

NO FRILLS PHARMACY, LLC
dba HealthMart Pharmacy

COMPANY PERSONNEL POLICY MANUAL

AND

EMPLOYEE HANDBOOK

This booklet is distributed for informational purposes and is not to be construed as a contract of employment. It may be amended at any time without prior notice to employees. Any reference to one gender applies to both genders. If the terms and conditions presented here are different from local, state, or federal law, the terms and conditions of those documents apply.

CONFIDENTIALITY

All information concerning the business affairs of the corporation, its customers, employees, or persons associated with the corporation must be treated as confidential or restricted. You **MAY NOT** reveal any such confidential information. This includes any information about a customer, employee, or any person in regards to a medical condition, course of treatment, or anything that may be considered privileged medical information. Customers come to us because they trust us to be professional and discreet. Any violation of this trust is grounds for immediate dismissal.

In addition, employees will receive training on federal HIPAA regulations. These regulations must be followed at all times. Any violation of HIPAA regulations will result in immediate termination of employment.

GENERAL INFORMATION

Policies included in this booklet take effect July 1, 2001.

It is the policy of this company to afford Equal Employment Opportunity regardless of race, religion, color, national origin, or sex. Further, all applicable laws relating to age, marital status, handicap discrimination, etc., will be strictly adhered to. This policy of Equal Employment Opportunity applies to all aspects of the employment relationship.

The company follows federal minimum wage laws, along with federal and state tax withholding requirements.

Company policy requires that all employees should enjoy a working environment free from all forms of illegal discrimination, including sexual harassment. Any harassment allegations should be taken to the location manager.

EMPLOYEE STATUS

The following status definitions apply throughout this handbook when reference is made to full or part-time employees:

Full-Time employee - Any person working 1664 hours or more per year. This is the equivalent of an average of 32 hours per week.

Part-Time employee - Any person working less than 1664 hours per year, of an average of 31.5 or less hours per week.

On the hire date, the employee's supervisor will report to the personnel office the intended employee status. Periodic reviews of actual hours worked will be done, and any change in status will be reported to the employee and supervisor.

EMPLOYEE COMPENSATION

Paycheck stubs are distributed every 2 weeks, and employees are responsible for making sure their hours are turned in correctly and on time. Any corrections to hours or changes in pay will be made on the next

paycheck run. Employee must provide employer with a valid checking or savings account for direct deposit of wages.

Overtime must be approved by the location manager. Approved overtime will be paid at one and one-half times the employee's regular hourly rate. Overtime is not paid to salaried employees, unless specified by a separate employment contract.

EMPLOYEE BENEFITS

Most benefits are available only to full-time employees. If, during a periodic review of actual hours worked, it is shown that an employee has not been working enough hours to retain full-time status, benefits are lost until the status is regained and held for at least a 4 week period.

Vacation & Holidays

Vacation and Holiday pay is based on the average number of hours worked per day by each individual employee in the prior year. This average is figured using a 5 day work week. Example – if you work 1,820 hours in a year, the next year your vacation & holiday pay would equal 7 hours/day. ($1,820/52 = 35 \text{ hr/wk} = 7/\text{day}$.) Employees may earn 5 days of vacation (maximum of 40 hours) after one year of continuous full time employment and 10 days of vacation (maximum of 80 hours) after two years of continuous full time employment and each year thereafter. A list of vacation hours earned will be sent to each store in January based on the prior year's payroll records. **The hours earned must be used in the same calendar year by October 31**, as no carryover is allowed unless otherwise authorized by your supervisor and reported to the payroll office prior to the end of the year the hours are to be used in.

Holiday pay will be paid using the same hours/day figure that is used for vacation. An exception will be made if there is a significant change in the employee's work schedule during the year. If this occurs, a new hour/day amount for the holiday pay only will be figured using an average of hours worked per week during the 6 payroll periods prior to the holiday.

Holiday pay will be received for the following: New Year's Day, July 4th, Thanksgiving, Christmas, Labor Day, and Memorial Day.

If you resign your position or are terminated, any remaining vacation and/or holiday pay will be immediately forfeited.

