the Board of Directors to speak to the media, to analysts or in public gatherings on behalf of the company may speak/write in the name of the company to any newsgroup, email, or chat room. Team Members unauthorized to speak to the media must obtain approval and authorization directly from the Board of Directors before communicating in any manner with any form of media.
13. Taylor Made retains the copyright to any material posted to any forum, newsgroup, chat or World Wide Web page by any Team Member in the course of his or her duties.

14. Team Members are reminded that chats and newsgroups are public forums where it is inappropriate to reveal confidential company information, client data, trade secrets, and any other material covered by existing company confidentiality policies and procedures. Team Members releasing protected information via a newsgroup or chat whether or not the release is inadvertent will be subject to all penalties under existing data security policies and procedures. Team Members whose job description includes the utilization of the internet to speak with clients and customers should ensure information released is within all company policies and procedures.
15. Use of company Internet access facilities to commit infractions such as misuse of company assets or resources, sexual harassment, unauthorized public speaking and misappropriation or theft of intellectual property are also prohibited by general company policy, and will be sanctioned under the relevant provisions of the Team Member Handbook.
16. Since a wide variety of materials may be deemed offensive by other Team Members, clients or suppliers, it is a violation of company policy to store, view, print or redistribute any document or graphic file that is not directly related to the user's job or company's business activities.
17. Taylor Made will comply with reasonable requests from law enforcement and regulatory agencies for logs, diaries and archives on an individual's Internet activities.
18. Team Members with Internet access may download only software with direct business use, and must arrange to have such software properly licensed and registered. Downloaded software must be used only under the terms of its license.
19. Team Members with Internet access may not use company Internet facilities to download entertainment software or games, or to play games against opponents over the Internet.
20. Team Members with Internet access may not use company Internet facilities to download images or videos unless there is an explicit business related use for the material.
21. Team Members with Internet access may not upload any software licensed to the company or data owned or licensed by the company without authorization.

4.9 Electronic Devices and Security Policy

Taylor Made has the authority to issue company paid electronic communication devices to Team Members (as appropriate) in relation to the individual's position

which will enhance the level of communication and convenience between other co-workers, managers, clients, and visitors. Such devices may include, but not limited to: laptops, cell phones and/or blackberries and accompanying equipment. The equipment and electronic communication devices will remain the sole property of Taylor Made at all times. Therefore certain security and safety measures must be taken in order to ensure the integrity of the property after such as been issued.

All electronic communication devices are expected to be used for business related purposes. Clearly stated, all company issued electronic communication devices are to be used in accordance with all company policies that apply to computers, blackberries and email usage, internet conduct, phone conduct, especially (but not exclusively) those that deal with intellectual property protection, privacy, misuse of company resources, sexual harassment or any form of harassment, information and data security and confidentiality. Further, electronic communication devices must be operated in accordance with all local, state and federal laws.

Team Members will be responsible for replacement of electronic communication devices which are damaged beyond normal wear and tear or for lost or stolen items. (See specific electronic device acknowledge policy form in Human Resources.) Each Team Member who receives company issued electronic communication devices will be asked to sign individual acknowledgement forms for each electronic device.

All electronic communication devices are monitored by the IT Director. Violation of this policy or individual signed acknowledgement forms may be grounds for disciplinary action up to and including termination of employment.

4.10 Workplace Monitoring

Workplace monitoring may be conducted by Taylor Made to ensure quality control, Team Member safety, security and customer satisfaction.

SECTION 5: PAYROLL INFORMATION AND RECORDS

5.1 Timekeeping

Accurately recording time worked is the responsibility of every Team Member. Federal and state laws require Taylor Made to keep an accurate record of time worked in order to calculate Team Member pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Nonexempt Team Members should accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shift or departure from work for personal reasons.

Nonexempt Team Members should report to work no more than 7 minutes prior to their scheduled starting time nor stay more than 7 minutes after their scheduled stop time without expressed, prior authorization from their supervisor. Overtime work must always be approved before it is performed.

If corrections or modifications are made to a nonexempt Team Member's time record, both the Team Member and the supervisor must verify the accuracy of the changes by initialing the time record. Altering, falsifying or tampering with time records, or recording time on another Team Member's time record may result in disciplinary action, up to and including termination of employment.

