

Employee Handbook Stores

Rainbow

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marianne joyce leslie ♥

WELCOME TO OUR COMPANY

I am pleased that you have joined the Rainbow family. We are a successful and rapidly growing organization dedicated to serving the needs of our customers at approximately 1,000 stores throughout the United States, Puerto Rico, and the U.S. Virgin Islands, as well as through our e-Commerce website, www.rainbowshops.com.

As an associate, you can make a significant contribution to the success of our stores through hard work and dedication to providing outstanding customer service. Our customers have a choice about where to shop for fashionable, value-priced clothing, footwear, and accessories. We want to be their number one store of choice! Customers are our top priority and their satisfaction at the store level is critical to our success.

Each employee has a lasting impact on our customer. Good customer service is expectedwe must take those extra steps to make our customers' shopping experience a special and memorable one, each and every time they visit. That is where you come in. We are counting on you to make our customers feel welcome at our stores.

I wish you much success at Rainbow.

Sincerely,

Joseph Chehebar
CEO



ABOUT THIS HANDBOOK

This Handbook is intended to provide general information about Company policies and practices. It is not designed to be comprehensive. Nothing contained in this Handbook is intended to create, or shall be construed as creating, an express or implied contract or guarantee of employment for a definite or indefinite term. Employment with the Company is “at will” and can be terminated, either by you or by the Company, at any time, with or without cause, and with or without prior notice. No Manager or other representative of the Company has the authority to enter into any employment agreement for a specific term or duration, or to enter into any employment agreement contrary to “at will” employment, except for a written agreement signed by the Chief Executive Officer of the Company.

Like all companies, we must adapt to market changes. Therefore, we retain the right at any time in our sole discretion to change or modify any policies, practices or benefits of employment.

Because changes may occur at any time, employees should consult the Operations Manual, which is in Lotus Notes on the registers. There are various sections of the Operations Manual which contain up-to-date policies, procedures and information in areas such as Store Operations, Loss Prevention, Human Resources, Benefits and Incentives, Store Maintenance, and Employee Training.

Finally, although the Operations Manual and this Handbook describe generally certain benefit plans we offer to employees, the contractual terms of those plans and any applicable insurance policies will govern.

Date Last Revised: November 2022

COMPANY HISTORY AND BRANDS

Rainbow is one of the fastest growing women's and children's apparel chains in the United States. Headquartered in Brooklyn, New York, our Company operates over 1,000 stores in 35 states, as well as in Puerto Rico, the U.S. Virgin Islands and the District of Columbia. Our stores specialize in trendy, value-priced juniors, plus-size, and children's apparel, footwear, and accessories. Our customers appreciate fashion apparel, but are value conscious and look to Rainbow to provide lower-cost runway substitutes for their fashion needs.

As of the date of publication of this Handbook, we have over 950 stores operating under the Rainbow name, and each store's merchandise mix varies by location, depending on such factors as store size and demographics. Larger Rainbow stores carry the full range of merchandise we sell, including juniors, plus size, lingerie, footwear, accessories, and children's apparel.

5.7.9 operates approximately 15 stores mostly in Puerto Rico. Marianne, which we acquired in 2009, has nearly 35 locations throughout Puerto Rico and the U.S. Virgin Islands, and sells juniors, plus, lingerie, accessories, and footwear. Joyce Leslie operates a select group of stores mostly in the New York - New Jersey area.

In November 2012, we launched our e-Commerce website, www.rainbowshops.com. The site enables consumers to purchase our products through the Internet, and serves as a vital marketing and promotional vehicle for our retail stores.

FIELD ORGANIZATION CHART

Chief Executive Officer
General Merchandise Manager
Vice President of
Operations
Vice President of Stores / Director of
Stores Regional
Manager District
Manager Area
Manager
Store Manager or General
Manager Assistant Manager
Junior Assistant Manager/Manager-in-Training
(MIT) Sales Associate/Security/Shoe Coordinator



MISSION STATEMENT AND CODE OF CONDUCT

COMPANY Mission Statement

We respect and value people, and we strive to ensure that the customer is our main focus.

OUR GUIDING PRINCIPLES

- Our willingness to reward and develop high achievers and build a loyal, diverse workforce.
- Our ability to act quickly to make the most of growth opportunities.
While controlling expenses and focusing on profit.
- Our attention to details while maintaining an entrepreneurial and creative spirit.
- Our thorough understanding of and focus on our customers.
- Our ability to identify trends, negotiate excellent prices and resource product quickly.

CODE OF CONDUCT

PEOPLE - We Respect and Value People, we will:

- Treat our employees, customers, and vendors with respect and maintain respectful communication at all times.
- Treat others as we would like to be treated and maintain the highest standards of integrity and honesty in all relationships both inside and outside the Company.
- Provide the necessary knowledge to our employees to help orient them to the Company's philosophies and to help them grow within the business.
- Protect the assets of our Company by identifying both internal and external theft.

CUSTOMERS - We Value our Customers, we will

- Provide the highest level of service to all of our customers through professional, accurate, unbiased and courteous dealings.
- Make customer visits to stores enjoyable so that they come back again and again.
- Treat our customers with respect at all times.

COMPANY - We Value the Company, we will:

- Watch all expenses carefully.
- Work hard and provide value in all that we do.
- Maximize all sales and business opportunities and represent the Company professionally, while striving to make the Company profitable at all times.
- Focus on the details while watching the big picture and plan for the future.
- Maintain the entrepreneurial and creative spirit in all that we do.

BUSINESS – We will be Ethical in our Business Transactions, we will:

- Declare any personal interests which may affect impartiality in any Company matters.
- Maintain confidential or privileged information.
- Not accept gifts of cash, product or hospitality, from vendors and suppliers.
- Not disclose information about our employees or former employees to anyone outside

MISSION STATEMENT AND CODE OF CONDUCT

the Company or to those inside the Company who do not have a legitimate business need for the information.

- Be honest in everything we do. Accept responsibility for our actions and commit to remedy the situation.

What do We do if We See/Are Involved in Something Unethical or Improper?

- Go through our management hierarchy, or
- Contact the Chief Human Resources Officer, the VP of Finance, or the Director of Loss Prevention at 718-485-3000, or
- Call the Whistleblower Hotline – 1-888-5-RAINBOW, or e-mail to reportloss@rainbow.us.



EMPLOYMENT POLICIES

EQUAL EMPLOYMENT OPPORTUNITY (“EEO”) POLICY

All employment decisions, including recruitment and hiring, advancement and promotion, compensation, discipline and discharge, are based on skill, merit, performance, and legitimate business reasons. The Company prohibits discrimination because of race, color, religion, gender, age, national origin, citizenship, marital status, sexual orientation or gender identity, physical or mental disability, military status, or any other protected characteristic as established by law. Our goal is to maintain a highly capable, committed and diverse workforce.

The Human Resources Department has overall responsibility for this policy and maintains reporting and monitoring procedures. Employees’ questions or concerns should be referred to the Human Resources Department, and any employee who believes that there has been a violation of this EEO policy should contact the Human Resources Department. Company policy prohibits retaliation against any employee making a good faith complaint or claim of discrimination.

