

Dispute Resolution Policy

INTRODUCTION

We are proud of _____, of its achievements, and of its people. We recognize that even the best employees will have problems, and, at times, disputes that need to be resolved quickly and fairly. It is important to the Company to work out our problems and to return to amicable and productive workplace relationships as soon as possible. In that spirit, we are setting forth this Employee Dispute Resolution Program, which we believe is an effective and beneficial program for all employees.

There are three components to the Employee Dispute Resolution Program (“Program”).

PROGRAM OPTION ONE – OPEN DOOR DISCUSSIONS

When there is a problem, it is the Company’s practice to require you to discuss it first with your immediate supervisor. The best time to resolve problems is as soon as the problems arise, while they are still small and more manageable. When possible, stay within the chain of command. You are encouraged to solve your problem at the lowest level possible. We believe this is the most effective way; your supervisors are closest to you and your situation.

When the problem is with your supervisor, you may talk to higher levels of supervision, or, of course, to the Human Resources Department. This is our promise: that all doors are open to you. You may talk openly to any member of management. And you may do so without fear of retaliation. Retaliation against you for participating in the Program is prohibited.

PROGRAM OPTION TWO – REVIEW CONFERENCE

A review conference is an informal meeting between you and a Company representative who is not in your chain of command and who has the appropriate authority to discuss your problem and possible solutions. This representative is called the Facilitator. You will have the opportunity to tell your side of the story to the Facilitator and to point out any facts or circumstances that you believe are important.

Either you or the Company is entitled to a review conference if you complete and submit a Review Conference Request form to the Program Coordinator. Forms are available _____. A Review Conference will be scheduled within one week of the receipt of your written request. After the Review Conference, if you desire further action, the Facilitator will investigate the matter and will respond to you within _____ days. The Facilitator may make recommendations to you or to the Human Resources Department. Generally, the Facilitator will not have the authority to require you or the Company to take steps to resolve the dispute, but the Company’s managers and supervisors will consider seriously any recommendations that are made. All discussions, statements, and recommendations that are made by you or the Company during or as a part of a review conference must be kept confidential in order to encourage open and honest exchanges; they may not be relied upon or used as evidence in other proceedings or during a subsequent arbitration.

PROGRAM OPTION THREE – BINDING ARBITRATION

If your problem or dispute involves a legally protected right, and it has not been resolved through other program options, you or the Company may request arbitration.

Arbitration is a resolution process in which the problem or dispute is presented to a neutral third party, the arbitrator, for a final and binding decision. The American Arbitration Association (“AAA”) will appoint the arbitrator and will administer the arbitration process pursuant to its National Rules for the Resolution of Employment Disputes, copies of which are available in the Human Resources Department or at www.adr.org. The AAA is a not-for-profit public service organization dedicated to assisting parties with resolving their disputes.

The arbitrator has the authority to award you monetary damages and any other relief that could be awarded in court. There is no jury, and the arbitrator’s decision is final, except in rare circumstances. The proceedings are informal and are far less damaging to workplace relationships than lengthy and expensive court battles.

We want you to understand what this program option means. You and the Company mutually agree to the resolution by final and binding arbitration of all legal claims or controversies that you may have against the other. Some examples of the types of claims covered by this Program are:

- claims for unpaid wages or commissions
- sexual harassment or other sex discrimination
- discrimination or harassment on the basis of age, race, religion or national origin
- disability discrimination, including allegations of a failure to accommodate
- Family and Medical Leave Act claims
- tort claims (*e.g.*, negligence, mental anguish)
- unlawful retaliation for filing a claim for benefits, such as workers’ compensation benefits, or for refusing to commit an illegal act
- breach of contract or any other challenge to the “at-will” status of your employment

This arbitration option, not the courts, is now your exclusive means for resolving workplace disputes involving legal or statutory rights. This Program does not, however, limit or restrict your opportunity to seek relief from state or federal agencies such as the National Labor Relations Board or the Equal Employment Opportunity Commission.

Either you or the Company may initiate arbitration by written request to _____.

The party initiating arbitration must pay any required filing fees. Once a request is submitted, AAA will guide the parties in accordance with the National Rules. The National Rules include procedures similar to those used in court and provide the opportunity for a fair hearing to both parties. The National Rules follow a protocol for due process that has been endorsed by such organizations as the American Bar Association Labor and Employment Section, the American Civil Liberties Union, and the National Academy of Arbitrators.

Because the Company wants to work directly with you to resolve any problems as quickly as possible, the Arbitrator does not have the authority to consolidate the claims of other employees into one proceeding. This means that the Arbitrator will hear your individual claims and does not have the power to fashion a proceeding as a class action or to award relief to a large group of employees in one proceeding. In addition, if we disagree over issues concerning the formation or meaning of the agreements in this Program, the Arbitrator will hear and resolve these arbitrability issues. This is the best way to obtain a quick and fair resolution.

You do not have to hire a lawyer to represent you during an arbitration hearing. You have the right to be represented by an attorney or other representative at all stages.

The Company believes in the effectiveness of this arbitration option and, as a benefit to employees, will pay for most of the costs associated with obtaining an arbitrator to hear the dispute. More specifically, the Company will be responsible for payment of the daily or hourly fee of the Arbitrator, any administrative fees charged by AAA, and the cost of the location for the hearing. Both you and the Company will pay other costs incurred and must pay for your own attorney or representative. If any party prevails on a statutory claim which affords the prevailing party attorneys' fees or costs, the Arbitrator may award reasonable attorneys' costs and fees to the prevailing party.

Any award rendered pursuant to this Program is enforceable in court and is subject to the Federal Arbitration Act and to the Texas General Arbitration Act.

PROGRAM COORDINATOR

The Program Coordinator is a special part of this Program and is always available to help you. The Program Coordinator is responsible for managing this Program and may be able to help you by answering questions, by arranging conferences, or by suggesting other Open Door options.

CONCLUSION

We believe this Program will work to promote the fair treatment of all employees by encouraging communication, by resolving disputes quickly, and by saving all of us from the emotional and financial strains of court battles. Join us in our commitment to make ABC Company a productive and satisfying place to serve our customers and to provide for yourself and your family.

AGREEMENT

I acknowledge that I have carefully read this Program and that I understand its terms. By signing below, I agree that any claim or controversy arising out of or relating to my employment or to any separation from employment shall be settled by final and binding arbitration to be administered by the American Arbitration Association under its National Rules for the Resolution of Employment Disputes.

Opportunity to Consult Counsel

I understand that this agreement affects my legal rights and that I may consult with legal counsel if I want to do so. By signing below, I acknowledge that I have had the opportunity to consult with an attorney.

Signature of Employee

Print Name of Employee

Date