Insurance coverage

We offer health & dental insurance to full time employees. The costs of this will be explained in separate documents provided when you become eligible for the coverage. If you elect coverage through the company, you must be sure to keep full-time status. If your hours worked fall below the requirements, you will be offered COBRA coverage, which will be explained with the insurance documents. Upon regaining full time status, re-enrollment would be necessary.

401(k)

After 6 months of employment averaging 19.25 hours or more per week, you become eligible for the company sponsored 401(k) plan. Details of the plan will be made available to you when you become eligible.

Payflex (Cafeteria Plan)

We offer a cafeteria plan to all full time employees with no waiting period. This plan allows you to hold back a portion of your wages pre-tax to use for qualified medical or dependent care expenses.

TIME AWAY FROM WORK

Absence and tardiness

If, because of illness or other good cause, you are not able to come to work on a given day, or if you know you will be delayed, be sure to call ahead and let your supervisor know before your shift is scheduled to begin. You must contact the supervisor each day of absence or each instance of tardiness. Chronic tardiness can be cause for discipline or discharge. An employee absent from work for a period of more than three consecutively scheduled workdays without an approved leave of absence or without notifying the supervisor will be considered to have resigned the position.

Funeral leave

In the event of a death in full-time employee's immediate family, a leave of absence may be granted for and not to exceed three (3) scheduled workdays with pay, including the day of the funeral. Immediate family will be defined to include current spouse, children, parents, siblings, parents of current spouse, and the employee's grandparents. In cases where additional time is required, please see Personal leave clause below.

Personal leave

All employees with six months or more of continuous service may request, in writing, a leave of absence without pay for personal reasons. A leave of absence without pay may be granted for up to thirty calendar days with the approval of the company manager.

Jury duty

Any full-time employee who has completed their training period and is required to serve as a juror may be granted time off without loss of earnings. In such cases, the company will pay the difference between the regular base rate and the pay received as a juror for up to ten days per year.

Employees not eligible for supplemental jury duty pay will still be granted time off on an unpaid status in order to fulfill their obligation.

If jury duty does not require an employee to be available during their normal work hours, or if they are dismissed early from jury duty with four or more hours of a normal work day remaining, they are required to return to work.

Maternity leave

Employees may take up to 8 weeks off following the birth of their child(ren). This time will be without pay, but you may elect to use your vacation time earned. If there are medical complications prohibiting your return to work after 8 weeks, please discuss them with your supervisor.

In the event of an adoption, the leave will be considered personal leave, and should be discussed ahead of time with your supervisor.

EMPLOYMENT PROCEDURES

Be sure that your personnel record is correct and up to date. Any changes in home address, withholding status, or name changes due to marriage or divorce must be reported to the payroll office. This is very important in getting tax documents to you at the end of the year.

If you are dissatisfied with your job or working conditions, please discuss it with your supervisor. We may be able to correct the source of your dissatisfaction. If nothing can be done, and you feel it is necessary to resign,

we would appreciate four weeks notice so we can find a suitable replacement and begin their training.

Either the company or you can terminate your employment with or without cause or without notice at any time. No representative of the company except the Owner has any authority to modify either orally or in writing, this understanding or any other policy in this booklet.

WORK RULES

Any of the following events are grounds for immediate dismissal:

- Theft of private or company property, including that of fellow employees
- Removing company property, records, or materials from the premises without proper authorization
- Falsification or supplying false information for records or reports, including employment application and other personnel records, time cards, absence and sickness
- Deliberate destruction or abuse of company property, tools, or equipment
- Bringing drugs (other than personal prescriptions), narcotics, alcohol, or hallucinogens into or consuming the same on company property
- Reporting to work under the influence of drugs (other than personal prescriptions), narcotics, alcohol, or hallucinogens
- Bringing firearms or weapons of any kind on to the company property
- Insubordination including the use of profane language to any member of the company or any customer
- Leaving the work area, department, or company property during work hours without authorization
- Fighting on company property or threats of physical violence to others
- Excessive tardiness or absenteeism
- Failure to call in or report to work. Three consecutive days will be viewed as a voluntary resignation
- Violation of HIPAA or Protected Health Information of any customer, employee, or person
- Divulging confidential information regarding company, employees, or company business
- Discourteous treatment of a customer or other employee
- Smoking in the work area

- These enumerated reasons are not exclusive, but merely illustrative, and do not alter the employee's at will status.