SEXUAL AND OTHER FORMS OF HARASSMENT

Sexual or other forms of harassment (including harassment based on race, color, national origin, religion, age, sexual orientation, or disability) is strictly prohibited and will not be tolerated. Sexual harassment consists of unwelcome sexual advances, requests for sexual favors and other verbal, visual, or physical conduct of a sexual nature when:

Submission to such conduct is made a condition of an individual’s employment, or such conduct has the purpose or effect of interfering with an individual’s work performance or creating an intimidating or hostile work environment. It is our goal to find and keep good people. Sexual and other forms of harassment have no place in our Company. If you believe you have been the victim of sexual harassment, or any other form of discrimination or harassment, you are encouraged to contact either your immediate supervisor or manager, your District or Regional Manager, the Chief Human Resources Officer at (718) 485-3000, ext. 4252, the Human Resources Business Partner or HR Specialist at the same number, ext. 4413, or 4662, or the Company’s toll-free Whistleblower Hotline (1-888-5-RAINBOW). Your complaint will be investigated promptly in a fair and impartial manner. All complaints will remain as confidential as possible. As with discrimination complaints, any employee making a good faith complaint of harassment, and any employee cooperating in an investigation of a discrimination or harassment complaint, will be protected against retaliation. If, on the basis of our investigation, we determine that an employee has violated our discrimination or harassment policy, appropriate corrective or disciplinary action will be taken, up to and including termination of employment in appropriate instances.

REASONABLE ACCOMMODATION FOR INDIVIDUALS WITH DISABILITIES

It is the Company's policy not to discriminate against any qualified employee or applicant because of such individual's disability or perceived disability so long as the employee can perform the essential functions of the job with or without a reasonable accommodation. Reasonable accommodation will be provided to a qualified individual who has made the Company aware of his or her disability, provided that such accommodation does not constitute an undue hardship on the Company and so long as the employee can perform the essential functions of their job. All employees are required to comply with safety standards. An associate whose illness or disability poses a direct threat to their health or safety or that of other individuals may be removed from active employment and placed on an FMLA or non-FMLA leave of absence, until the direct threat no longer exists.

RELIGIOUS ACCOMMODATION

The Company will make its best efforts to make reasonable accommodation for an employee's known religious beliefs and practices, unless the requested accommodation would cause the Company undue hardship.

WORKING ENVIRONMENT

Consistent with the Company's Mission Statement, employees must maintain a working environment that encourages mutual respect, a civil and congenial atmosphere, and a workplace free from harassment, bullying and violence. Employees are prohibited from harming or threatening to harm others, verbally abusing others, using intimidation tactics or making threats, stalking or bullying others, making malicious, false or harmful statements about others, possessing guns or other weapons in the workplace, or publicly disclosing another person's private information.

DRUG AND ALCOHOL ABUSE POLICY

Manufacture, distribution, dispensation, possession, or use of any illegal drug or controlled substance, or of cannabis or products containing cannabis, or of alcohol, while on Company premises is strictly prohibited. These activities constitute serious violations of Company rules, jeopardize the Company and can create situations that are unsafe or that substantially interfere with job performance. Employees in violation of the policy are subject to appropriate disciplinary action, up to and including termination. Additionally, the Company reserves the right to require an employee to undergo a medical evaluation under appropriate circumstances.

Certain jurisdictions permit the use of marijuana for legitimate medical reasons, as prescribed by a health care professional. The Company is committed to compliance with such laws. However, no employee may report for work under the influence of drugs or alcohol where to do so will interfere with the performance of their essential job functions or pose a threat to the safety of themselves or others.

SMOKING IN OUR STORES

In order to comply with government regulations, and for the health of our associates and customers, smoking is prohibited throughout the workplace and at the front entrance of each location.

ANTI-NEPOTISM POLICY

Members of an employee's immediate family will be considered for employment on the basis of their qualifications. Immediate family members may not be employed, however, if employment would:

Create a supervisor/subordinate relationship with a family member; Have the potential for creating an adverse impact on work performance; or create either an actual conflict of interest or the appearance of a conflict of interest.

Your Manager must be advised before a family member is hired, promoted or transferred in a manner covered by this policy. For the purpose of this policy, immediate family includes: spouse, domestic partner, parent, child, sibling, in-law, aunt, uncle, niece, nephew, grandparent, grandchild, and members of the same household.

EMPLOYMENT BASICS

TRAINING PERIOD

Every new employee goes through an initial period of training in order to learn about the Company and about his/her job. This new hire period provides both the new employee and the Company the opportunity to determine whether the associate is suited to the position and the Company. The initial new hire orientation period is 90 days, although it may be extended by the Company for additional periods.

The 90-day training period also applies when an employee is transferred or is promoted or moved to a new position. A new employee's employment may be ended at any time during this period if the Manager concludes that he/she is not progressing or performing satisfactorily.

Additionally, as is true at all times during an employee's employment with the Company, employment is not for any specific time and may be terminated at will, with or without cause or prior notice.

VOLUNTARY TERMINATION OF EMPLOYMENT

In every case of termination of employment, it is the Company's objective to make the separation as amicable as possible for both the employee and the Company. As such, when an employee decides to leave for any reason, his/her Manager and District Manager would like the opportunity to discuss the resignation before final action is taken. The Company often finds during this conversation that another alternative may be better. If, however, after full consideration the employee decides to leave, it is requested that the employee provide the Company with a written two-week advance notice of resignation (bear in mind that vacation days or personal days may not be included in the two-week notice period). The Company, at its discretion, may not require the notice period to be worked. The employee will be paid only for time worked to the date of separation.

JOB ABANDONMENT

After two days of no call or no show, an employee will be considered to have voluntarily resigned, except where state law differs. No call or no show is defined as not calling out to your direct supervisor in advance of the start of your scheduled shift, and/or not reporting to work for your scheduled shift.

INVOLUNTARY TERMINATION OF EMPLOYMENT

Every Company employee has the status of "employee-at-will," meaning that no one has a contractual right, express or implied, to remain in the Company's employ. The Company may terminate an employee's employment, or an employee may resign his/her employment, without cause, and with or without notice, at any time for any reason. No Manager or other representative of the Company (except the CEO in a signed written agreement) has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above.



COUNSELING AND DISCIPLINE

Any employee whose conduct, actions or performance violates or conflicts with Company policies, rules or guidelines, may be terminated immediately. All employees are expected to meet Company standards of work performance. Work performance encompasses many factors, including attendance, punctuality, personal conduct, job proficiency and general compliance with the Company's policies and procedures. If an employee does not meet these standards, the Company may, in its discretion, take corrective action.

EMPLOYMENT BASICS

The intent of corrective action is to make an employee aware of deficiencies in job performance, while providing the employee with a reasonable time within which to improve performance. The process is designed to encourage development by providing employees with guidance in areas that need improvement.

The Manager should discuss the problem and may provide a written notice to the employee which identifies performance problems and outlines a course of corrective action within a specific time frame. The employee should clearly understand both the corrective action and the consequence (i.e., termination) if the problem is not corrected or recurs.

Employees who have had formal written warnings are not eligible for salary increases, promotions or transfers during the warning period.

POST-TERMINATION PROCEDURE

An employee's manager should conduct an exit interview whenever an employee is terminated or resigns. Arrangements must be made for return of Company property including:

- ✓ Store keys
- ✓ Company manuals
- ✓ Any Company-owned or issued property Access cards
- ✓ Company provided Phone #'s and e-mail accounts

FINAL PAYCHECK UPON TERMINATION OF EMPLOYMENT

Employees leaving the Company must return all keys and equipment before their final paycheck can be issued. This final paycheck will be mailed during the next normal pay period, except where state law requires other arrangements. If there are unpaid obligations to the Company, the final paycheck will reflect the appropriate deductions.

