



THE
AUTHENTIC
T-SHIRT COMPANY®

SANMAR
C A N A D A

Employee Handbook

Your Employee Handbook

This handbook is your personal guide to working at The Authentic T-Shirt Company® SanMar Canada (the "Company"). It includes information to help you understand the organization, your status, pay, benefits and working conditions. It also identifies the resources available to assist you in your daily work life and career.

Since this handbook is intended to be a quick reference guide, material has been condensed from other sources. No single publication can answer all your questions. Your Manager or Human Resources can provide you with additional information, interpretations and resources.

Section One:

THIS IS SANMAR CANADA

Message from Steve Feinstein, President and Chief Executive Officer (CEO)

Welcome to The Authentic T-Shirt Company® SanMar Canada (the Company) and thank you on your decision to work here. Our skilled, knowledgeable and dedicated employees are our greatest assets.

The Authentic T-Shirt Company® SanMar Canada provides an interesting and challenging work environment. We foster teamwork and the leadership of skilled employees who can help us achieve our vision – to be every customer's first choice in Canada.

Our commitment to you and to our customers is to listen, to be responsive to the changing needs of our business, and to make sound decisions that support our strategic direction.

I am continually impressed by the quality of the people in our organization, people who share a passion for offering quality products and providing extraordinary customer service. I hope you will count yourself amongst them.

Steve Feinstein

Values, Vision and Mission

OUR VALUES

Excellence, Teamwork and Integrity all support the value of Service to our customers.

OUR VISION

We want to be every customer's first choice in Canada.

OUR MISSION

Growing our customers' business through superior service and continuous innovation, while growing opportunities for our team.

Organizational Structure

The Company is organized into ten principal operating and support areas:

1. Customer Service
2. Marketing
3. Warehouse Operations
4. Purchasing
5. Pricing
6. Information Technology
7. Human Resources
8. Outside Sales
9. Finance
10. Credit

Ethics

At The Authentic T-Shirt Company® SanMar Canada (the Company), we all share the responsibility for acting ethically. Ethics represent our values in action and are guidelines for individual and corporate behavior. They are grounded in three principles:

1. Respect for the law.
2. Recognition of the rights and dignity of others.
3. Personal and organizational integrity.

Ethics includes, but is not limited to, the following:

- the way we treat each other;
- communicating honestly;
- maintaining accurate records;
- ensuring confidentiality;
- protecting personal information;
- securing electronic information;
- avoiding conflict of interest;
- respecting the law; and
- representing the Company.

As an employee, each decision you make and each action you pursue reflects on the organization as a whole. Employees have access to Managers, Supervisors and Human Resources to assist in resolving ethical dilemmas at any time.

To be every customer's first choice in Canada.

Conflict of Interest

Business dealings that appear to create conflict between the interests of the Company and an employee are unacceptable. The Company recognizes the right of employees to engage in activities outside of their employment which are of a private nature and unrelated to our business. However, the employee must disclose any possible conflicts of interest from arising. A potential or actual conflict of interest occurs whenever an employee is in a position to influence a decision that may result in a personal gain for the employee or an immediate family member (i.e., spouse or significant other, children, parents, siblings) as a result of the Company's business dealings.

The Company expects its employees to be mature, reasonable and behave in a businesslike manner appropriate for the workplace. The Company expects its employees to perform their duties in a safe, competent and businesslike manner. The Company expects its employees to be honest and to be careful of equipment and property. In short, the Company expects its employees to give their best efforts on a daily basis.

Commitment to Employment Equity

The Authentic T-Shirt Company® SanMar Canada (the Company) is committed to the principles that all persons are entitled to equal employment opportunities without regard to race, colour, religion, sex, sexual orientation, national origin, age, veteran status, physical and/or mental disability or any group that is unlawful under applicable law. It is the policy of the Company to be an equal opportunity employer with regard to all aspects of employment.

The Company actively pursues the removal of barriers that inhibit or prevent equal opportunity to all employees and reasonably accommodates individuals when needed.

Workplace of Respect

The Authentic T-Shirt Company® SanMar Canada (the Company) is committed to providing a healthy, harassment-free work environment supportive of the dignity, self-esteem and productivity of every employee.

A workplace of respect is about you – who you are, the groups you belong to, the similarities you share with the people around you and the things that make you unique. We all play an important role in ensuring the workplace is harassment-free, values diversity and fosters mutual respect.

Harassment is a form of discrimination prohibited by law and will not be tolerated within the Company. You are entitled to pursue your duties free from harassment and any act of harassment committed by a Company employee at work is considered employee misconduct.

If you feel you are being harassed, you have a responsibility to tell the individual the behavior is unwelcome and to ask them to stop. If you do not feel comfortable approaching the person on your own, contact your Manager or Human Resources Manager for assistance.

