

Discrimination, Harassment, Retaliation and Abusive Conduct Prevention Policy **Effective March 25, 2016**

At BestChoiceProducts.com, we believe and work diligently to maintain a workplace free of harassment, discrimination, retaliation, and abusive conduct. Thus, harassment, discrimination, retaliation, and abusive conduct are strictly prohibited by the Company. This includes the harassment of or by employees, managers, independent contractors, interns, volunteers, vendors, clients, and customers. Employees and management who violate this policy are subject to discipline, including possible termination.

The Company strictly enforces prohibition of harassment, discrimination, and retaliation based upon the following categories:

- Age (40 and over)
- Ancestry
- Color
- Religious Creed (including religious dress and grooming practices)
- Denial of Family and Medical Care Leave
- Disability (mental and physical) including HIV and AIDS
- Marital Status
- Medical Condition (cancer and genetic characteristics)
- Genetic Information
- Military and Veteran Status
- National Origin (including language use restrictions)
- Race
- Sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding)
- Gender, Gender Identity, Gender Expression, Transgender*
- Sexual Orientation

*Gender expression refers to a person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex at birth. Gender identity refers to a person's identification as male, female, a gender different from the person's sex at birth, or transgender. Transgender is a general term that refers to a person whose gender identity differs from the person's sex at birth. A transgender person may or may not have a gender expression that is different from the social expectations of the sex assigned at birth. A transgender person may or may not identify as "transsexual."

This prohibition includes and extends to all employees, coworkers, third parties, independent contractors, interns, volunteers, supervisors and managers and includes harassing, discriminatory, and retaliatory actions, intended or not.

Anyone engaging in sexual, other unlawful harassment, discrimination, retaliation or abusive conduct will be subject to disciplinary action, up to and including termination of employment.

Sexual Harassment: Sexual harassment is defined as unwanted sexual advances, or visual, verbal or physical conduct of a sexual nature. Sexual harassment includes gender harassment and harassment on the basis of pregnancy, childbirth or related medical conditions, and also includes sexual harassment of an employee, manager, intern, volunteer, vendor, independent contractor, client or customer of the same gender as the harasser. This includes, but is not limited to, the following types of offensive behavior:

- Unwanted sexual advances;
- Offering employment benefits in exchange for sexual favors;

- Making or threatening reprisals after a negative response to sexual advances;
- Leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons or posters;
- Using derogatory comments, epithets, slurs, and jokes;
- Verbal sexual advances or propositions;
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations;
- Touching, assault, impeding or blocking movements; and
- Using nicknames or terms of endearment with a racial or sexual connotation.

Examples of sexual harassment include (a) an employee being fired or denied a job or an employment benefit because the employee refused to grant sexual favors or because he or she complained about the harassment and (b) an employee being exposed to a hostile work environment.

Reporting Harassment, Discrimination and Retaliation: If you perceive comments, gestures or actions of an employee, at any level, to be of a sexual nature, mere documentation of that conduct or only confiding with family members or co-workers about it, without more, is insufficient to prevent that conduct from occurring again. Inappropriate behavior must be reported to your supervisor, any member of management, Human Resources or the Company's external HR services company so the Company has an opportunity to put a stop to that conduct and take appropriate corrective action. If you perceive your supervisor as a source of the harassment or misconduct, then you still have the obligation to prevent and correct his or her conduct by reporting it to any other member of management, Human Resources or the Company's external HR services company. It is the responsibility of all employees to prevent harassment and misconduct and the only way the Company can prevent it effectively is if those subjected to it come forward immediately. You can raise concerns and make reports without fear of reprisal or retaliation with any and all identified parties.

All allegations of sexual, other unlawful harassment, discrimination, retaliation and abusive conduct will be investigated and dealt with in an appropriate and timely manner. The investigation will be conducted by a member of the Company's third party HR services provider who is trained and experienced in conducting investigations in harassment, discrimination, retaliation and abusive conduct. The investigation will involve such things as discussing the complaint with you, witnesses, and the accused as well as analyzing all of the information gathered and making a good faith decision based upon the results of the analysis. Based upon the results of the investigation analysis, the Company will take appropriate actions.

To the extent possible, your confidentiality and that of any witnesses and the alleged harasser or abuser will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation.