Wages will be paid via check for final pay and sent to the store in the weekly mail pack. If an employee wishes the paycheck to be mailed directly to their home, please call the Payroll Department before Wednesday of the following week to make the necessary arrangements. There are states that have specific rules regarding payments on termination (either voluntary or involuntary). The Company complies with all state regulations.

EMPLOYEE CATEGORIES

Exempt Employees: an exempt employee is paid a weekly salary, rather than being paid on an hourly basis.

Employees may be treated as exempt if they perform certain managerial or administrative duties, or because they are considered a "professional" employee under federal and/or state law, or because they qualify as exempt under other classifications permitted by federal and/or state law. The salary of an exempt employee is set at a level which assumes that the employee will regularly work 40 or more hours of work per week. For example, a salaried Store Manager, Area Manager, or District Manager normally is expected to work between 45 and 48 hours per week. An exempt employee normally receives the same weekly salary, regardless of hours worked, unless a deduction from pay is permitted under the standards for exempt status set forth by law.



EMPLOYMENT BASICS

Non-Exempt Employees: a non-exempt employee is paid on an hourly, rather than salaried, basis. Non-exempt employees are paid for all hours actually worked. A non-exempt employee's meal breaks are unpaid, although approved rest periods are considered paid time. A non-exempt employee who works more than 40 hours per week will receive one and one-half times their hourly rate of pay for hours worked in excess of 40 hours in the workweek. If overtime pay is mandated by state law on a daily basis, or for certain holidays, employees working in that state will receive overtime as required by state law. All overtime **MUST** be approved in advance by a District Manager.

Full-Time: while there is no guarantee of a minimum number of hours worked, a full-time employee is one who regularly averages 30 or more hours of work each week over a representative 12 month period. Hourly-paid Store Managers are full-time employees, and typically work 45 hours per week (in some Districts, hourly Store Managers are expected to work 48 hours per week). Assistant Managers typically are full-time employees and usually are scheduled to work up to 38 hours per week.

Variable Hours or Part-Time: Variable hour or part-time employees are hourly-paid associates who regularly work an average of fewer than 30 hours per week over a representative 12 month period. Hourly-paid non-exempt employees normally are hired on the basis that their hours are variable from one week to another, and generally their hours will range up to 28 hours a week. Actual hours in a given week will be based on anticipated and actual business levels at the store at which the associate is employed, and the times the associate is available to work. Most hourly-paid sales associates are part-time employees. At higher-volume stores, depending upon sales volume, job performance, experience, and job responsibilities and duties, an hourly-paid associate may become a full-time employee if such a position is available. Managers-in Training (also known as Junior Assistant Managers) and Sales Associates generally are variable hour or part-time employees.

Temporary/Seasonal Employees: a temporary employee is hired for a specified project or time frame, such as a seasonal period. Temporary employees are paid for hours actually worked, and do not receive any additional compensation or benefits provided by the Company.

PROMOTIONS AND ADVANCEMENT

Wherever possible, we try to promote from within. We are proud of the many employees who began with Rainbow as sales associates, and have advanced to higher-level positions at the Management level.

In filling open positions, we will consider the job performance of our current employees, their skills and abilities, and their potential to fill higher-level positions. Employees should keep their personnel records up-to-date to reflect any additional education, skills and training which they may have received since their original application for employment was submitted.

PAY AND BENEFITS

EMPLOYEE BENEFIT PROGRAMS

Our Company offers employees a variety of employee benefits. Eligibility for benefits varies based on an employee's job classification/position, part-time or full-time status, length of service, and waiting periods.

Because benefit programs change from time-to-time, the latest information concerning benefits can be found in the Operations Manual in Lotus Notes, under the "Benefits & Incentives" tab. In that section, you will find information about our generous benefit offerings, including the following programs:

- Medical insurance plan options
- Dental insurance plans
- Vision benefit program
- Long-term and short-term disability insurance
- Basic term life insurance
- Other insurance plans, including accident, critical illness, and whole life
- The Company's 401(k) plan
- Paid Time Off (for vacation, sick and personal reasons.)

Both full-time and part-time employees who wish to enroll in insurance benefits, should do so through the Benefitplace website. You must register and enroll at <https://secure3-enroll.com/go/Rainbow>, or through the Benefitplace mobile app (for the app, download the Benefitplace app and register using RAINBOW1 as the Company name). Employees may enroll during the period between 21 and 45 days after their first day of employment.

The Company reserves the right to change, add to, or eliminate benefit programs at any time. If you have any questions concerning benefits, ask your Manager or contact the Human Resources Department at the Home Office.

EMPLOYEE DISCOUNT ON PURCHASES FROM OUR STORES

1. Every employee is entitled to purchase merchandise, less the appropriate discount, for themselves and for members of their immediate family who are living in the same household.
2. Only the store manager may approve discount purchases. In a store manager's absence a call must be made to the District Manger who will approve the sale. Only the District Manager may approve discounts for the Store Manager.
3. Purchases may be made by the employee, or by immediate family member with employee present
4. Discount cannot be taken on merchandise that will be resold, bartered or exchanged for something other than cash, or is not for personal use by the employee on an immediate family member living in the same household. There is a weekly dollar purchase limit on employee discount purchases.



5. Employees must present the current week pay stub or direct deposit print out and one additional form of ID if they are purchasing in another store or the ringing manager does not know you as an employee.
6. The Company offers a layaway program to employees to help them purchase product on a payment plan.
7. Employees can also make layaways in non-high shrink stores. An employee may put \$5.00 down but must pay 20% by the first payday. All employee layaways must be paid off after 30 days. In addition, an employee may have a maximum of \$250.00 on layaway at any time.
8. During the Thanksgiving to Christmas holiday season, we also sponsor an "Extra Employee Discount Week." An e-mail is sent to the stores announcing this opportunity.

SALES CONTESTS

Throughout the year, we sponsor various sales contests which offer employees the opportunity to win gift certificates or other prizes for achieving high sales results. E-mails are sent to the stores in advance of these contests.

PAYMENT OF WAGES

Wages for most employees are paid weekly. The workweek runs from Sunday through Saturday.

The Company will pay time and one half to non-exempt employees for hours worked in excess of 40 hour worked in a workweek. Where a state law requires overtime in other circumstances, applicable overtime will be paid. There is no pyramiding of overtime pay.

Employees are required to clock in and out at the beginning and end of their shift and, if applicable, to clock out and in for lunch/meal breaks. Where a rest period of up to 15 minutes is provided, the rest period time is paid time and no clocking in or out is required. Repeated failure to follow clock in/out rules may result in disciplinary action.

- *An employee may only clock in and out for himself/herself, and not for any other employee.*
- *Company policy requires hourly non-exempt employees to be paid ALL time worked.*
- *No employee shall be asked or permitted to work "off the clock".*
- *Any manager asking an employee to work off the clock, or who removes work time from an employee's time record, will be subject to disciplinary action, up to and including termination.*
- *Hourly employees generally are not authorized to work from home or remotely (except to accompany a manager to the bank).*
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If you feel you have not been paid correctly by the Company, please call your District Manager, Payroll Manager, or Chief Human Resources Officer. **IF ANY ERROR IN PAY HAS BEEN MADE, WE WILL CORRECT IT IMMEDIATELY.** Employees making good faith complaints about pay errors are protected from retaliation.