Please refer to the Workplace Harassment and Bullying Policy for more information on the zero tolerance approach the Company takes on harassment and bullying in the workplace. The Workplace Harassment and Bullying Policy can be found on The Stitch at <http://atcstitch.com>.

Dress Code

The Authentic T-Shirt Company® SanMar Canada (the Company) has a business casual dress guideline, which is outlined in the Dress Code Policy.

As representatives of the Company, all employees should have good personal hygiene, be neat, and clean, well groomed and dressed in job-appropriate attire, which reflects the Company's interest in projecting a businesslike image. It is recommended that you review these guidelines outlined in the Dress Code Policy or check with your Manager if you are unsure if a clothing item or footwear is appropriate.

Due to the health concerns arising from exposure to scented products – staff and visitors are asked to be considerate in their use of such products when reporting to work, and to keep the Company a scent-free work environment.

For further information, the Dress Code Policy can be found on The Stitch at <http://atcstitch.com>.

The Authentic T-Shirt® SanMar Canada Locations

The Authentic T-Shirt Company® SanMar Canada (the Company) operates nationally across Canada and has offices and showrooms at the following locations:

Western Customer Service Centre & Showroom

850 W Kent Avenue South
Vancouver, BC V6P 3G1
T (604) 273-9088

Quebec Showroom

217 - 8400 Côte-de-Liesse
Saint Laurent, QC H4T 1G7
T (514) 299-4156

Alberta Showroom & Distribution Centre

Unit 23, 19 Aero Drive NE
Calgary, AB T2E 8Z9
T (403) 735-9540

Eastern Customer Service Centre & Showroom

6100 Kenway Drive
Mississauga, ON L5T 2N3
T (905) 602-6411

Manitoba Showroom

938 Erin Street, 2nd Floor
Winnipeg, MB R3G 2W5
T (204) 515-2088

Business Hours

The Authentic T-Shirt Company® SanMar Canada's core business hours are between 8:00 a.m. and 5:00 p.m., Monday through Friday.

Employee working hours may be different from our core business hours to ensure our customer's needs are always met.

Your working hours will be outlined in your offer letter at the time of hire.

Section Two:

Your Career at The Authentic T-Shirt Company® SanMar Canada

Applying for a Job

The Authentic T-Shirt Company® SanMar Canada (the Company) is committed to an open hiring practice through which we endeavor to ensure hiring and promoting of the best-suited and qualified candidate. We encourage internal candidates to apply for vacant positions to provide an avenue for continuing job development.

External Posting – vacant positions are open to both internal candidates and external candidates to apply.

Internal Posting – vacant positions are restricted to internal employees to fill.

Only employees who have completed twelve (12) consecutive months in their current position may apply for vacant positions unless prior management approval has been obtained by interested employees. Such approval shall not be unreasonably withheld.

An internal posting will usually be the initial stage for filling a vacant position; if no suitable candidate is found, the position is posted externally. There may be instances when an external posting would be initially conducted, with proper consideration being given to current employees who meet the requirements.

- Once a vacancy occurs, the department Manager will inform Human Resources and provide them with the minimum requirements of the position, a job description, wage range, and the deadline dates using the Hiring Requisition Form obtained from Human Resources.
- A notice announcing the posting will be on the Company internal website. An internal e-mail announcing the vacant position details, requirements and a closing date will be sent. Postings will also be posted at each location on the board in the lunchroom or designated area.
- Interested eligible and qualified employees are encouraged to apply by submitting a letter of application to the Human Resources Department before the closing date. All applicants will be kept confidential until the 'short list' stage. Once an employee has been short listed for a position, their current Manager will be notified.

...while growing opportunities for our team.

Applying for a Job Continued...

- Current eligible and qualified employees will be given priority consideration for vacancies. However, the Company reserves the right to hire external candidates who have better and/or more suitable skills and experience for the position.
- Internal candidates will be evaluated on their job-related skills, knowledge and experience as well as ability, efficiency, initiative, attitude and work history with the Company.
- External candidates will be assessed on similar criteria as internal candidates as well as satisfactory references and background checks.

Probation

New employees to The Authentic T-Shirt Company® SanMar Canada (the Company) are required to serve a minimum probation period of three (3) months. The Company reserves the right to extend the probationary period if deemed necessary.

During the course of the probationary review, the Manager will evaluate the new employee for suitability. If the employee proves to be unsuitable during the 90-day probationary period, the Manager has the right to terminate the employee without notice or pay in lieu thereof.

This review is conducted prior to the end of the probationary period to determine successful completion of the probationary period. The Manager must document this review using the Probationary Review Form and forward the completed form to the Human Resources Department to be filed in the employee's file. Salary is not reviewed at the probationary review.

Career Planning Assistance

The Authentic T-Shirt Company® SanMar Canada (the Company) promotes internal growth and encourages employees to apply for positions. If you would like assistance in exploring career options within the Company, you may contact Human Resources for confidential career planning assistance.