No action will be taken against any employee in any manner for filing a complaint with, or otherwise participating in an investigation, proceeding or hearing conducted by the any state or federal labor and employment agency with respect to sexual (or other unlawful harassment), discrimination, retaliation or abusive conduct.

Company Supervisor and Manager Obligations and Responsibilities: Employees in supervisory roles are in key positions to make an impact in terms of correcting inappropriate behavior in the work place and ensuring that a harassment, discrimination, retaliation and abusive conduct free workplace is maintained. Therefore, the law has placed a greater responsibility on managers and supervisors to act when they observe or learn of a potential harassment, discrimination, retaliation and abusive conduct.

Managers and supervisors are responsible for acts of sexual harassment, discrimination, retaliation and abusive conduct between employees in the workplace where the managers and supervisors know or should have known of the conduct, unless they can show that they took timely and appropriate corrective action. Ignorance is not an

acceptable defense for inaction of a manager or supervisor if, through reasonable care, they should have been aware of the conduct.

Managers and supervisors may also be responsible for sexual harassment by nonemployees where the manager, supervisor, or lead person knew or should have known of the conduct, and fail to take timely and appropriate corrective action. In reviewing these cases, the extent of the manager and supervisors' control and any other legal responsibility which they may have with respect to the conduct of such non-employees, will be taken into consideration.

Any employee in the company who is in a supervisory role is required to report any complaint of misconduct related to harassment, discrimination, retaliation and abusive conduct to HR or the Company's external HR services provider so the Company can work to resolve the claim. This includes occurrences not directly within the supervisor's direct line of supervision or responsibility. If HR and/or the Company's external HR services provider is involved or the cause of the complaint, you should report the misconduct to the President or CEO.

Managers and supervisors who become aware of sexual harassment, discrimination, retaliation and abusive conduct and do not take immediate and appropriate corrective action will be held accountable. Failure to adhere to the above responsibilities will result in appropriate corrective and/or disciplinary action, up to and including termination.

California Fair and Equal Housing Act: The Fair Employment and Housing Act (FEHA) defines sexual harassment as harassment based on sex or of a sexual nature; gender harassment; and harassment based on pregnancy, childbirth, or related medical conditions. The definition of sexual harassment includes many forms of offensive behavior, including harassment of a person of the same gender as the harasser. The following is a partial list of types of sexual harassment:

- Unwanted sexual advances
- Offering employment benefits in exchange for sexual favors
- Actual or threatened retaliation
- Leering; making sexual gestures; or
- Displaying sexually suggestive objects, pictures, cartoons, or posters
- Making or using derogatory comments, epithets, slurs, or jokes
- Sexual comments including graphic comments about an individual's body; sexually degrading words used to describe an individual; or suggestive or obscene letters, notes, or invitations
- Physical touching or assault, as well as impeding or blocking movements
- Sexual desire is not necessary

Employees or job applicants who believe that they have been sexually harassed may file a complaint of discrimination with the DFEH within one year of the harassment.

The DFEH serves as a neutral fact-finder and attempts to help the parties voluntarily resolve disputes. If the DFEH finds sufficient evidence to establish that discrimination occurred and settlement efforts fail, the Department may file a civil complaint in state or federal court on behalf of the complaining party. The DFEH may seek punitive damages is entitled to attorney's fees and costs if it prevails in litigation. Remedies include:

- Fines or damages for emotional distress from each employer or person found to have violated the law
- Hiring or reinstatement
- Back pay or promotion
- Changes in the policies or practices of the involved employer

Employees can also pursue the matter through a private lawsuit in civil court after a complaint

has been filed with the DFEH and a Right-to-Sue Notice has been issued.

The contact information for the DFEH is 800-884-1684 or you can visit the web site at www.dfeh.ca.gov.

Mandatory Supervisor Training: Any employee who supervises at least one employee or has the ability to influence or control the employment of any employee is required to complete a two-hour interactive training covering the identification, prevention, management, and handling of harassment, discrimination, retaliation and abusive conduct in the workplace. All supervisors or employees covered by this policy are required to successfully complete the training every two years. Employees who are hired or promoted into these positions will be required to successfully complete the training within six months of moving into their position.

Employees with questions about this policy should contact Human Resources or the Company's external Human Resources services provider (Business & People Strategy Consulting Group). Contact can be made in person, by phone or email.