PAY AND BENEFITS

WAGES/PAYDAY

Our normal payday for most employees paid on a weekly basis is ten (10) days after the close of each work week, except where a state law requires an earlier payday. If the normal payday falls on a Company-Recognized holiday, every effort will be made to have wages paid one workday prior to the recognized holiday.

Direct Deposit or Paycard: We encourage all employees to receive their pay electronically, either through direct deposit or a paycard. Choosing an electronic method of payment ensures that your pay will be immediately available to you by payday, and usually earlier, thereby avoiding possible delays in the delivery of paychecks and fees associated with cashing paychecks. A paycard operates in the same manner as a debit card and can be used to withdraw funds from your paycard account at ATM machines and banks, and also can be used to pay for purchases in retail stores including supermarkets, pharmacy/drug stores, and other retailers. Our paycard, which is administered by ADP, and known as Wisely, or Global Cash Card, can be used without a fee at more than 50,000 ATM machines throughout the country, and at bank tellers at all banks affiliated with Visa, as well as at retailers accepting Visa debit cards. Electronic copies of your paystubs will be available to you through the register.

IF YOU BELIEVE THAT YOUR PAY DOES NOT ACCURATELY REFLECT PAY FOR HOURS WORKED DURING A WORKWEEK, OR CONTAINS ANY INCORRECT DEDUCTIONS, OR CONTAINS ANY OTHER ERRORS, PLEASE NOTIFY YOUR MANAGER AND THE PAYROLL DEPARTMENT IMMEDIATELY. THE PAYROLL DEPARTMENT WILL PROMPTLY LOOK INTO THE MATTER AND THE COMPANY IS COMMITTED TO ENSURING THAT ANY ERRORS ARE CORRECTED SO THAT ALL EMPLOYEES ARE PROPERLY PAID.

TIME SCHEDULE/TIME RECORDING

The attendance of all store employees is recorded daily in the stores through the registers and is submitted to the Payroll Department weekly. Our attendance records are Company records, and care must be exercised in accurately recording hours worked and absences. Employees are not permitted to clock in or out for other employees.

All employees must record the time they arrive and depart each day, and their lunch/meal breaks. Unpaid lunch or meal breaks are generally given as follows (subject to your Manager's approval on a daily basis):

Less than 4 hours.....	No lunch break
4 – 6 hours.....	20 minute lunch break
6 – 8 hours.....	30 minute lunch break
Over 8 hours.....	45 minute lunch break

Employees below age 18 may be entitled to different meal breaks as required by state law. Additionally, if a state law requires different meal periods, that law will govern.



PAY AND BENEFITS

Once an employee clocks in, work is to commence immediately. Failure to do so is considered falsification of time records. If an employee forgets to clock in or out, he/she must notify the Manager immediately so the time may be accurately recorded for payroll purposes.

Hourly-paid employees may be required to accompany a Manager after clocking out in order to make a bank deposit. In such circumstances, the Manager will make an adjustment to the employee's clocked hours by adding the time spent making the bank deposit, so that the hourly-paid employee is properly paid for such work time.

MANAGEMENT WORKING HOURS

Store Managers normally are required to work between 45-48 hours per week, depending upon Region and/or District. For Store Managers, this schedule generally includes a minimum of two closing shifts (one of which should be Friday) and one weekend day (normally Saturday unless another day is approved by your District Manager).

A minimum of one Sunday per month must be worked. In some areas, Managers work a six-day workweek.

There are peak sales periods during the year when Managers may be required to work six-day work weeks (for example, during the weeks preceding Valentine's Day, Easter Sunday, Mother's Day, Memorial Day, 4th of July, Labor Day, or during back-to-school season or certain weeks during the Thanksgiving to Christmas holiday season). You will be notified of these weeks in advance by your Regional Manager or the Director of Stores.

POSSIBLE DEDUCTIONS FROM PAY - SALARIED EMPLOYEES

- Certain absences from work of a day or more for personal reasons.
- Certain absences from work of a day or more due to sickness before you become eligible for sick pay or where sick pay has been exhausted.
- Offset amounts for jury or witness or military pay.
- Certain unpaid disciplinary suspensions made in good faith for work rule/policy violations.
- Unpaid leave under the Family and Medical Leave Act or non-FMLA leave.
- Partial work weeks at start and end of employment.

PAY AND BENEFITS

PERSONNEL RECORDS

To keep necessary Company records up to date, it is extremely important that you notify the Payroll Department of any changes in:

- Name and/or marital status
- Address and/or telephone number
- Number of eligible dependents and W-4 deductions
- Person to contact in case of emergency
- I-9 Status

Please use a Personnel Change Form (PCF) in Lotus Notes to report any change.

EMPLOYEE ATTENDANCE, PUNCTUALITY AND DEPENDABILITY

All employees are expected to report to work as scheduled and remain at work for their scheduled shift. Dependability, attendance, punctuality, and a commitment to do the job right are essential at all times. As such, employees are expected at work on all scheduled workdays and during all scheduled work hours and to report to work on time. We recognize that there may be occasional circumstances when an absence, late arrival or early departure might be unavoidable. In such cases, the employee must notify his/her Manager or the District Manager as far in advance as possible, but not later than 4 hours before his/her scheduled starting time if he/she expects to be late or absent, unless on an opening shift where the Manager or District Manager must be informed at least 2 hours before the shift is due to start. This policy applies for each day of his/her absence. In the case of an early departure, as much advance notice as possible is required. If the lateness, absenteeism, and/or early departure becomes frequent, appropriate disciplinary action will be taken.

An employee who fails to contact his/her Manager or the District Manager for more than two days, will be considered as having abandoned the position and thus voluntarily resigned.

TIME OFF TO VOTE

On days when elections for public office are held, work schedules will be changed as needed to ensure that an employee has adequate time off to vote. No employee will be penalized or retaliated against for requesting time off to vote.



LEAVES OF ABSENCE

LEAVE UNDER THE FAMILY AND MEDICAL LEAVE ACT (“FMLA”)

The Family and Medical Leave Act (FMLA) provides eligible employees with up to 12 weeks of unpaid leave for certain family and medical reasons during a 12-month period. During this leave, an eligible employee is entitled to continued group health plan coverage as if the employee had continued to work. At the conclusion of the leave, subject to some exceptions, an employee generally has a right to return to the same or to an equivalent position.

EMPLOYEE ELIGIBILITY CRITERIA

To be eligible for FMLA leave, an employee must have been employed by the Company for at least 12 months (which need not be consecutive), for at least 1250 hours during the 12 month period immediately preceding the commencement of the leave, and at a worksite with 50 or more employees or where 50 or more Company employees are located within 75 miles of the worksite.

Events Which May Entitle An Employee to FMLA Leave

FMLA leave may be taken for any one, or for a combination of, the following reasons:

- the birth of the employee’s child or to care for the newborn child;
- the placement of a child with the employee for adoption or foster care or to care for the newly placed child;
- to care for the employee’s spouse, child or parent (but not in-law) with a serious health condition; and/or the employee’s own serious health condition that makes the employee unable to perform one or more of the essential functions of his or her job.
- when the employee’s parent, spouse or child is a military service member who has experienced a “qualifying exigency” assignment of active duty or being called to active duty or received impending call to active duty status in support of a military contingency operation.
- when an employees’ parent, spouse or next of kin (nearest blood relative) who is a covered service member has suffered (or aggravated) a serious illness or injury in the line of duty which requires our employee to provide care for that service member (including veterans who are no longer in active service).