Promotions, Transfers and Secondments

Opportunities to advance your career include:

- **Promotion:**
A permanent or temporary (greater than three months) move from one job to another in a higher salary grade.
- **Transfer:**
A permanent or temporary move from one job to another within the same salary grade.
- **Secondment:**
A temporary assignment to another work area to provide assistance on a project basis.
- **Rotational and Cross Training Opportunities:**
An opportunity for employees to learn and perform duties of co-workers on a rotational or permanent basis.

Learning Activities

The Authentic T-Shirt Company® SanMar Canada (the Company) is committed to providing a work environment that encourages continuous learning. Education, training and learning activities are developed and provided in-house by the Company to meet the needs of its employees. Opportunities may also be accessed through external organizations. Depending on factors such as the nature of the activity, its relevance to both your personal and organizational needs and the availability of funds, costs associated with learning activities may be covered by the department.

Costs may include:

- registration and/or admission fees;
- tuition;
- travel, accommodation and subsistence;
- textbooks and/or other printed course materials; and
- time off to participate in the activity.

The employee must have been employed with the Company for a minimum of one (1) year, training must be job-related and must be at a mutually agreeable time.

Association Memberships

The Authentic T-Shirt Company® SanMar Canada (the Company) encourages professional affiliations and may pay for association memberships as determined by the employee's Manager and Human Resources.

Employee Recognition Initiatives

Service Awards

Employees who have completed a specific number of years of continuous service with the Company receive recognition as follows:

- **5 years**

Choice of any one (1) item in stock and a recognition e-mail from the President.

- **10 years**

Choice of any one (1) item in stock, \$100.00 gift card and a recognition e-mail from the President.

- **15 years**

Choice of any one (1) item in stock, \$100.00 gift card, parking spot of your choice at your location and a recognition e-mail from the President.

- **20 years**

Your choice of a big screen T.V (up to 60 inches), or a trip to Las Vegas, or a trip to Disneyland and a recognition e-mail from the President. Trips are limited by duration and number of guests, and are to be approved by senior management.

- **25 years**

Recognition to be determined by the employee and senior management team.

Awards may be taxed according to CRA rules and regulations.

Authentic Appreciation

The Authentic T-Shirt Company® SanMar Canada (the Company) promotes a culture of recognition that supports both individual and team achievement of excellence. The Company's Authentic Appreciation acknowledges employees recommended by their Managers or peers, for outstanding service or accomplishments. The Authentic Appreciation program supports the attitudes and behaviours we value by:

- rewarding individuals for exceptional performance at the time it happens throughout the year;
- recognizing individuals for the significant difference they make in helping the organization succeed; and
- communicating the successes in the organization to the rest of the Company.

For being acknowledged by your Manager or peer, the Company presents you with Coal Harbour ATC dollars and recognition in The Stitch.

Has one of your co-workers gone above and beyond? Send an e-mail to authenticappreciation@sanmarcanada.com to Authentically Appreciate them!

Employee Records

The Human Resources Department maintains a file for each Company employee. This file contains information such as your employment application or resume; benefit plan documentation; performance reviews; salary history; and status or job changes. This information is kept in the strictest confidence, and you have the right to reasonable access to review your own file.

It is your responsibility to provide Human Resources with any new information or changes of status (e.g., marital, address change) that may be pertinent to your file or affect your benefits.

To protect your privacy, the Company will not give out any personal information to outside organizations regarding its employees, unless required by law. If you need to have personal information about yourself released to an outside organization (e.g., salary verification to a bank), you must provide written authorization to Human Resources for this information to be released. Please contact Human Resources for details regarding the process for giving this authorization.

Section Three:

Your Pay and Benefits

How You Are Paid

Your pay is deposited directly into your bank account using electronic funds transfer. You will be asked to supply a voided personal cheque or a bank-initiated form to indicate the necessary bank account information. Please inform Human Resources, in writing, of any changes to your banking information at least two weeks prior to payday to allow the Payroll Department to make the changes.

Your semi-monthly pay will be transferred to your bank account on the fifteenth and last working day of the month. You will receive your pay stub indicating earnings, deductions and taxable benefits for the current pay period.

At the time of hire, you are required to provide a copy of your SIN card or documentation verifying your Social Insurance Number.

Employees have the responsibility to ensure all temporary Social Insurance Numbers and Canadian work permits remain valid and up to date, and that the Payroll Department has a valid and up to date copy of all documents.

Payroll Deductions

There are three categories of payroll deductions: those required by law; those which are conditions of employment; and those which are voluntary. Deductions required by law include: Income Tax; Canada Pension Plan and Employment Insurance Premiums. Voluntary deductions include: Canada Savings Bonds, RRSP contributions and B.C Medical payments. All eligible staff members must enroll in the Company's Long-Term Disability benefit under the group benefits plan.