FREEDOM FROM HARASSMENT

It is the policy of the corporation that all employees should enjoy a working environment free from all forms of illegal discrimination, including sexual harassment.

It is against the policies of this corporation for any employee, male or female, to sexually harass another employee by (1) making acceptance of unwelcome sexual advances or request for sexual favors or other verbal or physical conduct of a sexual nature a condition of an employee's continued employment; (2) making submission to or rejections of such conduct the basis for employment decisions affecting the employee; or (3) creating an intimidating, hostile, or offensive working environment by such conduct.

PROBATIONARY PERIOD

All employees, including pharmacists, are hired with on a 180 day probationary period. During this time, either employee or employer may terminate the employment at will, with or without cause, and with or without notice.

NO FRILLS PHARMACY, LLC

CONTROLLED SUBSTANCE ABUSE POLICY

No Frills Pharmacy, LLC will be referred to as "The Company" throughout this policy. Employees, individuals, drivers, operators and/or contractors may be referred to as "Employees or Individuals" throughout this policy.

Policy Statement

The Company has a vital interest in maintaining a safe and efficient operating environment. Being under the influence of a controlled substance (drugs) imposes a serious safety and health risk, not only to the user, but to all those who work around the user. Drugs are considered controlled substances under this policy.

The possession, use or sale of illicit drugs in the work place or while on duty presents an unacceptable risk to the safe and efficient operating environment that The Company strives to provide.

The Company recognizes that its own future and growth are dependent on the physical and psychological health of its employees. Accordingly, it is the obligation and intent of The Company to maintain a safe and efficient operating environment to protect its employees, property, operations, and interests.

With these basic objectives in mind, The Company has established the following policy with regards to the use, possession, distribution, manufacture or sale of drugs:

"The use, consumption, possession, distribution, manufacture or sale of drugs, or any other controlled substance on The Company property, is strictly prohibited. The Company property, within the meaning of this policy, shall include, but is not limited to all land, occupied or vacant buildings, structures, installations, automobiles, trucks, job sites or any other vehicles operated for The Company purposes. Any individual found to be in violation of this policy will be subject to immediate disciplinary action including

dismissal from The Company relevant to all applicable local, state, and federal regulations in effect at the time."

TESTING REQUIREMENT FOR EMPLOYEES:

The drug test will be performed using a urine specimen.

The seven (7) instances in which the employees are to be drug tested are as follows:

- 1) Pre-employment as a condition of employment
- 2) Reasonable cause
- 3) Random selection
- 4) Post accident
- 5) Return to Duty
- 6) Follow up
- 7) Blanket

In all of the above listed instances, only nine (9) controlled substances are authorized to be screened per specimen:

- 1) Marijuana
- 2) Cocaine
- 3) Amphetamines
- 4) Opiates
- 5) Phencyclidine
- 6) Barbiturates
- 7) Benzodiazepines
- 8) Propoxyphene
- 9) Marijuana

No employee shall be on duty if under the control of and/or tests positive for the use of a controlled substance. All applicants and employees must sign a release form, which allows The Company access to further medical records if necessary, or allows The Company to release any information as prescribed in this form. Plus advises the applicant and employee that the urine sample he/she submits will be tested for the presence of controlled substances. Any employee found to be in violation of this part or refuses to be tested under the provisions of this section is medically unqualified for employment.

PROHIBITED CONDUCT:

- 1. Employees may not report for duty or remain on duty while having a urine specimen test indicating drug usage.
- 2. No possession of drugs is allowed while on duty/operating any of The Company vehicles
- 3. Employees refusing to submit to a drug test will be disciplined in

- the same manner as employees testing positive.
4. Storing in a locker, desk, automobile or other repository on Company premises any illegal drug, drug paraphernalia, controlled substance whose use is unauthorized.
 5. Switching or adulterating any urine sample submitted for testing.
 6. Refusing to submit to an inspection when requested by management.
 7. Conviction under any criminal drug statute.
 8. Arrest under any criminal drug statute under circumstances, which adversely affect The Company regard or reputation in the community.
 9. Failure to notify The Company of any conviction under drug statute within (5) days of the conviction.