A “serious health condition” is an injury, illness, impairment, or physical or mental condition that involves inpatient care or continuing treatment by a health care provider. A more detailed definition of “serious health condition” can be found in the Operations Manual.

An eligible employee is entitled to up to 12 workweeks of unpaid leave during a 12 month period for any FMLA qualifying reason (up to 26 weeks to care for an ill or injured military service member). FMLA leave may, in appropriate circumstances, be on an intermittent or reduced hours basis. The 12-month period is a rolling 12-month period measured backward from the date an employee first uses FMLA leave.

Employees on approved FMLA leave who participate in the company’s medical plan, may continue to participate in the plan, at an active employee’s contribution rate, so long as the employee makes timely payment while on FMLA leave. Failure to continue to pay the employee’s share on a timely basis may result in termination of health insurance coverage. If the employee fails to return after the FMLA period, the employee will be billed for the Company’s contribution during the FMLA period.

LEAVES OF ABSENCE

FMLA Leave is contingent upon providing appropriate documentation substantiating your need for and entitlement to such leave. Forms are available through Lotus Notes or the Human Resources Department.

PERSONAL AND MEDICAL LEAVE POLICY

(FOR EMPLOYEES NOT COVERED BY FMLA OR USERRA LEAVE)

Rainbow recognizes that an employee may need a personal leave of absence from work for reasons that are not covered by Family and Medical Leave Act (FMLA) or Uniformed Services Employment and Reemployment Rights Act (USERRA) leaves, or where the employee is not eligible for FMLA leave, or where the employee has exhausted her or his allowed FMLA leave. An employee requesting such non-FMLA/non-USERRA leave must submit their request to the Human Resource Department, which will review and determine whether such a leave may be granted. This type of leave of absence may apply to varying situations, including an employee's medical condition (physical, mental or emotional), pregnancy, maternity or paternity, leave as a reasonable accommodation to an employee with a disability, or need for time off for victims of domestic violence, victims or criminal acts, victims of natural disasters or similar situations, or for family members of those serving in the military. An employee also may have leave rights under certain state laws.

In reviewing leave requests under this policy, the Human Resource Department will consider any such state leave law provisions in its review, and the Company will comply with applicable state law requirements.

Please review the full Personal and Medical Leave Policy for non-FMLA and non- USERRA leave, which appears in the Operations Manual under the Benefits & Incentives Section, or contact the Human Resources Department for more information.

MILITARY LEAVE

Rainbow honors and supports the members of our military, and we are committed to protecting the job rights of employees who are absent from work on military leave. Military leave includes leaves of absence taken by members of the military services, Reservists and National Guard members, and covers training periods, periods of active service, and funeral honors duty, as well as time spent being examined to determine fitness to perform such service. Employees called to military, reserves, or Guard service, will be granted a leave of absence in accordance with the Uniformed Service Employment and Reemployment Rights Act ("USERRA") and all applicable laws. Employees requiring military leave should notify both their Manager and the Human Resources Department so that the time off is properly recorded and employee benefit rights are preserved.



LEAVES OF ABSENCE

OTHER LEAVES OF ABSENCE

Some states offer leaves of absence, or paid family leave. Please contact the Human Resources Department for more information, or consult the Benefits & Incentives section of the Operations Manual in Lotus Notes.

WORKERS COMPENSATION

The Company provides Workers Compensation insurance coverage for all employees to provide benefits for an accident or injury incurred during the course of employment. Please report any accident immediately to your Store Manager and the Human Resources Department. Failure to report an accident within 3 days may affect your ability to qualify for Workers Compensation benefits, so timely reporting is essential.

In case of an emergency, you should go to the nearest hospital emergency room for treatment.

An employee who loses work time because of a work-related illness or injury also should notify the Human Resources Department so that the time off from work can properly be classified as either FMLA or non-FMLA leave.

STORE OPERATIONS POLICIES, PROCEDURES & RULES

SAFETY

We care about the safety and security of our employees, customers, and others who visit our stores. We expect you to exercise good judgment to ensure that your work area is safe and secure. Here are a few reminders to help reduce the number of accidents.

- Only lift a box that you are comfortable carrying. If a box is too heavy, get help. When lifting, stand close to the box, squat down and bend your knees, lifting with your legs—don't bend over to lift up a carton or box. Keep the box close to your body while lifting to avoid excessive pressure on your back. When you set down the box, squat, bend at the hips and knees, and keep your lower back arched inward. Never twist your body.
- When fixing wall fixtures, changing light bulbs, hanging signage, etc., use a ladder. Do not stand on chairs, cash desks, etc.
- Do not stretch to the left or right on a ladder, get down and move the ladder so you don't have to stretch.
- Make sure shelving is secure and balanced on the shelf brackets.
- Make sure aisles are clear, rounders are level and do not wobble. Walk your store regularly and check to make sure there is plenty of room to walk around and nothing is sticking out which would injure someone, or cut, scrape or catch clothing. Don't block walkways with rolling racks, boxes, etc.
- Create a system for controlling your security pins and pick up all pins off the floor throughout the day and pay particular attention to the dressing room.
- Make sure all doors, signs, etc. are hung correctly and secure.
- If there is a spill on the floor, mop it up immediately and secure the area so that no one will fall on the damp spot.
- Politely ask customers to keep their children with them while they shop and make sure children are not running around the store or are unattended.
- Make sure mannequins are secure and will not fall down when touched by a customer.
- Keep your floors clean. Report any loose stair rails, trip hazards, torn carpet, or loose tiles, to the Construction Department.
- Know where all exits are located, and keep them clear.
- Make sure all high-touch points and high traffic areas are cleaned and sanitized regularly, and all required precautions are taken (distancing, wearing of masks), in accordance with Company protocols.

In rare cases, customers may have an accident, including a slip and fall on Company premises. If this occurs, treat the customer respectfully, assist in obtaining medical attention if needed, and get their contact information. After ensuring that the customer has been taken care of, report the accident on the "Customer Accident Reporting Form" on Lotus Notes. If the accident is related to a piece of equipment, keep the piece of equipment in case it is needed at a later date. Be sure to get statements from any witnesses to the accident, and forward those statements to the Human Resources Department.



STORE OPERATIONS POLICIES, PROCEDURES & RULES

LOSS PREVENTION SHRINK POLICY

“Shrink” refers to the loss of merchandise in a store’s inventory.

Shrink can result from theft of merchandise, negligent loss of merchandise, improper ringing of merchandise at the register, incorrect record keeping of receipts or shipments, errors in transfers of products between stores or returns to the Distribution Center, or other reasons. Shrink is controllable, and every associate’s job requires that extra care be taken in protecting Company assets, including the merchandise we sell.

We conduct inventories at each store at least twice a year. Any store with shrink above 1.00% is considered a “high shrink” store. As such, store employees generally will, at a minimum, receive a final written warning for high shrink, although termination of employment is possible. Repeated high shrink, or shrink of 4% or more, normally will result in immediate termination of the store’s staff.