From time to time, the Company may be required by court-order to garnish monies from an employee's pay. If the Company receives a court authorized garnishment or levy, the staff member affected will be notified immediately and the pay will be garnished as per the amount specified by the authorities and the Employment Standards Act of their province. This is non-negotiable.

Workers' Compensation

All Company employees are covered under workers' compensation as outlined in your province's Workers' Compensation Act.

Eligibility for Group Benefit Plans

Are you Covered?

The Authentic T-Shirt Company® SanMar Canada (the Company) understands that health benefits are an integral part of an employee's overall compensation. Thus, the Company is pleased to offer a competitive package of group benefits for full-time regular employees. All full-time regular employees are encouraged to take full advantage of these benefits. Most of the group benefits (Extended Health, Dental, and Life Insurance) are paid for by the Company, but the employee is responsible to pay the monthly long-term disability premium by payroll deduction.

Information, application, and claim forms relating to the above benefits are available from the Human Resources Department following your successful completion of the three-month probationary period.

Upon the completion of the probationary period, an employee has **31 days** to apply for benefits. In addition, an employee must apply for common-law coverage within **31 days** of becoming common-law and **31 days** from the birth of a child. Failure to do any of the aforementioned will result in complications and possibly a delay in coverage.

Benefits Summary

Extended Medical

The Company's group extended health coverage pays for 100% of prescribed benefits. The Company pays 100% of the insurable premium.

Dental

The Company's group insurance plan pays for 80% of basic dental fees. The Company pays for 100% of insurance premium. Please review our coverage limitations before making an appointment with your dentist. Maximum coverage in the first year is \$750.00 per member.

Vision Care

Manulife™ policyholders are entitled to a Vision Care Benefit of \$200.00 every twenty-four (24) months, or every twelve (12) months if under the age of 18, for lenses, frames, contact lenses, or laser eye surgery.

Long Term Disability

After the 17-week waiting period, the insurance company will pay 66.67% of the salary that was remitted to them. The premium is 66.67% of the employee's monthly salary divided by 100, multiplied by \$1.685 to equal the premium to be paid. Employee pays 100% of the cost.

Extended Medical Care

The Company pays 100% of the premium. User fees may apply to certain benefits (e.g., Physiotherapy, chiropractic, prescriptions etc.). Coverage varies depending on type of benefit.

Accidental Death & Dismemberment

This coverage is equal to the amount of employee life insurance and coverage in the event of disablement varies according to the type of loss.

Life Insurance

The Company's group coverage provides each enrolled employee with minimum \$25,000.00 of life insurance. The Company pays for 100% of insurance premiums.

Employment Assistance Program

Employee assistance programs (EAPs) are employer-sponsored benefit programs designed to improve productivity by helping employees to identify and resolve personal concerns. As part of an employee's group benefits, employees have access to Manulife™ Financial's confidential Resilience® program at no cost to the employee. For further information, please speak to your Manager or Human Resources Department.

Optional Benefits

Group RRSP

The Company has arranged a group RRSP that allows employees to make contributions through payroll deductions. Participation is optional and is funded totally by the employee. For employee's who choose to participate, the Company will match your contributions up to 5.0% of regular wages after three (3) years of service and two (2) years vesting period.

B.C Medical

Employees in British Columbia have the choice of making their B.C Medical payments through payroll deductions. Participation is optional and is funded totally by the employee.

Warehouse Footwear

In order to comply with WorkSafe BC, WCB and WSIB regulations, approved safety shoes must be worn in the warehouse and designated areas at all times. Failure to do so may result in an employee being sent home without pay. Once an employee has passed their probationary period, they will be entitled to an allowance of up to \$75.00 per twelve (12) month period to offset the cost of purchasing safety shoes.

Employee Purchases

Employees are able to purchase in-stock items from the current catalogue for personal or direct family use. All employee orders must be prepaid in full before the order is released to be picked. Payment can be made with cash, cheque, debit or credit card. Once payment is received, the Credit Department will be notified and your order will be released.

The Credit Department has the ability to keep your credit card on file for all purchases, enabling you to go directly to the pickup counter for your purchases.

For further information, please refer to the Employee Purchase Policy. The Employee Purchase Policy can be found on The Stitch at <http://atcstitch.com>.

Claims Procedures

Claims for expenses incurred may be submitted directly to Manulife™. Claim forms are available from Manulife™ Financial, online at www.manulife.ca/groupebenefits or the Human Resources Department.

You may elect to have your claims reimbursements directly deposited into your bank account.

Taxable Benefits

In accordance with the Income Tax Act, certain benefits provided by the Company are taxable for income purposes. These items will be taxed as income and show up on your pay stub as “prizes”. These will be represented on your T4 slip in Box 40.