5.2 Paydays

All Team Members are paid weekly every Thursday. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

In the event that a regularly scheduled payday falls on a day off such as a holiday, Team Members will receive pay on the last day of work before the regularly scheduled payday. If a regular payday falls during the Team Member's vacation, the Team Member may receive his or her earned wages before departing for vacation if a written request is submitted at least one week prior to departing for vacation.

5.3 Pay Corrections

Taylor Made takes all reasonable steps to ensure that Team Members receive the correct amount of pay in each paycheck and that Team Members are paid promptly on the scheduled payday. In the unlikely event that there is an error in the amount of pay, the Team Member should promptly bring the discrepancy to the attention of the Payroll Coordinator and their direct manager.

5.4 Personnel Data Changes

It is the responsibility of each Team Member to promptly notify Taylor Made of any changes in their personal information such as a change of mailing address, telephone number, number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishment, beneficiaries named for insurance or other benefit plans, and other such information. When changes occur, the Team Member should notify the Human Resources Department.

SECTION 6: SAFETY

6.1 Safety

Taylor Made has established a workplace safety program. This program is a top priority for Taylor Made. The success of the safety program depends on the alertness and personal commitment of all Team Members.

Taylor Made provides information to Team Members about workplace safety and health issues through regular internal communication channels such as supervisor/Team Member meetings, bulletin board postings, memos or other written communications.

Each Team Member is expected to obey safety rules and to exercise caution in all work activities. Team Members must immediately report any unsafe condition(s) to the appropriate supervisor. Team Members who violate safety standards, cause hazardous or dangerous situations, fail to report or, where appropriate, remedy such situations may be subject to disciplinary action, up to and including termination of employment.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, Team Members must immediately notify the closest supervisor and/or the Human Resources Director.

6.2 Smoking

In keeping with Taylor Made's intent to provide a safe and healthy work environment, smoking in the workplace is discouraged. Areas are clearly designated where smoking is expressly prohibited. Nonsmoking areas are:

- Offices
- Barns or Hay/Straw Sheds
- Fuel areas

Smoking will be allowed in warming rooms or other approved smoke areas only. Tobacco products should be disposed of using proper containers.

6.3 Workplace Violence Prevention

Taylor Made is committed to preventing workplace violence and to maintaining a safe work environment. Taylor Made has adopted the following guidelines to deal with intimidation, harassment or other threats of or actual violence that may occur during business hours or on its premises.

All Team Members should be treated with courtesy and respect. Team Members are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons and other dangerous or hazardous materials are prohibited.

Conduct that threatens, intimidates or coerces another Team Member, a client or a member of the public at any time, including off-duty periods, will not be tolerated. Taylor Made has a policy of zero tolerance for violence. No talk of violence or joking about violence will be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, national origin, religion, disability, age or any characteristic protected by federal, state, or local law.

All threats of or actual violence, both direct and indirect, should be reported as soon as possible to the appropriate manager or any other member of management and to the Human Resources Department. This includes threats by Team Members, as well as threats by clients, vendors, solicitors, or other members of the public. When reporting a threat of violence, a Team Member should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to a supervisor. Team Members should not place themselves in peril. No Team Member should undertake to control or intercede in any disturbance unless so directed by a manager.

Taylor Made will promptly and thoroughly investigate all reports of threats of or actual violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, Taylor Made may suspend Team Members, either with or without pay, pending investigation.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

Taylor Made encourages Team Members to bring their disputes or differences with other Team Members to the attention of their supervisors and the Human Resources Department before the situation escalates into potential violence.

6.4 Security Inspections

Taylor Made wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives or other improper materials. To this end, Taylor Made prohibits the possession, transfer, sale or use of such materials on its premises except as permitted by law. Taylor Made requires the cooperation of all Team Members in administering this policy.

Desks, lockers, and other storage devices may be provided for the convenience of Team Members but remains the sole property of Taylor Made. They, as well as any articles found within them, can be inspected by Taylor Made at any time, either with or without prior notice.