CONCERN FOR COMPANY ASSETS

- Be on the alert for possible shoplifters and dishonest employees. You must see the theft take place and follow the shoplifter to the door to ensure they did not put the item back. If you did not see them take the item, you cannot assume item was taken.
- Do not accuse anyone of theft or intent to steal.
- If you have reason to suspect anyone of theft, act quickly and in accordance with established Company guidelines. It is imperative that only the Store Manager or manager on duty take further action.
- Never chase anyone out of the store.
- Never lock any possible shoplifter inside the store.
- We will not tolerate shoplifting or theft of money, merchandise, materials or equipment by anyone. In the event a theft occurs, all appropriate law enforcement officials will be notified and wrongdoers will be subject to prosecution to the fullest extent of the law.
 - If you have any concerns or observe suspicious behavior, please discuss it with your Manager or the Loss Prevention Department or you may use the Whistleblower Hotline: 1-888-5RAINBOW.
 - **IN THE CASE OF ROBBERY: YOUR NUMBER ONE PRIORITY IS YOUR SAFETY AND THAT OF YOUR CUSTOMERS AND CO-WORKERS.**
- Stay calm.
- **DO NOT RESIST. DO NOTHING THAT WILL PUT YOU OR OTHERS AT RISK.**
- Do not argue.
- Obey the robber’s orders. Let the robber know that you intend to obey. If you are not sure of what the robber is telling you to do, ask.
- Open the registers and safe if demanded.

STORE OPERATIONS POLICIES, PROCEDURES & RULES

- Do not make any sudden moves. If you must reach for something or move, tell the robber what to expect.
- Do nothing that will agitate, threaten, surprise, or startle the robber. Do not chase or follow the robber. (This includes people who walk out on bag checks). Do not lock a robber inside the store.
- Focus on remembering details about the individual: Hair color , Height , Weight , Voice , Age, and Clothing Distinguishing marks, i.e., tattoos, scar, noticeable traits, i.e., limp, accent, glasses, left- or right-handed
- What did he or she touch, so you can preserve it for fingerprints. Do not touch anything that may have fingerprints
- Call the police. Do not hang up until they tell you to do so. Keep police and other emergency numbers on or near the telephone

FRAUD/THEFT POLICY

All employees are responsible for the detection and prevention of fraud, misappropriation, theft, and other irregularities. This includes any theft or misuse of property, money, merchandise, confidential records or information from the company, its employees, or customers. Examples include any dishonest or fraudulent act; misappropriation of funds, supplies or assets; impropriety in the handling or reporting of money or financial transaction; profiteering as a result of insider knowledge of Company activities; disclosing confidential and proprietary information to outsiders or those who do not have a legitimate need to know the information; accepting anything of value from contractors, vendors or others who provide materials or services to the Company (except gifts less than \$50 in value or those approved by the Chief Human Resources Officer); destruction, removal or misuse of Company property; and false claims of injury or other false reporting for gain. Employees who become aware of any fraud, theft or irregularity, should notify the Chief Human Resources Officer, Director of Loss Prevention, Vice President of Finance, or contact the Silent Witness Program at the number below.

WHISTLEBLOWER PROGRAM

The Silent Witness Program is an 888 telephone number (1-888-5-RAINBOW) that has been set up for purposes of reporting criminal activity, violations of store policy and discrimination and harassment claims. The Hotline Program is in operation 24 hours a day, 7 days a week. All calls are dealt with promptly and held in the strictest of confidence. You may also e-mail your concerns to reportloss@rainbow.US

Rainbow awards employees who provide information on dishonest activity. Any employee providing information that leads to the arrest of an employee for dishonesty or theft will receive a \$200 cash reward.



STORE OPERATIONS POLICIES, PROCEDURES & RULES

INTERNAL INVESTIGATIONS AND SEARCHES

From time to time, the Company may conduct internal investigations pertaining to security, auditing or work related matters. Employees are required to cooperate fully with and assist in these investigations and credit checks if requested to do so.

Employees are required to cooperate.

The Company will generally try to obtain an employee's consent before conducting a search of work areas or personal belongings, but may not always be able to do so. Failure to comply with a search may result in termination.

PROVIDING GREAT CUSTOMER SERVICE

Customer service is the key to success for every retailer. At Rainbow, it is our priority. A satisfied customer will purchase more, return to our stores again and again, and recommend us to their family, friends, and acquaintances. A dissatisfied customer leaves the store unhappy, unlikely to return, and will bad-mouth us to others, including the posting of negative comments on the Internet. Therefore, each and every Rainbow associates must go the "extra mile" to ensure that our customers' shopping experience is a positive one!

The appearance of our stores and the image we present to our customers is extremely important to us. Because of this, we ask that all store personnel follow various rules and procedures.

- No smoking in any part of the store or in front of the store
- No eating or drinking on the selling floor.
- Only authorized personnel are allowed in the "back room" of the store or behind the register.
- Personal visits from friends and relatives during work hours are prohibited. Children cannot stay in the store when an employee is working.
- Our competitors should never be criticized to our customers.
- No solicitation for any purpose will be allowed during working time, and no distribution of literature of any kind will be allowed in any working area at any time.
- Use of profanity or offensive language or gestures is prohibited.
- Arguing with customers is not allowed.
- A store employee must be at the front of the store to greet customers at all times.
- If a customer wishes to have the Customer Service hotline number, it must be provided without fear of retribution.

- GREET EVERY CUSTOMER AT THE DOOR, smile, nod, say hello or good morning. Welcome them to your store. As the customer browses, engage in conversation about how well your customers would look in the items they are browsing through. Speak to the customer about special sales, values, promotions and new merchandise. Know your merchandise.
- Help customer choose items for purchase. Suggest accessories to complete the look.
- Show personal appreciation for their business. Thank the customer for shopping at your store and invite them to return soon.
- No posters/pictures may be put up in the store, back areas or on the stockroom wall except for those authorized by the Company.
- Music played in the store should be appropriate for people of all ages, and should not contain vulgar or offensive lyrics.

TIPS TO IMPROVE SALES

- UNDERSTAND YOUR CUSTOMER AND WHAT THE CUSTOMER WANTS.
- Shoppers are people too. Be confident and try to help them feel comfortable.
- Customers come with many personalities from “happy” to “angry”. Do everything possible to have the “angry/negative” customer enjoy her visit to the store.
- DRESS FASHIONABLY
- The way you look is the way you feel, and your image will project itself to your customers. If you look good, your customers will have confidence that you can help them look their best.
- KNOW YOUR MERCHANDISE
- It is important to know current styles, fabrics, size and prices, so you can direct your customer to the right merchandise.
- Dress to project a fashionable image.
- Know your merchandise and you will gain your customer’s confidence.
- Understand your customer.
- Be professional.
- REMIND YOUR CUSTOMER THAT SHE CAN BUY IN MANY WAYS: Cash; Major Credit Cards; Gift Cards; Debit Cards.
- Remind your customer about Rainbow’s Layaway Policy.
- We offer a “Buy Now, Pay Later” option through, Klarna.. Posters in each store provide our customers with information on Klarna and a scannable QR code.



STORE OPERATIONS POLICIES, PROCEDURES & RULES

GIFT CARDS

The Company offers gift cards to customers so they can be given as gifts. Gift Cards are sold in \$5.00 increments up to a maximum \$500.00. Customers can check their balances on line and also add to their balances as they get close to spending the amount of the gift card. This is a safe and easy way for customers to give gifts to their friends and family and not to have to concern themselves with size and fit.