These items include:

- Life insurance paid by the Company
- General automobile allowances
- Cash prizes paid by the Company starting at \$50.00
- Gifts or gift certificates provided by the Company exceeding \$100.00
- Trips that do not have a business purpose

Section Four:

Time At and Away from Work

Paid Holidays

The Authentic T-Shirt Company® SanMar Canada (the Company) recognizes the following days as statutory holidays. The Ontario and Manitoba offices are entitled to one (1) floating holiday to compensate for Remembrance Day. The Quebec office is entitled to two (2) floating holidays to compensate for Family Day and Remembrance Day.

British Columbia

New Year's Day	Labour Day
Family Day	Thanksgiving
Good Friday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
Civic Holiday	

To be entitled to a paid day off in full in British Columbia, employees must have been employed for at least thirty (30) calendar days and have worked fifteen (15) of those days prior to the statutory holiday.

Alberta

New Year's Day	Labour Day
Family Day	Thanksgiving
Good Friday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
Civic Holiday	

In Alberta, to be entitled to a paid day off in full, employees must have worked for thirty (30) days in the twelve (12) month period before the statutory holiday.

Manitoba

New Year's Day	Labour Day
Louis Riel Day	Thanksgiving
Good Friday	Floating Holiday
Victoria Day	Christmas Day
Canada Day	Boxing Day
Civic Holiday	

In Manitoba, employees qualify for holiday pay at the time of hire, provided they are not absent, without the employer’s permission, from their last scheduled workday before the holiday or their first scheduled workday after the holiday.

Ontario

New Year’s Day	Labour Day
Family Day	Thanksgiving
Good Friday	Floating Holiday
Victoria Day	Christmas Day
Canada Day	Boxing Day
Civic Holiday	

In Ontario, employees who qualify for public holiday entitlements can be full-time, part-time, permanent or on a limited-term contract. They also can be students. It does not matter how recently they were hired, or how many days they worked before the public holiday. However, the employee must meet the “*Last and First*” rule where the employee must work all of their regular scheduled days of work *before* and *after* the public holiday (unless an employee can show reasonable cause for failing to work). The calculation of holiday pay is based on the regular wages in the preceding four (4) weeks, ending just before the work week of the public holiday, and divided by twenty (20).

Quebec

New Year’s Day	Labour Day
Floating Holiday	Thanksgiving
Easter Monday	Floating Holiday
Victoria Day	Christmas Day
St. Jean Baptiste Day	Boxing Day
Canada Day	

In Quebec, employees qualify for holiday pay at the time of hire, provided they are not absent, without the employer’s permission, from their last scheduled workday before the holiday or their first scheduled workday after the holiday.

Medical and Dental Appointments

Any appointments for doctors, dentists etc. should be scheduled for after regular working hours. However, your Manager may grant you time off for a medical or dental appointment, provided you provide two (2) weeks' notice. When it is necessary to accept an appointment during a workday, it is less disruptive to you and your team if you can schedule it for the beginning or end of the day.

Reporting Absences

The greatest resource of The Authentic T-Shirt Company® SanMar Canada (the Company) is its employees, as it's through you that services are delivered and improved. Establishing and maintaining good attendance allows teams to meet goals and productivity, in addition to demonstrating reliability. Reliability earns the respect of fellow employees as well as the Company, and it seeps into other aspects of the person's life, such as character building.

If you are unable to appear for work on a given day, you must contact your Manager within one (1) hour of your regularly scheduled start time. (This time limit may be waived if there are extenuating circumstances that prevent you from reporting within the given time period). If you reach the voicemail system, please try to connect with an appropriate person rather than leaving a message. If possible, you should inform your Manager of when you will be able to return to work.

For further information, please refer to the Attendance Management Policy. This policy can be found on The Stitch at <http://atcstitch.com>.

Vacation

The Authentic T-Shirt Company® SanMar Canada (the Company) expects and encourages employees to take vacation leave to maintain their personal health and productivity. The amount of vacation leave you are entitled to depends on your length of service in accordance with provincial statute.

Vacation Entitlements

New hires are entitled to vacation time only upon the completion of six (6) months of employment.

Salaried Employees

Years of Employment	Entitlement
1 - 4 Years	10 Days
5 - 9 Years	15 Days
10+ Years	20 Days

Hourly Employees

Years of Employment	Entitlement
1 - 4 Years	4%
5 - 8 Years	6%
9+ Years	8%

Vacation days are expected to be used within a calendar year, but a maximum of five (5) days will be allowed to be carried forward to the next calendar year, with your Manager's approval. Any unused vacation time beyond the allotted five (5) days may be lost. Vacation pay will only be issued when vacation is taken. Please note, vacation time is approved at the discretion of the Company and may be restricted during busy times of the year. Please check with your Manager for blackout periods for your department.

Scheduling of Vacation

You and your Manager are responsible for ensuring your vacation is scheduled at a mutually acceptable time. Factors such as the following are taken into consideration when scheduling vacations:

- work volume;
- minimum staffing requirements;
- coordination with other employees;
- peak workload periods;
- personal circumstances of the employee; and
- length of employee service.