PRE-EMPLOYMENT TESTING: All applicants applying for a position with The Company must pass a drug test in order to be hired by The Company.

RANDOM SELECTION TESTING: Using an unbiased selection system, employees will be randomly chosen to take a drug on a monthly basis. Medical Enterprises, Inc. will send a random listing that is selected by a computerized random number generator program. The Company will then inform the employee to report to the appropriate collection site to complete the random test. The employee is expected to immediately go to the collection site and may not report for duty until the random collection has been done. The following percentages apply to the number of tests performed during the year.

Drug: tests equaling 50% of total employee population

Testing will be unannounced and randomly spread throughout the year. Random testing will be performed **before, during, or just after work.**

REASONABLE CAUSE TESTING: An alcohol and/or drug screen will be required of any employee whose actions, appearance or conduct are indicative of the use of controlled substances while on duty, just preceding or just after performing work duties.

POST ACCIDENT TESTING: Any employees involved in or causing a job-related accident, which is OSHA recordable or results in damage to any property damage of \$500.00 or more and/ or an injury requiring professional

medical treatment, will be subject to a drug screen. An employee involved in a company or customer vehicle accident while off or on company property will be subject to a drug screen within two hours of the accident.

RETURN-TO-DUTY TESTING: An employee successfully completing treatment will be required to submit to a Return-to-Duty test before reassigned to job duties. The Return-to-Duty test will be either an alcohol test or drug test or both depending on the evaluation of the Substance Abuse Professional (SAP). Additionally, an employee successfully passing a Return-to-Duty test is subject to follow up testing as listed below.

FOLLOW UP TESTING: An employee returning to work after completing substance abuse treatment will be subject to unannounced testing, separate from random testing, which will consist of a minimum of six (6) tests the first year, and may continue for an additional forty eight (48) months. Testing may consist of an alcohol test, a drug test or both at the discretion of the Substance Abuse Professional.

BLANKET TESTING: Blanket testing is when on an unannounced day and time the whole population of that location is tested on that same day.

DRUG TESTING PROCEDURES: Because of the consequences of positive test results on employees, The Company has employed a very accurate, two-stage testing program. Urine specimens will be analyzed by a highly qualified independent SAMHSA laboratory, which has been selected by Medical Enterprises, Inc. All specimens will be tested according to the following sequence:

1. All specimens will first be subjected to an initial screening process.
2. Those specimens having a negative screen (no illegal or illicitly used substances present) will be considered to have "PASSED" the test and no further testing will be done on that specimen.
3. Those specimens that test positive on the first urine drug screen will be tested more extensively by means of GAS CHROMATOGRAPHY/MASS SPECTROMETRY (GC/MS).
4. If the confirmatory GC/MS test is negative, the specimen will be considered to have passed and no further action will be taken.

5. If the GC/MS is positive the Medical Review Officer will contact the employee to determine if the employee is medically qualified or medically unqualified for employment.

PRESCRIPTION DRUGS/MEDICATION: The term drugs, within the meaning of this section, shall not apply to medication, other than methadone, prescribed by a licensed medical practitioner who is familiar with the employee's medical history and assigned duties, if such medication has been taken in prescribed amounts, and if U Save has been notified in advance and in writing:

- A) That the employee taking the prescribed medication;
- B) Of the name, type, and dosage of such medication; and,
- C) Of the name and telephone number of the prescribing physician

MEDICAL REVIEW OFFICERS: Medical Enterprises, Inc.
200 Essex Court
Omaha, Nebraska 68114
(402) 393-8826

NOTIFICATION OF TEST RESULTS: The Company utilizes a Medical Review Officer to review all drug results. The Medical Review Officer is a physician who is knowledgeable in substance abuse. No person may obtain the individual test results retained by a Medical Review Officer (MRO). Nor may any one obtain or release such information, which is required to be maintained by The Company, without first obtaining written and explicit authorization from the tested individual. The Medical Review Officer will be authorized to release the regulatory information to the assigned Company contact(s). In the case a positive result on any controlled substance testing, employees will be notified by the Medical Review Officer (MRO).