COMMUNICATIONS

SOLICITATION, DISTRIBUTION OF LITERATURE, AND USE OF BULLETIN BOARDS

Employees may not solicit any other employee or non-employee during working time, nor may employees distribute literature in work areas at any time. Persons not employed by the Company may not solicit Company employees for any purposes on Company premises.

Bulletin boards maintained by the Company are to be used only for posting or distributing material of a business nature authorized by the Company. All employees are expected to check these bulletin boards periodically for new and/or updated information and to follow the rules set forth in all posted notices. Employees are not to remove material from the bulletin boards.

TELEPHONE USE

Because some customers call our stores, it is essential to project a professional telephone manner at all times.

- Each store should have one business line with touch-tone service.
- Phones in stores are for business purposes only.
- Phone calls should be short and well thought out.
- Incoming personal calls must be confined to emergency situations only.
- Stores do not order any phone or internet services without Home Office approval.
- Stores are never to order any additional services directly from the telephone company.

Note: From time to time we receive “prank calls” from people wishing to scam money from the company. The caller may state that they know various senior people from the Home Office and that approval has been given to take money from Petty Cash to send/wire /pay for something.

This is never our company policy. Money is only taken from petty cash to use when your District Manager approves. No one else has the authority to request you to use petty cash.

PHONE CONTACT WITH HOME OFFICE

All phone calls into and out of the Home Office are routinely monitored to ensure highest levels of service are provided to the stores. Signing of this employee handbook acknowledges that permission is given to allow the phone calls to be used for company purposes, including use for legal issues.

STORE OPERATIONS POLICIES, PROCEDURES & RULES

SOCIAL MEDIA POLICY

We recognize that many of our employees use social media tools as another way to connect with customers and share information about Rainbow.

Whether or not you are acting on behalf of Rainbow, or using your personal social media accounts or blogs to talk about our products or our business (e.g., projects, promotions, sales and initiatives), always use good judgment and follow these guidelines:

- To use Rainbow - owned social media accounts, our logos and/or Rainbow photo/video on behalf of Rainbow, you must be approved and trained. Contact the Corporate Social Media Team if you have questions.
- Don't post sensitive, private or confidential company information (e.g., internal sales results, company strategy, pricing information or comparisons).
- Respect customer privacy. Never give out personal customer information (e.g., personal addresses, phone numbers or credit card information).
- When commenting on the business. Unless authorized to speak on behalf of Rainbow, you must state that the views expressed are your own. Hourly employees should not speak on behalf of Rainbow when they are off the clock.
- Don't post photos of or make negative comments about our customers and do not share details about customer visits—both private and public figures—without their permission (unless it is a marketed personal appearance for the Company).
- Don't post comments about a coworker, customer or vendor that could be perceived as harassing, threatening, retaliatory or discriminatory.
- You may be legally responsible for the content you post, so respect brands, trademarks and copyrights.
- Follow terms and conditions for social networking sites.

CONFIDENTIALITY

"Confidential information" is information which is not generally available to the public. Company records and information relating to the Company or its customers are confidential and employees must, therefore, treat all matters accordingly. No confidential information, including without limitation, documents, notes, files, records, oral information, computer files or similar materials (except in the ordinary course of performing duties on behalf of the Company) may be removed from Company premises without written permission from the Company. Additionally, the contents of confidential records or information may not be used or disclosed to anyone, except where required for a business purpose. The misuse, unauthorized access to, or mishandling of confidential information, is strictly prohibited and will subject an employee to disciplinary action up to and including immediate discharge. Nothing in this confidentiality policy is intended to limit an employee's rights under Section 7 of the National Labor Relations Act.



STORE OPERATIONS POLICIES, PROCEDURES & RULES

PERSONAL APPEARANCE AND DRESS

The Company expects employees to maintain a neat, clean and well-groomed appearance at all times, and to avoid clothing which is too revealing or which may offend customers. Employees should avoid extremes in dress.

The Company reserves the right to send an employee home in the event personal appearance is not appropriate. Repeated failure to comply will result in disciplinary action.

- Employees must maintain appropriate grooming and hygiene at all times.
- One pair of earrings in the ears is acceptable. Multiple pairs of earrings are not.
- Visible body piercing and large or offensive visible tattoos are not acceptable.
- Clothing must be in good shape, clean, pressed and free of holes.
- Employee name badge should be worn during every shift.
- I-Pods / MP3s/other music devices may not be carried, worn or used.
- Beepers/Cell Phones/Pagers/Ear pieces may not be carried, worn or used.
- Fingernails must be kept to a length that does not interfere with job responsibilities, for example: ringing on register and opening shipment boxes.

STORE RULES

All store personnel should follow various policies, procedures and rules. Your failure to comply with policies, procedures and rules can result in disciplinary action, up to and including termination. The list of Store Rules below is not intended to be exhaustive.

OPERATIONS/PERSONNEL

1. Docking time or having employees work "off the clock" is prohibited.
2. Reference checks must be made and documented by management on all new hires. No employee may be hired before two (2) verifiable and satisfactory references are obtained and all gaps in employment are confirmed.
3. Failure to follow your work schedule.
4. Clocking in/out for anyone other than yourself is forbidden. Employees must clock in or out when they start and end work, and leave and return from a meal break.
5. Proper attire must be worn.
6. Improper conduct (such as fighting, cursing, threats, excessive socializing, and insubordination) will not be tolerated.
7. Failure to call or contact your Manager when you will be late or absent from work
8. Failure to provide a doctor's note for absences of three or more days.
9. Excessive absenteeism or lateness.
10. Any behavior or misconduct which is not in the best interests of the Company.

STORE OPERATIONS POLICIES, PROCEDURES & RULES

11. Rudeness, inappropriate behavior, or bullying, towards co-workers or customers.
12. Willful or repeated violation of an established policy or rule.
13. Falsification of Company records, including application form.
14. Gross negligence.
15. Insubordination.
16. Violation of the Harassment and/or Equal Employment Opportunity Policies.
17. Cashing personal (non-payroll checks) in the store.
18. Unsatisfactory work performance.
19. Unauthorized possession, use or copying of any Company records.
20. Marring, defacing or other willful destruction of any supplies, equipment or property of the Company.
21. Violation of the Company's Code of Conduct, Customer Service Policy, or other policies or rules.
22. Gambling, conducting games of chance, or possession of such devices on the premises or during work hours.
23. Sleeping on duty.
24. Violation of the no-solicitation/no-distribution rule.
25. Providing confidential information to other parties, either within or outside the Company, except where required or specifically permitted by law.
26. Off-duty conduct that adversely affects the Company's business or reputation.
27. Employees may not possess illegal substances, alcoholic beverages or any weapons on Company premises, or be under the influence of any narcotics/or alcohol during working hours. The Company retains the right to test for illegal drug use, and will comply with any applicable legal requirements.

OPERATIONS/GENERAL

1. Only management shall execute cash refunds, exchanges and voids.
2. All layaways must be verified to insure that all payments have been completed/deposits are minimum 20%.
3. There will be no damaging of any Company property or the property of any employee for any reason.
4. All merchandise not currently available for sale on the sales floor shall be kept in a limited access control area and locked where possible. Accessories back stock must be kept locked up at all times.
5. All merchandise outside of the store (fashion shows) must be logged and have your Regional Manager's written authorization.
6. The District Manager, only when authorized by the Regional Manager, may move inter-store transfers and Home Office Inventory Control Department has approved the transfer.
7. Employees are required to maintain store operating hours. Early/late openings or closings are forbidden unless authorized by the Home Office or due to a government or mall directive or emergency and, in that case, the District Manager and the Home Office must be advised.
8. The Regional Manager must approve staying in the store after hours.
9. No non-employees allowed in the store after hours, behind the register, or back rooms at any time. No non-employees are allowed to work in the store at any time.