Employee Break Periods

The Company is committed to providing lunch and break periods to allow employees the opportunity to rest and refresh themselves, while maintaining department productivity and customer service standards.

Employees are permitted one break, up to a paid 15 minutes maximum, during each half of their shift and a 30 minute unpaid lunch period. The schedule for all lunch and break periods is determined by your Manager based on business conditions and scheduling needs. Please be considerate to your fellow employees and observe the schedule.

Please refer to the Lunch and Break Policy for further information. This policy can be found on The Stitch at <http://atcstitch.com>.

Time Clock Plus

The Company uses an electronic time tracking system called Time Clock Plus to capture and record all employee time records. Time Clock Plus is an electronic time tracking system that allows the Company to accurately record, track, and report employee information in real time. Time Clock Plus wall terminals allow employees to accurately monitor and keep track of their time and enable the Company to efficiently process employee time worked and leave taken for payroll purposes.

Employee's codes for clock in and clock out purposes are to be kept confidential. No employee is to clock another employee in or out as this is theft of time and will result in immediate termination.

Maternity and Parental Leave

If you are pregnant, unpaid Maternity Leave will be granted in accordance with the employment/labour standards legislation in effect in your province.

In all provinces where the Company operates except Quebec, the employee will be reinstated to the same or a similar position they left. Similarly, in all provinces where the Company operates except Quebec, all benefits will continue with the exception that there is no accrual to any other leave during the Maternity Leave period. During Maternity and Parental Leave, employees are required to arrange alternative payment of Long-Term Disability (LTD) premiums with the Payroll Department.

Since the specifics for each situation differ and provincial regulations vary, employees are encouraged to contact the Human Resources Department regarding any specific questions.

Returning to Work After Maternity Leave

You must provide a minimum of **four (4) weeks'** notice in writing, of the date you plan to return to work. In all provinces where the Company operates except Quebec, the employee will be reinstated to the same or a similar position she left.

In Quebec, the employee will be reinstated to the same position she left before going on Maternity Leave and annual leave will continue to accrue according to the length of uninterrupted service

Parental and Adoption Leave

Unpaid Parental or Adoption Leave is available to employees who are parents of a newborn or who adopt a child in all geographic areas where the Company operates, with the exception of Alberta. Employees are encouraged to contact the Human Resources Department for more details. All benefits will continue with the exception that there is no accrual of any other leave during Parental or Adoption Leave period. During Parental and Adoption Leave, employees are required to arrange alternative payment of Long-Term Disability (LTD) premiums with the Payroll Department. In all provinces where the Company operates, except Quebec, the employee will be reinstated to the same or similar position they left.

In Quebec, the employee will be reinstated to the same position they left. In situations where the Parental or Adoption Leave does not exceed twelve (12) weeks, they will be reinstated to the same position or a similar position.

Leave without Pay

A leave of absence without pay may be granted for one of the reasons listed below, subject to operational requirements. Other reasons may be considered on an individual basis. For all leaves, unless otherwise noted, you must provide your Manager with reasonable notice. With the exception of maternity, parental or adoption, compassionate care or reservist leave, it is generally expected that an employee exhaust their vacation prior to any unpaid leave.

Unpaid Sick Leave

The Authentic T-Shirt Company® SanMar Canada (the Company) recognizes that you or a family member may fall ill and prevent you from working. While we accept this, we ask you to use your best judgment to attempt to limit the amount of sick days you take. Hourly paid employees are not entitled to any sick pay.

Please refer to the Attendance Management Program for more information regarding attendance and punctuality. The Attendance Management Program can be found on The Stitch at <http://atcstitch.com>.

Leave of Absence

A request for a leave of absence, without pay, for a maximum of five (5) days may be authorized by the employee's Manager. A request for a leave of absence, without pay, exceeding five (5) days (except for those outlined elsewhere in this handbook or an absence due to injury) must be submitted in writing, to the employee's Manager at least one (1) month in advance of the requested leave, except in cases of emergency. The Manager will forward the request to the Senior Vice President recommending approval or disapproval. The Senior Vice President will make the final decision concerning the request.

The leave may be granted only with the written approval of the employee's Manager. The duration of each leave of absence shall be mutually determined by the employee's Manager and shall not exceed a period of one (1) year. There is no accrual of any vacation or other benefits during the leave of absence.

When possible, requests for a leave of absence or any extension of a leave of absence should be submitted in writing to the employee's Manager thirty (30) days prior to commencement of the leave period or extension.

If an employee fails to return to work at the conclusion of an approved leave of absence, the employee's employment will be terminated.

Temporary or part-time employees and employees with less than one (1) year of service with the Company are not eligible for leaves of absences.