Taylor Made prohibits theft or unauthorized possession of the property of Team Members, Taylor Made, visitors and clients. To facilitate enforcement of this policy, Taylor Made may inspect not only desks and lockers but also persons entering or leaving the premises and any packages or other belongings. Any Team Member who wishes to avoid inspection of any articles or materials should not bring such items onto Taylor Made's premises. All Team Members are expected to cooperate fully with such searches and inspections. A Team Member's refusal to submit to an inspection or search is a violation of this Policy and may subject the Team Member to discipline up to and including termination.

SECTION 7: TEAM MEMBER DISCIPLINE/TERMINATION OF EMPLOYMENT

7.1 Employment Termination

Since employment with Taylor Made is based on mutual consent, both the Team Member and Taylor Made have the right to terminate the employment relationship at any time, with or without cause and with or without notice. Termination of employment is an inevitable part of personnel activity within any organization. The most common circumstances under which employment is terminated are:

- Resignation – voluntary employment termination initiated by a Team Member.
- Discharge – involuntary employment termination initiated by Taylor Made.
- Retirement – voluntary employment termination initiated by the Team Member meeting length of service and any other criteria for retirement.

Taylor Made requests two (2) weeks notice of the resignation of any Team Member. Taylor Made will generally schedule an exit interview. The exit interview will afford an opportunity to discuss any relevant issues such as Team Member benefits, repayment of outstanding debts to Taylor Made or return of Taylor Made owned property.

7.2 Progressive Discipline

Although employment with Taylor Made is based on mutual consent and both the Team Member and Taylor Made have the right to terminate employment at will, with or without cause and with or without advance notice, Taylor Made may use progressive discipline at its discretion.

Disciplinary action may call for any of four steps – verbal warning, written warning, suspension with or without pay, or termination of employment – depending on the severity of the problem and/or the number of occurrences. Progressive discipline means that, with respect to most disciplinary problems, these steps will be followed: a first offense may call for a verbal warning; a second offense may lead to a written warning; a third offense may lead to a suspension with or without pay; and a fourth offense may lead to termination of employment. However, Taylor Made may, in its sole discretion, modify or suspend this process in any given case.

While it is impossible to list every type of behavior that may be deemed a serious offense, the Team Member Conduct and Work Rules policy (Section 3.3) includes examples of unsatisfactory conduct and problems that may result in immediate suspension or termination of employment.

7.3 Return of Property

Team Members are responsible for items issued to them by Taylor Made or in their possession or control, such as but not limited to the following:

- client lists
- credit cards
- equipment
- keys
- manuals
- pagers
- cell phones
- PDA or Blackberry
- protective equipment
- tools
- uniforms
- vehicles
- written materials
- training manuals
- job descriptions
- databases

All Taylor Made property must be returned by Team Members on or before the last day of work. If not returned as required, Taylor Made may take any action deemed appropriate to recover or protect its property.

7.4 Rehire Policy

Taylor Made reserves the right to rehire previous Team Members based on criteria such as the following:

- Two (2) weeks notice was issued to Taylor Made before final date of termination of employment.
- Separation occurred while Team Member was considered in good standing with performance expectations, had violated no Taylor Made policies and had no documented disciplinary issues.
- Separation occurred voluntarily.
- All Taylor Made property was timely returned in good condition and repayment of all outstanding debts was received before final date of termination of employment.

Prior Team Members of Taylor Made who fail to meet all specific criteria listed above will not be considered for future rehire.

TEAM MEMBER HANDBOOK ACKNOWLEDGMENT

The Team Member Handbook, Issue Date _____, describes important information about Taylor Made, and I understand that I should consult the Human Resources Director or direct manager regarding any questions not answered in this handbook. I have entered into my employment relationship with Taylor Made voluntarily and acknowledge that there is no specified length of employment. Accordingly, either I or Taylor Made can terminate the relationship at will, with or without cause, at any time, so long as there is no violation of applicable federal or state law.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions to the handbook may occur, except to Taylor Made's policy of employment-at-will. Such changes may be made with or without notice, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the President of Taylor Made has the ability to adopt any revisions to the policies in this handbook.

Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document. I understand that this handbook does not alter or expand any rights or benefits I may be entitled to by law. I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions to it.

TEAM MEMBER'S NAME (printed): _____

TEAM MEMBER'S SIGNATURE: _____

DATE: _____