STORE OPERATIONS POLICIES, PROCEDURES & RULES

10. Friends are not permitted in or around the workplace, unless they are shopping.
11. No employee may ring a sale for themselves or a member of their family or a personal friend. Store management must be notified immediately of these situations.
12. Employees may purchase merchandise only at prescribed times, and the Store Manager must ring all purchases.
13. Employee badges must be worn at all times while working.
14. There must be a member of management in the store at all times.
15. You may not leave the selling floor without first notifying your supervisor. You may not leave the work premises without authorization during work hours.
16. Management must insure proper floor coverage to be 100% of the time. Congregating at the cash desk is not permitted.
17. All employees who want to receive a discount on store bought merchandise must input their employee number at time of purchase and show proof of employment.
18. Employees must return employee purchases to the store at which they purchased the merchandise.
19. For those employees who drive a vehicle in the course of work, it is against Company policy to use a cell phone or tablet without a hands-free device, and it is against Company policy to text or read texts while driving. Safety is a priority.

OPERATIONS/LOSS PREVENTION

Extra cash drawer keys are to be kept in the safe in a sealed envelope. The District Manager's signature must be across the actual seal of the envelope. When the seal is broken, it must be with the District Manager's approval only. Cash drawer must be locked when not in use.

- All management keys must be on the key holder at all times and never given to any other unauthorized store personnel for any reason.
- Bathroom, fitting rooms and back stock cages are to be locked at all times. Only management may unlock access to the stock area. Bathroom keys may be given out, but must be returned immediately after use.
- Deposits must be taken to the bank in 24 hours for those stores without cash pickup.
- Bank deposit procedures must be followed. Two employees, one being management, must account for all cash of every denomination and sign the deposit slips as evidence that it is correct. Two employees, one a member of management, must make the deposit at the bank every day. For employees who have clocked out, the Store Manager will adjust the employee's time record to add the time spent in making a bank deposit.
- Misplacing, stealing or using a customer's property or identity.
- The employee ringing a sales transaction must account for the merchandise and insure that the customer receives the merchandise purchased, sensor pins are removed, and the register sales receipt for that merchandise is provided to the customer.
- All exit doors must be double checked by each member of management before leaving the premises at closing.

STORE OPERATIONS POLICIES, PROCEDURES & RULES

- Use the detex log to test alarms.
- Taking or borrowing from Petty Cash is not permitted.
- Dishonesty affecting the Company's assets or reputation or the assets or reputation of a fellow employee is prohibited.
- Only store employees scheduled to work are permitted in our stores before or after business hours, unless authorized by a District Manager or above. Also, only store employees are allowed in the back room or behind the register at any time.
- Unauthorized removal of Company assets, including money and/or merchandise and supplies, from Company premises is prohibited.
- Bringing dangerous materials or weapons onto Company property is strictly forbidden.
- Pocketbooks and all other personal belongings must be locked up at all times. The Company will not be held responsible for any lost or stolen articles.
- All bags are subject to inspection by store management and/or Loss Prevention upon entering or leaving the store.
- Management must personally check the contents of every bag of trash prior to disposal.
- Employees may not wear store owned merchandise at any time.
- Workplace violence or threats of violence will not be tolerated.
- Falsifying sales or circumventing bonus/goal programs is strictly prohibited.
- Failure to protect Company assets will not be tolerated.
- High Shrink in excess of company standards is grounds for termination.
- Failure to comply with the Company's Loss Prevention procedures leading to high shrink will not be tolerated.
- Walking out on employer/employee interviews is grounds for termination.
- Dishonesty, providing false or misleading information, or failing to provide relevant information, during any part of the job application or employment process, including responses to questions during an LP interview, are grounds for termination.
- Theft, larceny or unauthorized possession or use of property belonging to any co-worker, visitor or customer, is grounds for termination.
- Shortages at the register will not be tolerated.



HOME OFFICE KEY TELEPHONE NUMBERS

Home Office Telephone (718) 485-3000

Home Office Fax Number (718) 485-3807

Customer Service Hotline: 1 877-760-8639

<i><u>TITLE</u></i>	<i><u>EXTENSION</u></i>
VP of Finance	4339
General Counsel	4215
VP Planning/Distribution	4263
VP MIS	464
VP Real Estate	4223
Director of Distribution	4458, 4352
Financial Controller/Accounting	4468
Director, Stores - Tiffany Wendell	TWENDELL@RAINBOW.US or X 4280
VP Stores- Hazem Youseff	4303
Director of Purchasing	4273
VP Operations	4350
Director of Construction/Facilities	4555
Director of Taxes	4276
Director of Loss Prevention	4271, 4388
Accounts Payable Manager	4275
Chief Human Resources Officer	4252
HR Specialist	4413, 4662
Manager of Lease Administration	4277
Manager of Inventory Control	4334
Payroll Manager	4283
Payroll Supervisors	4292, 4285
Employee Leaves/Disability	4457
Employee Benefits	4457/ 4242
Payroll Control	4292
E-Commerce	4446
Customer Accidents/Workers Comp./Unemployment Claims	4662

ACKNOWLEDGMENT

ACKNOWLEDGMENT

I acknowledge receipt of this Employee Handbook. I understand that my employment with the Company is at will, and may be terminated, either by the Company or by me, at any time and for any reason.

Mandatory Arbitration Agreement: The Company and I agree that any claim relating to my employment, including wage and compensation claims, and including claims relating to the termination of my employment, shall be resolved through arbitration as the exclusive forum. The Company and I hereby waive any right to pursue such claims in court or in a trial by jury, either as a plaintiff or as a collective or class member. Claims shall be brought before NAM (National Arbitration and Mediation), under NAM's Employment Rules and Procedures and in accordance with NAM's Fee Schedule for Employment Disputes. NAM Rules, Fee Schedule, and Claim Forms can be found at www.namadr.com, or by contacting NAM at 990 Stewart Avenue, Garden City, NY 11530 (toll-free number: 1-800-358-2550). Any appropriate remedies available under statutory law may be awarded in arbitration, and the decision of the arbitrator shall be final and binding on all parties. Any applicable limitations period shall apply to such claims.

If mandatory arbitration of specific claims is expressly prohibited by law, the Company and I each knowingly waives, to the greatest extent permitted by law, a trial by jury, and we each agree that such claims shall be decided solely by a judge in a court of competent jurisdiction.

The Company and I agree that there is no right to participate in a representative capacity, or as a member of any class or collective group, in any claim brought to arbitration or in court, and that there is no right or authority for any claims, asserted by either the Company or by me, to be arbitrated or tried on a class action or collective action basis, nor may claims be joined or consolidated in the arbitration or court proceeding unless the individual and the Company jointly agree in writing. The Company and I also agree that prior to bringing an arbitration claim, the party bringing such claim shall provide at least fourteen (14) days advance written notice to the other party of intention to file such a claim.

All store employees must electronically acknowledge their agreement at the register.