Leave with Pay

Bereavement Leave

You may receive up to three (3) days paid leave if a death occurs in your immediate family. Additional leave, without pay, may be granted depending on the circumstances, immediate family includes:

- child, mother, father, brother, sister, partner (including common-law partner);
- mother-in-law, father-in-law, daughter-in-law, son-in-law, brother-in-law, sister-in-law;

For funerals for other than immediate family, a half-day with pay may be granted; for members of a funeral party, a full-day with pay will be granted.

Duty and Public Elections

The Authentic T-Shirt Company® SanMar Canada (the Company) allows employees to take time off from work for jury duty. However, if an employee is called to jury duty at a time when it is critical to be at work, the Manager may ask the employee to request a postponement until a more convenient date. The employee's Manager should be given advance notice of the absence and kept informed about the changes in the jury duty schedule. An employee serving jury duty, but not required to be in court on a particular day, is required to report to work as usual. Employees on jury leave receive full salary and other benefits; however, any jury fees (excluding meal and travel reimbursement) received from the court must be paid to the Company.

In order to allow employees ample time to vote in federal elections, employees who qualify as electors are eligible for three (3) consecutive hours, while the polls are open, during which to vote. If hours of work do not allow for this, employees will be granted enough time off with pay to make up the three (3) consecutive hours. Leave provided for provincial and municipal elections will be according to the applicable provincial employment standards legislation.

Section Five:

Health and Safety at The Authentic T-Shirt Company® SanMar Canada

Joint Health and Safety Committee

The Authentic T-Shirt Company® SanMar Canada (the Company) is committed to providing a safe workplace for all staff. A joint health and safety committee (JHSC) consists of employee and management representatives who meet on a regular basis to deal with health and safety issues. The advantage of a joint committee is that the in-depth practical knowledge of specific tasks (employee) is brought together with the larger overview of company policies, and procedures (management).

The committee assists the Company to:

- Recognize workplace hazards.
- Evaluate the risk of accidents/incidents, injuries and illness.
- Participate in the development and implementation of programs to protect the employee's health and safety.
- Respond to employee complaints and suggestions concerning health and safety.
- Ensure the maintenance and monitoring of injury and work hazard records.
- Monitor and follow-up on hazard reports and recommend action.
- Set up and promote programs to improve employee training and education.
- Participate in all safety and health inquiries and investigations.
- Consult with professional and technical experts.
- Make recommendations to management for accident prevention and safety program activities.
- Monitor effectiveness of safety programs and procedures.

Reporting Health and Safety Concerns

Each employee has the responsibility to notify their Manager of any health and safety concerns, so that they may be dealt with promptly. If your Manager is not immediately available, an employee must notify a member of the Joint Health and Safety Committee (JHSC) or the Human Resources Department.

Reporting Occupational Injury/Illness

You must report any and all work related injuries that require or may require medical intervention to your Manager or a first aid attendant immediately.

Emergency Response Plan

An emergency response plan exists to provide guidelines for responding to emergencies that may impact the Company and its employees. You are responsible for ensuring you are familiar with the contents of this plan and your responsibilities should an emergency occur.

Smoking Policy

Smoking is permitted in designated areas only. Provincial and municipal regulations regarding smoking must be followed at all times. Smoking is to occur only during the employee's personal time or during **scheduled** breaks. This includes but is not limited to cigarettes, cigars, and electronic cigarettes.

Violence in the Workplace

The Authentic T-Shirt Company® SanMar Canada (the Company) is committed to the safety, health and security of its employees. Improper activity, threatening behavior, or acts of violence against fellow employees or customers will not be tolerated.

Violence in the workplace is defined as 'the attempted or actual exercise by a person of any physical force so as to cause injury to another person, and includes any threatening statement or behavior which gives a person reasonable cause to believe that he or she is at risk of injury'.

The Company encourages a continuous flow of communication on safety, security or violence information without fear of reprisal. All staff is responsible for notifying their Manager of any threats, which they may have witnessed, received, or has been told that any other person has witnessed or received. This includes any behavior they have witnessed regardless of the nature of any relationships between individuals involved.

The Company expects employees to be watchful in the interests of preventing violations of the law. However, where violations of the law are suspected, no employee other than authorized management personnel may investigate.

The Company will report instances of crime against the Company to the proper authorities, and when evidence justifies such action, will undertake and support prosecution. This stand is dictated by the Company's public duty and by the fact that the prosecution may deter other like-minded individuals who may subsequently be tempted to commit a crime. The Company will cooperate with the authorities in any prosecution of individuals who commit a crime. The employee may be suspended with pay while the Company conducts an investigation of events.

Drug and Alcohol Abuse

Employees are prohibited from the use, sale, dispensing, distribution, possession or manufacture of illegal drugs and narcotics or alcoholic beverages on the Company premises, worksites or while conducting Company business at other locations.

Please refer to the Drug and Alcohol Policy for further information. This policy can be found on The Stitch at <http://atcstitch.com>.