In the case of a positive result because of prescription medication, the MRO will confirm that a prescription was written for the employee, which matches the metabolite found to be positive. If the prescription is used legitimately, the MRO will deem the employee medically qualified.

Any employee who is alleged to have violated this section, shall have available as an affirmative defense, through clear and convincing evidence, that their use of a controlled substance was prescribed by a

licensed medical practitioner who is familiar with the employee's medical history and assigned duties.

After the MRO has declared that the test has a positive reading, the employee will not be able to perform safety-sensitive functions. The employee may request in writing within seventy-two (72) hours to the MRO that a split specimen be reanalyzed by a SAMSHA certified laboratory of choice at the employee's expense.

After the final review, the Medical Review Officer will advise The Company of the final results of the drug screen test. If results are positive, The Company will take disciplinary action up to and including termination.

CONFIDENTIALITY: All test results are kept confidential and only the assigned Department contact(s) have access to the results.

REFERRAL AND AVAILABILITY

The Company will provide "EAP" (Employee Assistance Program) information to any individual testing positive in either drug and/or alcohol screening. The Company is not responsible for any expenses incurred by the employee who seeks further assistance through rehabilitation, classes or other outside programs involving substance abuse. The following toll free phone numbers are made available to any employee seeking additional information.

1-800-ALCOHOL	INFORMATION AND REFERRAL SERVICE
1-800-COCAINE	INFORMATION AND REFERRAL SERVICE
1-800-356-9966	AL-ANON INFORMATION
1-800-888-9383	DRUG ABUSE HELP LINE AND TREATMENT
1-800-843-4971	NATIONAL INSTITUTE OF DRUG ABUSE

DISCIPLINE: Possession, distribution, manufacturing, use and/or sale of illicit drugs by an employee while on duty, on or off Company property or off duty and on Company property will be subjected up to and including termination:

Employees with a controlled substance abuse problem will be subject to termination. However upon a successful treatment the person may be eligible for return to duty. This does not imply that their original position will still be available. Proof of successful treatment and must also be accompanied

by a positive recommendation by the treatment professionals. These employees may return to duty after completion of treatment and providing a negative drug screen result at their own expense.

The Company will not cover expenses incurred for treatment of any employee with a controlled substance abuse problem.

Employees, who return to duty, after successful treatment, will be subject to unannounced testing and must remain free of controlled substances for the remainder of their employment. Any employee violating the policy after rehabilitation will be terminated and not be given another chance for rehire.

CHANGES OR MODIFICATIONS: No Frills Pharmacy, LLC reserves the right to change the provisions of this policy and testing program at any time in the future.

This is the No Frills Pharmacy, LLC policy on drug abuse. No Frills Pharmacy, LLC interpretation of the policy is the only accepted interpretation. Questions about the policy and application of the testing program must be directed to management.

NO FRILLS PHARMACY, LLC

POLICY & HANDBOOK AGREEMENT, MEDICAL AUTHORIZATION

AND

CONTROLLED SUBSTANCE ABUSE POLICY ACKNOWLEDGMENT

I hereby consent and agree, as part of my pre-employment or employment with No Frills Pharmacy, LLC to undergo forensic drug testing. I further agree that, upon the request of No Frills Pharmacy, LLC in consideration for my continued employment, to undergo further physical examinations, which may include drug testing.

Any, urine specimen I provide will be my own and not be altered in any way. I understand that submitting a urine specimen other than my own or altering the urine specimen will be grounds for termination.

I hereby authorize any physician and/or medical facility performing a physical examination, a drug screen on me which has been directed by No Frills Pharmacy, LLC, to disclose and release any and all information and/or results which have been obtained as of a result of the physical examination, and/or the drug screen to No Frills Pharmacy, LLC and/or its agents.

I also certify that on the date indicated below I received, read and agreed to adhere to the No Frills Pharmacy, LLC Personnel Policy Manual and Employee Handbook and the No Frills Pharmacy, LLC Controlled Substance Abuse Policy.

DATE

EMPLOYEE SIGNATURE

WITNESS

SOCIAL SECURITY NUMBER