Workplace Harassment and Bullying

The Authentic T-Shirt Company® SanMar Canada (the Company) is committed to providing a work environment on which all individuals are treated with dignity and respect. The Company will make every effort to provide a safe and healthy work environment. All Managers, Supervisors and workers must be dedicated to zero-tolerance of harassment and bullying in the workplace.

The Company will act in compliance with all Local, Provincial and National human rights guidelines – taking every precaution reasonable to protect workers.

Harassment may be verbal, physical, deliberate, unsolicited, and unwelcome. It may be one incident or a series of incidents. Harassment may include any of these matters if a reasonable person ought to have known the behavior would be unwelcome or offensive:

- **Personal harassment** is based on personal characteristics, such as age, gender, race, and sexual orientation.
- **Sexual harassment** includes any offensive conduct, comment, gesture, or contact of a sexual nature likely to cause offense or humiliation to an employee, employment candidate, or general public, or which might reasonably be perceived as placing a condition of a sexual nature on the employment or opportunity for promotion, or access to the goods, services, or facilities.
- **Psychological harassment** is a course of conduct or pattern of degrading, disrespectful, rude and unwelcome conduct that psychologically hurts or isolates a person in the workplace.

Upon hiring, Human Resources or department management will review The Company's Workplace Harassment & Bullying Policy, responsibilities and appropriate harassment complaint procedures.

For more information, please refer to the Workplace Harassment and Bullying Policy. This policy can be found on The Stitch at <http://atcstitch.com>.

Section Six:

Let's Communicate

Face-to-Face Communication

Face-to-face is our preferred method of employee communication, supported by timely and clear materials. The Company is committed to building a climate of shared dialogue and trust among employees using various techniques for communicating business information and gathering and responding to staff feedback. Whenever possible, we encourage you to choose face-to-face communication to seek clarification or share information.

Communication Methods

The Authentic T-Shirt Company® SanMar Canada (the Company) has instituted several communication methods to ensure that an employee feels 'plugged in' and are knowledgeable about the Company. These methods are through e-mails, meetings, personal verbal exchanges, memos and The ATC Stitch.

Complaint Resolution

In line with the Company's commitment to provide a positive work environment and to assure employees of an atmosphere of open communication, it is the Company's aim to encourage employees to approach management with all concerns. If an employee has a problem or complaint, they are encouraged to follow the following steps:

- The employee must discuss the situation with their Manager.
- If the employee feels that the situation has not been resolved satisfactorily or cannot be discussed with their Manager, then the employee must discuss the issue with the Human Resources Manager or senior management.

Resignation and Termination

Employees may resign at any time, by providing the Company with a minimum of two (2) weeks' written notice. Vacation days may not be included in the notice period. All Company property, including manuals, keys, etc. must be returned to the employee's Manager.

In order to fully understand the resigning employee's knowledge of their job and department, Human Resources or the Manager will conduct an 'exit interview'. From the information gleaned through exit interviews, we are able to modify or adjust current practices or procedures in order to provide a more efficient and effective service.

Subject to applicable laws, it is within the Company's discretion to terminate an employee's employment at any time. If the Company decides to terminate an employee's employment in a situation where they are entitled to notice, the employment standards legislation in effect in the province of employment will determine the length of notice to be given or the amount of severance pay to be awarded in lieu of notice to the employee based on their length of continuous employment with the Company.

When employment ends at The Authentic T-Shirt Company® SanMar Canada, the employment relationship is severed and there is an interruption in length of service. The date of any subsequent re-employment with the Company will henceforth be used as the official start date for all employment and benefits purposes. Length of service will be lost or broken if an employee is laid off for the period defined in the applicable employment standards legislation.

Meeting Rooms

Making special arrangements for obtaining refreshments needed for a particular meeting is the responsibility of the employee hosting the meeting. It is also the responsibility of the employee hosting the meeting to ensure the room is cleaned and organized for the next meeting room user.

Lunch Rooms

No employee may use the lunchroom to the exclusion of others. All employees are required to clean up after themselves. This includes the disposal of each employee's trash as well as cleaning the table and counter area used. Reading materials, leftovers, bags and excess food must not be left on the tables and countertops for someone else to clean up. Personal items left in the fridge each Friday afternoon will be thrown out.

Physical Property

Employees are expected to exercise care in use of Company property and to use such property from the premises or its conversion to personal use will be considered cause for dismissal.

If an employee is given Company property or equipment, such as a cellular phone, for use while employed by the Company, the employee is required to sign a Code of Ethics Form. This form will be retained in the employee's personnel files and return of the property will be noted.

Social Committee

The employees of The Authentic T-Shirt Company® SanMar Canada (the Company) have organized a Social Committee to ensure that good rapport and camaraderie is established within all Company locations. Through monies raised from fundraisers, the volunteer employees who run this committee organize various activities throughout the year.

Applications to join the Social Committee are accepted each December. For further information, please refer to the Social Committee Policy and Application Form. This policy can be found on The Stitch at <http://atcstitch.com>.

Notes

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